



## **Money Lying on the Ground**

### ***How to Save Up to \$500 - \$1,000 or More per Home on Structural Framing***

At many new home job sites, there are \$100 bills scattered in the dirt. While you might not be able to bend down and pick them up, the money is there in the cost of construction waste. Several hundred dollars or more in the form of structural framing wood scraps are often left on the ground or put in dumpsters, instead of in builders' pockets. In addition, excess materials installed in a home equate to lost money.

Builders can reduce framing waste and materials used by up to 10 percent or more and add more money to their bottom lines by implementing recommendations from a relatively straightforward analysis of a home's framing and changing the way materials are specified, ordered and processed before delivery.

Until now, builders and building material dealers have often not had the tools or time to optimize the use of materials. Over the years, it has also been assumed that there would be a certain amount of left-over material during construction – such as extra pieces shipped in case of damage or one or two-foot segments trimmed off of material shipped 'long.' But wood waste is not inevitable.

iLevel by Weyerhaeuser works closely with builders and building material dealers to help them better plan the precise amount of framing materials needed to build a solid home. For example, in New Jersey, iLevel strategic sales representative Bill Rieger identified close to \$500 in savings on one Centex home design, and more than \$1,400 on another design. The savings reduced the framing materials costs by seven percent and 11 percent, respectively, on these home models. Centex plans to replicate these and similar designs hundreds of times in various developments in the coming years.

According to Bill, there are three key areas for reducing waste and saving money in framing construction: 1) identifying ways to make more efficient use of materials in the frame, 2) ensuring that materials bought are more closely aligned with the amounts needed per plan specifications and 3) pre-cutting materials at the dealer to reduce jobsite cutting and waste.

### Making More Efficient Use of Materials

The first area of potential savings is to look for ways to use fewer materials in the frame, while still ensuring adequate strength. For example, Bill walked the job site and reviewed the plans with a Centex production manager to identify design inefficiencies. They found that replacing an unnecessary beam, removing an extraneous mechanical chase, and using alternative-sized I-joists, rim board and blocking panels suited for the application would save more than \$800.

In some cases, substitute materials or alternate construction can be used to meet the design requirements at a lower cost.

### Audit of Materials Bought Versus Needed

The second area of potential savings is to carefully compare the amount of materials specified to build a specific home design with the materials on the purchase order or those that are eventually shipped. It's not unusual to find that over the years of building a certain home model, excess materials are ordered with each model based on earlier errors.

For example, framers on site may inadvertently cut a 10-foot beam from a 12-foot length, without realizing that the delivered set of materials already includes a 10-foot length. Later, they may need to order a replacement 12-footer, and that package of materials becomes the new standard for future orders. Multiply these errors several times throughout a home and the costs can add up quickly.

A board-by-board analysis of the materials can identify areas where either too many, or in some cases, too few, materials are shipped to meet the specified design. Bringing the quantities specified and shipped into closer alignment helps ensure accurate deliveries and potential cost savings of several hundred dollars.

### Pre-Cutting Materials in Job-Ready Packs

The third area of potential savings is for the builder to order job-ready packs of pre-cut framing materials. In some markets, materials are typically delivered in two-foot increments. By reducing the increment to one foot, or even to precision end-trim (PET) packages of materials, waste can be reduced significantly.

Using iLevel's NextPhase® Site Solutions – a range of proprietary software and services available to dealers to help them better plan and cut materials, as well as support panelized construction – Centex supplier Pro-Build is able to reduce the cost of materials by \$200 - \$400 per home with more precisely cut materials. Savings such as these accrue to the builder, dealer or both, depending on what premiums the dealer may charge for providing the service.

In either case, the builder can also realize a significant savings in jobsite labor by eliminating the need to cut materials onsite. Not only does this reduce labor, but it also provides for a safer jobsite. Also, the lack of excess material reduces dumpster fees and labor to dispose of waste materials. For the Centex New Jersey homes, iLevel's

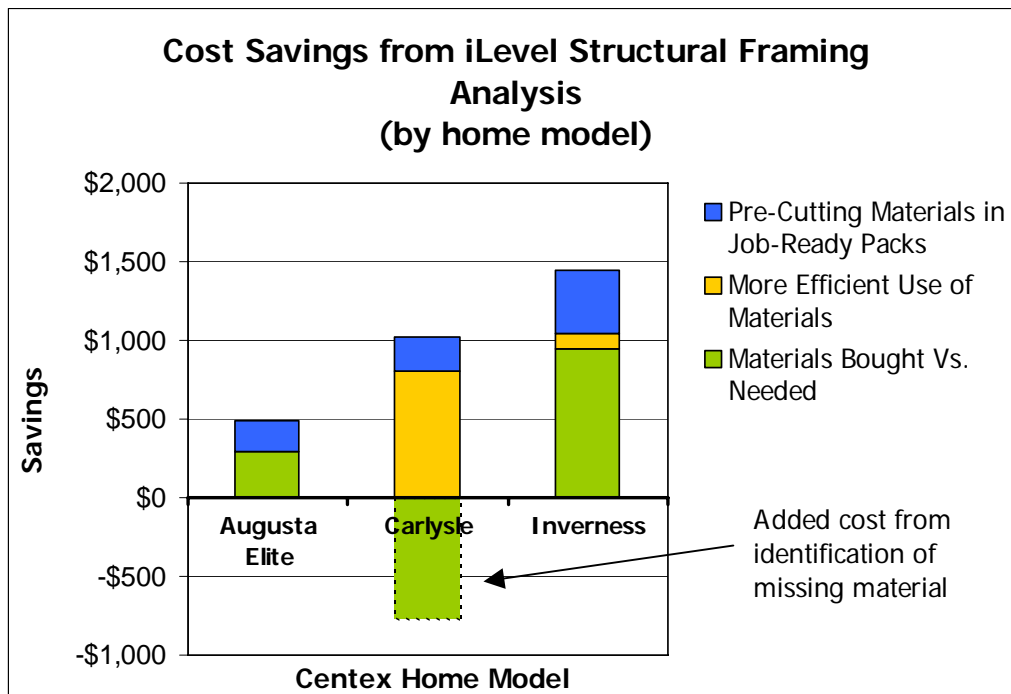
NextPhase Site Solutions can reduce the amount of waste by nearly 300 pounds in one home, and nearly 800 pounds in another home.

Commenting on these three areas of savings, iLevel’s Bill Rieger says, “In a booming housing market, there wasn’t always time to step back and analyze the materials list closely or look for ways to build more efficiently. As profit margins have become tighter, builders have been looking to their suppliers to assist in trimming costs. Performing a design and waste audit can uncover savings and efficiencies for not only the builder, but the suppliers as well. And it’s not just production builders that benefit, builders of all sizes, including custom builders, can often achieve substantial savings on framing materials costs.”

Stephen Canneto, Estimator with the Centex Homes New Jersey Division, adds, “This is definitely a winning proposition. Not only should we save money on material costs and frame labor, but we can also reduce cycle time with no loss of quality.”

From the dealer’s perspective, Pro-Build, the nation's largest building materials dealer, echoes this sentiment. "Pro-Build is committed to not only providing builders with quality products, but delivering systems and solutions that create greater efficiencies in the building cycle," comments Joseph Todd, Senior Vice President of Market Development. "Strober Building Supply, our division in the New York and Philadelphia markets, has invested in iLevel Next Phase Site Solutions to provide just that. Pulling the labor and material waste off the job site not only benefits the builder, it allows us to better manage our inventories, increase turns and reduce waste."

Saving money on structural framing and reducing waste does not need to be complex. Using experts with the right tools can save builders and dealers hundreds or thousands of dollars, in addition to strengthening customer loyalty.



**About iLevel by Weyerhaeuser**

iLevel is Weyerhaeuser's integrated residential framing business resulting in a seamless, unified solution for residential builders through dealers – offering a coordinated network of support for all structural framing materials. By combining Weyerhaeuser's high-quality products and services from well-known brands like Trus Joist and Structurwood, with its distribution and technology capabilities, iLevel efficiently supplies customers with all the necessary components for building the residential structural frame, and solving builder and customer needs around that frame.

**About Weyerhaeuser**

Weyerhaeuser Company, one of the world's largest integrated forest products companies, was incorporated in 1900. In 2006, sales were \$21.9 billion. It has offices or operations in 18 countries, with customers worldwide. Weyerhaeuser is principally engaged in the growing and harvesting of timber; the manufacture, distribution and sale of forest products; and real estate construction, development and related activities. Additional information about Weyerhaeuser's businesses, products and practices is available at <http://www.weyerhaeuser.com>.