

Boosting Profits With Production Methods

by Pat Noonan

Our company offers a prefabricated deck system that is much more detailed than most would ever care to utilize. But in my opinion, the production principles we use to work more efficiently are applicable to both standard and custom deck builders.

It all started years ago when I bought a notebook to journal every deck I built. I kept track of actual materials used, the actual cut lengths of joists and beams, the leftovers from the order and what was returned to the lumberyard, and the labor hours that it took for each stage of construction. Soon I had a “database” that I could refer to when planning the next deck.

With a little prep time spent with this information the night before, I started showing up on the first day with an actual cut list to give to my guys. By the time I had the ledger installed, they had pre-cut all of the joists and beams and were ready to start framing. While one guy started laying the decking, another was already cutting the rail sections to fit. These methods allowed us to save a little time on each deck, and when scaled over a full season, the increase in productivity was dramatic.

The Assembly-Line Model

I cut my teeth hauling studs and throwing 4x8 sheets on new-construction jobsites. During my time framing homes, I learned firsthand the advantages and efficiencies of production framing and how building the same plans over and over becomes routine. While Henry Ford’s assembly line has evolved, the founding principles remain the same: A line worker, or in our case, a carpenter, will perform tasks faster and bet-

ter the more times he or she repeats the same task. It’s a matter of efficiency. The more often we repeat a process, the more skilled and efficient we become.

On the jobsite, this approach can lead to efficiencies with material and labor, and in turn generate more accurate and confident pricing through standardization. The bottom line? Increase your bottom line, and reduce price estimate surprises.

Towards Standardization

What I learned from new-home construction has helped me to become a better deck builder and smarter business owner. Over the course of the past 15 years, my team and I have developed a builder deck program that operates with national builders. Our program

provides turn-key, high-quality decks that our builders can market as a custom add-on that can be included in the overall home price. The homeowner gets several advantages this way. Not only do they get a superior product over a typical home-builder deck, but also the price of the deck can be rolled into the mortgage, and the deck is completed before move-in. This year, my team will complete more than 400 builder decks, essentially building the same plans repeatedly. This process has helped pinpoint our costs, consolidate materials, and save labor, and it has greatly increased our margins and capacity for overall growth.

We also build higher-end custom decks, and have taken the knowledge and benefits from our production deck program and translated those efficiencies to our



Produced off site, this deck package is ready for assembly. The same production techniques used to prefabricate the parts can be adapted to custom deck construction.

custom design division. After changing our mind-set from “building one deck at a time” to “building the same deck repeatedly,” we tracked the actual length of joists and beams we were cutting and produced detailed plan drawings for the designs we were building. By cutting the framing members to the identical size every time, all of the layout, rail sections, and posts stayed consistent from deck to deck, even after the addition of the “bells and whistles.”

We still bid per square foot, but we have different multipliers based on overall size and add-in factors for sizes that generate waste. By incorporating total material costs with average labor per square foot, we were able to establish our base price per square foot for 10 different-sized decks. Not a guess, or an estimate, but a true cost based on a history of actual materials used and average labor hours spent.

Track Your Costs

If you are bidding your projects per square foot, I strongly suggest you take the time to track the actual costs of different-sized decks. This will give you an idea of how costs change over scale. My team and I were surprised at how much more cost-effective some deck dimensions were to build compared with others. The square footage of deck space per footing and the amount of waste on cutoffs from composite decking and railing will swing the cost per square foot of a deck considerably. For example, 12x16 and 14x14 decks offer about the same square footage, but come in at a significantly different cost per square foot after 16-foot-long composite decking and 8-foot-long rail panels are cut down to fit.

This industry has so much diversity market to market: regional preferences, average deck size, preferred materials, and colors. Regardless of the geographi-

cal region, product, or size you are pitching, the price is ultimately what your client wants to know. Take the time to accurately track your costs and develop your own true-cost pricing formula that relates to your business and preferred projects. Even if your projects are never exactly the same, by spending 30 minutes recapping your actual materials and labor expenses for each project, you will gain a much better understanding of your company’s true price per square foot. You will walk into your next appointment with the ability to confidently price at the table with accuracy, setting you apart from your competition and protecting your bottom line. ❖

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