

South Texas Diamond

Jesus Ruiz is fighting to stay afloat on the Rio Grande. His small, entry-level home building firm in Laredo, Texas, was hit hard by the demise of subprime mortgages and new lending rules that disqualified 80 percent of his prospects. But his AVID Award score of 284.495 is among the highest ever recorded. Ruiz Homes is the winner in the category of builders or divisions with 50 to 299 closings and the Diamond Award winner as the builder with the highest customer satisfaction score in the U.S.

"Everybody went to subprime mortgages because it was so easy," Ruiz says. "Now, if prospects don't have a credit score of 620, they're out of luck — and Laredo's average score is 580. So when we find somebody who can qualify, we're going to take care of that customer."

Ruiz Homes peaked in 2006 with 212 closings for \$30 million in revenue. This year, it will be lucky to close 70 houses for \$9 million. The firm is down to 10 full-time employees, including four sales people and two supers. "We're doing well in customer satisfaction because we measure it and because the employees we have left are good," Ruiz says.

Don't Fumble Handoffs

"We don't deliver unfinished homes," says Ruiz. "Warranty has to 'buy' the



Jesus Ruiz's Ruiz Homes nails an AVID Award score that ranks one of the highest ever recorded. Part of his winning customer satisfaction strategy: don't cut corners on quality just because you cut price.

home from the super before the customer does the final walk. He has a 100-point checklist to go through before he'll take that handoff. And he's going to make sure it's complete and clean because the warranty rep does the final walk with the customer a few days later."

Even though his houses run from just 800 to 1,400 square feet priced from below \$100,000, Ruiz won't cut corners on quality and workmanship. "We don't compete on price per square foot," he says, adding that even in an 800 square foot house, his base standards include ceramic tile in wet areas. "We

compete on perceived value, not price," he says.

Ruiz used to have an extra handoff. A structural builder took construction from foundation to drywall, then "sold" the house to a finish super, who turned it over to warranty. "We'll go back to that again when we can put a full team back in the field," he says, adding that quality workmanship is enhanced by limiting the number of trades a superintendent manages.

It's hard to score high in customer satisfaction without quality workmanship as a priority. Four of Ruiz's Top Five scores revolve around that goal:

- (1) Time to correct walk-through items (a staggering 24.88 points above average)
- (2) Cost of upgrades reasonable (17.42 above)
- (3) Quality of workmanship (14.74 above)
- (4) Quality of walls (13.78 points up)
- (5) Clean and ready at closing (up 13.21)

It's difficult to achieve top-tier customer satisfaction without having a low number of items on the final customer walk and having quick response to any items that do pop up. Ruiz sets benchmarks on both counts. This company is a diamond in the South Texas dust.