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SPECIAL REPORT
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How MobileHWY is connecting the construction industry

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In the highly methodical world of construction, where every subcontractor's work depends on the successful completion of the sub that came before, contractors are always looking for a better way to speed up the process.

MobileHWY, a Charlotte-based services company that offers contractors and other

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Butch Hopkins
Beazer Homes

mobile work forces automated access to remote data, has found a way to put the gas to home building during the inspection process.

Through its subscription service called Mobile Contractor, MobileHWY has helped home builders throughout the Charlotte region and in four other states shave as much as a week off of a 13- to 18-week building process.

"I used to tell customers to watch the movie 'The Money Pit,' before building a home," jokes Butch Hopkins, vice president of construction for Beazer Homes. "When the trades start working on a house, it looks like the building process has stopped, at least to the untrained eye," he says.

A series of almost 30 required building inspections that must happen for every



photo NANCY PIERCE

CLEAR SIGNAL: Jason Spears, home-building supervisor for Ryland Homes, uses a cell phone with MobileHWY technology that allows the builder to schedule inspections and receive inspection result alerts, which keeps the construction process moving. Looking on are MobileHWY President Mike Wachholz, center, and sales representative Bill Marsh.

house to be completed holds the potential to stall construction. Contractors that are building multiple homes in different neighborhoods are often not on site when

the inspector reviews the work. In the past, knowing whether an inspection was successful meant the contractor had to drive to the home in search of a small piece of

paper stuck to a permit indicating whether the work had passed inspection or not.

Mobile Contractor speeds the inspection process by allowing builders to schedule inspections and receive inspection-results alerts using the Internet on their BlackBerrys, laptops and even their mobile phones. With almost immediate notification of the inspection outcome, contractors can line up subcontractors to be on site the following day, eliminating lag time on critical work.

Of course, for the contractors to get automated data, county and city building inspection departments must be automated as well. And that's where MobileHWY got its start six years ago.

Founder Paul Watkins, who worked in software development for broker Charles Schwab but grew up in a family of contractors, saw the potential that wireless data applications offered to save time and money for the residential building industry.

MobileHWY's first client was Mecklenburg County's building department, which in early 2000 was handling explosive growth in residential development. Inspectors were facing an ever-increasing volume of homes to review.

After automating the county inspection department, MobileHWY began offering contractors a subscription service to communicate with building inspectors via the Internet using mobile phones. Word spread to other nearby jurisdictions where residential growth was booming, and soon MobileHWY had automated inspections in Iredell, Cabarrus, Gaston and Lancaster counties.

Working through UNC Charlotte's Ben Craig Center, the company began looking for capital to serve the growing demand for its product and was matched with Crutchfield Capital, a highly focused investment group that owns two to four high-growth companies. Crutchfield Capital Chief Executive Elliott Crutchfield liked the value the company offered and in early 2003 invested an undisclosed amount to grow the business.

Mike Wachholz, a former corporate securities attorney and Investment Banker with Wachovia Securities Inc., who was working as director of investment banking services for the Ben Craig Center, made the match between MobileHWY and Crutchfield Capital and then was asked to come on board as its first president and chief executive. Wachholz, who worked for an

Atlanta law firm taking companies public during the dot-com craze of the late 1990s, had been looking for the opportunity to build a company.

Since funding took hold and management was hired in early 2003, the company has grown from four employees to more than 30, with offices in Charlotte, five Florida cities, Arizona, Nevada and Utah. Half the employees are focused on sales and half work in development, IT and operations.

MobileHWY is now working with 200 contractors in eight markets, including fast-growing N.C. markets in Wake County and the town of Holly Springs.

"There was a need to increase communications of inspectors in the field, their departments and building contractors," says Crutchfield. "We bridged that gap."



Crutchfield

Contractors pay a subscription fee of \$75 per house to get automated notices about inspections. Commercial projects cost more, depending on the size and scope of the project.

"It helps builders move to the next phase of construction as quickly as possible," says Wachholz.

Contractors using Mobile Contractor get better communication about inspections and can more quickly move on to the next phase of building. But the benefits aren't limited to subscribers.

Inspectors who once had to drive to the county inspection office to get a list of houses to inspect that day and then manually input their data into a computer at the end of the day can now get their itinerary via their cell phone or laptop each morning from home. As home inspections are completed, the inspector enters the data using the phone or laptop, saving an additional back-office data entry step.

Another strength of the company's product is its ability to work on different hardware, from cell phones and BlackBerrys to laptop computers, most of which potential clients already own, says Wachholz. The flexibility of the technology results in little hardware investment for contractors or inspectors who would be understandably reluctant to take an expensive laptop computer to rugged job sites for fear of dropping it and damaging it.

Hopkins of Beazer Homes says using MobileHWY has helped cut a week off of the company's typical 16-week process of building a home. And he can use the tool to determine which builders under his direction are seeing better pass rates on inspections.

"It gives me the opportunity to better manage how our builders are performing, how our trades are performing and that reflects better to the client," he says.

Marc Austin, operations manager for the Charlotte division of Ryland Homes, which was MobileHWY's first national customer, says the service helps when Ryland is finishing one community and starting another. Instead of having a construction manager in each community, one builder can staff two communities.

And he says speeding up the building process does more than make customers happy. It impacts the bottom line.

"It's all about turning your money and using it over and over in a year," Austin says. "We can buy more lots and build more houses."

The mobile technology is proving useful beyond the construction industry. MobileHWY's newest product, Field Force, works in a similar manner and is being used by the mobile work forces of such industries as cable TV and construction companies doing service work. Many were paper-based companies that worked with paper work orders or called in for driving directions. With Field Force, those tasks are handled remotely.

"There is big demand for construction services, cable and utility companies to create efficient ways to work," says Crutchfield. "The demand is great for a device that is simple to use."

He expects the company to grow by about 15 employees over the course of the next year as it expands in the markets it's already serving. And with no other direct competitors, Crutchfield says future growth prospects are strong.

As a private investment firm with no fund to be closed out and returns delivered to investors, Crutchfield says he expects to be with MobileHWY for the long term.

"We spend zero time talking about who to sell this company to."

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