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How to Become the Builder of Choice™ in a Tight Labor Market

JANUARY 19, 2016 || 10:00 – 11:00 AM

Presenter(s):

Charles C. Shinn, Jr., PhD || *Builder Partnerships, Littleton, CO*

Dan Wolf || *Bedrock Builders, Noblesville, IN*

Jason Gordon || *Wynn Construction, Creedmoor, NC*

How to Become the Builder of Choice™ in a Tight Labor Market

Today's housing industry is faced with a severe qualified workforce shortage. It isn't uncommon to find trade contractors tied up for weeks, making it challenging to get the labor you need when you need it. In this session, hear from a panel of award-winning builders as they discuss the importance of developing a high-quality management system for working with the trades so you can become the “Builder of Choice” in your competitive market.

Learning Outcomes

- Learn how to become the Builder of Choice™ and what it takes to remain highly profitable in this challenging market.
- Acquire proven techniques to attract quality trades to work for your company.
- Gain an understanding from award-winning builders about what it takes to become a Builder of Choice™.
- Hear how different companies have approached the labor shortage so they can still deliver their homes on time and on budget.

American Institute of Architects (AIA) Continuing Professional Education



APPROVED SESSION

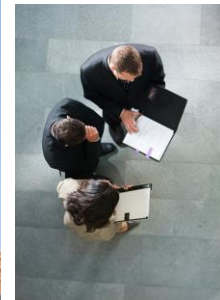
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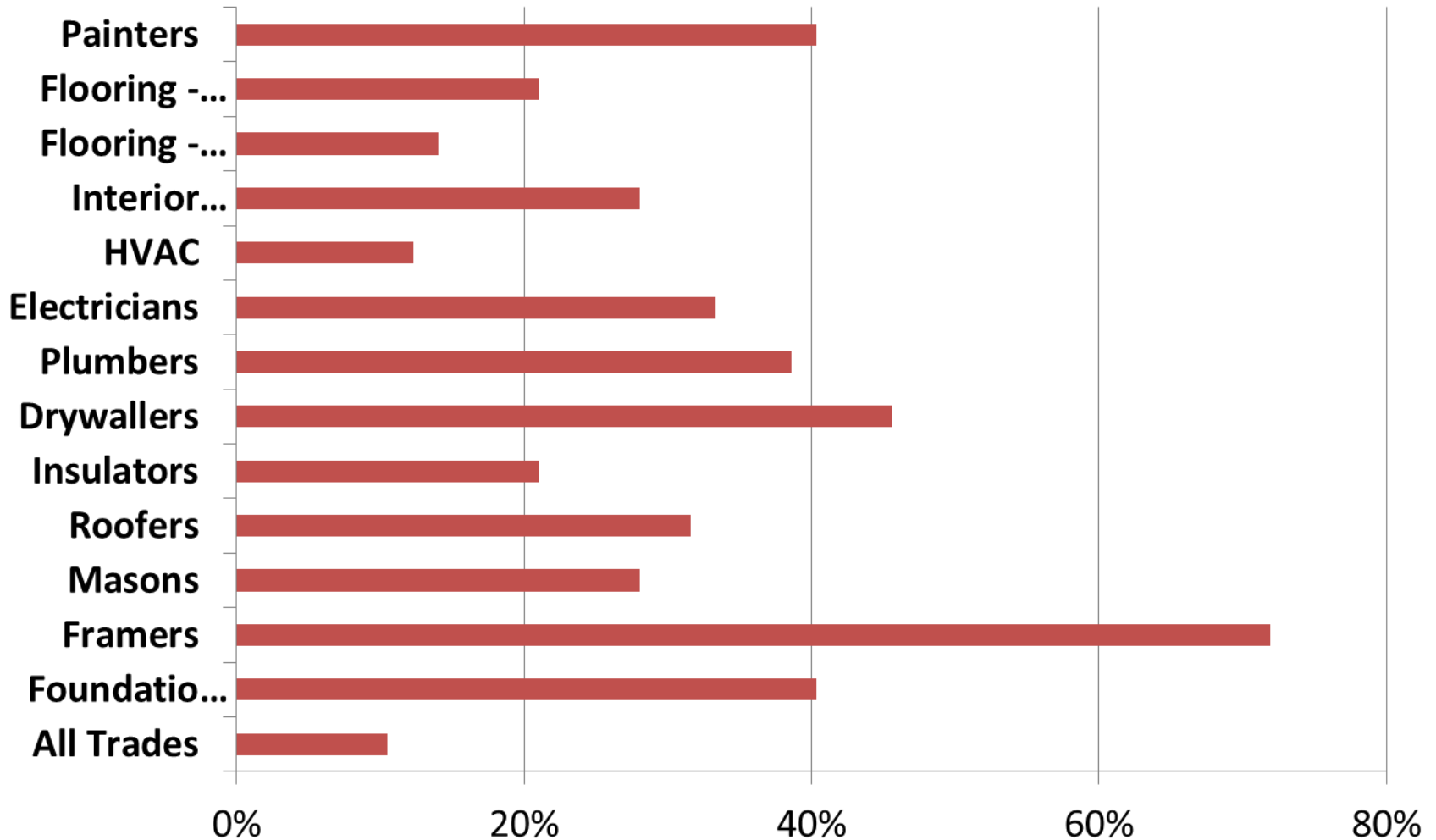
Questions related to specific materials, methods, and services will be addressed at the conclusion of this presentation.

History of Builder of Choice™

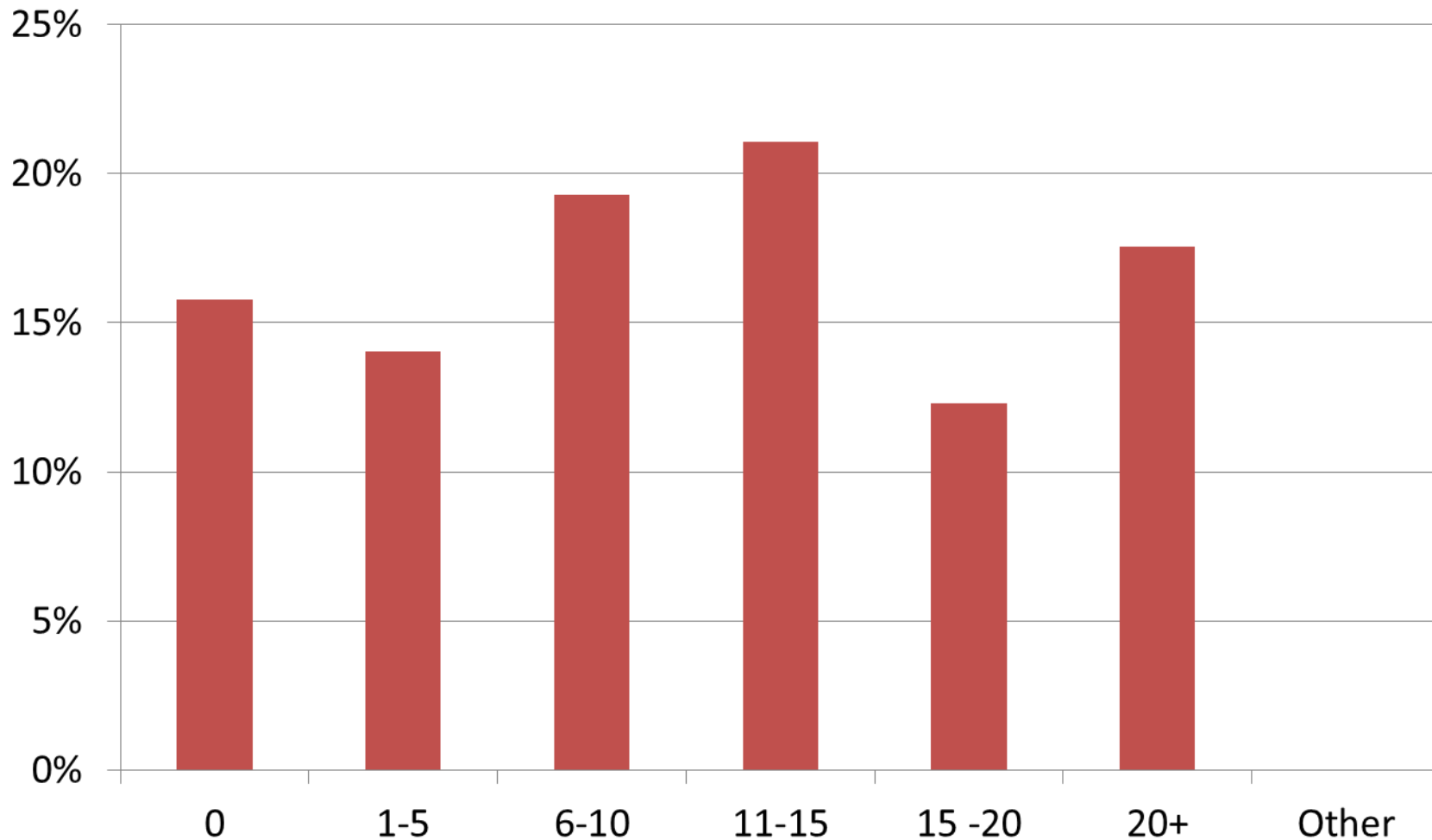
2005 Manitoba HBA Seminar Winnipeg, Canada



Trades in short supply



Days added



No Builder is Short of Trades

Your Housing Market Has a Trade Labor Shortage

Enough Trade Labor in Market to:

- Produce How Many Homes This Year
- What Percentage of those home do YOU build

The Challenge is to have them WANT to work for you

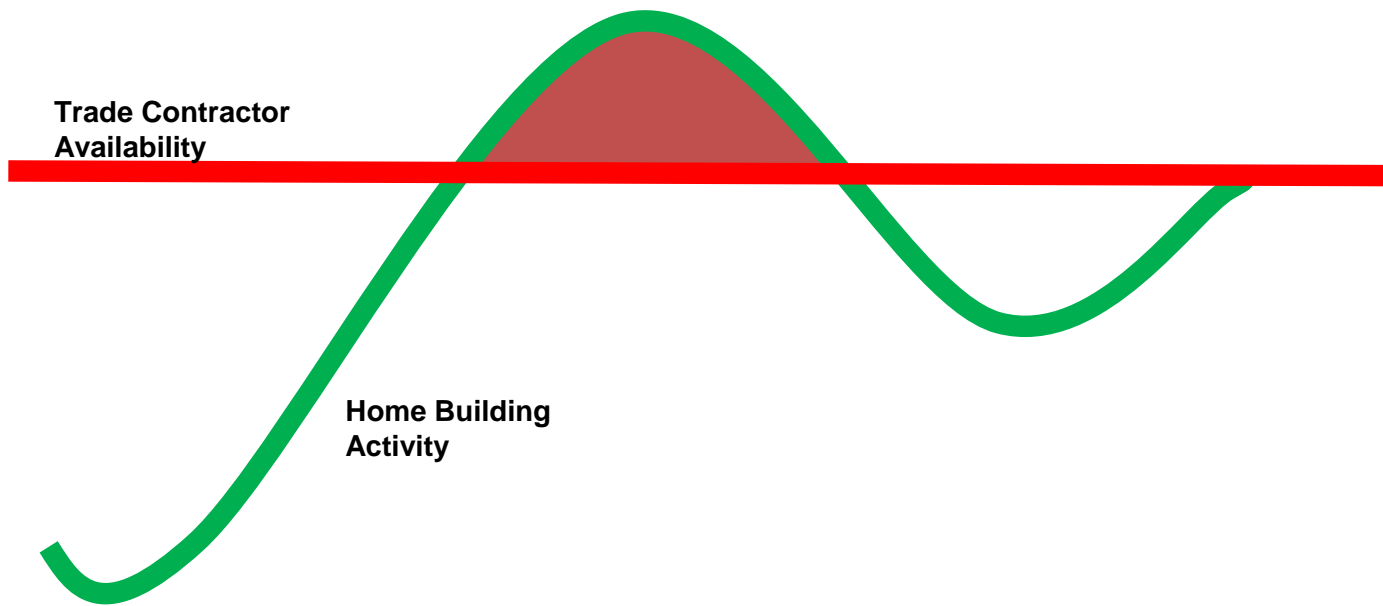
Trades are Reluctant to Hire

Every Year there is a Shortage of Trades

- At Peak Construction Activity
- Trades will **NOT** staff up for Peak



Annual Shortage of Trade Contractors



Apply the Builder of Choice™ Principles

How do you **NOT** share in the market shortage

– Become the Builder of Choice™



Become the 'Builder of Choice' in your market

An Honor bestowed by Trades and Suppliers

You MUST Earn it

You must *Manage* your company to *Create* and *Maintain* an *Environment* which will allow Trades and Suppliers to *Accomplish* their work *Efficiently* and *Effectively*

Your company must be *Consistent* and *Reliable*

You must instill *Discipline*



Results of Applying Builder of Choice™ Principles

Have an Adequate Supply of Trades & Suppliers

Trades will want to work with your Company

- Want to be a Member of your Team
- Will work for **LESS** than for other builders
- Will be **MORE** Profitable

Suppliers will want to supply your Company

- Typically have FIVE or more Price Points
- You will be on the Best Price Point
- Many times Better than the Larger Builders



Builder of Choice™ Award

Recognizes builders who have demonstrated leadership in their management of relationships with trade contractors and suppliers in their local markets

Provides third-party validation and certification from a credible source to demonstrate commitment to excellence

Judged by the Trade Partners
& Suppliers

10 Categories

68 Questions



Builder of Choice™ Award Winners

2016 Winners

ATLANTIC BUILDERS
GIVING YOU MORE



2015 Winners



Panelists:



Dan Wolf
Bedrock Builders



Jason Gordon
Wynn Homes

Panelists:



Dan Wolf
Bedrock Builders



Jason Gordon
Wynn Homes

Company Background



- Founded in 2000
- Nine employees, including two principal owners, two full-time commissioned sales people and a field staff of three.
- 25-30 homes per year, the majority being semi-custom homes. Upwards of 50% will be spec homes.
- Price range of \$400,000 - \$700,000, including land.
- Building 2/3rds of our homes on self-developed lots or discounted lots we pick up. Remainder built on homeowner land / lot
- Each house requires the efforts of no less than 25 trade partners and suppliers. Several trade partners have worked with us from day one and the length is over seven years currently.

Philosophy on Working with Trade Partners

Why we applied for Builder of Choice Award:

- Trade partners, along with our employees, are our most valuable long term asset
- It is imperative that our trade partners are making money on our homes. However, if they are not that is not necessarily due to us not paying enough.
- Input and feedback from trade partners is valuable information that we cherish
- Affirmation of what we do
- Insight in weak areas / improvement areas we are not aware of



What We Have Done in Working with Partners

- Treat not only the trade partner fairly and with respect, but the employees in the field, on our jobsites, fairly and with respect.
- We want not only the best trades and suppliers, we want their best employees on our projects



How We Achieve Excellence



Organization Organization Organization & Communication Communication Communication

- Start packet prior to starting a project – plan, specs, selection
- 3-week schedule updated weekly. Jobs are ready when we say. No dry runs

How We Achieve Excellence

Flexibility and Common Sense



- Looking ahead to prioritize contract jobs over spec homes when scheduling conflicts occur.
- Having realistic expectations. Needing / wanting a job done in two days may not be a plausible reality. Communicate with the trade partner to reconcile your needs with their abilities at any given time

How We Achieve Excellence

Reward and show appreciation to the individuals working on our jobsites, building our homes.

- Providing sodas / waters to workers a few times a month
- Buying pizza lunch for everyone working on a jobsite once a month



Summary / Lessons

- Feedback was one of the most rewarding things we have done in some time
- Don't short change yourself, provide as many trade partners to be surveyed as possible. The feedback is invaluable
- Most challenging dilemma was on how to deal with feedback that ultimately was based on personality conflicts.



Panelists:



Dan Wolf
Bedrock Builders



Jason Gordon
Wynn Homes

Wynn Homes

Home Builder in the Raleigh N.C. area

16 years in the home building industry

Starter and move up homes, average sales price 245K

80-Vendor/Subs in rotation



Communication

Open communication with Vendors and Subs

- Insure that each company feels they can speak and be heard
- Communicate any upcoming delays or expedited projects that may affect their processes and man power
- Be knowledgeable and able to get answers.

Organization/Consistency

- Project management is done same way from Project to Project

Listen to Subs/Vendors

- Hear their requests and research
- Be honest



Work Together

Consistent plan designs

Get in-put from trades and vendors on plan issues that may hinder production or cost and redesign as needed

Schedule in advance and do not overcrowd the build

Job site clean and ready with all materials that are needed for that work day



Summary



Being a production builder, it is easy to create a virus in the system that affects many, so insuring that plan is correct and everyone is on same page is critical.

Treat everyone with respect and courtesy. You never know when the guy sweeping the floor may have a good idea on the tip of his tongue that may help you.

Speaker Contacts:

**Charles C. Shinn, Jr.,
PhD**
Builder Partnerships



303.972.7666
7325 S Pierce Street,
Suite 203
Littleton, CO 80128
cshinn@builderpartnerships.com

Dan Wolf
Bedrock Builders



317.770.3900
14701 Cumberland
Rd., Suite 170
Noblesville, IN 46060
dwolf@bedrockbuilders.com

Jason Gordon
Wynn Homes



919.528.1347
2550 Capitol Drive
Suite 105
Creedmoor, NC 27522
jason@wynnhomes.com