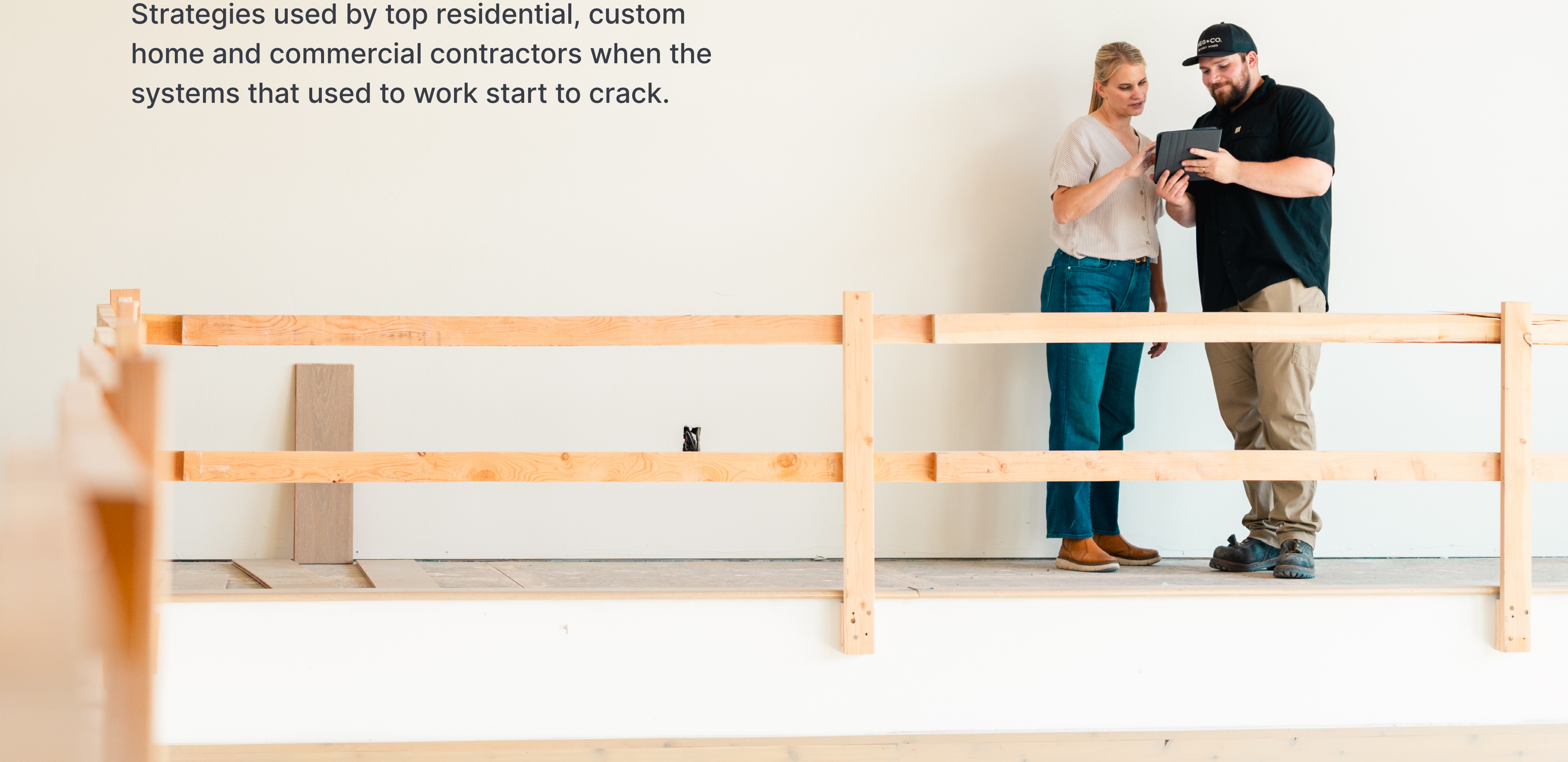
Built to scale

A field guide for builders growing in complexity and volume

Buildertrend

Strategies used by top residential, custom home and commercial contractors when the systems that used to work start to crack.



Contents

Is this you?

- A custom or luxury home builder running several complex projects at once, not just one at a time
- A high-end remodeler fielding more inquiries than you can comfortably staff
- A light commercial GC taking on buildout work that used to belong to firms twice your size
- A specialty trade contractor running fifteen active jobs instead of five
- A business that already solved “how do we win the next job,” and is now facing what comes after
- A team that uses multiple tools for all the important stuff instead of system that handles projects end-to-end
- You’re one of only a couple people who really know what’s happening across every active job

If any of these sound familiar, this book is for you.

At two in the morning, Preston Reed picked up the phone and said the six words no builder wants to say out loud: “We’re out of money. What do we do?”

Preston co-founded **Seed Development + Design**, a custom home remodeling company outside Atlanta, with a good business under him. Strong reputation, loyal clients, work his team was proud of. But somewhere between year one and year four, the business had outgrown the systems running it. Estimates stopped matching what jobs cost. Change orders and selection upgrades slipped through unbilled. The jobs looked fine on paper, but the bank account told a different story.

It took the better part of a year to turn around. That meant gaining better visibility into where every dollar was going and putting into place a **real system instead of guesswork**. Once Preston could see the numbers, the business stopped just surviving. Today, after a 253% growth in net profit, he says it plainly: “We’re back in that mindset of dreaming and planning for the future.”

That story isn’t rare, and it isn’t limited to remodelers. It’s close to the default outcome for any residential business once it clears a certain size – enough jobs running at once, enough subcontractors and design partners in the mix, enough money moving through enough hands that no one person can hold the whole picture in their head anymore. This isn’t the growing pains of a first year in business. It’s what happens after the model’s already proven itself, and volume finally outpaces the systems built to run it.

Custom home building is one of the bright spots in residential construction right now. **Starts are up 3% this year while overall single-family construction is down 5%, and custom now makes up roughly a fifth of every single-family home built in the country.** That kind of growth is easy to read as proof the business behind it is running well, but growth and stability aren’t the same thing, and plenty of builders are learning that the hard way, mid-expansion.

The rest of the market is dealing with its own version of this.

- Remodelers are fielding more inquiries than they can comfortably staff.
- Light commercial general contractors are taking on tenant improvement and buildout work that used to belong to firms twice their size.
- Specialty trades are running fifteen active jobs instead of five, on tighter timelines, with less room for a missed change order.

Different segment, same math: more work moving through the same systems that used to be enough.

This isn't a book for builders chasing revenue. Plenty of the market is doing that right now, and that's a different set of problems entirely.

This guide is for builders who already have the volume, the crew and the reputation, the ones who solved "how do we win the next job" a while ago.

The problem showing up now for this group is quieter than that: the business has grown past the point where any one person can carry it all in their head, and the systems running day to day haven't caught up to what the job list actually requires.

The gap between growing fast and staying in control shows up in three places:

The capacity:

Whether the business underneath the growth could actually hold, or whether it's one bad month away from finding out it couldn't.

The work itself:

The manual steps, the duplicate entries, the design partners still running through email, quietly multiplying as the job list gets longer.

The money:

Cash and margin visibility that used to be close enough, until close enough started costing real jobs.

Most builders don't experience these as separate problems. They experience them as one long stretch of feeling busier than ever while trusting the numbers less. This book names all three, walks through a straight-talk diagnostic for each and closes with a self-assessment you can run on your own business today.

02

Grow faster

If your business 10x'd overnight, would it turn out to be a house of cards?

Builders of this caliber aren't necessarily struggling to land jobs. Winning work is no longer the hard part. The harder question is whether the business underneath all that work could actually survive it if it doubled tomorrow, let alone grew ten times over.

Complexity doesn't grow at the same pace as headcount.

A crew that could track four jobs by memory and good instincts starts to strain at eight, and by fifteen, memory isn't a system anymore. It's a liability you're quietly betting on. **Fifty-five percent of residential construction's top builders** are already running between six and thirty projects a year, so if that's you, this isn't some future problem to plan for. It's already the job.

Most software doesn't fail loudly here. It fails by quietly stopping to match the business. Sometimes that means **the tools are too simple** for the complexity now running through them. Sometimes it's the opposite: **heavy, expensive systems** built for a scale you haven't reached and don't need yet. Neither failure looks like "I need new software" from the inside. It looks like everyone working a little harder to cover the gap, one late Tuesday evening at a time, until the gap is too wide to outwork.

Five ways to build real capacity, starting this week

None of these require new software. They require deciding your business shouldn't run on memory anymore.

1. **Write down who knows what.**
For every active job, name the one thing that would break if the point person disappeared for a week. If you can't answer that in ten seconds, you've found a single point of failure worth fixing before it fixes itself the hard way.

2. **Set real criteria for saying yes.**
Before the next bid, write down what "we can execute this cleanly" actually means for your team right now, capacity and all. Compare every new job against that, not against what the calendar has room for.

3. **Give your PMs one job outside their own.**
Cross-training on even one project outside someone's usual lane turns "only Sarah knows" into "at least two people know," which is the difference between a bad day and a real crisis.

4. **Push one decision down this month.**
Pick one recurring approval that always lands on your desk and hand it to someone else, with clear guardrails. Watch whether it goes fine. It usually does.

5. **Run the math on double, not just next month.**
Once a quarter, ask what breaks first if your job count doubled: the schedule, the crew, the cash or you. Whatever breaks first is where to put the next dollar of investment.

Enough busy weeks in a row, though, and you're not growing anymore. You're absorbing damage faster than you can recover from it.

That's the real cost of running on memory or s system that no longer fits where your business stands: confidence without much underneath it.

The capacity gut-check

Here's a short, honest way to find out where you actually stand, not where you assume you stand.

Answer honestly, and you'll know within a minute or two whether your business could take on real growth, or whether it's just getting by at the volume it's already at.

The bottleneck test.

Could someone other than you explain exactly what's happening on every active job, right now?

YES

NO

The yes/no test.

Do you accept new jobs based on what your team can execute cleanly, not just what the calendar happens to have room for?

YES

NO

The delegation test.

Can someone on your team make a real project decision today without checking with you first, and once they've made it, do you actually trust it?

YES

NO

03

Work smarter

Every manual step has a price. You're just paying it in hours, not dollars.

The last chapter asked whether your business could survive more. This one's about right now: what paperwork, approvals and busywork are still done manually, and what's that actually costing you?

Let's follow the life of one change order to see how this shows up:

A client decides to swap a tile.

1. Someone writes it down.
2. Someone else keys it into the accounting system.
3. A third person mentions it to the sub, so the wrong tile doesn't get installed anyway.

For builders who manage high-complexity or high-volume work, that's not a rare sequence. It's the standard, repeated across every active job, every week. And if any one of those steps gets skipped, or the numbers don't quite match by the time they land in three different places, the cost either gets absorbed quietly or shows up weeks later during reconciliation, long after anyone remembers why the numbers were off.

That's not a risk sitting out on the horizon. It's already the mechanism behind a good chunk of the margin that goes missing on jobs that otherwise look clean on paper.

Adding a project coordinator doesn't fix it. It adds a fourth place the information has to pass through correctly, every time, or it doesn't count. More hands on the same relay race means more places for the baton to drop.

The same drag can happen from the outside

The moment someone outside the company touches the job, the same problem plays out on a longer timeline. Architects, interior designers, structural engineers, whoever holds design authority on a given project, all need something from the builder or the builder needs something from them. Right now, that something could be traveling through email or a comms solution that isn't connected to the rest of the job.

Here's what external communication with a design partner might look like:

A submittal goes out on a Tuesday.

It gets buried under forty other emails that architect is juggling across other jobs entirely unrelated. Nobody's being negligent. There's just no system flagging it as overdue. So, it sits. The schedule keeps moving without it.

An architect isn't a fixture on every job, and that's fine:

- Custom and luxury builders tend to run architect-heavy.
- High-end remodelers often lean on interior designers instead.
- Light commercial GCs often add a property manager or owner's rep into that same chain.
- Whoever holds that authority, the mechanics are identical.

Something needs a sign-off.

It lands in an inbox with no deadline attached. The job waits on a person who has no idea they're the one it's waiting on.

Send five submittals this month, and by the numbers, more than one won't get a response at all.

Submittals aren't the only place this shows up. A related version of the same problem, RFIs, gives a sense of the scale: one left unanswered for more than five days has a **60% chance of knocking the schedule off track.** Different document, same mechanism – something sits in an inbox belonging to neither business, and the job waits on it.

None of this gets fixed by working harder.

It gets fixed by finding exactly where the information is leaking and putting something in writing before the next job starts.

Two fixes: one for your team, one for everyone outside it

The tool sprawl audit

This is a numbers exercise. Pull the last five active jobs and check the math in three places where the same piece of information tends to get entered more than once.

Category	Math check
Change orders. Take three at random and compare the number on the client-facing change order against what the accounting system shows for that same change. Count how many of the three don't match. A mismatch isn't a rounding error. It's where money is quietly leaking out of a job that would otherwise get called profitable.	
Selections. When a client changes their mind on a fixture or a finish, count how many separate places that change gets written down. Note the number for each of the five jobs. More than one, and there's a spot where someone on the team can be actively working off the choice that's no longer true.	
Sub and vendor payments. Check whether subs get paid based on what they invoiced, or based on what the system says the work has actually earned, across all five jobs. Count how many jobs show a difference between those two numbers. If those two numbers come from different places, one of them is wrong, and that gets discovered the hard way.	

The read: Any category with a mismatch in two or more of the five jobs checked isn't a fluke. That's a process gap worth fixing before it costs a real job.

The design partner cadence

This one is less about numbers, more about what gets agreed to before a job even starts moving. Before the first week is over on a new job with an outside design partner, three things are worth settling in writing, not assumed:

- ✓ Submission timing tied to the actual schedule, not sent whenever it happens to be ready.
- ✓ Turnaround expectations both sides shook hands on at kickoff, not discovered after the third missed one.
- ✓ A standing check-in, even fifteen minutes a week, dedicated only to open items instead of whatever surfaces in a scattered thread.

All of this hingest on the fact that a submittal without a deadline isn't actually a request. It's a wish.

04

Build Bigger

When the gaps in financials, expenses and payments start eating your cash flow and margin.

The last two chapters looked at two different kinds of strain. The first asked whether the business could survive more volume. The second showed what manual work is already costing in hours, on jobs open right now. This chapter is about where all of that actually lands: the bank account.

Capacity strain and manual waste don't stay contained to a schedule. Eventually, they show up as cash.

- A job that's profitable on paper but slow to pay out.
- A margin that looked solid in the estimate and thinner by the time the job closes.

This is where "margin" and "cash flow" stop being two separate conversations, because they're both symptoms of the same thing: a financial system that hasn't kept pace with how complex the job mix actually got.

A business running just a couple of jobs at a time can get by on a spreadsheet and good instincts. A business running many complex jobs at once, with money moving in a dozen directions, can't – and not because anyone got worse at the job. The complexity multiplied faster than the system tracking it did.

Where the cash hides

For established builders, there's no quiet way to cover a gap anymore. A smaller operation can sometimes use one job's early deposit to float a slow patch on another. Running several high-stakes projects at once burns through that trick fast, since there's rarely a job sitting idle with spare cash to lend.

Lenders and bonding companies are also looking at the business' full cash position across every active job, so informal float shows up in that picture whether it's intentional or not. And the dollar amounts have grown enough that a gap which used to round to nearly nothing is now a real, sizable number. The cash has to be there when it's needed, or the job stalls, regardless of how good the numbers look at the end of the month.

Three specific places are worth checking, because they're where cash tends to disappear without anyone noticing until the report comes in short:

- **Change order lag.** The cost gets absorbed the moment the work happens, but the approved paperwork to bill for it doesn't show up until later ... sometimes much later. The gap between those two moments is money the business floated without deciding to.
- **Retention timing.** Five to 10% held back per job doesn't sound like much on any single project. Across multiple active jobs at once, it adds up to a real number that's easy to lose track of, because it's designed to be invisible until it's released.
- **Subcontractor draw mismatches.** Paying a sub before the owner's draw for that same work has landed means the business is financing someone else's payment out of its own cash, whether that was the plan or not.

None of this is theoretical. Builders who use **a financial system that's as advanced** as their business and connects to the rest of their operations have outgrown the point where guesswork could get them there.

A spreadsheet that's guessing at cash position or a point solution that doesn't see the full picture of a business no longer cuts it.

A 2026 survey of residential builders found that 98% of top performers track job costs in real time, on every active job. That's not a coincidence. It's close to the actual definition of what separates a business that scales cleanly from one that's just busy. The builders who know where every dollar stands right now are the same ones still finding money, even in places like labor and change order which account for some of the biggest budget misses in the industry.

The draw rejection post-mortem

Most builders treat a delayed draw like bad luck. A busy architect, a distracted PM, just one of those things that happens. It's worth checking, because it's usually not random at all.

Pull the last three to five draws. For each one, log the two things that actually matter: how many days passed from submission to funding, and the specific reason for any delay, not "there was an issue," but the exact cause.

Now look at what's checked.

If the same box gets marked more than once across the last several draws, that's not bad luck. That's a process gap with a name on it, and a process gap with a name is fixable in a way "billing is just slow sometimes" never was.

Days from submission to funding	Specific reason for any delay
Project 1:	
Project 2:	
Project 3:	
Project 4:	
Project 5:	

For each draw, check it against the usual suspects:

Math mismatch on the Schedule of Values

☐ ☐ ☐ ☐ ☐

Total checkmarks: ______

Missing lien waiver

☐ ☐ ☐ ☐ ☐

Total checkmarks: ______

Retainage calculated on last period's terms instead of this period's

☐ ☐ ☐ ☐ ☐

Total checkmarks: ______

Missing or incomplete documentation

☐ ☐ ☐ ☐ ☐

Total checkmarks: ______

Change order not yet approved, but already reflected in the draw

☐ ☐ ☐ ☐ ☐

Total checkmarks: ______

Review delay on the owner or lender's side, with nothing to do with the business at all

☐ ☐ ☐ ☐ ☐

Total checkmarks: ______

05

CASE STUDY:
MEG & CO. DESIGNER HOMES

What built to scale looks like

Meg & Co. Designer Homes grew from starter spec homes to $6M+ custom builds. Getting there meant finding out the hard way that margins were closer to survival level than the 23% goal they're chasing now.

Meg Billings started Meg & Co. building starter spec homes. Today, her Idaho-based company builds custom homes north of $6 million, runs four to six projects at a time across two markets and recently expanded into commercial work. She didn't set out to get here.

"When I started Meg & Co., I never imagined we'd grow into a $10 million-plus custom home builder," she says.

But growth like that doesn't just add zeroes to the top line. It adds a level of complexity that catches up with almost everyone eventually, and it caught up with Meg mid-project.

The moment the numbers stopped adding up

"We were growing, changing and getting more complicated projects as I was still not as dialed in as I needed to be," Meg says. We had this amazing project with this incredible client. They were so kind, so amazing, and we were mid-project with them as we started dialing those things in. It was really difficult to see that margin number that I thought we were going to get at the end of the project. Seeing the real numbers and seeing where we actually were painted a very different story."

She'd built the business the way most builders do at that stage: on instinct, on relationships, on numbers that lived mostly in her head. It worked, until the timelines got long enough and the numbers got big enough that instinct alone couldn't catch a problem before it became a crisis.

"In other industries, the numbers are quick and easy to come," Meg says. "Our numbers are so big. If you're off on your timing or your financials, that's a huge swing to eat. It's catastrophic to a business if you don't know where you're going, and one of the biggest problems is you don't see it a week after it's a problem. You're seeing it when you're a year into it, and you're just having to frantically struggle to survive."

Where the turnaround happened

Meg and her team moved their financials off spreadsheets and into Buildertrend, tracking every job from estimate through job costing in one place. The difference showed up fast, and it showed up on more than one side of the business:

Nikki Nelson, controller: “Before we started using Buildertrend for our financials, we were using Excel spreadsheets. Once we loaded it into Buildertrend, we could see that our margin wasn’t exactly where we thought it was going to be. But through categorizing each cost code and entering it in separately, we were able to get that margin up to at least 2% higher than we thought we’d be able to, just using spreadsheets.”

Elizabeth Carroll, pre-construction and estimating lead: A recent project came in a few thousand dollars under its original contract price. “A huge part of that was the documentation through Buildertrend, mostly from the purchase orders, to ensure that we’re locking our trade partners in with the pricing, and we don’t have scope creep throughout.”

What 23% actually represents

The results compounded.

This year, Meg & Co.’s goal is 23% gross margin, across every custom home they build, not an aspiration but a number they can actually see themselves hitting in real time.

“Having all those numbers in Buildertrend, nothing’s moving, nothing’s being missed,” Meg says. “That’s made it possible to hit those numbers, and to say boldly that’s my goal for this year.”

But the number isn’t really the point. What changed underneath it is.

“Buildertrend changed the way I lead the business,” Meg says, “The business needs me leading it as the visionary: Where are we going next? What connections do we need to make? What decisions are we going to make?”

She still knows exactly where every job stands. She just isn’t the only place that information lives anymore, which means she isn’t the bottleneck standing between the business and its next stage of growth.

> That’s what built to scale actually looks like from the inside. Not a business that got lucky and stayed simple. A business that got complicated, found out the hard way that its systems hadn’t kept up and closed the gap before it cost more than one project’s margin.

Ask Meg what that’s worth, and she doesn’t talk about the margin. “Being able to have that calm in my life,” she says, “and for my family to see me that way, and not always the frantic trying to figure it out, trying to get to the next step – that’s what this has offered to me.”

06

UNIFYING TOOL:

The scale health check

Every tool so far has done the same job: pointed the lens at one job, one draw, one change order. This one's different. It's the one moment in this book that isn't about a specific job. It's about the whole business, right now, today.

Take it once. Revisit it every quarter. It's not a task list. It's a read on where things actually stand – whether that's exactly where it feels like, or somewhere else entirely.

How to score it

Answer honestly. **Give 2 points for "yes, true," 1 point for "somewhat true" and 0 for "not true, not yet." Total it up at the end.**

The questions are worded to be answerable, not comfortable. "I know my real-time cash exposure on every active job" has a real answer. "I feel confident about my finances" doesn't.

Category 1: Capacity and growth confidence

I know, without checking, whether my team can execute the next job cleanly, not just whether the calendar has room for it. ________

More than one person on my team could explain the full status of any active job if I weren't available. ________

My team members make project decisions without checking with me first, and I trust those decisions. ________

Category 2: Systems and collaboration

I have a standing cadence with my design partners for open items, not just reactive email. ________

Change orders, selections and sub or vendor payments live in one system, not a mix of spreadsheets, point solutions, texts and separate logs. ________

Submittals rarely sit unanswered for more than a few days. ________

How to score it

Answer honestly. **Give 2 points for "yes, true," 1 point for "somewhat true" and 0 for "not true, not yet." Total it up at the end.**

Category 3: Cash and billing discipline

I know my real-time cash exposure on every active job, not just what last week's job costing report said. ________

My last three draw requests were approved on first submission, with no corrections. ________

Every lien waiver I need is collected before I submit, not chased down after a rejection. ________

Total points from all categories:	

Scoring

16–22 points: Built to Scale.

Capacity, systems and cash discipline are all dialed in. This is the payoff of everything in this book, already in motion.

8–15 points: Getting There.

Real discipline in some areas, real blind spots in others. Worth going category by category to see exactly where the gap sits, rather than treating the whole business as one problem.

0–7 points: Exposed.

Growth is outrunning the systems supporting it in more than one place. That's not an indictment. It's the honest read this entire book has been building toward, and the same read a lot of businesses at this size would get if they ran this test tonight.

07

Built to scale, by design

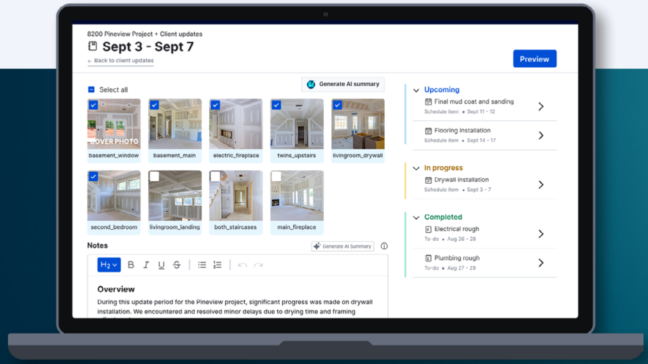
Everything in this book works whether or not any of it happens inside a piece of software. The capacity test, the tool sprawl audit, the draw post-mortem – none of it depends on a specific platform.

But it's worth being direct about where the businesses in this book landed, because they already answered this question for themselves.

Preston runs his business on **Buildertrend**, the construction management platform built to run every part of a job – financials, scheduling, client communication – from one connected system. So does Meg, whose visibility into job costing and client communication you just read about.

None of them got to that scale by accident, and none of them got there on a spreadsheet or point system.

Over 20,000 builders have made the same call, which makes Buildertrend the platform more U.S. residential builders trust with their business than any other.



Growth in complexity and volume needs a system built for exactly that, not a spreadsheet or software stretched past its limit. That's the throughline, whether it shows up as capacity, manual work or cash flow.

If any of this book felt familiar, the next step is simple. See what Buildertrend looks like inside your own business.

SCHEDULE A DEMO →

Buildertrend

About Buildertrend

Great builders don't simply manage projects; they run successful businesses. That's where Buildertrend comes in. As the leading residential construction management platform, we give contractors the power to control their financials, schedules, team workflows and client relationships: all in one system. No more juggling disconnected tools or guessing on profitability. With nearly two decades of industry expertise, Buildertrend helps builders work smarter, scale faster and stay ahead of the competition. Learn more about Buildertrend by visiting **buildertrend.com** and on our socials **@buildertrend**.