

# Home Building from A (Accounting) to W (Warranty): Mastering the 15 Functions of Home Building

International Builders' Show • Wed, February 20 | 8:00-11:00a | South 233

*Speaker:*

**Al Trellis** | President, Home Builders Network | Mount Airy, MD

## Session Agenda

### **8:00-8:10am Administration and Introduction**

Al will introduce the topic and give a brief overview of the importance of this session to the success of any home building business.

### **8:10-8:20am Overview**

A listing of the Fifteen Functions and the interactions between them. This section also includes a discussion about the relative importance and complexity of the various functions, and their relationship to the five key constraints to success

### **8:20-8:30am Vision**

This is the first of the functions, and it sets the tone of any company. Here we will introduce the concept of Dynamic Thinking and review vision statements and corporate culture. The importance of corporate culture and the consequences of inadequate Vision will also be discussed.

### **8:30-8:40am Leadership & Strategic Planning**

This section begins with an explanation of why Leadership matters and moves into an overview of key leadership principles. The requirements of Strategic Planning will be explored, and examples of both a strategic plan and the supporting resource allocation plan will be shown and discussed.

### **8:40-8:50am Land Acquisition & Development**

Having an adequate number of building lots is a key driver of both sales and corporate success. Lot inventory and the importance of terms when buying lots will be reviewed, and the pros and cons of developing lots will be discussed. The six basic keys to successful Land Development will be explored.

### **8:50-9:05am Product Development**

The importance of coming to market with not only an outstanding product, but the right product for your targeted buyer profile, cannot be overemphasized. This section will cover the make-up of a great product lineup, how to properly position your individual houses, and the factors that make a great plan

### **9:05-9:15am Estimating & Purchasing**

In this section, Al will review the roles of Estimating and Purchasing as they relate to both the Product Development and the Pricing functions. Additionally, we will review the key components of an efficient estimating system and a cost cutting purchasing department.

**9:15-9:30am Pricing**

This function is often based on the wrong criteria and rarely given the important strategic significance it deserves. This section will address the 3 keys to ALL successful Pricing and the importance of *Pricing Truisms*. We will introduce the concept of “reality-based competition” and explore the irrationality of buyers. This section will conclude with four significant observations on Pricing.

**9:30-9:40am Break****9:40-9:50am Finance & Accounting**

Money matters and while these two functions are not fundamentally moneymakers, they are the managers and providers of the capital and revenue that flows through our companies. This section will cover the differences between Finance and Accounting, the responsibilities of both departments and thoughts on both CFOs and Controllers.

**9:50-10:00am Marketing**

This section will focus on the 3 M's of Marketing, with particular emphasis on the marketing message. The concept of promoting the “Total Product” will be introduced, and appropriate marketing budgets and dollar allocations will be reviewed.

**10:00-10:10am Sales**

So much has been written about this function that here we will explore the role and interaction of the Sales function with other key functions (Product Development, Pricing, Purchasing), rather than concentrate on specific sales techniques. There will be a discussion of sales employee compensation and professionalism.

**10:10-10:20am Admin & Customer Selections**

Administration is the back office function that supports all of the operations of the company. It provides records of all transactions. The Customer Selection function includes presentation of available options, upgrades and material selections, and the dissemination of information to construction management for implementation, and accounting for billing.

**10:20-10:30am Human Resources**

This function rarely gets the time and resources it deserves relative to its importance to the corporate enterprise. We will cover the importance of HR, its seven key responsibilities, and several important observations on the subject.

**10:30-10:40am Construction Management**

In the end, builders must build, and a successful Construction Management process is a fundamental requirement of any successful home building company. We will detail the nine key requirements to creating a properly performing construction department that delivers houses on time, on budget, and with minimal defects.

**10:40-10:45am Warranty**

As we cover the last of the 15 functions, we will address the 3 steps to a successful Warranty program, discuss what constitutes realistic expectations by both customer and builder, and summarize the key points of this important customer-retention and lead-generating function.

**10:45-11:00am Recap / Questions & Answers**