

PRINT EDITION

Kara Homes Builds an Advantage

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Staying ahead of the competition, Kara Homes raises the bar in homebuilding through a range of strategies and tactics that apply the best value for all of its customers.

New Jersey may best be known for Atlantic City, Princeton University, and the first state to sign the Bill of Rights in 1787. Ironically that's just the beginning. There's still one additional little tidbit about the Garden State that might not be as well known. In fact, New Jersey is quickly being recognized as a homebuilding mecca.

Home to some of the more prominent homebuilders in the country and rapidly becoming a prime market for divisions of other leading homebuilders, competition for residential construction in New Jersey continues to increase every year requiring builders to constantly think differently about the market they are serving.

Yet that doesn't deter Kara Homes, www.karahomes.com, East Brunswick, N.J., from consistently raising the bar in the markets it serves through innovative designs, high quality service, and premium prices. According to Patrick Golden, director of construction, Kara Homes has the ability to "move markets" based on its unique industry strategy.

"The New Jersey homebuilding market is one of the most competitive markets in the country. And one of the reasons that we have remained successful through it all is because we create value and provide quality for our customers at a competitive price," says Golden.

That value and quality Golden refers to is a blend of what Kara Homes calls "classic fashion and contemporary style" built into its wide range of luxury homes, single-family homes, town homes, and adult communities throughout the state. Its reputation as a quality builder is also backed by more than 20 years of land development and residential construction experience brought to the table by President and Founder Zudi Karagjozi.

Still, it takes much more than reputation and low prices to win contracts in this market—a fact well known by Kara Homes. For this very reason, the company is driven to stay ahead of the pack by going above and beyond the typical homebuilder.

A good example of this is its custom design studio that allows the customer



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to work hand-in-hand with Kara on every facet of the interior design. The personal attention placed on each and every detail helps make the homebuilding experience a cooperative one for each of Kara's customers.

Another element to the success of Kara Homes comes from its commitment to letting project managers do what they are good at—managing projects. Rather than bogging them down with reports or spending time interpreting data sheets filled with numbers that might not be relevant to a particular home.

Kara homes project managers instead remain in the field executing their craft on a daily basis enhancing the quality of the homes they are responsible for building.

"I've seen project managers at other companies spend most of their day behind a computer and not out in the field working," says Golden. "That has never worked and will never work. Our belief is that there is no substitute for having a seasoned project manager in the field doing what they do best."

Golden also believes that a homebuilder doesn't need to spend much time accumulating every little detail about a project either.

"I've seen larger national companies spending time tracking up to 500 different items about a specific home," says Golden. "We are not going to micromanage a project via the computer. Therefore we are only collecting about 100 to 150 bits of information about a home or an owner."

Golden says it's pointless to over manage a project. In some cases, he insists some firms manage a project to the point where there are more spreadsheets produced for a home than there are nails in the drywall.

"Each department head will come to me and tell me what information they need in order to do the job correctly," adds Golden. "We then look at the (requests) and determine which information fits most closely with our business strategy and produce reports based on that."

At Kara Homes, the basis of success is more focused on what is produced in the field and less on what is produced behind a computer.

The need to spend more time in the field and less behind a computer does not mean that the use of technology is not important to Kara Homes. In fact, technology and innovation have proven to go hand-in-hand at Kara Homes. The company uses its share of technology for a range of necessary tasks. However, coinciding with its belief of not overtaxing its staff with reports and data entry, Kara Homes uses technology only in moderation and when it helps to meet customer needs first and foremost.

Says Golden, "What we are doing with technology is a bit different from what others might be doing. We have taken the route less expensive and less sophisticated but it does the job and is scalable to do exactly what we need."

The company tackles only what it considers to be the vitals of operations via technology. Software from Timberline, a wholly-owned subsidiary of Best Software, www.bestsoftware.com, Phoenix, Ariz., handles its accounting, while BuilderMT, www.buildermt.com, Lakewood, Colo., takes care of estimating and purchasing procedures.

Unlike its competition, Kara Homes has successfully traveled down the path of advanced Web technology for the purpose of enhancing customer service, extending brand awareness, and driving sales.

Online advantage

These days, according to executives at Kara Homes, the first place a consumer goes for most of their purchases is the Web. More often than not, big-ticket items like cars and homes are at least researched by the consumer via the Internet before purchasing.

With that in mind, Kara Homes saw the opportunity and decided it was the right place to capitalize and to invest its time and money.

"The Web has become a big delivery channel for us," says Jim McPaul, director of information technology for Kara Homes. "Our Website allows people to do their own due diligence for buying a home. It gives them a tool to become more educated about who we are and what we offer."

Kara Homes has quickly discovered the power of the Web via marketing and lead generation. Since it began using the Web nearly two years ago the residential builder has been very successful in gaining even more exposure among potential homebuyers as well as educating them about Kara Homes products and services.

What's more, Kara Homes executives have also discovered that the right technology has given them the ability to collect marketing and sales information from customers visiting model homes, its Website, and its portal sites. Ultimately, this information is maintained in a marketing database and then directed to the appropriate sales agents.

Software from Empowered Builder, www.empoweredbuilder.com, New York, N.Y., has given Kara Homes this critical link between front-end leads and back-end financials.

"When customers are looking at buying a house our sales consultants input information about the customer and home directly into this system and it automatically generates a contract," says McPaul.

The system is used primarily to help generate contracts for Kara Homes. It allows every level of management within the company to have realtime information on sales, the property status, and cash flow.

McPaul notes the company pretty much runs its entire business through Empowered's technology. All of its Web initiatives, including the hosting of

its Website, are handled by Empowered.

"It is proven that approximately 70% of homebuyers go to the Internet (to search for builders)," says Laurence Baer, president, Empowered Builder. "To most builders it depends how you want to take advantage of that and for the most part I would say many are not taking advantage (of leveraging) the Internet."

Baer notes that approximately \$500,000 in Internet sales goes through the Empowered technology. Prior to implementing the software nearly two years ago Kara Homes did little, if any, sales via the Web.

One of the major drivers for this has been the technology's ability to place Kara Homes' Website no lower than the second page on the majority of applicable Web searches by customers.

"We are spending a lot of money on utilizing the Web and becoming Web focused," says McPaul. "Empowered hosts and manages our Website, but we are moving to a point where more functionality is managed in house."

McPaul says he still works with empowered to make sure the company is generating the right kind of reports but the back-end actions are handled by empowered.

The back-end Web functionality is hosted out of an area that has dual redundancies, which is something that Kara wouldn't be able to afford if it was handling it all in house, says McPaul.

"It gives us fast recovery business-resumption planning on a large scale, so from a disaster recovery standpoint we can manage much better," says McPaul.

As for future sales and marketing initiatives, McPaul believes this technology will continue to pay plenty of dividends. In the long term, Kara Homes would like to provide customers with the ability to control options on a residence during the construction process.

In the end, the use of this technology is just another example of Kara Homes' philosophy of applying only the tools that enhance its ability to better meet customer needs and wants. Initiatives like this help Kara Homes distance itself from the tight New Jersey homebuilding market.

"We use only the technology that helps us make decisions quickly and not belabor our ability to work," says Golden. "Speed is most important to our business and we don't have the time to overanalyze too much information."

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