

Home Builders Find Money in the Strangest Places

By highlighting all forms of waste in the construction process, AxisPointe helps builders discover lost profits previously being thrown away to help boost profits in this tough economy.

Salt Lake City, UT ([PRWEB](#)) January 18, 2012 -- As builders continue their struggle to be competitive in a market full of foreclosed properties, many are finding innovative ways to turn routine wasted effort and materials into profits, according to experts at [AxisPointe](#), a leading quality assurance provider serving home builders in the USA and Canada.

“I have been through three recessions, but this one is hitting builders harder than ever,” cites [Stan Luhr](#), AxisPointe’s CEO and a forensic expert who assists builders in eliminating risk as well as mitigating claims. “Our savvy builders are learning to study every building process, and root out wasted effort and delay that adds up to lost profits,” says Luhr. “Anything that does not add value to the final product is considered waste, and can be scrutinized for elimination.” Luhr reports that builders are beginning to emulate other world-class manufacturers which utilize specialized tools to identify, manage and eliminate wasted efforts.

By developing replicable processes the products’ consistency is greatly improved, and waste is eliminated since it becomes so obvious. Prior to joining AxisPointe, Luhr created unique quality processes that identify risk in the building plans, within a builder’s operations, and during the construction of the project. His programs became so popular that major insurance companies mandated his services and gave builders cost reductions and expanded insurance coverage. “We learned that our programs were highly successful in eliminating defects and inefficiencies, and verified over \$9 billion in total risk elimination,” Luhr said. “Time and time again, it was the builders who told us that focusing on quality paid them back in spades, and eliminated headaches.”

Builders are always striving to build a better home, with more energy-efficient features that improve comfort and durability. But Luhr says risks can be increased as complexity rises—the more steps required to complete a product, the more opportunities for failure. Luhr provides builders with tools to reverse the process, creating “opportunities for Improvement” and rooting out waste. “The Japanese manufacturing industries were devastated after World War II, but they quickly learned to focus on process improvement and the elimination of ‘Muda’,” which translates roughly into waste, Luhr said. “Now companies like Toyota and Mitsubishi are the envy of the manufacturing world, and it is time that builders employ the same proven process tools to transform our industry.” One of the quality tools Luhr teaches builders became popularized by Taiichi Ohno, Toyota’s chief engineer who developed the Toyota Production System now emulated

around the world. Luhr offers these seven metrics for builders to begin analyzing their waste, in all facets of the construction operation:

1. **Transportation:** Parts in motion increase risk of damage or loss, create cluttered work areas and disrupt the production area. Think of ways to streamline the raw material delivery, placement and storage to minimize impact.
2. **Inventory:** Lumber and raw materials dumped into the mud before they are needed cause spoilage due to exposure and loss from theft. Lumber stored poorly creates warped wood making it difficult to build straight walls. Builders often throw away over 3 tons of once-valuable raw materials per home.
3. **Motion:** Popularized by Frank Gilbreth's studies for Henry Ford, wasted motion of the workforce creates stresses, injuries and inconsistent performance. (Think how many times a subcontractor retrieves tools and spare parts from his work truck, or climbs a ladder multiple times to perform tasks which are more safely and easily done on level ground).
4. **Waiting:** Whenever a home sits idle with no progression, value stops and if exposed to weather may begin to deteriorate causing re-work. An integrated work schedule with efficient manpower organization is key.
5. **Over-processing:** Added studs which provide no greater structural value than what is needed is waste, and can create additional waste by decreasing the energy performance of the home.
6. **Over-production:** Homes built but not sold are obvious financial drains to builders, just as much as the baker who makes too much bread before it is purchased.
7. **Defects:** Likely the largest risk and customer service issue for builders, the elimination of defects improves profits by reducing customer service claims and increases client loyalty. Insurance premium reductions soon follow when a builder can demonstrate that its quality culture eliminates defective work. Defect elimination is often the first metric to focus efforts since payback is quantifiable and significant.

Luhr believes that builders must not lock themselves into rigid quality systems, but employ greatly flexible processes and empower their trade partners to participate and drive the quality efforts forward. "Unlike Mitsubishi, a builder does not directly employ the factory worker, but must still control the factory and the workers," Luhr said. "Incredible savings can be achieved when builders large and small take some time to carefully map out their construction tasks, then integrate the perfect opportunities for staging the workforce so conflicts can be avoided. Then, everyone is a winner because trade workers are not stepping on each other and their work becomes efficient." Luhr believes that builders need to help the trades become more efficient, and in turn benefit from their improved profits and efficiencies.

AxisPointe has developed several new tools to assist builders in promoting quality, and Luhr is most excited about their new mobile application, which operates on the iPhone iOS platform. He says the new program will streamline job tasks, and link those tasks to physical quality metrics that a builder completely controls. Such software tools have previously been available only to the largest builders and contractors, but Luhr says his InSite Mobile™ field management system and customer service platform is priced at under \$200 per home with no setup fees.

Luhr is optimistic that despite the economy, there is hope for builders who can develop a quality culture where improving the process is “Job One”. “I love it when a new builder sees how much money they are now making by eliminating re-work, wasted effort and warranty service. The light turns on for their entire company and that is very rewarding.”

About AxisPointe

AxisPointe partners with home builders and contractors with technology solutions to streamline the construction process and eliminate risk. AxisPointe’s HomeProfile® document management software has been employed on thousands of homes by leading builders. AxisPointe’s platform of services includes project quality assurance, safety and control systems, project document storage and archiving, customer service management, insurance certificate management, post-warranty claims and litigation management systems.

For more information visit <http://www.AxisPointe.com>.

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