CDCI: Full Cycle Cost Control: Scheduling, Purchasing and Accounting
2007 International Builders’ Show
Orange County Convention Center, Orlando, Florida
Room 310, Level III
02/09/2007 from 1:30 – 3:00
CDCI Booth W4443

Full cycle cost control is CDCI’s way of putting you on top of every point during the building process. This way of doing business is available to all builders, regardless of volume. Try our system firsthand to see how it will make your business more efficient and profitable. In this hands-on session you will experience true integration among scheduling, accounting and purchasing. By giving you specific control points, you are notified during the building cycle if you are not maintaining your profit margins. You are able to address the problem instead of eating the mistake.

Twenty-five years is a long time to perfect a process. That’s how long CDCI has worked with builders to deliver full cycle cost control.

Our business is to provide you with builder-specific software to manage your business. You gain control, maximize productivity and utilize technology in order to increase your profitability. We are working with you to stay ahead.

**Full Cycle Cost Control**

Full cycle cost control is CDCI’s way of putting you on top of every point during the building process. This way of doing business is available to all builders, regardless of volume. We provide you with the tool that lets you manage your business painlessly and profitably.
The philosophy is simple- your control system needs to sift through the details in order to identify points that require your action and attention. Secondly, information must be shared among office personnel, superintendents and trade partners. When these things happen, your team performs at peak efficiency, people are accountable, mistakes are minimized and you make money.

By giving you specific control points, you are notified during the building cycle if you are not maintaining your profit margins. You are able to address the problem instead of eating the mistake.

When your people are linked, everyone stays up to date. The work schedule for all participants is created and published. The schedule adjusts automatically as you encounter slippage or changes.

Communication gaps are closed as superintendents and the back office share information via the web and handheld devices.
Full cycle cost control means that you are not driven by invoices from your trade partners. You control the payment process. You pay according to established contracts and work completed to your satisfaction.

Now, no one gets paid twice, you never overpay invoices and the office knows what’s going on in the field. You have control of the entire building process.

**Purchasing and Scheduling**

The purchase order system is the structure for full cycle cost control. It gives you key control points for planning and monitoring all job expenditures.

Purchasing works hand-in-hand with scheduling to guard your bottom line. Drawing information from the purchase orders and work orders, the system knows exactly who is responsible for each activity in the schedule.

With true critical path scheduling, you are on top of the job, no matter what delays or problems you encounter. If an activity falls behind, other dependent activities are automatically rescheduled. Key control points let you know how much room you have for setbacks before an activity becomes critical.
As your activities are completed, the information flows back to purchasing thereby marking purchase orders and work orders approved by the field inspection. No longer will your superintendents sort through stacks of invoices approving payment. They are free to stay in the field where they are most profitable to you.

You pay your trade partners from the purchase orders and work orders that your superintendent has deemed complete, not from an invoice sent to you. You know that you
are paying the correct amount, and you will not pay an invoice twice. Again, you have protected your bottom line.

Remote Access

Cell phones revolutionized communication between the field and the office. New tools are becoming increasingly effective at streamlining communications further.

CDCI has taken advantage of new technology to arm you with full cycle cost control that’s evolved and become more seamless and powerful. By utilizing handhelds such as Palm and Pocket PC devices, field personnel can access construction schedules, contact information and pay status for their trade partners while at the jobsite.

Your superintendents are more valuable to you in the field than in the office. By equipping them with handhelds, important job data is available from their back pocket with an instrument that’s as small and easy to use as a calculator.

From the field, your supers can update the schedule and send the information to the back office from any web connection. No complex technology, no need for a trip to the office, and all your players are informed.

Mobility of your schedule eliminates the tedious task of sorting through invoices from your trade partners while trying to recall what work has been completed. You are assured of up to date progress for all facets of the building cycle.

Checks

Where you will really see full cycle cost control at work is in the payment process of your trade partners. Whether you build 1 or 1000 homes yearly, you will eliminate steps from this process, which results in increased profit and productivity.
Your supervisor has already notified the system which tasks have been completed by updating progress in the schedule. That information flows back to purchasing and flags your purchase and work orders as approved from the field. Without any extra work, you know which PO's are completed.

Now, all you have to do is cut checks. No invoice entry or PO review. Simply select the checks to print, and you have completed your AP run.

Since information has flowed through the system, you know that the work is completed and you are paying for exactly what your specified on the order. You don’t have to second guess invoices from your trade partners. You will never pay an invoice twice.

You have controlled the payment process with checkpoints that assure accuracy. This process continues throughout the life of the project. With full cycle cost control, your profits are protected. You can focus your resources on building instead of bean counting.

**Accounts Payable and General Ledger**

While you are progressing through the building cycle, all of your purchasing information flows directly to Accounts Payable and integrates completely with General Ledger. Your full
cycle cost control system is equipped with checkpoints that handle all the routine details, alerting you of exceptions that require your attention. Nothing is overlooked by the system. You save time and have failsafe automation against budget overages and liability.

As you pay your trade partners, full cycle cost control checks each dollar against your budget. When you have already accrued costs, even committed costs from purchase orders not yet issued, the system will make sure that you have not exceeded your budget. This is a critical step in controlling your costs. If you have budget overages, you are warned and can take immediate action. You will no longer sift through post mortem job cost reports trying to find out why you finished over budget. You now have the opportunity to address the issue before you make a payment.

You are also proactive in protecting yourself from liability of paying uninsured trade partners. Our system makes certain that all workers’ compensation and general liability certificates are up to date. In the case of an expired certificate, you are notified prior to payment.

This is a significant liability issue, and one that can be easily overlooked during the payment process. Your cost control system handles the mundane responsibility of checking all expiration dates, allowing you to deal only with the exceptions.

Tight integration between General Ledger and purchasing, receivables, draws, payroll and job cost ensures that all facets of your system are in sync. Powerful reporting, reconciliation and journaling features make it easy for a builder to manage finances like a CPA.

**Job Cost**

The loop of the full cycle cost control cycle is closed in the Job Cost module. This is the watchdog of the entire system, protecting your profits and using automation to eliminate mistakes. Here, the system tracks your actual costs versus budgets so that you can maintain your profit margin.
Timely, pertinent reports are the key to successful cost control by pinpointing possible problem areas. Monitoring actual expenditures and providing cost to complete projections can detect potential overruns early, allowing you to take corrective action. You control the costs and are immediately aware of any exceptions.

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<th>Sales Price</th>
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<th>Cost</th>
<th>Variance</th>
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You always know where you stand with your budgets. Your CDCI full cycle cost control gives you command of your costs, warns you of any variation and opens communication between the field and back office. With the continuous flow of information between estimating, purchasing, scheduling, payables, and job cost you are on top of every aspect of the building cycle. You have the tools to allow you to manage your business and ensure that you make money. The process is thorough, and most importantly, effortless.
About the Speaker

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Maggie Geoffroy is the President and Director of Sales and Marketing at Construction Data Control, Inc. (CDCI), founded by her father in 1978. CDCI provides software in the areas of accounting, project management and estimating.

Maggie is an active member of National Association of Homebuilders (NAHB) serving on two committees and as a subcommittee chairperson. Maggie’s speaking engagements include the International Builders’ Show, PCBC, local Home Builders’ Associations, the AGC Convention and AEC’s Computers for Construction on various technology topics.