

[REED CONSTRUCTION DASHBOARD]

Dashboard Confessional

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Launched in September 2007, the Reed Construction Dashboard (www.reed-constructiondashboard.com) is being used by home building firms across the U.S. as a tool to benchmark their performance against others in the industry.

Here are five insights these firms have that you want to know about.

1) Instant Virtual Networking: RCD provides a My Connection forum where industry peers and advisers can connect. First-hand experiences, opinions on strategies, challenges and opportunities within the home building industry can be shared. You can also customize news feeds on your personal page and take part in industry surveys and community discussions. My Connection is free; you simply need to sign up.

2) Industry Intelligence: When firms sign up for the Company Connection, they have the ability to get an insider's look at industry trends and discover those trends that could have a direct impact on their business in areas such as revenue growth, gross margins and cost per employee.

3) Trending Analysis: By using the dashboards, your firm can generate charts and graphs that illustrate key financial metrics, making it easy to present or share

information with managers, shareholders or board members.

4) Financial Benchmarking: This is where users are comparing their financial trends to their home building industry peers. How? The tools in Company Connection allow you to anonymously put your numbers up against competition by viewing expense ratios, revenue growth, margins and revenue-per-employee trends. Peer groups can be isolated by region and company size.

5) Security: Your company's information remains private and secure. It's important to note that all benchmarking reports are anonymous and show aggregate industry trend averages — not individual company performance. No company-identifying information is collected, only financial metrics. Additionally, the data servers that contain your company's information are set up with firewalls to thwart any type of outside probing. And Secure Socket Layer Data Encryption ensures that if data were to somehow be intercepted during transmission, it would be unintelligible and unidentifiable.

Now that you know what you didn't know about the RCD — and know what others out there in the home building industry who are using the RCD tool are up to use industry benchmarking to your advantage.

Strength in Numbers

470 Members signed up in the RCD My Connection community as of mid-December.

8 Topics open for discussion in the Community Discussion forums

10 Widgets you can use to customize your personal newsreader page in My Connection

15 Metrics you can use for benchmarking against other home building industry firms

77 Firms connecting within Residential Building Community Connection as of mid-December — and counting!

	2006	2005	Industry Average	Current Year Growth Rate	Industry Average Growth Rate
Total Revenue	\$37,345,543	\$41,308,043	\$33,516,914	9.00%	-
Cost of Materials %	29.90%	29.30%	30.23%	-	-
Cost of Direct Labor %	46.93%	45.94%	37.89%	-	-
Deconstructer Costs %	-	-	25.56%	-	-
Gross Margin %	19.06%	20.70%	43.91%	8.80%	14.82%
Operating Expenses / Revenue (%)	15.45%	16.28%	37.14%	5.33%	38.41%
Operating Margin %	3.61%	4.42%	6.48%	22.24%	49.11%
Cash & Cash Equivalents	\$1,323,478	\$2,899,839	\$66,198,234	-	-
Line of Credit	\$2,449,178	\$3,243,139	\$2,058,164	-	-
Days Sales (credit period Adj.)	-	(9.22)	78.22	-	-
Days Payable	-	39.77	952.83	-	-
Current Ratio	1.20	1.47	3,208.18	17.70%	34.33%
Working Capital	\$1,424,718	\$2,895,163	\$6,734,873	79.86%	10.33%
Liabilities / Tangible Net Worth	2.42	1.82	1.88	(38.27)%	127.59%
Revenue per Employee (FTE)	-	-	\$31,104	-	-

Power of Benchmarking

When your firm signs up for the Company Connection in the Reed Construction Dashboard, you can compare your performance against other home builders as well as by region or size. The Benchmarking reports are anonymous and only include industry trends — not individual company performance.