

Builders: The Advantages Of Outsourcing Warranty Service

\$770,000 was awarded in June for a \$360,000 home in a nearby county. After an eight day trial, a jury awarded and sent a strong message to the home building community for a mold case that was clearly no fault of the Builder. What is most astonishing is that the first time the Builder was made aware of the mold problem, the customer's 12 month warranty had expired by 5 months.

If first year warranty service is an area of your business where you would like to cut costs and improve service (and avoid situations like the case cited above), consider outsourcing to a professional warranty servicing company, such as ProHome®.

By using an independent third-party warranty servicing company, you can focus on new and existing projects rather than spending a disproportionate amount of time and effort on warranty work.

ProHome® starts from the beginning by training your new homeowners on what to expect from their warranty. We give homeowners a clear, written manual of what is covered and what is not. The warranty is based on the National Association of Home Builders' "Residential Construction Performance Guidelines."

As a third party warranty manager, ProHome® is objective, therefore there is no conflict of interest in managing the warranties and the emotional dynamic is removed from the equation.

Add Protection And Increase Your Bottom Line

ProHome® is the nation's leading third party Warranty Management Company. More than 5,000 Builders find ProHome® more cost effective than an in-house process. When times are good, your company may tend to throw money at deficiencies. During difficult economic times like these, you may be evaluating every cost.

To make a cost comparison between in house warranty service and outsourcing to a third party, calculate what is being spent on personnel time and expenses for:

- Pre-close and warranty walks
- Trade scheduling time
- Phone time
- Cell Phones
- Gas and other auto expenses
- Taxes and Insurance
- Vacations and other benefits
- Non-warranty items repaired or replaced.

Many Builders have a tough time getting their customers to adhere to the warranty. ProHome® clarifies what is covered in the warranty and what is not.

Tom Coyle from Sunrise Colony, in the Las Vegas area, has documented that ProHome® saved their company an excess of \$1 Million dollars over a 30 month period as they were closing 10 – 15 homes per month in one development and an excess of \$750K over an 18 month period in a second development that closes 35–50 homes per month.

On a local basis, **Peter Lee from SPL Development** said "I have been extremely happy working with ProHome. The amount of time and resources that I have been able to save and still maintain the level of professionalism that our clients have come to expect from SPL Development Group has been invaluable. Having gone through the process of performing the services for our customers on previous developments myself and now having utilized your services, it is an easy choice to foresee how I will proceed in the future."

Rod Mitchell of Meridian Custom Homes said "We are so glad that we chose to engage you to handle our customer service management and warranty issue resolutions. You have saved us so much effort in our office, reduced conflict within our team, and most importantly helped us hold our subcontractors to a higher standard and deliver a better product. We are experiencing a real saving in overhead and happier customers, both of which are so important in today's market."

The ProHome® Process

Prior to the closing, ProHome® meets with the new homeowner for a detailed orientation of all aspects of their home. This is much more than a surface inspection and usually takes 1 to 2 hours to complete. ProHome® addresses the homeowner's maintenance responsibilities, outlines the warranty process, and shows them how to operate and maintain each element of the home. Homeowners are thoroughly educated on which items are their responsibilities and which items require professional attention. Once the sale is complete, the homeowner is given a "Just Give Us A Call" card and ProHome® becomes the central gateway for solving problems and handling all their questions and concerns.

The homeowner is given a warranty book which over 5,000 Builders use nationwide. ProHome® documents every call in their system which becomes an invaluable tool for reference. All warranty items are assigned a code, making it possible to track the types of problems that occur and how often. This allows you, the Builder, to focus on areas in your operation that need improvement.

During the customers warranty period, ProHome® addresses all customer concerns, provides a 24/7 emergency response, performs 30 day and 11 month warranty walks. Valid warranty items are held to the next weekly meeting for Builder approval. ProHome® then schedules homeowners and the Builders' trades to complete approved items. This enables the Builder to spend 15-20 minutes a week on warranty issues rather than addressing these issues continually throughout the week.

Consistency Across The Country

In today's economy, Builders are expanding into markets outside their home territory. By standardizing their warranty and customer management process, aggressive Builders can utilize the ProHome® system in over 100 major markets nationwide.

ProHome® has been serving America's finest Builders for over 25 years and has been featured in several Trade Magazines. Many members of the ProHome® management team are recognized as "experts" in new home warranty management.

ProHome® of New England serves the central and eastern Massachusetts area, Rhode Island, and southern New Hampshire today.

Ed Mangini is the Owner / General Manager of ProHome® of New England. Operating since early 2003, ProHome® of New England has partnered with over 50 builders throughout New England. Ed can be reached at their corporate office in Franklin, MA, (508)528-7827 or Prohome@Prohomesne.com.

