

Generation Homes

Becoming More Efficient Through Wireless Technology

Generation Homes is a high-end production and custom homebuilder based in Fresno, California, with 45 full-time employees that coordinate 60 subcontractors. Through deployment of new technology tools from Sage Timberline®, BuilderMT and Sprint® mobile, Generation has grown its business 38% over last year to 200 new homes, especially focused in two new planned communities in Fresno, CA. Generation's database of home buyer option selections includes over 25,000 choices across all its models' designs, as the company combines state-of-the-art materials and modern amenities with an emphasis on creating a strong sense of community. With 45 employees, 60 subs, and 200 starts with 25,000 potential options, it takes formidable technology and strong integration to manage all the moving parts and people.

Proof that technology is paying off

Managing cash flow is key to Generation Homes, as restricted access to cash (regulated by the bank through "cash draws") can limit the Company's ability to start new homes or achieve and sustain Generation's ambitious year-on-year growth. Like any homebuilder, Generation has sales, scheduling, and services management systems, but unlike most homebuilders, Generation has installed a family of software systems that integrate these functions (so data can be shared in real-time and seamlessly), from job function to job function. More importantly, this data can be driven down to the wireless jobsite level on a job-by-job basis, and – even more crucial – uploaded from the jobsite so data can immediately affect Generation Home's overall operations, right back to accounting. Before the implementation of Sage Timberline®, BuilderMT and Sprint®, Generation Homes tracked a house's progress through "percent completion estimates" entered by the field manager. The bank then took a week to have someone visit the site for validation to release funds. Subs and suppliers could only be paid once per 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 subs and suppliers twice per month, building loyalty by halving the cycle.

Generation Homes uses BuilderMT Workflow Management Suite, tied to Sage Timberline® Accounting and Estimating software. These are the core applications. The scheduling software uses a CPM-stlye best practices template to maintain standardized practices/processes for each model. Then timely information on the job's progress can be shared with the subcontractors and suppliers, which coordinates their arrival and optimizes their time, while reducing overall cycle time.

Delays and missteps in home construction can seem inevitable due to the sheer volume and complexity of information, people, and processes involved. Generation Homes greatly reduced this burden by giving each supervisor a BlackBerry® 7520 from Sprint®; this device works as wireless phone, and provides e-mail and walkie-talkie services for instant communication at any time or location.

The BlackBerry® gives supervisors a secure, real-time link to the company network for remote access to critical documents and applications. Now when the supervisor walks the site, they simply click the work item to indicate it is completed. This updates the schedule and advises the next work group they can begin. By clicking the item is completed, the accounting system knows to move the PO forward for payment. The bank knows how much to release and doesn't need to second-guess percent complete; funds go to identified payments due. This means accurate information flows in both directions, eliminating problems due to faulty memories, misunderstandings, or missed connections. These efficiency gains directly contributed to a drop in construction time from 130-145 days per home to an average of just 110 days—a reduction of 15-25%.

This precision reduced project budgets by over \$480,000, which allows the company to build—and earn—much more with the same credit lines and staffing.