Conquering Data to be Used as a Tool
informXL

Hammers, saws, rulers, CAD machines, email, even workflows…today's tools are becoming more tech savvy in our industry. Remember when the FAX machine was a revolution? Email began as a painful experiment, but it wasn't long before Outlook could handle so much for us that it displaced many administrative assistants. Today we have very comprehensive back office ERP, CRM, Scheduling and Sales systems. Most of our staff is well trained and we are successfully getting information into those systems. What an accomplishment! But, that only brings us to the year 2005. Had we been carefully watching all along what the data was telling us, many wouldn't have been caught by surprise when the market turned hard in 2006.

So, the question is, "Is technology making us any smarter?" Are we using data today as an early warning system? Are we using it to drive our business behavior? More than that, have we tapped into the concept of "disruptive data" where we are driving our customer's behavior and buying habits? What about using data to change our behavior or that of our trade partners?

Well, we are getting better, but in the homebuilding industry we tend to lag far behind other industries. We can never be like Google, with their powerful algorithms on the web. They magically seem to know what I shopped for last week and those ads miraculously appear during my day to day web use. But of course, it's not magic. It is simply sifting through the data they have acquired and using it to disrupt our normal, or previous, buying habits.

With all the data we collect, we should be able to predict trends in home buying with a fair amount of accuracy. We should be able to see clear margins at every step. And we should be able to have computers send us notifications when thresholds are being hit or missed.

What's the Problem?
Why do we miss the boat on understanding and using our data? Likely because our focus has always been so hands on with operations and accounting. We trust our gut. Maybe we have not realized and accepted that data is just another tool. The right data tool can not only be more accurate than our gut, but faster. However, finding the tool to do this has been a hurdle: you are either lucky enough to have a team of developers on site or you invest large dollars in custom dashboards and reports.

The Necessity of Invention
Enter Blayne Parrish of Center6 and their flagship product, informXL. With a background in both homebuilding and technology, Blayne lived this quandary – develop something yourself or purchase expensive reports – and felt the need of builders and real estate companies across the board.

informXL looks simple, because it is easy to install and even easier to run. In reality, it is a complex reporting and analytics tool that will connect directly to your ERP, Sales System, and many others. informXL can also be attached to a data warehouse; very useful when you need to bring together

information from different divisions or companies. There are no import/exports, no re-keying of data or even staging. The results are real time without bogging down your back-end system.

The informXL Analyzers come pre-configured for several systems, including NEWSTAR, FAST, JDE, Pivotal, and one additional major homebuilding system to be announced summer 2017. The team at Center6 has even built some of these pre-configured Analyzers for the special purpose of data conversion and analytics projects.

We at Cornerstone Solutions find the Analyzers extremely helpful not only for day to day work, but also during implementations and conversions. We can tell within seconds if our data is hitting the mark, the percentage of completion, and the quality of the data itself. Previously this took hours, often involving custom reports. With informXL, we are literally saving our clients thousands of dollars.

From Gut to Glory

Once on site, Cornerstone quickly finds out which clients are using that good ole gut feeling to assess the market. It is almost always surprising for our new clients to find, after running a few Analyzers, that the markets they had been spending in are not where most of their buyers are coming from, or that there are fair gaps in the purchasing department, leading to slim to no margins.

informXL Analyzers can tell you down to each trade how much they are costing per square foot. You can then compare different trades across plans or communities doing the same work and get a total cost per square foot. No long spreadsheets, no internal Excel workbooks to build; simply run the Analyzer.

Accountants can use this tool to have purchasing and construction teams perform a routine job scrub the month prior to closing. In this way you get your COS reports quicker, cleaner and more accurate from the day of closing. Easier than you ever thought, you will be building Pivot tables with graphs and using your informXL Analyzers to get a clear picture of your absorption rate, complete with margins.

Nuts and Bolts

Analyzer data results open in simple Excel based workbooks. All of your comfortable Excel tools exist, plus some cool new functions added by the Center6 team. The real power that makes this a tool to put in your BI toolbag (without the Ferrari price tag), is the ability to use Excel Pivot tables to develop your desired reports, dashboards and KPIs.

Conclusion

It is time for our industry to become sophisticated using all this data we have been gathering. Stop letting that data gather dust bunnies by using a tool that is financially within reach of all builders.

If you are already using informXL, start with a department level team meeting to be sure everyone understands how much data is available. Next, get you own team to think about data, whether it be "disruptive" or routine.

If you need help getting the most from this great solution, you can work directly with Center6 or contact us at HMS Cornerstone Solutions. We work closely with Center6 to be sure we all provide the best solution for you.