

LANSA Case Study

Maronda builds easily observable better value

U.S. home builder Maronda Homes has built over 30,000 homes in communities across Florida, Pennsylvania and Ohio. Maronda has improved the scheduling and workflow of selling and building houses by using HomeSoft, a LANSA-based Web solution that allows office staff, subcontractors, supervisors and sales representatives to share real-time information on the status of each home. Soon supervisors will have Wireless access to scheduling.

MARONDA
Homes

Ronald W. Wolf, President of Maronda Homes, says, "I estimate that HomeSoft will help to save us at least US\$1,000 per house in 2003. And the system will continue to help us realize further savings in the coming years because of accurate costing, reduced overhead, faster sale closure and decreased build time. It is the home owner who benefits from these efficiencies."

Maronda's Model of Efficiency

Mark Piccolo, Director of MIS at Maronda Homes, explains the dynamics of Maronda's business. "Our philosophy of an Easily Observable Better Value begins with fully estimating the cost of building a house, including the labor portion and usage of even the smallest materials. We manufacture our own components and bulk-purchase raw materials. We dictate to subcontractors how the work should be done according to our model of efficiency."

"This way of building provides better value for our customers, but requires much tighter management than just marking-up on the bids of subcontractors."

"We have over 1,000 subcontractors in the field that are managed by our own construction supervisors. When building so many homes, the challenge is to know where everybody and everything is and to measure the progress of the business. Nailing down the stage of construction for each home needed to be in real-time."

"Not only do the supervisors and subcontractors need access, field sales staff also need to be aware of price changes, lot availability and pending contracts."

"Our old solution could not deliver information to the field without expensive leased lines to every location."

Maronda looked at several packaged solutions, but as Wolf explains, they were not suitable. "They packaged

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multiple operating systems, multiple platforms and multiple databases, thereby never having real-time data. For example, sales and marketing would be on a Windows NT platform, scheduling would be an ASP, and accounting would reside on an IBM iSeries and everyone needed to uplink or downlink data to each other and manage three separate databases."

"I decided that I did not want to manage three platforms and three databases and kid myself that it is real-time," continues Wolf.

"I would only accept one database and one operating system which the entire company would use, thereby giving me real-time data and no multiple database synchronization. And I really did not want to give up my IBM iSeries box. In 10 years, our system has never crashed or been infected with a virus."

"When I found out that LANSA uses the iSeries platform but can display the programs in either Web browser format or green-screen all using one database, I was hooked. I have the best of all worlds, the rock solid reliability of the iSeries, the functionality of a Web browser and one database," says Piccolo.



An Integrated Solution

HomeSoft modules include Sales Prospecting, Project Scheduling, Messaging, Inventory, Estimating, Purchasing, Warranty, Sales Administration and Accounting. Sales Prospecting lets sales people quickly see what lots and house types are available and build a profile of a house with all its options for field generated sales contracts.

Project Scheduling lets management monitor the status of each house under construction and field supervisors plan tasks for subcontractors. These tasks appear on an individual's productivity management tool called the Personal Administrator. The Project Scheduling module can also engage users in other forms of schedules beyond home construction, such as sales campaigns and office administration.

A Messaging module allows for Daily Reporting of key business activities and immediate Hyper Messaging via email or pager. A manager can specify which events he or she wants to be notified of in a personalized Daily Report or Hyper Message.

Piccolo explains, "The system is huge. We have costs and installation time estimates for every part and piece of labor and material, down to such items as plumbing fixtures. We can produce very detailed tasks of what needs to happen to a house, when, by whom, and when the necessary materials for those tasks need to be delivered. We have over nine million records in our material file alone."

"Even though the system is huge, the LANSAs programs are short and sweet. Even a large program is probably only between 50 to a 100 lines. LANSAs Web events are little snippets of code that all come together and are re-used rather than repeating blocks of code. We use triggers to get more business logic in the LANSAs Repository, so there is even less code."

Saving Time and Money

"Prior to HomeSoft, we relied too heavily on information transmitted by fax or phone, and our phone lines were red hot all the time. The number of calls has already been cut in half," continues Piccolo.

"Job scheduling through the system is undoubtedly more efficient. When supervisors record the details of the most recently completed event from the field, the scheduler will dictate what task needs to happen next. It will look in the personal calendars of the contractors with the required skills to find out who is available."

"By leveraging the system a supervisor may double the amount of homes he can manage at any one time. Now, instead of managing each house reactively, he can manage his day. Each day the system will show at what stages

the houses are, determine what calls need to be made, what tasks are ready to be signed off and what needs to happen next."

"With LANSAs you only need a single set of skills and a small lean team."

"Sales representatives are more effective because they have all the information at their fingertips. Before they had to phone around to find out current availability, pricing and whether a lot is on hold. Our sales force can make more money because all of the information for cross-selling from one community to another is online."

"Management knows up front, before approving the sales agreement, the cost of the house and options, contributing profit in dollars and percentage and the critical path schedule needed to deliver that profit."

"We plan to build 5,000 homes this year, and our goal is to grow our business by 20 percent per year during the coming few years, without increasing our workforce."

"It is not just in the field where we will see the savings. The real-time integrated nature of the software eliminates duplicate efforts of back-office activities in processing time as well as in research and business analysis. This effectively increases the capacity of our workforce by 20 percent," says Piccolo.

Continuing Gains into the Future

"We want to make the efficiency and productivity gains continue year after year for the foreseeable future," says Wolf.

Maronda plans to give subcontractors online access to accounts payable information, deliver purchase orders electronically to reduce postage, and automate purchasing through preferred suppliers. Customers will be able to select fittings and finishes at the time of contract, follow the progress of their home online and directly view warranty information.

Online Construction Start Authorizations and point-of-sale color selections will reduce mistakes and improve the just-in-time materials management of Maronda as well as its suppliers.

Maronda is planning Wireless access, so supervisors in the field can walk through a house, sign off on tasks, confirm payments to subcontractors and schedule the next job.

"It is a huge project and LANSAs handles it well. We only need a single set of skills and a small lean team. If we did it any other way we would need COBOL, Java, C++, Wireless skills and more development staff," concludes Piccolo.

Company and System Information

- Maronda Homes started in 1971 and since then they have built over 30,000 homes in Florida, Pennsylvania and Ohio. Last year Maronda built about 5,000 homes. Maronda Homes uses an iSeries model 820. For more information on Maronda visit: www.maronda.com
- The MISG HomeSoft™ System was created as a joint venture between Maronda Homes and MISG Software Solutions Inc., Jacksonville.

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