



## ESCAPE FROM AVERAGENESS

THOUGHTS ABOUT THE STRATEGIC DISCIPLINE, BUSINESS CONTEXT, AND PRODUCTION PERSPECTIVE NECESSARY FOR ACHIEVING EXCEPTIONAL BUSINESS AND OPERATING PERFORMANCE AS A HOMEBUILDING COMPANY.

- Fletcher L. Groves III



Vice President and lead consultant for SAI professional staff.

### The BIM Revolution Now Optimizes Estimating and Purchasing

(We welcome BuilderMT and Sales Simplicity President **Tom Gebes** this week as the guest writer on Escape from Averageness®, reporting on how Allen Edwin Homes manages to start 680 houses with a total of just five people across their Estimating, Purchasing, and Drafting departments)



Nothing short of a revolution is occurring among home builders who seek to reduce cycle times and automate data exchanges across their entire operations, whether it's estimating, sales, options, purchasing, construction, and punch list.

At BuilderMT and Sales Simplicity, we have taken special note of these developments because we have long admired the work of SAI Consulting (SAI Consulting is a sponsor, and together with Continuum Advisory Group, is presenting their production management seminar at our upcoming [Builder Technology Summit](#)). In their work with home builders, SAI Consulting has brought a highly-refined analytical approach to recognizing that the velocity of home building can have a dramatic impact on margins and profits.

We couldn't agree more, and we also recognize that the home building process can't move at the desired speed without the right software solutions to automate the process and allow builders to run lean.

With our technology partner, CG Visions, we recently profiled Allen Edwin Homes, an elite top-100 home builder, and a company that has invested the time it takes to really master a set of integrated technology solutions. Here's their story:

For starters, Allen Edwin Homes' success is hard to ignore. In 2015, the company was ranked #65 on the *Builder* list of top-100 U.S. builders, with 600 closings and \$132 million in revenue. They are confidently projecting 680 closings in 2016. They operate in six Michigan regions and Indiana, building in over 100 communities. They start three homes every work day, working with a staff of just 100 employees (*including* the sales team).

"We are working at a consistent and quick pace. We start three homes every workday," explains Matt Robbins, Allen Edwin Homes' CAD & Estimating Manager.

"For each one of those homes, across 59 home plan offerings (30 of which are in high usage), we offer easily 1,000 options per home. Buyers choose the options from a 7,000 square foot design center, working with our design consultants, who log the choices into our sales system, Sales Simplicity."

Allen Edwin Homes is equally admired for how it has leveraged leading software solutions to control manage cycle times, across a sprawling geographical area. Today, the company runs BuilderMT, Sales Simplicity, CG Visions' BIM Pipeline, Punchlist Manager, and Vertex BD (for its CAD and 3D modeling capability).

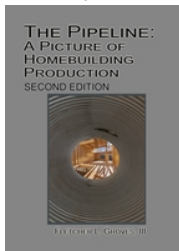
"Two years ago, with these core software systems in place, all tightly integrated, we realized that we could do far more to leverage our 3D modeling capability in Vertex BD," Matt Robbins said. "Specifically, we saw an opportunity to extract product data from our BIM models, and have that resulting data automatically generate purchase orders in BuilderMT by using BIM Pipeline. Since BuilderMT contains all the current vendor pricing, we are now able to get extremely accurate pricing on our options, as we apply the appropriate margins. All of this is happening at a lot-specific level."

"Pricing accuracy is the most-helpful feature of CG Visions' BIM Pipeline," explained Stacie Gratz, Business Technology Manager. "There is no guesswork and no mystery as to what options cost us, or what profit we achieve from each one. It essentially makes the predictability of our profitability a highly accurate empirical science, whereas in the past it was partially guesswork."

Now, with Vertex BD, the product data can be digitally extracted through automated systems in BIM Pipeline and instantly matched with product tables and pricing contained in the BuilderMT purchasing system. With the BuilderMT integration, BIM Pipeline supports a variety of different workflows, allowing builders to connect the actual design with purchasing systems. The process essentially uses BIM data to directly drive detailed take-offs, so Allen Edwin is now generating option-isolated, lot-specific estimates in an automated process.

#### The Pipeline by

Fletcher L. Groves III



The Pipeline:  
A Picture of Homebuilding  
Production

"It has taken us two years of work, but we now have 99% of our plans in BIM models," Matt Robbins explained. "With the power of those models, and the data they contain, we will be able to process 680 starts with *just three* people in estimating and purchasing and only *two* in drafting. We really feel equipped to scale up without staffing up, and that is a real testimony to the utility of the suite of software applications."

"Even better," Stacie Gratz added, "our variance purchase orders have dropped dramatically. Last month they were below 2%. And our goal was 3%! The software is working better than we ever imagined, and part of the low rate of VPOs is that we have CG Visions' BIM Pipeline tracking option costs, markups, and installed costs, so we have complete visibility to our cost and what we price the options for to our customers."

Based upon the success of Allen Edwin Homes, the game has changed. Now, builders need to evaluate their own systems and processes and focus on the product they sell. They need to make sure they are partnering with technology companies that can take their homebuilding business into the future.

Learn more about Allen Edwin and other award-winning home builders by attending our [Builder Technology Summit](#), October 3-6, 2016!

*Tom Gebes is the co-founder of BuilderMT, and the president of BuilderMT and Sales Simplicity. BuilderMT and Sales Simplicity are both MiTek companies. MiTek is a Berkshire Hathaway company.*

June 19, 2016 @ 8:23 pm  
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