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Covid-19 Updates from the Industry: Part II

Alliance Builders Are Well-Positioned

This CEO began creating a digital business long before the crisis. He's glad he did.



Gene Myers is CEO of **Thrive Home Builders** in Denver. He is also a member of the Housing Innovation Alliance's Board of Directors.

He says that his company has transformed how it does business since COVID-19 raised its head. At this writing (late March) the City of Denver is allowing construction work to go on. However, if Thrive gets cases in the field they are ready to shut down voluntarily.

The company has fully embraced CDC guidelines for social distancing and hand sanitizing. It has also put additional rules in place, which include allowing no more than one trade at a time in a house. They have posted all rules on the jobsite in English and Spanish.

Myers points out that builders already know how to keep people safe and this is just a matter of doing a bit more. "We're treating this like it's an OSHA requirement and our QA team is enforcing it," he says. For instance if someone fails to maintain social distancing they get one warning. The next time they get sent home.

Office staff have been sent home to work and communication between staff, customers, suppliers, service providers and trades is happening virtually. Since the company has long made it a priority to implement digital technology, the transition to a virtual business has been relatively painless.

That's thanks in part to the opportunity the Alliance affords Thrive and other builders to network with one another and with technology providers.

"We have deployed a lot of technology over the past few years," he says. "We can manage trades and suppliers with **Build Pro** and **Supply Pro**. Our QA department uses FTQ 360 software. We have DocuSign technology for legal documents. And we've just begun deploying Microsoft Teams for virtual collaboration."

He says that every regularly scheduled company meeting has gone off without a hitch remotely. That included a company-wide meeting during which department heads reported to the whole company on how things were working for them. In addition, meetings end with the chance for staff to express gratitude and to share wins, which he says has been a real morale-booster.

Regular communication from company leadership has also been critical to maintaining morale. "We started a daily email to our people from me or one of our VP's. The feedback we got is that it's a lifeline that keeps them from feeling isolated.

Myers believes that one of the biggest long-term impacts of the crisis will be to move Thrive to an online-based sales process.

For instance after the crisis hit, they decided to equip model homes with web-enabled locks and security cameras, so salespeople can let a customer into the home remotely. Myers sees this continuing in the future. "It gives us the ability to operate after hours and on weekends, which are the most convenient times for most people to view a model," he says.

The company already offers virtual home tours via **Matterport** and has been looking to adopt **Envision**, which provides a virtual design center. The current crisis will accelerate that adoption.

"I think we will come out the other side of this as a better company," he says.

Wellness Rising

This builder believes the crisis will make online home buying mainstream, and will create more demand for healthy homes with advanced technologies

Phoenix-based **Fulton Homes'** sales process hasn't changed much post-COVID, according to Dennis Webb, VP of Operations. That's because the company decided a few years ago that sales would increasingly move online.

"We've had a virtual sales process in place for a long time," he said. Fulton was already doing some Zoom, Skype and Face Time appointments with customers, so doing more of that hasn't caused much stress.

They have also adopted tools that let customers configure their own homes. "We assumed that fewer people would want to physically come to a design center so we put technology in place to help them make choices online," he says. "That has been successful for us."

Fulton offers Matterport virtual tours of models. And thanks to Envision software, which the company has integrated with the back office, buyers can experiment with different options scenarios and see the bottom-line home price adjust along with their choices.

Webb believes the crisis will make other builders more interested in adopting these and other technologies because they will need them to survive if there's another lockdown.

Fulton is an Indoor Air Plus builder, and Webb also serves on the Alliance's Comfort + Health Program Council. One big outcome of the COVID-19 crisis that he predicts is more demand for healthy homes. "The situation we're in now could come and go for some time," he says. "If people are going to be stuck at home they want it a home that's healthy and beautiful."

He also believes the crisis will create demand for technology that enables remote medical diagnostics. That could include home automation apps that send blood pressure, body temperature and other information to the doctor. "We don't know of a good app that does this yet, but I think you will see it in the future."

Business Is Downstream From Culture

Virtual meetings may work as a placeholder, but face-to-face collaboration remains crucial.

While some companies are talking about making their new virtual business processes permanent after the crisis passes, Milwaukee-based **Tim O'Brien Homes** is only partially on board with that.

"When working with out-of-town customers, this experience will probably make us more apt to utilize tools like Zoom, and we may look at using technology to eliminate a model home," says company President Tim O'Brien. He also sees letting people work from home if, for instance, they have a sick kid. "That way they won't have to use up a sick day," he says.

As a rule, though, for internal company operations he prefers doing things the old-fashioned way. "Having people work with one another in person is valuable," he says. "We have a strong culture based on face-to-face collaboration and I would worry about it if we weren't able to get together."

But that reservation hasn't kept the company from making sure the virtual technology it has implemented works to its full potential.

For instance as soon as O'Brien sensed that some people would have to work from home, he made sure they all had Zoom accounts and had them participate in what he calls "a virtual stress test."

"We sent a bunch of people home for two days. We wanted to test the feasibility of using Zoom for daily huddles and other meetings, and we wanted to test our server's ability to connect with everyone remotely," he says. They found a couple of technical glitches, fixed them, then brought everyone back in. A week later the state of Wisconsin issued a "Safer at Home" advisory so O'Brien sent most people back home to work. The stress test made the transition a lot easier.

As for safety, O'Brien sent a letter to subs that no more than four people are allowed in a home at one time and that the company would be enforcing the CDC guideline for social distancing. Workers are armed with a DIY sanitizer, and everyone has been issued gloves.

The company also shut down its model homes. "We discovered that some people don't care about social distancing," he says. "One customer tried to hand an iPhone to one of our salespeople. That's when I decided to shut it down." Now, customers can visit models by appointment only and have to follow safety protocols.

To stay in touch with customers and prospects while things are shut down, the company has been posting Facebook Live videos every couple of days. "We share information about topics that range from building science to our company history. We also post video walkthroughs of communities and models," says O'Brien. Going forward he wants to get trade and business partners involved. "For instance we will probably have our lender talk about what zero percent interest rates mean to buyers."

He says the new Facebook Live sessions will definitely become a permanent part of the company's marketing arsenal.

Still Sourcing From China

This module builder's Chinese plants are back in business, but the status of their North American projects remains unclear



Stack Modular builds hotel and multifamily modular buildings in the U.S. and Canada. It's different from many other companies in that its modules are steel-framed and are made in China.

One question on a lot of Americans' minds is what the COVID-19 crisis will affect U.S.-China trade. Jim Dunn, Stack's President & Founder doesn't predict a lot of change for his company, and expects to be back to importing modules once the crisis has passed.

"Covid-19 hit during the Chinese New Year, and our company is well-practiced at shutting down during that holiday, so we were already closed," he says. "It just extended the New Year pause. We probably lost a month, but as of today we're 92% back at work."

He says that when China instituted a 14-day lockdown for every individual, the company rented hotel rooms for staff, with each individual quarantined to their own room for those two weeks.

Once work resumed, the government mandated a dozen new safety positions for the factory. "There were a lot of changes we had to make to get back to work, even after quarantine. We now have someone who checks everyone's temperature as they arrive at the plant in the morning, at lunch time, at at the end of the day. We also have people overseeing our cafeteria, making sure there's a two-meter separation between each person at all times."

The North American management team is working from home, but that hasn't been much of an adjustment. "We've been building modules in China for 12 years, so we're pretty good at working remote."

But while manufacturing has resumed, the long-term financial implications are unclear. "Site work needs to be done in places like San Francisco, Anchorage and Seattle. The sites need to be made ready, and the teams need to be ready to receive the modules and install them," he says. As for whether clients will have the capital to keep those jobs moving, Dunn doesn't know. "It's all very uncertain right now."

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