

THE BUILDER'S JOURNAL[®]

Inside Story



Software Consultants

“Providing Software for the Unique Needs of a Home Builder”

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By Helen M. Valois

Are you satisfied with the amount of time you spend on your accounting and estimating functions? Does the information you get from your current software system meet your needs? Are you planning to grow your business to the point where either of these issues may arise? If so, maybe it's time to consider a firm that provides construction software that helps you be more efficient and productive, as well as give you the important construction reports you need to run your business. Software Consultants of Minnesota provides not only the technology, but also the training and ongoing support, to meet a contractor's unique needs.

Still, some business people may wonder whether the transition to software use is worth it. Dion Langness, co-owner of the business explains, “Ninety percent of businesses do some or all of these tasks manually or via excel, word, and even QuickBooks. This leaves room for mistakes, redundancies and lack of job cost information.” As for selecting and implementing software, “a contractor can go to the Internet, search for ‘construction software,’ and come up with a hundred different results. Even with all of these results, one still is faced with the daunting task of determining how each system differs and which program would be most beneficial to your company. Dion continues, “It is amazing how often general contractors use software designed for subs and vice versa. Our 20 years of experience, knowledge, and commitment to the construction industry allow us to pinpoint the specific areas an individual company could expedite and improve, thus ensuring the correct software selection.”

Software Consultants works with all types of construction companies. “We do a system set-up (a one-time event), and then follow up with whatever de-



The Flow Chart shows just a few of the many facets of a business that this software package can integrate: sales pricing, estimating, purchasing, scheduling and job costs all the way through to warranty.

gree of support a business needs. Software, after all, is only as good as the people who train you to use it. Our staff understands the construction industry, and not just accounting, estimating and computers. Cheryl Mueller, for example, worked for a home builder as well as a commercial contractor for about ten years, before getting involved with software. She now has over ten years of experience with construction software training and support.”

The company also employs other trainers, marketing, sales, and support staff who field specific questions. “We’re all local people,” Dion says. “We become comfortable and familiar with the contractors using our products and services and vice versa. When they need help, they feel at ease calling us locally—not a company in Denver, Seattle, or somewhere else in the US.”

During the system set-up phase, Software Consultants helps a company “get its financial statements looking the way they want.” One type of software often selected is Timberline, which is geared for the medium to large contractor, but,

Dion stresses, this is not a customer's only option. “We evaluate needs and then recommend a product to meet those needs,” he explains. “If Timberline doesn't work for them, we have other solutions to offer,” as opposed to other software companies, which many times will only represent one product, thus offering biased, and potentially incorrect, information.

When the system is selected and installed, it is then time to learn how to use it. First Software Consultants converts your basic data into your new construction system by electronically converting the data in-house which often saves personnel days and even weeks of data entry. We can convert from QuickBooks or Peachtree as well as many other programs, if need be. From this point on, Software Consultant's ongoing support is readily available.

“The whole system is geared around job cost—as a job progresses, knowing where your costs are versus budget and profitability,” Dion mentions. Some of the particular functions software can help with are creating lien waivers,



Timberline Homes

Job Overview

Job Information MP-008-001 Meadow Park Block 8, Lot 1

Buyer: William Smith	Construction Loan: First Bank of U.S.	Type: spec
Model: A	Ref. Number: 99-513854	Size: 1,800 sq ft
Realtor: Coldwell Banker	Deposit Amount: \$20,000.00	Status: In progress
Title Company: Western Title		

Profit

Original Contract:	\$153,750.00	Revised Contract Amount:	\$157,830.00
Original Gross Profit	26,905.00	Revised Gross Profit:	27,635.00
% of Original Estimate	21.21	% of Total Estimate	21.23

Draws

To-Date Draws:	87,700.00
Cost to Date	88,113.41
Variance	-413.41

Cashflow

Cash In	78,930.00
Cash out (\$ Paid)	87,439.00
Variance	-8,509.00

Loan Information

Loan Amount:	108,000.00
Balance to Draw:	20,300.00

Job Totals

<u>Budget</u>	<u>JTD Costs</u>	<u>Variance</u>	<u>Estimated Cost at Completion</u>	<u>Estimated % Complete:</u>	<u>Projected unit Cost</u>
130,195.00	88,113.41	42,081.59	130,795.00	67.68 %	\$72.66/Sq. Ft.

Cost Control

	<i>Total Estimate</i>	<i>JTD Cost</i>	<i>Variance</i>
Labor	4,080.00	550.00	3,530.00
Subcontract	78,847.00	61,471.00	17,376.00
Material	23,148.00	23,148.00	0.00
Other	24,120.00	2,344.41	21,775.59
Overhead	0.00	0.00	0.00
Variance	0.00	600.00	-600.00
	112,819.00	88,113.41	24,705.59

Change Orders

Potential Change Orders:	6,130.00
Requested Contract Change Order	0.00
Verbal Okay Change Orders	1,200.00
Approved Change Orders	4,080.00

Schedule

	Estimated	Revised	Actual	Last Cost Update
Start Date:	1/5/2004		1/20/2004	2/20/2004
Completion Date:	4/4/2004			

Date of Report: 1/11/2004

Change Request Log - Full Detail

Timberline Homes, Inc.

Date: 11/17/2005

102 Valley Homes, Lot 15

Number	Date	Description	Price	Status	Change Order
1	10/25/05	Retaining Wall	2,860.00	Approved	1
		<i>Excavate/Backfill</i>	400.00		
		<i>Landscaping</i>	1,800.00		
		<i>OH & Profit</i>	660.00		
2	11/7/05	Carpet Allowance	3,404.00	Submitted	
		<i>Carpeting</i>	2,960.00		
		<i>OH & Profit</i>	444.00		
3	11/7/05	Add cabinets in Family Room	3,108.00	Verbal okay	
		<i>Finish Carpentry</i>	480.00		
		<i>Cabinets and Vanities</i>	1,810.00		
		<i>Interior Painting</i>	300.00		
		<i>OH & Profit</i>	518.00		
4	11/7/05	Install lawn irrigation system.	3,070.50	Denied	
		<i>Irrigation System</i>	2,420.00		
		<i>Rough Plumbing</i>	250.00		
		<i>OH & Profit</i>	400.50		
5	11/17/05	Countertop Allowance	4,710.00	Submitted	
		<i>Countertops</i>	4,710.00		
		<i>OH & Profit</i>	0.00		
6	11/17/05	Light Fixture Allowance	0.00	Potential	
		<i>Light Fixtures - Allowance</i>			

Original Contract Amount:	104,650.00
Approved Contract Changes:	2,860.00
Revised Contract Amount:	107,510.00
Pending Contract Changes:	11,222.00

This sample change order report helps a builder track and capture prices quoted and approved to the contract amount. Timberline will also provide a system to manage correspondence, buyer selections, allowances, critical dates, punch lists, and warranty items.

tracking workers' compensation certificate expirations, providing job cost reports and even generating sworn construction statements and tracking draw requests. "The concept behind our system is that you enter the information one time and because everything is integrated, all the rest of the work is done and ready for reporting and analysis."

According to Rich Riemersma of Imperial Homes in Shoreview, MN "Timberline reports give me the information I need to manage our jobs." "The information I get in a format that makes sense to me is invaluable." I can't say enough about how much time and money we have saved by knowing our costs, tracking

change orders and streamlining the closing process."

Software Consultants "has done a very nice job making sure our system was setup properly" echo's Bill Simon of College City Homes in Lakeville, MN. "The training and service has been great and I wouldn't hesitate to recommend Cheryl Mueller's services to anyone in this industry." "We really value her professionalism, responsiveness and knowledge of the product and our industry."

Mike Patrick, Assistant Controller for Kueper's Construction in Baxter, Minnesota, would "most definitely" recommend Software Consultants to any business looking to computerize in this day

and age. "We're a pretty diverse company," he explains. "We do construction development and property management, as well as building homes. Software Consultants is very responsive to all our company's needs."

As for Software Consultants itself, "we look to be around for a very long time," Dion affirms. "The success of our business depends on an ongoing relationship with our customers' businesses. We'll be there as they grow."

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