
The 2005 Harvard University Residential Building Supply in Transition Survey

Corporate Overview

Supported by the Harvard Center for Textile and Apparel Research,
through funding provided by the Alfred P. Sloan Foundation.

JOINT CENTER FOR HOUSING STUDIES

Harvard Design School • John F. Kennedy School of Government • Harvard University



Prepared by Abt Associates, Inc. for the Harvard Distribution Study.

Additional Information

The survey will take you approximately 20 minutes to complete per section. Although your participation in the survey is entirely voluntary, we strongly encourage you to participate. There are no job-related or other consequences for not participating. You may also choose to answer some questions on the survey and not others—although we urge you to complete as many questions as possible. All responses to the survey will be kept confidential. Your answers to these questions will be combined with dozens of other companies and the resulting information will be grouped together when used to write reports. All individual identifying information will be kept confidential and used only by persons on the research team.

2005 Harvard University Residential Building Supply in Transition Survey – Corporate Overview

Instructions

Unless otherwise noted, your responses should reflect your experiences during the 2004 fiscal year.

You are sometimes asked to skip over some questions in the survey. When this happens, you will see an arrow with a note that tells you what question to answer like this:

- ₁ Yes
- ₂ No → Skip to E4

This survey is divided into three sections. It can be completed all at once, or by section. You may find it helpful for different members of your organization to complete different sections. We present some guidelines below, should you choose to complete the survey by section type.

- A. Corporate Overview.** This section provides an overview of your company’s activities and how these compare to activities of 5 years ago, it provides a financial overview, and has items on company profitability. This section is best completed by a corporate executive with CEO or CFO responsibilities.
- B. Supply Chain Management.** This section describes your company’s supplier relations and purchasing decisions. It is best completed by the person handling purchasing responsibilities at your company.
- C. Technology Overview.** This section is best completed by the head of information technology at your company.

This is to be completed at the corporate office for companies that have multiple operating locations. If your company operates out of more than one administrative office, please complete this questionnaire from a company-wide perspective.

A. Company Background Information

Please answer the following questions on this survey for your residential construction activities only (to the extent possible).

A1. Approximately how many employees were on the payroll at your company in 2004 and 1999 (in all locations):

_____ number of employees in **2004**

_____ number of employees in **1999**

A2. What were total sales for your company in fiscal years 2004 and 1999? How many housing units were sold?

Total sales...	Fill in answers below...	
	in millions of dollars	Housing units sold
In 2004	\$ _____ million	# _____
In 1999	\$ _____ million	# _____

2005 Harvard University Residential Building Supply in Transition Survey – Corporate Overview

A3. Has your company merged with or acquired another company(s) since 1999?

- Yes
- No →Skip to A4

A3a. (If yes:) Approximately what share of current annual revenue is the result of this merger and acquisition activity since 1999?

_____%

A4. Did you have **corporate headquarters employees** on payroll performing the functions listed below in 2004?

	Check one for each row below ...	
	Yes	No
a. Land acquisition/development	<input type="checkbox"/>	<input type="checkbox"/>
b. Land entitlement	<input type="checkbox"/>	<input type="checkbox"/>
c. Architecture/interior design	<input type="checkbox"/>	<input type="checkbox"/>
d. Purchasing/national accounts	<input type="checkbox"/>	<input type="checkbox"/>
e. Information technology	<input type="checkbox"/>	<input type="checkbox"/>
f. Construction quality control	<input type="checkbox"/>	<input type="checkbox"/>
g. Subcontractor relations	<input type="checkbox"/>	<input type="checkbox"/>
h. Customer satisfaction	<input type="checkbox"/>	<input type="checkbox"/>

A5. Did you have employees on staff at this location performing these functions in fiscal year 1999?

	Check one for each row below ...	
	Yes	No
a. Land acquisition/development	<input type="checkbox"/>	<input type="checkbox"/>
b. Land entitlement	<input type="checkbox"/>	<input type="checkbox"/>
c. Architecture/interior design	<input type="checkbox"/>	<input type="checkbox"/>
d. Purchasing/national accounts	<input type="checkbox"/>	<input type="checkbox"/>
e. Information technology	<input type="checkbox"/>	<input type="checkbox"/>
f. Construction quality control	<input type="checkbox"/>	<input type="checkbox"/>
g. Subcontractor relations	<input type="checkbox"/>	<input type="checkbox"/>
h. Customer satisfaction	<input type="checkbox"/>	<input type="checkbox"/>

2005 Harvard University Residential Building Supply in Transition Survey – Corporate Overview

A6. From **1999 to 2004**, would you say that each of the functions listed below – from a corporate perspective – has increased in importance in recent years, decreased in importance, or remained about the same?

	Check one below for each row...		
	Importance Increased	Importance Decreased	Importance Remained the same
a. Land acquisition/development	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Land entitlement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Architecture/interior design	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Purchasing/national accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Information technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Construction quality control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Subcontractor relations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Customer satisfaction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A7. Which of these functions has increased in importance the most at your company in recent years? (Check only one)

- Land acquisition/development
- Land entitlement
- Architecture/interior design
- Purchasing/national accounts
- Information technology
- Construction quality control
- Subcontractor relations
- Customer satisfaction

A8. Approximately what share of single-family homes sold by your company in fiscal years **2004** and **1999** were **speculative** (your company initiated the construction, and the home was sold during or after construction) vs. **presold** (the home was pre-sold before construction began)?

	Enter % below...	
	2004	1999
a. Speculative- not pre-sold before beginning construction	____%	____%
b. Pre-sold- before beginning construction	____%	____%
c. Other (Please Specify:) _____	____%	____%
Shares should total:	100%	100%

A9. How much land does your company currently **own** outright given your projected production levels?

- Years # _____ (include decimal points as necessary)
- Don't own land / less than one month supply

2005 Harvard University Residential Building Supply in Transition Survey – Corporate Overview

A10. For how much land does your company currently **have options or otherwise control** given your projected production levels?

- Years # _____ (include decimal points as necessary)
- Don't have options or otherwise control / less than one month supply

A11. Have land acquisition strategies at your company changed in recent years?

- Yes
- No →Skip to A12

A11a. (If yes:) How have land acquisition strategies at your company changed in recent years?

(Check all that apply)

- Increased land development activities by our company
- Decreased land development activities by our company
- Increased land inventory (all types)
- Decreased land inventory (all types)
- Increased participation in land-related joint ventures
- Greater reliance on off-balance sheet arrangements
- Greater reliance on options
- Other (Please Specify:) _____

A12. In **2004**, what was your company's **annual average cost** of money borrowed (i.e. average interest rate for all company debt)?

- Average cost of borrowing (bank borrowing and other debt) = ____ . ____%
- Not applicable/ didn't borrow in 2004

A13. In **2004**, what was your company's annual average cost of capital (i.e. average cost of debt and equity financing)?

- Average cost of capital (debt and equity) = ____ . ____%
- Not applicable – Not a publicly traded company

A14. In fiscal years 1999 and 2004, what is your best estimate of your company's net income (profit), before taxes, as a share of total revenue?

(Please consider net income as total revenue -- sales of homes, land, and other revenue -- minus all operating costs, including but not limited to: land, direct and indirect construction costs, sales and marketing, and overhead.)

2004 net income (profit) before taxes = ____ . ____% **of revenue**

1999 net income (profit) before taxes = ____ . ____% **of revenue**

2005 Harvard University Residential Building Supply in Transition Survey – Corporate Overview

A15. Please rank the importance of each of the following in terms of **profitability** at your company over the past 5 years, on a 1 to 7 scale, with 1 being the most important and 7 being the least important.

Rank	(1 = most important; 7 = least important)
___	More efficient/successful land assembly strategy
___	Savings in purchases of building products
___	Savings in on-site construction costs; callbacks
___	Improved customer perception/customer satisfaction
___	Increased margins in our home sales prices due to stronger market conditions
___	Increased use of information technology and web based systems
___	Reduction in construction cycle time
(not ranked)	Other (Please Specify) _____

A16. Please provide your best estimates for company performance along the following measures for **1999 and 2004**.

Performance Measure	1999	2004
a. Average cycle-time for home construction (company wide)	___ days	___ days
b. Average gross margins for homes built	___ . ___%	___ . ___%
c. Average cost/square foot of construction (excluding costs of basements, slabs, and land).	\$ ___/sq. ft.	\$ ___/sq. ft.
d. Customer satisfaction (willingness to recommend)	___% willing to recommend	___% willing to recommend

B. Supply Chain Management

The next series of questions ask about supplier relations and product choices.

B1. Do you generally share specific information on your planned building activities with your dealers and suppliers?

- Yes, always→ Skip to B2
- Yes, occasionally→ Skip to B2
- No, not usually

B1a. (If no:) Would you share information on planned building activities if asked to?

- Yes
- Depends (Please Elaborate:) _____
- No→ Skip to B4

2005 Harvard University Residential Building Supply in Transition Survey – Corporate Overview

- B2. Do you share planned building activities with all dealers and suppliers, or just those with which you have a special arrangement?
- All dealers and suppliers
 - Just those with special arrangement
 - Other (Please Specify) _____
- B3. How far into the future do you share your planned building activity? (Check all that apply)
- Planned activities for next 1-2 week(s)
 - Planned activities for next 1-3 month(s)
 - Planned activities for next year
 - Planned activities for next several years
- B4. How does the number of suppliers that you presently use at a given location for lumber, building materials, and millwork compare to the number that you used 5 years ago? (Check only one)
- More suppliers now
 - About the same
 - Fewer suppliers now
 - No trend, varies from location to location
- B5. How does the number of suppliers you use now at a given location compare to the number you are likely to use 5 years from now? (Check only one)
- More suppliers in 5 years
 - About the same
 - Fewer suppliers in 5 years
- B6. Does your company make any product selections on a centralized corporate basis (as opposed to by divisions, or by letting subcontractors select products)?
- Yes
 - No →Skip to B7
- B6a. (If yes:) Do you currently conduct formal reviews of corporate-selected products selected centrally?
- Yes, on a regular basis
 - Yes, as needed
 - No
- B6b. Did you conduct reviews 5 years ago?
- Yes
 - No
- B7. Did your company have any **corporate-negotiated** pricing, product volume discount, or rebate programs in place with dealers or manufacturers in 2004?
- Yes
 - No →Skip to B8
- B7a. (If yes:) Are these programs generally company-wide, or do they generally apply to just select locations?
- Company wide
 - Select locations
 - Depends on product

2005 Harvard University Residential Building Supply in Transition Survey – Corporate Overview

- B7b. Are these programs generally with dealers or manufacturers?
- Generally only with dealers
 - Generally only with manufacturers
 - With both

Product Lines

The next section asks about four different product lines. They are: OSB/plywood / sheathing, wallboard, siding products, and windows.

Please answer the following questions on **OSB/plywood/sheathing** products used in homes you build.

- B8. Who decides which brand and type of **OSB/plywood/sheathing** products to use in the homes built by your company?
- Generally done centrally
 - Generally done at divisional level →Skip to B9
 - Generally subs select →Skip to B9
 - Generally homebuyer selects →Skip to B9
 - Other (Please Specify:) _____

- B8a. (If done centrally:) Do you put the **OSB/plywood/sheathing** product line out for bid every year?
- Yes
 - No
 - Depends

- B8b. (If done centrally:) Do you conduct a formal review of the **OSB/plywood/sheathing** product line?
- Yes, annually
 - Yes, as needed
 - No →Skip to B9

- B8b1. (If yes:) What is currently covered in these reviews? (Check all that apply)
- Pricing
 - Product performance
 - Manufacturer performance
 - Dealer performance
 - Customer satisfaction
 - Other – (Please Specify:) _____
 - Do not conduct reviews

- B9. Did you have any **corporate-negotiated** pricing, volume discounts, or rebate programs **with dealers** in place for **OSB/plywood/sheathing** products in 2004?
- Yes
 - No corporate programs, just divisional arrangements →Skip to B10
 - No programs →Skip to B10

- B9a. (If yes:) Are these dealer-based corporate-negotiated programs for **OSB/plywood/sheathing** national or regional (i.e do they apply to all of your divisions or just some)?
- National-- apply to all locations
 - Regional—apply to some locations

2005 Harvard University Residential Building Supply in Transition Survey – Corporate Overview

- B9b. What elements did these dealer programs cover for your **OSB/plywood/sheathing** products in 2004?
(Check all that apply)
- Favorable pricing
 - Guaranteed supply
 - Automatic best pricing available
 - Rebate programs
 - Showroom support

- B10. Did you have any **corporate-negotiated** pricing, volume discounts, rebate programs, or “preferred” buying programs **with manufacturers** in 2004 for **OSB/plywood/sheathing**?
- Yes
 - No →Skip to B13

- B10a. Are these manufacturer-based corporate-negotiated programs for **OSB/plywood/sheathing** national or regional (i.e. do they apply to all of your divisions or just some)?
- National-- apply to all locations
 - Regional—apply to some locations

- B10b. What elements did these manufacturer-based programs for **OSB/plywood/sheathing** cover in 2004?
(Check all that apply)
- Favorable pricing
 - Guaranteed supply
 - Automatic best pricing available
 - Rebate programs
 - Showroom support

- B11. Approximately what % of your company’s total construction was covered under these **OSB/plywood/sheathing** programs in 2004?
- _____ %

- B12. How important were these volume discount or rebate programs to your selection of **OSB/plywood/sheathing** products in 2004?
- Very important
 - Somewhat important
 - Not very important

Please answer the following questions on **wallboard** products used in homes you build.

- B13. Who decides which brand and type of **wallboard** products to use in the homes built by your company?
- Generally done centrally
 - Generally done at divisional level →Skip to B14
 - Generally subs select → Skip to B14
 - Generally homebuyer selects →Skip to B14
 - Other (Please Specify) _____ →Skip to B14

- B13a. (If done centrally:) Do you put the **wallboard** product line out for bid every year?
- Yes
 - No
 - Depends

2005 Harvard University Residential Building Supply in Transition Survey – Corporate Overview

B13b. (if done centrally:) Do you conduct a formal review of the **wallboard** product line?

- Yes, annually
- Yes, as needed
- No →Skip to B14

B13b1. (if yes:) What is currently covered in these reviews? (Check all that apply)

- Pricing
- Product performance
- Manufacturer performance
- Dealer performance
- Customer satisfaction
- Other _____
- Do not conduct reviews

B14. Did you have any **corporate-negotiated** pricing, volume discounts, or rebate programs in place **with dealers** for **wallboard** in 2004?

- Yes
- No corporate programs, just divisional arrangements →Skip to B15
- No programs →Skip to B15

B14a. Are these dealer-based corporate-negotiated programs for **wallboard** national or regional (i.e. do they apply to all of your divisions or just some)?

- National—apply to all locations
- Regional—apply to some locations

B14b. What elements did these dealer programs cover for your **wallboard** products in 2004? (Check all that apply)

- Favorable pricing
- Guaranteed supply
- Automatic best pricing available
- Rebate programs
- Showroom support

B15. Did you have any **corporate-negotiated** pricing, volume discounts, rebate programs, or “preferred” buying programs **with manufacturers** in 2004 for **wallboard**?

- Yes
- No→Skip to B18

B15a. Are these manufacturer-based corporate-negotiated programs for **wallboard** national or regional (i.e. do they apply to all of your divisions or just some)?

- National—apply to all locations
- Regional—apply to some locations

B15b. What elements did these manufacturer-based programs for **wallboard** cover in 2004? (Check all that apply)

- Favorable pricing
- Guaranteed supply
- Automatic best pricing available
- Rebate programs
- Showroom support

2005 Harvard University Residential Building Supply in Transition Survey – Corporate Overview

- B16. Approximately what % of your company's total construction was covered under these **wallboard** programs in 2004?
_____ %
- B17. How important were these volume discount or rebate programs to your selection of **wallboard** products in 2004?
 Very important
 Somewhat important
 Not very important

Please answer the following questions on **siding products** used in homes you build.

- B18. Who decides which brand and type of **siding products** to use in the homes built by your company?
 Generally done centrally
 Generally done at divisional level →Skip to B19
 Generally subs select →Skip to B19
 Generally homebuyer selects →Skip to B19
 Other (Please Specify) _____ →Skip to B19
- B18a. (If done centrally:) Do you put the **siding product** line out for bid every year?
 Yes
 No
 Depends
- B18b. (If done centrally:) Do you conduct a formal review of **siding product** line?
 Yes, annually
 Yes, as needed
 No →Skip to B19
- B18b1. (If yes) What is currently covered in these reviews? (Check all that apply)
 Pricing
 Product performance
 Manufacturer performance
 Dealer performance
 Customer satisfaction
 Other – (Please Specify:) _____
 Do not conduct reviews
- B19. Did you have any **corporate-negotiated** pricing, volume discounts, or rebate programs in place **with dealers** for **siding** products in 2004?
 Yes
 No corporate programs, just divisional arrangements →Skip to B20
 No programs →Skip to B20
- B19a. Are these corporate-negotiated programs for **siding products** national or regional (i.e. do they apply to all of your divisions or just some)?
 National—apply to all locations
 Regional—apply to some locations

2005 Harvard University Residential Building Supply in Transition Survey – Corporate Overview

- B19b. What elements did these dealer programs cover for your **siding products** in 2004?
(Check all that apply)
- Favorable pricing
 - Guaranteed supply
 - Automatic best pricing available
 - Rebate programs
 - Showroom support

- B20. Did you have any **corporate-negotiated** pricing, volume discounts, rebate programs, or “preferred” buying programs **with manufacturers** in 2004 for **siding**?
- Yes
 - No→Skip to B23

- B20a. Are these manufacturer-based corporate-negotiated programs for **siding products** national or regional (i.e. do they apply to all of your divisions or just some)?
- National—apply to all locations
 - Regional—apply to some locations

- B20b. What elements did these manufacturer-based programs for **siding** cover in 2004?
(Check all that apply)
- Favorable pricing
 - Guaranteed supply
 - Automatic best pricing available
 - Rebate programs
 - Showroom support

- B21. Approximately what percent of your company’s total construction was covered under these **siding** programs in 2004?
- _____ %

- B22. How important were these volume discount or rebate programs to your selection of **siding** products in 2004?
- Very important
 - Somewhat important
 - Not very important

Please answer the following questions on **window** products used in homes you build.

- B23. Who decides which brand and type of **window** products to use in the homes built by your company?
- Generally done centrally
 - Generally done at divisional level → Skip to B24
 - Generally subs select → Skip to B24
 - Generally homebuyer selects → Skip to B24
 - Other (Please Specify:) _____ → Skip to B24

- B23a. (If done centrally:) Do you put the **window** product lines out for bid every year?
- Yes
 - No
 - Depends

2005 Harvard University Residential Building Supply in Transition Survey – Corporate Overview

B23b. (If done centrally:) Do you conduct a formal review of **window** product lines?

- Yes, annually
- Yes, as needed
- No →Skip to B24

B23b1. (If yes) What is currently covered in these reviews? (Check all that apply)

- Pricing
- Product performance
- Manufacturer performance
- Dealer performance
- Customer satisfaction
- Other – (Please Specify:)

- Do not conduct reviews

B24. Did you have any **corporate-negotiated** pricing, volume discounts, or rebate programs **with dealers** in place for **window** products in 2004?

- Yes
- No corporate programs, just divisional arrangements →Skip to B25
- No programs →Skip to B25

B24a. Are these dealer-based corporate-negotiated programs for **windows** national or regional (i.e. do they apply to all of your divisions or just some)?

- National—apply to all locations
- Regional—apply to some locations

B24b. What elements did these dealer programs cover for your **window** products in 2004? (Check all that apply)

- Favorable pricing
- Guaranteed supply
- Automatic best pricing available
- Rebate programs
- Showroom support

B25. Did you have any **corporate-negotiated** pricing, volume discounts, rebate programs, or “preferred” buying programs **with manufacturers** in 2004 for **windows**?

- Yes
- No →Skip to C1

B25a. Are these manufacturer-based corporate-negotiated programs for **windows** national or regional (i.e. do they apply to all of your divisions or just some)?

- National—apply to all locations
- Regional—apply to some locations

B25b. What elements did these manufacturer-based programs for **windows** cover in 2004? (Check all that apply)

- Favorable pricing
- Guaranteed supply
- Automatic best pricing available
- Rebate programs
- Showroom support

2005 Harvard University Residential Building Supply in Transition Survey – Corporate Overview

- B26. Approximately what % of your company's total construction was covered under these **window** programs in 2004?
_____ %
- B27. How important were these volume discount or rebate programs to your selection of **window** products in 2004?
 Very important
 Somewhat important
 Not very important

C. Information Technology (IT)

Please answer the following questions about your corporate IT systems.

- C1. Does your company use computerized systems for **estimating construction costs**?
 Yes
 No →Skip to C2
- C1a. (If yes:) Is your construction **cost estimating** system used company-wide?
 Yes, estimating system currently used company-wide
 No, estimating system not company-wide, but have plans to implement it company-wide in the near future
 No, estimating system not company-wide
- C1b. If your estimating software uses company historical product and installation costs to project current costs, how many years of history are considered? (Check one)
 1 year
 2 years
 3 years or more
 Do not use historical data from my company for estimating.
- C2. Does your company use computerized systems for **subcontract bidding**?
 Yes
 No →Skip to C3
- C2a. (If yes:) Is your subcontract bidding system used company-wide?
 Yes, subcontract bidding system currently used company-wide
 No, subcontract bidding system not company-wide, but have plans to implement it company-wide in the near future
 No, subcontract bidding system not company-wide
- C2b. Is the **subcontract bidding** information electronically accessible by field operations and subcontractors?
 Field Operations only
 Subcontractors only
 Both field operations and subcontractors
- C3. Does your company use computerized **scheduling** systems?
 Yes
 No →Skip to C4
- C3a. (If yes:) Is your **scheduling** system used company-wide?
 Yes, scheduling system currently used company-wide
 No, scheduling system not company-wide, but have plans to implement it company-wide in the near future
 No, scheduling system not company-wide
-

2005 Harvard University Residential Building Supply in Transition Survey – Corporate Overview

- C3b. Is **scheduling information** electronically accessible by field operations, suppliers, subcontractors, or customers? (Check all that apply)
- Field Operations
 - Suppliers
 - Subcontractors
 - Customers

- C4. Does your company use computer or WEB based systems for **visualization/presentations** (e.g. 3-D walkthrough virtual tours)?
- Yes
 - No→Skip to C5

- C4a. (If yes:) Are your **visualization/presentation** systems used company-wide?
- Yes, visualization/presentation system currently used company-wide
 - No, visualization/presentation system not company-wide, but have plans to implement it company-wide in the near future
 - No, visualization/presentation system not company-wide

- C4b. Are these functions electronically accessible by field operations and customers? (Check all that apply)
- Field Operations
 - WEB based public site
 - Only Customers at model home

- C5. Does your company use computerized systems for communication with **homebuyers** about the status of their homes during construction?
- Yes
 - No →Skip to C6

- C5a. (If yes:) Are these systems used company-wide?
- Yes, systems currently used company-wide
 - No, systems not company-wide, but have plans to implement it company-wide in the near future
 - No, systems not company-wide

- C5b. Are these communications to homebuyers WEB based?
- Yes
 - No

- C5c. Are home status reports updated? (Check one)
- Daily
 - Weekly
 - Monthly
 - As needed

- C6. Thank you for the time you have spent completing this survey. If you have completed it on paper, please complete the information below:

Your Name: _____ Email address: _____

Company Name: _____ or web survey login ID _____