

Berks Homes in a League of Their Own with Enterprise Planning Using Workday Adaptive Planning

OVERVIEW

Country: United States
Industry: Construction

CUSTOMER PROFILE

Berks Homes

CHALLENGE

Move to a sophisticated, but easy-to-use FP&A solution to deliver insights that the company can use to have accurate and up-to-date cash flow forecasting to manage strategic growth.

SOLUTION

Workday Adaptive Planning

BENEFITS

- Provide senior management and other stakeholders with visibility into financial performance, cash flow and more
- Integrated with data from MarkSystems, a home building ERP software platform
- Reduce time and manual effort spent gathering data across multiple systems, tables and spreadsheets
- Self-service options for frontline managers and senior leadership
- One source of the truth, with integrated and updated forecasts and reports

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Joe Campbell
Controller, Berks Homes

Berks Homes has been building homes since 1973, offering homes that combine practicality with inspiration. Berks Homes prides itself on building homes that “just feel right.” Today the company builds quality-made homes across Eastern Pennsylvania, in Berks County, Chester County, Lancaster County, Lebanon County and more.

Today’s real estate market has home building companies facing increasing labor and materials costs and the price of land is increasing as well. For many reasons, people are looking to build new versus buy existing. According to the U.S. Commerce Department, home building rates increased 8.3 percent in 2021 from 2020. Homebuilding companies are also facing unprecedented supply delays. The housing-market research firm Zonda reports that 90% of home builders reported supply disruptions in November 2021, compared with 75% in January 2021.

Becoming a Major Player in the Minor Leagues

“Our goal is to be the major league player in the minor league markets,” said Joe Campbell, controller, Berks Homes. “But to do that – and to manage our growth and our cash flow – we had to make changes with our FP&A systems.”

Berks Homes needed to address several challenges in understanding and managing its financial data. The biggest challenge was how to plan for growth with the overall team at maximum capacity. Campbell’s team had FP&A tools, but they were siloed, static and filled with inefficiencies. They could project revenue and cost by project but were unable to forecast in real-time.

“We had to perform ‘financial gymnastics’ for both regular reporting and ad-hoc reporting,” commented Campbell. “We did not have a single source of the truth. It was not hard to access the data, but it was cumbersome and time-consuming. We had an entire team for this – pulling the data table-by-table, setting up a new table, exporting it into Excel and *then* performing the analysis.”

To achieve their growth plans, Berks Homes’ senior management had a wish list for a new FP&A solution. The ideal system would be easy to use and maintain, provide visibility into financial performance, streamline business insights from real-time data and marry operational metrics with financial data to develop KPIs.

That solution was Workday Adaptive Planning, with Revelwood as Berks Homes’ implementation partner.

Managing Growth

Like many construction firms, Berks Homes uses MarkSystems Home Builder Software, an industry-leading ERP system, to track profitability on each project and at every stage. Step one for the team was to integrate MarkSystems with Workday Adaptive Planning. Revelwood, with its extensive experience in the construction industry, has built integrations with MarkSystems and other FP&A solutions.

Cash flow is one of the biggest challenges facing home builders. A home building company will get a down payment from a client, after which the company relies on bank loans per project to cover the labor and materials costs until the home is finished and turned over to the new homeowner. It sounds

About Revelwood

Revelwood helps finance organizations close, consolidate, plan, monitor and analyze business performance. As experts in solutions for the Office of Finance, we partner with best-in-breed software companies by applying best practices guidance and our pre-configured applications to help businesses achieve their full potential.



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Joe Campbell
Controller, Berks Homes

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simple – except when faced with variable costs for labor and goods, delays for materials and a multitude of new projects at various levels of completion. Berks Homes needed insight into how the increasing costs and delays impact any one project, as well as to understand how the sum of the current projects relate to cash flow and the ability to sign contracts with new clients.

With Adaptive Planning integrated with MarkSystems, Campbell and his team have the information they need to forecast how much they have to pay out the next month. The cash flow modeling, analysis and reporting relies on data sets for “draws.” A draw schedule is a detailed payment plan that determines when a bank will disburse funds to the home building company.

Berks Homes’ Adaptive Planning solution incorporates many different types of construction-specific data. Not only does this include the draw schedule, but it also includes:

- Construction codes for the bank associated with each new home project
- Net contribution, which shows how much revenue they are getting by community, building, region and more
- Commissions the company has to payout

The model also incorporates detailed loan information. When all this information is combined, Berks Homes has a sophisticated and comprehensive view of cash flow based on projects, payments and milestones. Revelwood built the integration with MarkSystems to refresh the data multiple times a day. This allows Campbell’s team – and the senior management team – to have a very accurate view of the company’s cash flow and obligations.

Lastly, Revelwood worked with Campbell to build reports and report templates for this information. The team at Berks Homes does use Adaptive Planning’s OfficeConnect for some reporting, but they prefer the flexibility and dynamic nature of Adaptive Planning’s live reporting.

Today, with the Workday Adaptive Planning solution in place, Campbell and his team are well-equipped to provide insight and answers to the senior leadership team. Campbell can create cash flow reports in real-time, providing visibility into the company’s ability to grow strategically. Frontline managers can update their projects systematically, with visible workflows, an audit trail and version control. Various stakeholders now have a self-service option for ‘slice and dice’ analysis and reporting.

“We are now using Workday Adaptive Planning for many strategic finance activities,” added Campbell. “We have more timely and comprehensive reports and we are saving an incredible amount of time. Previously it would take 10-15 hours for our team to gather the data. Now we can collect the data we need *and* perform the analysis and reporting in just four hours.”

A key aspect to every Revelwood client engagement is knowledge sharing.

“Revelwood was the perfect partner for us. Not only did they understand the unique needs of the construction industry, but they also have an approach towards training their clients,” commented Campbell. “They shared their knowledge with us, leaving us in great shape to use Workday Adaptive Planning on our own.”