Right on Schedule

When an Atlanta remodeler bought a new scheduling system, it turned into more than a software project; it became a companywide effort to streamline the business.

By Charlie Wardell

"Margins in this industry get tighter and tighter," says Jerome Quinn, CEO of Atlanta remodeling company Sawhorse Inc. "The only way to offer more value and stay competitive is to change practices. If you're not willing to change, you're not going to survive." Indeed, Quinn's company could be the poster child for how a commitment to change and growth can keep a remodeling business healthy and profitable. The company's most recent change — a complex, enterprise-level scheduling system — was adopted with that approach in mind, and the move has made Sawhorse more efficient and poised for growth. And implementing the system has improved more than just the schedule.

Sawhorse is one of Atlanta's biggest remodelers, with 25 employees and a projected $6 million revenue from the 60 to 75 jobs it will complete this year. Its work includes renovation and restoration of some of the region's finest older homes.

The company recently abandoned its hierarchical organizational scheme in favor of three self-managed project teams. Each team includes project coordinators (PCs, the salespeople who work directly with clients), project managers (PMs, who manage the actual construction and are responsible for completing the job on time and within budget), and people from architecture, interior design, and carpentry. Quinn likens the structure to having "multiple small companies within the company," and he says it's made the task of managing complex jobs easier.

The only problem initially was that the project teams found it difficult to coordinate their schedules with one another. For instance, PMs often found themselves scheduling the same electrician for the same day. And if weather delayed one job, the other teams' jobs had to adjust. If the company was to keep its jobs on track — not to mention keeping employees, subs, suppliers, and customers up-to-date — something had to give.

That something was a shared schedule for the entire company. Last year, Sawhorse began using Microsoft Office Enterprise Project Management Solution (EPM) to coordinate schedules between project teams. Although EPM is a complex program that takes time to master, Quinn says it was worth the investment, and that the rewards have gone beyond scheduling. The new system, for example, has helped his crews finish more projects ahead of schedule and with fewer punch-list items —

something Sawhorse already prided itself on. And there's been an unexpected side benefit: Implementing the software led Sawhorse's staff to examine and fine-tune many of the company's business practices. As a result, not only did scheduling get easier, but the whole company became more efficient.

Getting With the Program

EPM is complex enough that Quinn had to hire an IT consultant, Michael Steinberg of Project Assistants in Atlanta, to set it up and train his staff. Steinberg says he was able to train Sawhorse's PMs and PCs to use the program in about three days.

The company bought laptops for all PMs and put a wireless network in the office so people could move around and collaborate. And because PMs spend more than half their time in the field, Sawhorse created a virtual project network that would let them access the system remotely. Field personnel and people who don't manage schedules, including estimators and architects, can go online to indicate that they have completed a task. That information is then sent to the PM.

Getting all this to work smoothly took some ongoing support. Kesha Fussell, the company's team coordinator, wrote a series of instructions on the program's features and worked closely with Steinberg to provide one-on-one mentoring over the first few months.

On the Same Page

Getting people trained in how to use EPM was the easy part. Before Sawhorse's project teams could begin synchronizing their schedules, they had to get their business practices in sync with the program. EPM requires that users organize a job into groups of hierarchical phases ("design" or "construction," for example), each of which includes discrete tasks (such as "rough drawings" or "framing"). The PM then assigns someone to each task, sets dependencies (rules such as "you can't start insulating until the rough utilities have been inspected"), and estimates the time each phase will require. "The software crunches that all together, and, based on information you provided, it estimates when each task will start and finish and what the project will cost," Steinberg says. A lot of the early work went into organizing this information into templates for different types of jobs.

Of course, this is what any good remodeler does when planning a job, but EPM forces you to think through the steps more closely. The real art lies in creating templates with just the right amount of detail. "If you get into too much detail," Quinn says, "things become too complex and too hard to manage. On the other hand, if you're not detailed enough, parts of the job don't get done."

The first template was too long, with tasks as small as a single phone call. So Quinn's staff began the work of whittling it down, and in doing so had to reconsider everything that happens on a job. This turned out to be one of the biggest unexpected benefits of implementing the program.

"We had to agree on best practices. We had to put processes in place to help everyone do what needed to be done," Quinn says. "We didn't want to re-create the schedule for every job, so we got people together to discuss the templates." For instance, there was a lot of discussion about the most appropriate time to do things during the schedule. They found that some tasks were more efficient if broken into two phases, or that doing a certain task earlier in the process could eliminate a step later.

In other cases, they ended up grouping tasks. "Say you figured out that you make 10 calls over the course of a day. It may be more efficient to make those calls all at the same time."

The common templates also required project teams to standardize their way of doing things. One best practice the staff agreed on concerned the pre-drywall walk-through with the client. Some PMs had been doing one; some hadn't. The new templates not only require a walk-through on every project, they also require that the PC be part of it. Quinn says: "The PC is the client's main contact with the company, so bringing him back into the loop at this point seems to put clients at ease."

Steinberg cautions that EPM has certain quirks that can take some getting used to. One of these is the rules the program uses to make some calculations. "If you assign someone to maintain contact with a customer for the duration of a job, the software will assume that person will be on the phone with the customer that whole time," he says. To keep it from doing so, you need to figure what percentage of that person's time is spent on different tasks. "The cultural change is that you need to think more precisely about the nature of the work you're doing."

Costs and Benefits

Quinn estimates the cost for implementing the EPM system at $35,000 to $50,000, including software licenses, the required servers, and consulting fees. He considers it money well spent. "When we look at ROI, it's not cheap, but it has justified itself," he says. He describes the following benefits:

- **Better resource allocation.** "Internally, we have a better understanding of how our resources are being used. We're not promising to be in two places at once anymore, something that happens a lot when people are using separate calendars. Now, we can look across projects and see where responsibilities lie."
- **Faster communication.** Less time is needed for phone and face-to-face communication. When there's job delay, everyone concerned gets an automatic -mail update. This has saved PMs a huge amount of time. "E-mail notification sounded like the frosting on the cake, but it turned out to be a [major] piece of the cake."
- **Easier reporting.** The accounting department can look at schedules and get close to a real-time view of things like cash flow without having to call the PMs.
- **Timely purchasing.** The purchasing agent can see where each job is and then use that information to schedule material deliveries and special orders. "If it's a whole-house remodel with a window during which we can order things, we can just deliver whenever the software tells us that window is open."
- **Shorter punch lists.** According to Quinn, before EPM, Sawhorse already closed more than half of its jobs without a punch list. The new system is improving that score. "You're not going to forget the drywall, but the program keeps you from forgetting that special-order window you need for a job change."
- **Happier clients.** The company's clients get automatic e-mail updates on their jobs' progress. Keeping them in the loop means fewer calls to the office.

The bottom line: "The program relieves us of a lot of clerical activities and frees our people to do what they do best: design, estimate, and manage," Quinn says. "And our schedules are much tighter. We pick up on small details that might have gotten overlooked in the past. And it really impresses subs when you call them a month ahead to schedule a job or a job change. They think, 'This company is really organized. They're going to be easy to work with.'"

Preparing the Soil

Everyone at Sawhorse stresses that the EPM implementation didn't happen in a vacuum. "Change is part of the company culture," Quinn says. "We're constantly discarding best practices that didn't work."

Sawhorse installed a Novell network (a type of local area comphuter network) in 1987, making the company one of the first remodelers to do so. It started using AutoCAD and Lotus Notes a decade ago, and it has built extensive estimating databases.

"We're trying to make the company more process-driven than people-dependent," says David Shepard, one of the company's PMs. "You can have the best PM in the world, but if he quits and you don't have a process that details how and when things are supposed to happen on the job, then if you get someone in there who is a bit weaker you can have problems and upset the clients. Our template shows everyone how Sawhorse wants the job to go through."

The current goal is to get everyone working together, and the EPM implementation is a key part of that. The next steps will bring field personnel more fully into the system. "If we assign a worker as a resource to a certain job, the system automatically e-mails them. The goal is to get them to check their e-mail in the morning before going to work," Shepard says.

Which speaks to the real task: A schedule is a sequence of events that have to be done on time, but keeping everyone on that schedule isn't just a sequencing problem. "It all boils down to communications," Fussell says.

Ready For Growth

A lot of remodelers might contend that what Sawhorse is doing is overkill. It's true that the Enterprise version of Microsoft Office Project is usually found in much larger organizations; Steinberg doesn't recall setting it up for any other companies of Sawhorse's size.

"But their scheduling problems are the same as those of a big company," Steinberg says. "They have multiple projects and resources, and they need to optimize revenue, schedules, and quality." He also points out that Sawhorse can grow the business and not worry about its systems not keeping up. "This was designed to handle thousands of projects and thousands of resources. They can get bigger than they ever imagined and still use it."

And Sawhorse plans on growing. Quinn says that is one reason the company spends so much time refining processes and creating sophisticated management systems. "We may not get to be a $40 million company, but if we do, we'll be ready."

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