

INFORMATION DRIVEN ENTERPRISE

JD Edwards EnterpriseOne Homebuilder Management



Improve profit margins.
Reduce administrative costs.
Extend information visibility.

INFORMATION DRIVEN ENTERPRISE

Leaders evaluate business processes first—then consider technology and software. They make deep process improvements to cut manual steps, redundant data entry, and multiple interfaces. They focus on competitive advantage and customer service. And they bring these business processes online in real time.

Building a real-time enterprise begins with digitization of business processes for consistent results based on best practices. You connect customers, suppliers, partners, and employees. You integrate across locations, functions, and departments. You break down silos of information to create a single system of record. And when people, processes, and data run in real time, you improve your bottom line.

Improving the Home-Building Cycle

Like many other businesses, the home-building industry is facing new challenges—skyrocketing costs, resource constraints, and increasing competitive pressures. Additionally, home builders must deal with the constant change that comes from being linked so closely with the economy. Up one moment, down the next, home buying is affected dramatically by many unstable factors, such as mortgage rates, equity markets, unemployment, and public mood swings.

To succeed under such conditions, you must be able to operate leanly and efficiently. In doing so, the lows threaten you less while the highs benefit you even more. Unfortunately, many traditional home-building management methods are inefficient, costly, time consuming, and inflexible.

That's why leading home builders have embraced Oracle's JD Edwards EnterpriseOne Homebuilder Management. Designed to meet the needs of your industry, JD Edwards EnterpriseOne Homebuilder Management offers support for the entire home-building cycle. With this solution, complete end-to-end integration improves the flow of data, increasing efficiencies throughout your organization. You can realize the benefits of shared information, which help you make better strategic decisions, shorten building cycles, and reduce operating costs. And, as you grow, the application grows with you, supporting you through any acquisitions, mergers, or investments you make. JD Edwards EnterpriseOne Homebuilder Management will help you manage every step of the home-building process.

To see how JD Edwards EnterpriseOne Homebuilder Management can help you manage every step of the home-building process, we follow how a fictional home builder uses the application to support its growing business. The story starts with a young couple looking for a new home, the perfect opportunity for the company to begin creating a new customer for life.

The Home Builder Story

Drummond Homes, a regional homebuilder operating in Florida, is committed to growth. Currently, the company builds approximately 4,000 homes annually but is looking to double that number over the next three to five years. Its management team recently decided that the company would begin expanding its operations to other parts of the country, including the East Coast, Midwest, and California.

To succeed, Drummond Homes knows it needs to increase its sales volumes and margins. Because it is less expensive to retain customers than it is to acquire new ones, Drummond Homes recently adopted a customer-for-life philosophy as part of its overall growth strategy. But to pull it off, the company must be able to offer flawless service and superior products. It relies on its integrated JD Edwards EnterpriseOne Homebuilder Management solution to do so.

Finding and Keeping Customers

Sarah and Michael Henderson recently got married. After living in an apartment for six months, they are ready to buy their first home. Researching potential home sites on the web, the Hendersons came across The Palisades, a new community being developed by Drummond Homes. They were interested enough to make the drive to the company's sales office to learn more.

It's a busy morning at the office due to the considerable interest in the four communities Drummond is developing. After registering, the Hendersons sit down with Tricia Levine, a Drummond Homes sales associate. While talking with them, Tricia enters their key demographic data into Oracle's JD Edwards EnterpriseOne Customer Relationship Management (CRM) application. The information she enters, combined with data about other prospects, will soon become available to the marketing department for analysis purposes. But for now, Tricia can use the Hendersons' answers to her questions to help find the right home for the couple.

They discuss The Palisades, and Tricia runs through the available home models and their prices. By using the Oracle's JD Edwards EnterpriseOne Advanced Configurator software, she shows the Hendersons floor plans of the different models on her computer as she describes them. When they express interest in a particular model—the Hillmore—she enters their structural option preferences into the JD Edwards EnterpriseOne Advanced Configurator. She is able to generate floor plans of the home of their dreams on the spot. And, when it's completed, she prints it out as their very own personalized brochure.

The Hendersons are obviously interested but leave Drummond Homes' sales offices to mull over their choices. Even though they promise to get back to Tricia about their decision, Tricia knows from experience that not everybody calls back. But she's not worried about losing touch with them. She knows the CRM system is programmed to generate a thank-you letter automatically for her to send and will prompt her to make any necessary follow-up phone calls. In fact, based on the information she has entered about the Hendersons, the software has created a personalized follow-up plan that is designed to optimize Tricia's chances of closing the sale.

Two weeks later, the Hendersons have made their decision. They want to buy. Not only have they fallen in love with their configured dream house, they are also impressed with Drummond Homes' level of service, as evidenced by the courteous follow-up letter and call they have received from Tricia. The Hendersons meet with Tricia again, and she helps them select their preferences for plan, elevation, and options. JD Edwards EnterpriseOne Homebuilder Management helps by matching the plan for the Hillmore with an appropriate lot that meets the Hendersons' budget requirements. And, once the Hendersons' initial selections are identified, the application facilitates the creation of the necessary contracts and forms. Built-in workflow processes use the instance of conversion from prospect to customer to send out notification messages and relevant information to the community project manager, as well as the company's design center and mortgage and title partners. With this information, all parties can begin working together to get the Hendersons' home built and financed.

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Creating the Perfect Plan

Long before Sarah and Michael Henderson made their purchase decision, Drummond Homes was using Oracle's JD Edwards EnterpriseOne software to plan and build the same community into which the Hendersons have bought. As with all its other communities, Drummond Homes used the integrated software to support the development and management of The Palisades, from original land acquisition to community, phase, and plan development.

By using the project management software, Drummond Homes was able to manage costs effectively while building streets, putting utilities in place, and developing common area facilities. Once that infrastructure was in place, the company then employed the JD Edwards EnterpriseOne Homebuilder Management modules to create a plan for The Palisades that balanced its target market, pricing, land usage, costs, and margins to maximize profit potential. By using Oracle's JD Edwards EnterpriseOne Homebuilder Foundation application, the company set up the plans, elevations, and options it would be offering in each phase of construction. Because it had used JD Edwards EnterpriseOne Homebuilder Foundation in the past to plan its communities and had established planning templates already in place, Drummond Homes was able to leverage its database of project cost information and best practices to settle on an optimal plan for The Palisades. Besides streamlining data entry and ensuring a consistent look and feel among Drummond Homes' communities, this capability allowed the company to finish planning sooner and offer its homes in less time than its competitors.

Maximizing Construction Efficiencies

Now that the Hendersons have committed to buy, construction can begin on their new home. And JD Edwards EnterpriseOne Homebuilder Management software is in place to optimize the entire process. For example, the moment the Hendersons sign the contract, their unique buyer information is transferred from CRM directly into the Oracle's JD Edwards EnterpriseOne Sales Management module. Through this integration, Drummond Homes eliminates the need to reenter the information, which reduces errors and administrative costs. As the Hendersons select their options at the design center and put the finishing touches on the plans for their dream home, the application is automatically updated to reflect the changes.

JD Edwards EnterpriseOne Homebuilder Management

By using Oracle's JD Edwards EnterpriseOne project management software, costs are effectively managed while building streets, putting utilities in place, and developing common area facilities.

Once the option decisions have been made, a message is sent to The Palisades project manager, Chris Riley, alerting him to begin the construction process. After he receives the message, Chris accesses the files for the Henderson home through the Oracle's JD Edwards EnterpriseOne Collaborative Portal. Through the JD Edwards EnterpriseOne Collaborative Portal, he can access all JD Edwards EnterpriseOne Homebuilder Management modules, as well as links to other applications and information sources he has specified. For example, he has set up a link to a weather forecasting website to allow him quick access to weather information that could impact construction plans.

Today, however, Chris is using the JD Edwards EnterpriseOne Collaborative Portal to access Oracle's JD Edwards EnterpriseOne Homebuilder Construction module. From there, he can start the construction process for the Henderson home—seeing what permits he needs to apply for, creating a construction budget, releasing purchase orders for the initial phase of construction, setting up building schedules, and assigning work to subcontractors.

By using information collected in JD Edwards EnterpriseOne Homebuilder Foundation about the Hendersons' choice of plan, elevation, swing, and options, the JD Edwards EnterpriseOne Homebuilder Purchasing module creates the necessary procurement records. Chris's job is made easier as the application establishes the appropriate bids and takeoffs based on the community, plan, elevation, and option selections. As these are created, purchase orders are automatically generated for the home. Once this process is in place, the construction can begin.

By using JD Edwards EnterpriseOne Homebuilder Management, Chris monitors progress on each of the nearly 50 homes in The Palisades being built at the same time. At each major phase of the construction process, Chris visits the Henderson home, confirming that work has been completed to his satisfaction. As he does so, he approves the work via a scheduling system accessed through his wireless device. Because that scheduling system is integrated to JD Edwards EnterpriseOne Homebuilder Management, his entries update the project status and trigger payment processing for the subcontractors doing the work. Such automated processes speed the home construction process, greatly reduce administrative time and the chance of data errors, and ensure prompt payment to subcontractors.

Improving Cash Flow

Throughout the construction process on the Hendersons' home, JD Edwards EnterpriseOne Homebuilder Management has continued to track the administrative sales tasks—such as mortgage approval and walk-throughs—to make sure the home will be ready to close on time. This capability helps Drummond Homes receive its revenue from the home as soon as possible. As the closing date draws nearer, JD Edwards EnterpriseOne Homebuilder Management has been automatically reminding Tricia of what must be done to ensure a timely closing. And on the day of the closing, the software creates the closing journal entries from data already entered, improving efficiency and minimizing the risk of errors—an important consideration for a company that closes hundreds of homes a month.

When the transaction is completed, Tricia's work on the Hendersons' home is done. She clicks the sold button on their electronic file in the application, setting in motion such closing activities as booking revenue and processing commission checks.

Keeping Customers Happy

Now that the Hendersons have moved into their new home, their relationship with Drummond Homes enters a new phase—post-sale service. As part of the company's strategy for retaining customers for life, Drummond Homes wants to provide its home buyers with a consistently high level of service. The company uses Oracle's JD Edwards EnterpriseOne Integrated Field Service to make this happen.

With JD Edwards EnterpriseOne Integrated Field Service, Drummond Homes can be more responsive to its customers. The software also helps control costs by tracking service work as it is done and ensuring the timely reimbursement of warranty work from subcontractors.

Two months after the Hendersons move into their new home, they notice that the water heater has a slow leak. By using the web-based customer self-service application, Sarah Henderson requests a repair. Had this been an emergency, she could have called Drummond Homes' 24-hour call center. Because it is not, she chooses instead to enter the information online. She can also use the web application to track progress on her request.

Once the information is entered, it is routed to a service agent, who pulls up records to see what type of water heater the Hendersons have and what company installed it. He also checks to see whether it is still under warranty with the subcontractor. By using JD Edwards EnterpriseOne Homebuilder Management, the service agent sends a service dispatch to Drummond Homes' regular service technician, who quickly repairs the unit. Because the water heater is still under warranty, the application automatically sends a claim to the original subcontractor for the cost of the repair and tracks the claim until collection.

With Oracle's JD Edwards EnterpriseOne Field Service Management, Drummond Homes keeps its customers happy while saving money. It also receives another benefit: Because the application tracks all the equipment installed in the home, the company can sell this information to interested parties (such as home improvement stores) who can use it to market to the home owners. In doing so, Drummond Homes gains additional revenue opportunities.

Measuring Performance

For Drummond Homes, data collected throughout the home-building and sales cycle can help it measure the performance of its products, forecast costs, and revenues, as well as determine future business and marketing strategies. But with so much information coming from so many directions, accessing the right data necessary for making timely decisions can be difficult. That's why Drummond Homes uses Oracle's JD Edwards EnterpriseOne business analytics software.

With analytics applications, Drummond Homes' employees have access to the specific information they need, when they need it. All the business and financial data that is generated throughout Drummond Homes' daily business activities is stored in a central repository and becomes easily available to employees through a portal on their desktops. They can easily create key performance indicators (KPIs) that roll up the information that interests them into graphical indicators. And, by selecting the individual KPIs, employees can drill down into detailed reports for additional information.

Trend information can be accessed through the CRM database, which prompts sales representatives to stay in touch with their buyers. As the representatives learn new information about the buyers, they enter this information into CRM.

Vice President of Marketing Marcie Stade uses the analytics tools on a daily basis as she oversees the performance of current communities and makes decisions about future ones. For example, she has created a KPI that allows her to track sales in each community. By selecting the indicator, she can drill down to find sales information by model and elevation. She can even find out what type of kitchen counter finishes are best sellers. With access to all this information, she can make recommendations on how to position and price future homes that Drummond Homes plans on building.

Keeping Customers for Life

The marketing team has noticed a trend within The Palisades. Many of its buyers are young couples who are now starting families. The company has access to this type of trend information through its CRM database, which prompts the Drummond Homes' sales representatives to stay in touch with their buyers. As the representatives learn new information about the buyers, they enter this information into JD Edwards EnterpriseOne CRM.

With this information, the marketing team recommends that the company begin building a new community of larger executive homes nearby to support the needs of owners in The Palisades who might be looking to upgrade. The team also makes recommendations on how the community should be set up. For example, families like the idea of having a community center and sidewalks.

Once Drummond Homes decides to go ahead with the new community, it can begin marketing it to the Hendersons and their neighbors in The Palisades. In doing so, Drummond Homes taps into its happy customer base and benefits from the savings it receives by selling to existing customers.

Fueling Future Growth

As Drummond Homes grows and changes its business strategy, Oracle's JD Edwards Homebuilder Management will be right there to support it. The company's entry into new states, each with its own unique regulations and practices, can be easily handled by these applications. And, should Drummond Homes acquire another company to expedite its growth, our scalability, flexibility, and built-in integration tools will help the company quickly and easily port over the acquisition's data and processes into its existing applications.

As with Drummond Homes, we can make a difference in how your business operates as well. From cost-effectively finding and keeping customers to managing construction processes, handling financial details, and providing in-depth analysis capabilities, Oracle's JD Edwards EnterpriseOne software can help you succeed in your industry now and for years to come.

Oracle Global Services Committed to Your Success

Oracle Global Services for JD Edwards EnterpriseOne

Global Services provides worldwide, best-in-class services to help customers get maximum value from their software.

Oracle Consulting for JD Edwards EnterpriseOne

Oracle Consulting can help you implement, optimize, and upgrade Oracle's JD Edwards EnterpriseOne products to improve business performance. Consulting services accelerate time-to-value, maximize functionality, and reduce project timelines and costs. Implementations are tailored to specific business needs. Through a single-vendor relationship, customers gain deeper access to resources and get more value out of their software.

Oracle University

Executives, project managers, and end users benefit from role-based training that results in increased productivity, reduced risk, and lower support costs. Training delivered where, when, and how your organization needs it increases your overall return on investment. Products and services include project team training classes, end user training classes, the end-user training kit, and course development and delivery services.

PeopleSoft Hosting

Hosting services provided by PeopleSoft Hosting let you focus on your core business while realizing a superior return on your investment. You get a complete solution that ensures single-vendor accountability and provides world-class service.

Oracle Support Services for JD Edwards EnterpriseOne

Oracle Support Services never stop working to ensure that your issues are resolved and that you receive the greatest return on investment from your JD Edwards EnterpriseOne systems via the latest technologies, new product features, and industry best practices. You have access to the most comprehensive product and technical problem-solving expertise 24x7, with the real-time support you need for your real-time enterprise. Your business never stops moving forward. Neither do we.

Oracle is committed to ensuring customer success and satisfaction by building quality products and delivering cost-effective, results-oriented service and support based on the unique organizational needs of our customers.



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