

2020
OPERATIONS SURVEY

Company Name: _____

I. COMPANY

- A) Geographic location - Main office
1) City: _____ State: _____ Approx. population: _____
Geographic location - Divisions
2) City: _____ State: _____ Approx. population: _____
3) City: _____ State: _____ Approx. population: _____
- B) Describe your **PRIMARY** type of residential construction:
1) Custom homes _____ %
2) Production homes (single family and multi-family for sale) _____ %
3) Multi-family for rental _____ %
- C) 2020 Gross Revenue - Homes for sale only \$ _____
- D) Projected percentage of sales revenue growth for 2021 _____ %
- E) Number of ready to build finished lots in inventory at year end (2020) _____
This represents a supply of: _____ Months
- F) Number of years supply of land owned, under contract or option? _____ Years
- G) Provide the following production information for 2020:
1) Number of active communities _____
2) Number of units closed _____
- H) Do you build in:
1) Scattered lots _____ %
2) Communities _____ %
- I) Please describe your company's type of ownership:
1) Privately owned _____ 2) Publicly owned _____
- J) How many W-2 employees do you currently employ?
1) Full time (excluding sales agents) _____
2) Part time _____
3) On-site sales agents _____
- K) Do you offer flex time? Yes _____ No _____
- L) Do you have an on-going drug testing program? Yes _____ No _____
- M) Do you have: (check those that apply)
1) Written employee manual _____
2) Written job descriptions _____
3) Formal organization chart _____
4) Formal orientation/training program for new employees _____
5) Continued training program for employees _____

II. HUMAN RESOURCES

- A) Do you have a full time HR Manager? Yes _____ No _____
- B) The HR Manager reports directly to the:
1) CEO _____ 3) VP Finance/Accounting _____
2) President _____ 4) Other _____
- C) Training your HR Manager has received includes:
1) College degree in HR _____ 2) HR seminars and classes _____
- D) Are you viewed by your employees as the Employer of Choice? Yes _____ No _____
- E) What is your current employee turnover rate? _____ %
- F) Do you link HR Management (staffing) to your strategic plan? Yes _____ No _____

III. PRODUCTION

- A) Does your company use (check all that apply)
- | | |
|-----------------------------------|---|
| _____ Trade contractor agreements | _____ Master central schedules |
| _____ Supplier agreements | _____ Safety programs |
| _____ Scopes of work | _____ Even-flow starts (slots) |
| _____ Purchase orders | _____ Quality checklists (job ready/complete) |
| _____ Variance purchase orders | _____ Trade contractor evaluations |
| _____ Start packages | _____ Tablets/smart phones |
- B) Do you have a production/superintendent manual? Yes _____ No _____
- C) What are the average **CALENDAR** days from:
- | | |
|---|------------|
| 1) Contract to start (dig date) | _____ days |
| 2) From start to closing for homes of less than 1800 s.f. | _____ days |
| 3) From start to closing for homes 1,800 to 2500 s.f. | _____ days |
| 4) From start to closing for homes 2,500 to 4,000 s.f. | _____ days |
| 5) From start to closing for homes 4,000 to 6,000 s.f. | _____ days |
| 6) From start to closing for homes over 6,000 s.f. | _____ days |
- D) Do you allow structural changes? Yes _____ No _____
Do you allow structural changes after start? Yes _____ No _____
- E) Do you allow non-structural custom options? Yes _____ No _____
Do you allow non-structural custom options after start? Yes _____ No _____
- F) Do you have a quality assurance program Internal _____ 3rd Party _____
How do you manage the program? Yes _____ No _____
- G) How many inspections do you conduct? (Check all that apply)
- | | |
|-------------------------------------|-------------|
| _____ Foundation | _____ Frame |
| _____ Drywall | _____ Paint |
| _____ Prior to customer orientation | |

- H) Average number of homes closed, per superintendent, in 2020:
- 1) Entry level (less than 2 years residential experience) _____ houses
- 2) Experienced (more than 2 years residential experience) _____ houses
- I) What is your optimum production capacity in # of units?What _____ houses
- % of capacity are you currently operating on? _____ %

IV. WARRANTY

- A) Warranty work is managed by:
- _____ Superintendent _____ Third Party
- _____ Warranty Department _____ Both
- B) Average number of punch list items at:
- 1) Internal walk (pre-orientation) _____ items
- 2) Orientation walk with buyer _____ items
- 3) Closing walk with buyer _____ items
- C) Average \$ amount of first year warranty cost per house \$ _____
- (Include cost of warranty department staff allocated to each unit)

V. SALES AND MARKETING

- A) What is your sales conversion rate? _____ %
- (Total contracts divided by traffic units)
- B) Cancellations:
1. Cancellation rate (cancellations divided by total contracts) _____ %
2. How many days after contract (Should total 100%):
- | | | | |
|---------------|---------|---------------|---------|
| 0 to 30 days | _____ % | 60 to 90 days | _____ % |
| 30 to 60 days | _____ % | Over 90 days | _____ % |
3. Reasons given for cancellations:
- | | | | |
|-------------|---------|-----------------|---------|
| Financing | _____ % | Relocation | _____ % |
| Contingency | _____ % | Dissatisfaction | _____ % |
- C) Average price concessions given to buyers \$ _____
- Percentage of sales price _____ %
- D) Do you have a sales training manual? Yes _____ No _____
- E) Number of active plans offered for sale _____ plans
- F) Average number of options offered for sale _____ options
- G) Average number of change orders processed per contract _____ change orders
- H) Average # of change orders per contract processed after start _____ change orders
- I) How are your sales agents compensated?
- 1) Salary only _____
- 2) Commission only _____
- 3) Salary plus commission _____

J) Do you have a Design Center? Yes _____ No _____

K) Who oversees the Design Center?
_____ Sales _____ Operations
_____ Purchasing _____ Third Party

L) % of advertising and marketing expenses used in electronic media
such as website, social media, google ads, etc. _____ %

VI. FINANCING

A) Average interest percentage paid on construction loans _____ %
1) Rate based on
Prime + _____ %
Libor + _____ %
Fixed rate _____ %
2) Up-front points paid on construction loans? _____ %
3) Personal signature required? Yes _____ No _____
4) Discount points paid for buyers? Yes _____ No _____
How many? _____ %

VII. CUSTOMER SERVICE

A) Do you have a homeowner's manual? Yes _____ No _____

B) Formal meetings held with the buyer: (check all that apply)
_____ Color selection / décor _____ Pre-construction
_____ Frame / pre drywall _____ Orientation
_____ After move-in _____ Other _____

C) Buyer orientation meeting is conducted by:
_____ Superintendent _____ Warranty Department
_____ Both _____ Other _____

D) Do you survey: (check all that apply)
_____ Target market _____ Community traffic
_____ Buyer prior to closing _____ Buyer after closing

E) How do you conduct surveys (check all that apply)
_____ In-house
_____ Third party
_____ Both

F) If you survey, what is your "willingness to refer" rating? _____ %

VIII. TECHNOLOGY

A) Are computers being used by: (check those that apply)
_____ Sales agents _____ Superintendents
_____ Warranty technicians _____ Design center

B) Are tablets and other mobile devices being use by:
_____ Sales agents _____ Superintendents
_____ Warranty technicians _____ Design center

C) Do you have a "customer" oriented website? (check all that apply)

_____ None	_____ Information updates
_____ Documentation	_____ Selections
_____ Customer service	

D) Do you have a "vendor" oriented web site? (check all that apply)

_____ None	_____ Information and documents
_____ Bidding	_____ Purchasing
_____ Schedules	_____ Payment documentation

E) Are you currently using any cloud based services/systems in your business?

Yes _____ No _____

F) Which of the following systems are currently computerized or planned to be computerized in 2018

Current	2021	
_____	_____	Accounting
_____	_____	Design (CAD)
_____	_____	Estimating
_____	_____	Purchasing / PO's
_____	_____	Schedules / project management
_____	_____	Marketing / sales / lead-tracking
_____	_____	Website – customer oriented
_____	_____	Website – vendor oriented
_____	_____	Payment approval (paperless)
_____	_____	Payment releases (Direct Deposit/ACH)

IX. INSURANCE AND LITIGATION

A) What were your 2020 annual premiums for the following:

1) \$	_____	Workers comp	
2) \$	_____	General liability	
3) \$	_____	Umbrella: Amount of coverage	\$ _____
4) \$	_____	Mold	
5) \$	_____	Group medical	

B) What types of coverage's are excluded? (check all that apply):

1)	_____	Mold
2)	_____	Soils
3)	_____	OSB
4)	_____	Other (describe): _____

C) Are you currently in litigation for mold related issues? Yes _____ No _____

D) Are you currently in litigation for product defects issues? Yes _____ No _____

E) How are you documenting construction processes to support future litigation? (check all that apply)

1)	_____	Photos
2)	_____	Third party inspections (other than building department)
3)	_____	Internal checklists
4)	_____	Trade checklists
5)	_____	Buyer sign-offs