the home builders guide to increasing profit and enhancing the buyer experience

inriver

Aperture Labs

Building homes is a complex and demanding process that puts a heavy operational burden on you, the builder. The need to manage collections of options - with dependencies across communities, floor plans, and associated trades - makes protecting profit, meeting timelines, and providing a favorable buyer experience a real challenge.

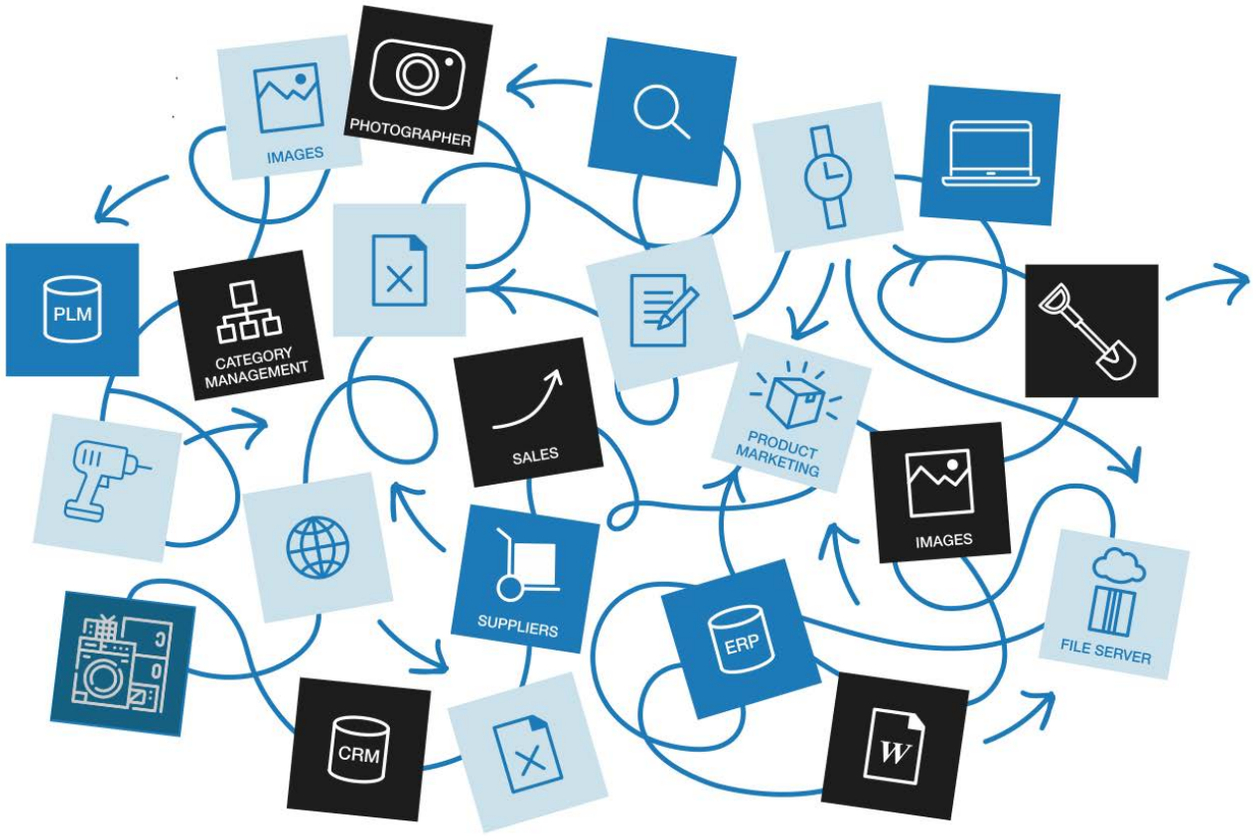
Implementing technology that streamlines the collection, management, and presentation of options and features is critical to addressing these challenges. A properly architected digital solution is at the center of solving this problem today.

This ebook outlines the digital path to gaining control over this complex problem to improve efficiency, accuracy, and collaboration across the entire business.

operational impacts of options data

Before we outline the steps required to gain control, let's first look at the known challenges you face. Suppliers aren't providing basic product information, options data is manually managed in spreadsheets, and the organization lacks visibility into the downstream effects of buyer selections. This operational chaos challenges your ability to deliver a profitable, on-schedule build that delights the buyer.

Typical options management process



what are the known challenges?

1 Receiving Product Information from Suppliers

Most home builders work with many suppliers. However, many of these suppliers fail to provide primary product data that can be leveraged during the design and build process. Without a way to manage the data a supplier provides, teams must manually piece together missing product details. The potential for error is high, and the downstream business impact of those errors is often significant due to the complexity of options and their related dependencies on communities, floor plans, and associated trades.

2 Communities and Floor Plans

Each Community offers different home models and floor plans. A slight variation to a floor plan often changes which customization options are available to buyers. These changes in customization options affect the trades required to install these selections. With each variation, more associated data is affected, and the compounding complexity makes manually managing product data inefficient, overwhelming, and riddled with errors.

3 Presenting Customization Options to Buyers

When manually organizing customization options in spreadsheets, sales consultants need an effective way to present and track standard options and upgrade packages that are compatible with a buyer's chosen floor plan.

what are the known challenges?

4 Pricing

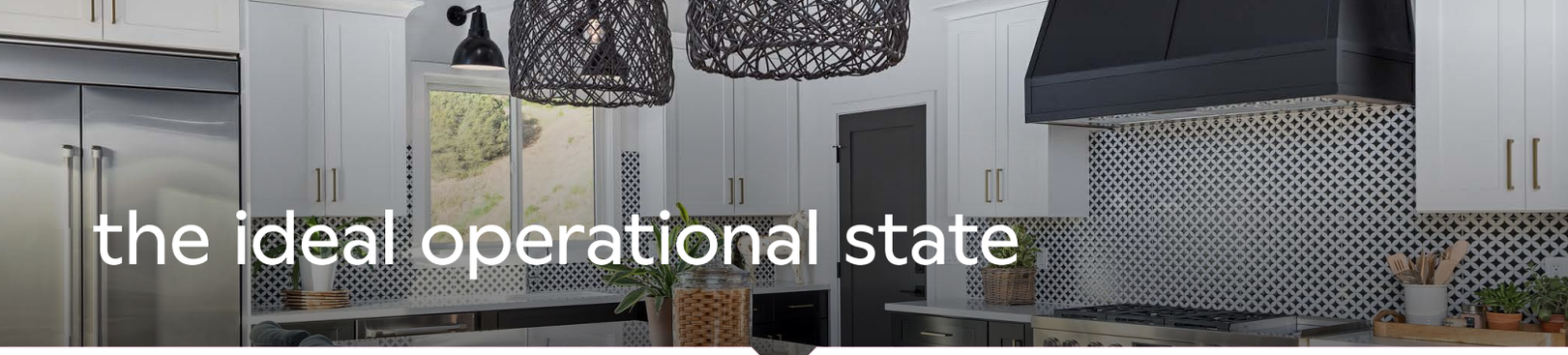
Each selected option affects the cost of a build and buyers naturally expect to understand the financial implications of their choices quickly. What happens to the overall build cost if buyers upgrade their initial kitchen appliance selections but downgrade the tile flooring? What is the revised total build cost if a buyer upgrades to a 2.5-car garage and opts for a central vacuum system?

Without a solution to manage options and their respective pricing implications within a given community and floor plan, this process is frustrating and inefficient for the builder and the buyer.

5 Lot Management

Once buyers select their options and understand the associated costs, scheduling installation with contractors and tradespeople begins. At this stage, monitoring product availability for each build becomes critical to successful execution. For example, a particular range hood becomes unavailable. Builders need to quickly identify which buyers are impacted by the change in product availability based on whether the product has already been ordered, received, or installed for a particular build at any moment.

Digital solutions enable builders to coalesce detailed product information, rules-based options, buyer selections, associated costs, required trades, and the build schedule. Manual attempts to tie the information together are inefficient and ineffective, resulting in costly delays in both the office and the field.



the ideal operational state

Home builders who struggle to efficiently manage the vast amounts of data that flow through their operations can leverage technology to build customized homes that maximize profitability and ensure an exceptional buying experience.

In an ideal operational state, builders bring more complete supplier product data into their system and can align that data with predefined rules associated with communities, lots, and floor plans.

Once the data is organized, builders can provide it to support the sales and delivery teams. This includes modifying floor plans while maintaining compatibility rules, visualizing options based on a buyer's selected floor plan, and displaying costs within an interactive digital experience.

Additionally, in an ideal operational state, builders can push buyer selections into production systems that enable the streamlined management of each build. This includes the ability to quickly reference builds affected by product availability changes and efficiently manage the trade assignments associated with each build.

the technology that supports the ideal operational state

What is PIM?

Product Information Management systems centralize, organize, and distribute all product information across your enterprise. These solutions have been leveraged in many other industries for the past twenty years, including manufacturing, distribution, and retail. The value of PIM for home builders has become more applicable as buyer expectations for a content-rich, retail-like experience steadily increase across all categories. For builders, a PIM system provides a single source of truth for all product details, including the downstream effect of buyer selections across the entire business.

Key Benefits for Home Builders

1 Centralized Data Management

A PIM system centralizes all product information into a single source of truth, easily ingesting data from disparate suppliers with varying formats and source systems. When suppliers haven't provided complete product information, web scraping tools can gather data and import it into the PIM based on predefined rules. This reduces errors and ensures all stakeholders have access to consistent, up-to-date information across projects and departments.

2 Improved Efficiency

A PIM system streamlines data management processes to reduce the time spent searching for information and updating records. This efficiency translates into faster project timelines and reduced operational costs.

3 Enhanced Productivity

Teams can focus on core tasks and boost overall productivity instead of managing data discrepancies or chasing information.

4 Accurate Decision-Making

Reliable and precise product information enables better decision-making at every stage of the building process, from design and procurement to construction and customer handover.

5 Regulatory Compliance

Using a PIM system that tracks and manages product specifications and certifications makes it easier to ensure compliance with building codes and regulatory requirements.

6 Improved Customer Satisfaction

Accurate product information is crucial for delivering homes on time and with the quality buyers expect. A PIM system helps maintain consistency and quality across all projects, enhancing customer satisfaction.

how PIM improves both the buying and selling process

PIM systems enhance the buying and selling process by ensuring sales and design consultants have access to all necessary information within an intuitive user experience. This makes it easier to present options to buyers based on their selected community and floor plan.

Supplier data is ingested directly into the PIM and automatically organized into a predetermined data model structured around business processes and aligned with rules-based options selection criteria.

PIM systems can incorporate rules-based selection processes to ensure the compatibility of selected options. As floor plans are modified, options related to the floor plan are easily updated based on these rules. In addition to preventing incompatible buyer choices, this feature also increases the rate of upgrades and improves the overall selection experience.

When pricing information is ingested into the PIM, builders' ability to elevate the buying experience is enhanced even further.

Equally critical, rules-based product selection reduces construction errors and saves builders time and money.

The Right PIM for the Job

We've detailed how a PIM system enhances efficiency, accuracy, and the customer experience. However, it's important to understand that not all PIMs are architected to handle the dynamic, rules-based data complexities of home builders.

Just as homes have different styles, layouts, and features tailored to buyer needs, digital tools offer substantial variety.

A PIM system with flexible data models and limitless ability to create associations and dependencies across products, such as the inriver PIM, suits builders' use cases.

visualizing the customization process for builders and buyers

With accurate product data organized in the PIM, builders are now able to display this data within a customer-facing user experience that supports the buying journey. Standard packages, upgrade options, and associated pricing are critical to delivering an exceptional buyer experience and increasing revenue.

Displaying options and capturing buyer selections digitally has significant downstream advantages, too. Builders can tie selections to internal systems that trigger product ordering, build plans, and contractor assignments. With digital records of all buyer selections tied to build plans, it now becomes possible for builders to identify any projects affected by unavailable selections. This streamlines operations and avoids the manual, error-ridden process that even the largest builders are attempting today.

This functionality is delivered in parallel to the PIM system by implementing a user experience that guides the buying journey and ensures profitability for the builder. Options for execution include configuring an out-of-the-box solution or leveraging custom development.

gaining control of data: practical implementation tips

Assessment and Planning
Conduct a thorough evaluation of current data management practices. Identify areas where a PIM system can add the most value and document your desired endstate.

Engage Stakeholders
Involve key stakeholders across the organization from the beginning to ensure cross-departmental buy-in and smooth adoption.

Platform Selection
Select a PIM that is scalable, intuitive to use, and built to integrate with existing systems seamlessly. The most efficient way to visualize product data for sales and end users is determined once the PIM requirements are documented.

Training and Adoption
Provide comprehensive training to employees on using new digital tools effectively, emphasizing the benefits and operational impact

Crawl, Walk, Run
Start with the most essential functionality required to improve your operations and build out the solution in phases over time.

Continuous Improvement
Establish ongoing data maintenance and system optimization processes to adapt to changing business needs and technological advancements

building a better future for your business

By harnessing the power of PIM, it is possible to overcome many of the complexities home builders face. An investment in the right PIM technology is an investment in efficiency, profitability, and buyer satisfaction.

About Aperture Labs and inriver

Together, Aperture Labs and inriver help home builders gain control over the demanding operational burden they face every day through the implementation of digital solutions that maximize investment and over-deliver on value.

Want to see how the right digital solution can transform your product journey?

book a demo

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Aperture Labs

Inriver powers the entire product journey. Our PIM solution enables B2B and B2C enterprises to meet growing demands on product data at every touchpoint. Visit **inriver.com** for more information.

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