

BIG BUILDER

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Frontline Education

TOLL BROTHERS RECRUITS, THEN GROOMS THE NEXT GENERATION OF LEADERS WITH ASSISTANT PROJECT MANAGER TRAINING PROGRAM. | BY PAT CURRY

MARC BRUFFETT HAD A LOT OF YEARS OF college to his credit when he went to work for Toll Brothers, but his undergraduate design degree and MBA from Cornell University were just the beginning of his education. For 16 months, he was immersed in the company's most intensive training program, its assistant project manager (APM) training, which he kicked off with a stint in the internal auditing department.

It was a move he calls brilliant because it offered him company-wide breadth in policies and performance criteria before plunging him into the depths of project management.

"When you're an APM trainee in auditing, you get to see, in glorious detail, what you'll be graded on for your entire Toll career before you get immersed in a project," Bruffett says. "It was great."

It may be great, but it's also grueling. Bruffett visited 30 communities in seven divisions before going on site to help auditors assess such factors as how quickly project managers paid their trade contractors and how their profitability reports matched up to actual costs.

Assistant project manager training is the starting point for every project manager at Toll Brothers, says Jon Downs, vice president of human resources. It's a system that was instituted by Bob Toll, who, "had an Ivy League law degree, but started in the trenches," Downs says.

"When we hire [new college graduates], they've spent six to seven years in classes, and it's all very theoretical," he says. "We immediately throw them into the field and teach them the real world."

LEARNING THE ROPES

The training program is critical because project managers have profit and loss responsibilities for multimillion-dollar budgets.

"We try to train our project managers to not be construction managers, but to be well-rounded real estate professionals," Downs says. "They're cycled through different disciplines that ultimately are all the disciplines a project manager of a community will handle."

For Bruffett, that included a month in an on-site sales trailer, including weekends, learning the options manual and studying the competition. He also scheduled trade contractors, walked houses at every stage of inspection, learned about marketing, and worked on land acquisition.

The project manager system is actively promoted by the company to its demanding, luxury

home buyers. Responsible for virtually everything in the community and available to buyers seven days a week, the project manager has to be well versed in every step in the process.

"[Each community is] 100 percent managed by a Toll Brothers project manager," Downs says. "It's an awesome and all-encompassing amount of knowledge we expect them to learn."

The project manager system is one of the reasons Toll is very selective about its college recruiting efforts, Downs says. He focuses on high-performing grads from such top real estate management MBA programs as Cornell University, New York University, Stanford University, University of Southern California, and Columbia University.

"We have to pay a little more to get them, but they're a top caliber of employee," Downs says. "They get up to speed fast and end up being good employees with long-term potential in the company."

CALLING ALL TRAINEES

To fill the demand (each community will have an assistant project manager in charge of each product line, which Downs acknowledges sounds labor-intensive, but is necessary to meet the customer service demands of luxury buyers), Toll recruits 100 to 150 assistant project manager trainees annually. The trainees spend their first year with the company learning everything from land acquisition to warranty operation. In addition, they're assigned a mentor who helps them build critical skills. About 40 percent of the assistant project manager trainees also spend four months with the internal audit division (the division only has space for about four people at any given time).

The fieldwork is augmented with monthly formal sessions with mentors, who typically are senior project managers and who have been with the company five to 12 years. The mentors track their trainee's performance and their grade, which—along with the division vice president's comments—becomes the trainee's first evaluation in his or her personnel file.

The one concession to classroom training is a project manager orientation session that's done at Toll's corporate headquarters near Philadelphia within a few months of joining the company.

"They get taught things you don't focus on in the field," Downs says. Staff from the mortgage company, corporate planning, human resources, marketing, legal, architecture, and finance make presentations, and they tour one of Toll's manufacturing facilities to see where and how trusses

and wall panels are built. More importantly, though, they put names with faces and make important contacts.

"Corporate isn't a distant unknown Byzantine elephant," Downs says. "They get to know the corporate players. In that sense, the company isn't so enormous. It's still a private, centrally run company."

While the training program is demanding and intense, attrition is less than 5 percent, Downs says, and it helps the company retain key managers.

"In the project manager ranks, our turnover is in the low teens," Downs says. "That's pretty good. Once they're trained, they're hot commodities and they can get a lot of calls from head hunters."

LOYALTY POINTS

Those who stay with the company can have tremendous opportunities for career growth, he says. Almost all of Toll's senior management started as construction managers or assistant project managers. Turnover at that level is virtually non-existent.

"The corporate culture is to reward loyalty and longevity and grow people through the ranks," Downs says. "At division president and above, we might lose one guy a year."

For Bruffett, the training program has been invaluable. Working with the internal audit division gave him immediate access to a network that crosses the corporation and the company, and the field work helped him develop people skills he couldn't get any other way.

"I had a design degree and an MBA, but I had to get into the trenches," Bruffett says. "In APM training, as you develop skills, you increase interaction with customers. I'm meeting them in person, on the site, and in their home, and I'm calling them on the phone and emailing them."

So what was the hardest part of the training?

"Juggling all the responsibilities at once," Bruffett says. "That's the nature of the job."

He has plenty to juggle now. He's currently working as an assistant project manager, overseeing the development of 113 townhouses in Hawthorn Woods Country Club, 45 minutes northwest of downtown Chicago. Averaging 2,000 square feet, the units have a \$376,000 base price before lot premiums and options. The average sales price will be about \$500,000, giving Bruffett management responsibilities for a project worth more than \$56 million in gross sales.

"It's just like owning your own little company," Bruffett says, "with a multi-billion company backing you up." **BB**