

John Merrill Homes

A Florida homebuilder turned to Supporting Strategies to keep pace with growth that was faster than anticipated

A successful pivot toward custom homebuilding forced John Merrill Homes to configure its bookkeeping infrastructure on the fly. Supporting Strategies was right alongside to make the transition work.

Client Profile

In 2016, Adam Merrill launched John Merrill Homes, a custom home builder based in Jacksonville, Florida. The experience and contacts Adam had acquired through his 14 years in the homebuilding industry and a boom in custom homebuilding helped fuel the company's explosive growth.

A Foundation for Success

Adam had all the elements in place when he decided to start his business. Besides growing up in the real estate field, he had a degree in construction management and had worked for one of Florida's premier custom home builders.

His goals were modest when he launched John Merrill Homes. Working out of his house, Adam initially planned to build four to five homes a year. By the following year, he had revised that projection to 17 homes in his third year of business. Satisfied clients resulted in a steady stream of referral business.

Within months Adam had moved out of the house and into an office staffed with two construction managers and an office manager. He was also working toward adding a project manager. Just as significant, he had brought in Supporting Strategies to provide outsourced bookkeeping services.

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Knowing What He Didn't Know

During the startup phase, Adam had handled the bookkeeping himself. "With my experience through the years I've developed an accounting mindset," he says. "You need to be able to budget, plan and understand your costs so you can make proper decisions."

Just four months in, Adam was devoting a full day each week to bookkeeping, in addition to his role as the company's president. That time would have been much better spent cultivating his growing business. However, he realized he lacked the volume to hire a staff accountant.

In addition, Adam realized that the rapid development of his business and the ensuing ramp-up in staffing would soon expand the bookkeeping responsibilities beyond his limited capabilities.

"I knew enough to know what I didn't know," he says. "The homebuilding business is heavy on payables, so there's a lot of check processing. We take in five to seven checks per job, but we write about 500 per job. Based on my experience, I knew it could get overwhelming to do it properly. So outsourcing made a lot of sense."

Creating a Hierarchy

Adam reached out to Pete Denholm, Managing Director of Supporting Strategies | Northeast Florida. "Pete and his team helped bring together the systems we needed," Adam says. "I wanted to create the right systems early on so we wouldn't have to go back to try to fix everything later."

The most critical step was integrating Buildertrend (the company's construction project management software) with Xero (its online bookkeeping software) and Bill.com. Adam explains that there's a hierarchy to how all the pieces connect and work together. For example, certain invoices and bills go to one place, while other invoices and bills go to another. It's important that everything flows correctly.

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Supporting Strategies ensures it does. "I can approve invoices through my phone," Adam says. "It's not difficult at all. Just knowing that things are getting paid, bills are getting processed and people aren't chasing us is a good feeling. If I go away for a few days, I don't have to worry about whether I had paid someone before I left town."

Keeping the Cash Flowing

It would be easy for a startup custom home builder to develop cash flow problems. "We work a year ahead," Adam says. "If I sell a project today, I don't realize the income until the next year, typically."

Still, the parade of payables never stops. Having Supporting Strategies along to help Adam keep up not only with the demands of his growing business, but also his monthly bookkeeping responsibilities has given him a very valuable commodity: peace of mind.

"Getting Supporting Strategies on early was one of the best decisions I've ever made," Adam says.

Get started today!