



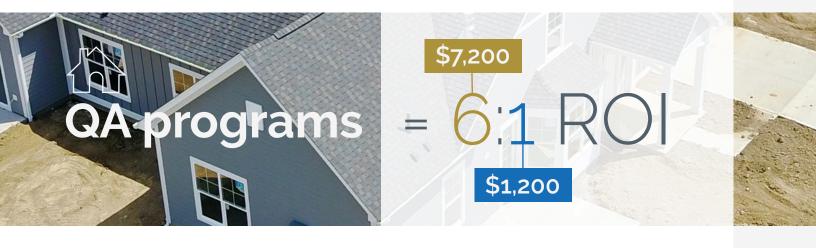




QA PROGRAMS

The "Why" & the "How"

Quality issues and callbacks can have a detrimental impact on a builder's brand and profits. By investing in a quality assurance (QA) program, builders could potentially achieve savings by reducing callbacks by addressing common issues. According to a recent study by IBACOS, a Pittsburgh-based quality consultant to home builders, an effective QA program could result in a 6:1 ROI.* The study of nearly two dozen production builders concluded that **the average builder could save \$7,200 per house by investing about \$1,200 up front per house**.



Although the investment in QA programs can pay for itself many times over, it can be tough to create an effective one. Most builders need help. This toolkit is designed to give you the essential keys to solve the QA puzzle and ultimately maintain construction quality, customer satisfaction and brand integrity. How to Solve the Quality Assurance Puzzle also provides an alternative to developing your own program by tapping into the QA system offered by a national homebuilding franchise.



Keys to an **Effective QA Program**

QA KEY



A good place to start is with customer satisfaction surveys of all home buyers. Some builders hire an outside survey firm like GuildQuality for this, while others prefer to do the work in-house. The survey results identify recurring problems that need corrected first.

QA KEY



Make certain problems uncovered from the customer satisfaction surveys are addressed by creating a checklist of items for job supervisors to inspect on each home. Assign someone to review these checklists—typically a QA manager—and look for patterns.



QA KEY



Once a problem has been identified, the quality team must figure out what to do about it, which means looking at it from all possible angles. If a specific assembly is generating more than its share of requests, the QA manager can meet with everyone involved—design, purchasing and trades—to explore alternative designs or details.

QA KEY



A common callback might be for cracked stucco. Site inspections and meetings with the siding contractor might reveal that installers aren't including the number of control joints required by ASTM standards. For example, they're using too much sand or they're not keeping the stucco hydrated long enough after installation. The manager might then schedule some training with the installers to educate and help prevent future issues.



QA KEY



This is critical. The right documentation makes it possible to spot problems and communicate requirements to trades. The best specs clearly define how each part of the home needs to be detailed. While some of the details are readily available from manufacturers, like the right way to flash a window or door, others may need

to be developed. In the stucco example, the job supervisor might work with the architect to spell out these requirements in the job specifications.

Good documentation not only reduces defects, but can also save a few days of cycle time. That's because thorough plans and specs help trades get their work done on schedule. For example, if the plumbers and HVAC installers consistently finish on time, then the electrical contractor no longer has to build dry-run costs into its bids.

QA KEY



The cliché that "if it were easy, everyone would be doing it" certainly applies to QA. The work required to create details for the crucial parts of every floor plan, along with systems to make sure everything gets done right, can be a massive effort.

Help is available for builders who want it. For instance, IBACOS offers a library of best-practices showing installers how to build a variety of assemblies in various climates. It also works with its builder clients to create processes to ensure that crews build every home in exactly the same manner.





Builders across the country have found that franchising has given them a blueprint to solve the challenges that come with building and managing a QA program.

QUALITY HOMEBUILDING FRANCHISES LIKE EPCON SUPPLY THEIR FRANCHISE BUILDERS WITH A COMPLETE, FIELD-TESTED QA SYSTEM, ALONG WITH MULTIPLE SUPPORT OPTIONS TO HELP THEM DO GOOD WORK.

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PAT MCKEE Owner,

McKee Homes



TAKE THE EXAMPLE OF PAT MCKEE, OWNER OF MCKEE HOMES.



The Fayetteville, NC home builder became an Epcon Franchise Builder in 2007 and has since grown his business from 20 to 200 homes per year.

The support he enjoys includes all the critical elements of a QA program: pre-engineered floor plans, a library of best practices for use by installers, and GuildQuality surveys of each homebuyer.

To help implement the suggestions from those surveys, Epcon provides access to its proprietary QualityMark® program. Independent inspectors systematically inspect the home several days before closing and provide a punch list of items that need to be corrected. The goal is to deliver a defect-free home to the buyer.

McKee says that Epcon also helps him select products that won't cause defects. "They do a great job evaluating a range of products," he says. "Then they recommend those that have been shown to last longer and generate fewer callbacks, whether that's exterior siding or hardwood flooring." And because Epcon provides such a big market for product manufacturers, it can negotiate higher warranty expectations.

One of the biggest advantages of the franchise system, according to McKee, is the ability to get advice from other builders in the system. This includes one-on-one meetings and phone calls, periodic group get-togethers to discuss best practices, and an online forum where franchisees can trade advice. "The ability to network with peers who have experienced a similar growth path has been a huge help," he says.



PAUL SCARMAZZI: AN EFFICIENT ROAD TO QUALITY ASSURANCE



Epcon's QA program is especially valuable for new franchisees, some of whom come from other industries and have to climb a steep learning curve.

That was the case for Houston, Pa., home builder Paul Scarmazzi, whose background was in real estate finance, but who had not built any homes before starting his business in 1999.

Scarmazzi, owner of Scarmazzi Homes, credits the opportunity to network with other builders, as well as the in-depth support and coaching provided by Epcon staff, helping his company to build quality homes out of the gate. "With their help we were able to sort things out pretty quickly," he recalls. "Within about 18 months we were pretty good."

From there, his business improved with Epcon helping the company continually raise the quality bar. Scarmazzi Homes has won several GuildMaster awards from GuildQuality since 2008. In 2015, the company achieved a perfect five-star rating after 95 customer reviews. The company maintains a five-star rating on the GuildQuality website, with 96% of their surveyed customers saying they would recommend it to friends and family.

In addition to happier customers, Scarmazzi says that Epcon's QA support has also made for a healthy business. Those results come automatically from a focus on quality in all areas of the organization. "When you do things very well, and have excellence in your organization, process, procedure, and strategic vision, the rest just falls into the bottom line," says Scarmazzi. "It's a natural outcome." When you do things very well, and have excellence in your organization, process, procedure, and strategic vision, the rest just falls into the bottom line.

PAUL SCARMAZZI Owner, Scarmazzi Homes



About Epcon Franchising

Epcon Franchising is a production homebuilding and land development franchise company.

We help our Franchise Builders accelerate their growth by providing proven floor plans and business management systems that enable them to build faster, sell faster, market homes more effectively and turn home buyers into brand ambassadors.

Learn more. www.EpconFranchising.com 888-909-2430



The Only Production Homebuilding and Land Development Franchise in the United States

Disclaimer: The offer of a franchise can only be made through the delivery of a Franchise Disclosure Document. Certain jurisdictions require registration prior to the offer or sale of franchise. We do not offer franchises in jurisdictions where we are not registered (or exempt from registration). Epcon Communities Franchising, Inc. 500 Stonehenge Parkway, Dublin, Ohio 43017. Minnesota Franchise Registration No. F-3531.