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## Purchasing Power: Southern Homes

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For Greg Masters, president of Southern Homes of Polk County, the days of fretting over order invoices are long gone. In the two years since he made the commitment to replace the company's back-office system with a combination of Timberline and BuilderMT products, the Lakeland, Fla.-based builder has been able to take some wobbles out of its business flight, resulting in increased efficiencies, more revenue, and shorter cycle times.

In fact, the switch was critical to streamlining the company's management processes, earning it the 2006 Lee Evans Award for Management Excellence. The honor, which applauds builder best practices, is awarded by Shinn Consulting-Lee Evans Group.

Masters says BuilderMT in particular greatly improved on the company's ability to properly issue and track purchase orders, even with last minute variances. Without the system, he says order invoices from vendors would arrive and his staff would have to always double check that the pricing was correct before the vendor was paid, which proved tedious. With the new system in place, pricing agreements already have been configured in the system and are accurately reflected every time an order is issued. Masters says, "You give [vendors] a piece of paper saying, I want this and I'm going to pay you X."

The improved visibility in the system, which keeps key stakeholders—supers, vendors, installers—on the same page during the purchase process, has not only improved cycle times but also increased gross profits by 1.5 percent since implementation, Masters says.

Although Masters has difficulty pinpointing exactly how many days have been lobbed off his cycle time due to the software—other process changes occurred at the same time—he's confident the software played a role for two reasons. First, he points out that the software allows purchase orders to be issued at the start of a job, giving vendors ample notice to fill the order. Second, the instantaneous nature of the software allows pricing to be locked in at the beginning of a job. The end result is "less surprises," he says.

BuilderMT president Tom Gebes says the builder is a perfect fit for the software product. As a roughly 400-homes-a-year builder, Southern Homes is a mid-market builder, which fits the software's user profile. Moreover, the builder's back office and purchasing processes were well structured, allowing for a three-month implementation for the purchasing software.

Southern Homes is an example that "you don't have to be a huge builder to have savings of hundreds of thousands of dollars," Gebes says.

And BuilderMT has been gaining ground with builders in general. The software company's client list includes roughly 550 production builders in Australia, Canada, New Zealand, and the United States.