

Generation Homes builds faster and better with Sprint wireless technology

Challenge

Generation Homes is a high-end production homebuilder developing exclusive planned communities in Central California. To accommodate its clients in a tightening market with competition from other builders, Generation Homes offers its home buyers more than 25,000 options across all its models' designs. Further, the company combines state-of-the-art materials and modern amenities to create a friendly environment with a sense of community in their developments.

With 45 full-time employees, 60 subcontractors, 25,000 potential options to choose from and 200 new home starts (up 38% over the last year), tally the numbers and you can see the organizational and data management challenges that Generation Homes was facing. In addition, there was a need for an efficient process to manage all its moving elements (parts, people and data). Only a formidable technology and strong integration plan could help Generation Homes manage all of its moving parts and people.

Solution

Generation Homes called on Sprint for their commitment to technology partners who deliver sound business solutions. The company adopted BuilderMT, a scheduling data application with real-time wireless connectivity, running on Sprint's two robust networks (Nextel National Network, Nationwide Sprint Network) using BlackBerry® devices from Research In Motion (RIM). The combination results in completing homes 20 days faster, while improving cash flow.

Every Generation Homes' supervisor was equipped with a BlackBerry handheld for quality voice and data capabilities including wireless phone, email and Nextel Direct Connect® capabilities that allow them to communicate instantly with crew members, company headquarters, suppliers and customers at any time and from any location. The BuilderMT application delivers project information, customer information and crucial documents allowing for real-time updates from the field over the Internet to the information systems, including the payables approvals to keep project details current and accurate. Everyone on the system can see current information, including updates from the field.

With messages and information automatically "pushed" to the BlackBerry handheld over Sprint's networks, supervisors can be certain of never missing an important update, or forgetting to post an update. This industry-leading software works in conjunction with BlackBerry to help supervisors collect, share, analyze and appropriately act on the constantly changing details of a given project. Accurate information flows in real-time, which significantly reduces problems due to lost paperwork, faulty memories, misunderstandings or missed connections.

"The average house has 80,000 components, takes over 100 days to build and involves employees, subs, vendors and bankers, all of whom need to be coordinated and tied



Generations Homes starts 200 homes a year, like this 4-6 bedroom Eureka model from its California series.

Generation Homes was founded in 2001, and headquartered in Fresno, Generation Homes serves as a primary builder for exclusive planned communities throughout Central California. It is dedicated to creating livable neighborhoods that engage residents, are pedestrian friendly and incorporate enduring architectural styles, features and value. Generation Homes works hard to ensure that their homes meet ever-changing lifestyles of modern families, while at the same time preserving traditional values of neighborhood and attentive, prompt service. Using cutting-edge materials and methods to provide the highest quality homes for the best possible value, Generation Homes achieves unparalleled energy efficiency using 21st century technology and bundles it with materials and finishes that promote easy living and low maintenance.

For more information, visit www.generation-homes.com.

back into a single master accounting system. Now multiply that by 200 house starts each year, and you see the challenge we're up against," said Paul Giambalvo, IT Director, Generation Homes. "To accomplish this coordination we needed the latest integrated technology, from the back office all the way down to the wireless units in the field. We found that with a combination of pre-integrated solutions from Sprint, BuilderMT, and SAGE Timberline Office. We couldn't be happier with the results, but the results speak for themselves."

As a small business in an especially competitive industry, Generation Homes must maintain extremely high quality standards, ensure complete customer satisfaction and use every resource to maximum advantage, from sales to scheduling to service management. Using wireless technology for improved scheduling and to process timely payment approvals focuses bank draws as required to improve cash flow. Restricted access to cash limits the ability to start new homes.

More importantly, data is wirelessly provided to the jobsite on a job-specific basis and information from the jobsite immediately affects Generation Homes' overall operations, right through to accounting and payables. Before implementation of wireless and paperless in-the-field technology, Generation Homes tracked progress of their projects through "percent completion estimates," entered by the field manager. The bank then took another week for someone to visit the site for validating funds release. Subcontractors and suppliers could only be paid once a month with this arrangement.

By integrating scheduling with wireless updates to the accounting and service information, Generation Homes reduced that lag time, and as a result found additional working capital that enabled a faster start cycle. An added benefit is that Generation Homes pays its subcontractors and suppliers twice a month, building loyalty by cutting the cycle in half.

Bottom Line

The solution offered from Sprint has enabled Generation Homes to significantly increase efficiency almost immediately. Supervisors' use of the BlackBerry devices directly contributed to a drop in construction time to an average of just 110 days from 130-145 days per home – a reduction of nearly 25%. Productivity gains enabled the company to increase capacity from 145 homes completed in 2005 to a projected 200 homes planned for 2006 – a 30% increase – without adding staff.

Even more remarkably, the solution enabled the company to reclaim nearly half a million dollars in project funding. In the past, like most construction companies, Generation Homes planned regular bank draws based on estimates of a job's completion percentage. By linking data from the BlackBerry handhelds to scheduling and purchase order databases, the company now automatically tracks actual tasks and costs and secures exact financing only when needed.

This precision reduced total project budgets by more than \$480,000, which allows the company to build – and earn – much more with the same amount of funding. In addition, Generation Homes can now easily make payments bi-weekly rather than monthly, a consideration that has made the company a preferred partner for top vendors and provided another critical competitive edge.

"Generation Homes recognizes that people need state of the art features and efficiency in a home that promotes old fashioned family security and a strong sense of community... We will not compromise on quality and service in any home we build. It is important to me that we build homes with high quality materials that promote lasting value and design neighborhoods that have a sense of place and stimulates neighborhood bonds."

*– Robert Wood,
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