

Mactaggart & Mickel maximise opportunities through integration

A COINS Case Study

The Mactaggart & Mickel logo is set against a dark red background. It features the company name in a white serif font, with "Mactaggart" on the top line and "& Mickel" on the bottom line. To the right of "& Mickel" is the text "Since 1925" in a smaller, white, sans-serif font.

GROUP

Integrated solutions help maximise opportunities to improve sales performance and KPI measurement at Mactaggart & Mickel.

Solution Benefits

- Improvement in consistency in cost control and monthly reporting
- Elimination of duplication
- Proactive management of development issues
- Real time data which helps them make informed decisions
- Significant and tangible improvements in efficiency of sales and marketing process
- Assisting KPI measurement

Background

Established in Glasgow in the roaring twenties, Mactaggart & Mickel Group is a fourth generation family business and a Top 50 UK house builder with developments throughout Central Scotland. Recently, the Group secured several strategic positions in the North West and South West of England, extending their geographical reach. The company currently turns over circa of £40million per annum and employs over 200 staff.

Although the company has its roots firmly in traditional house building, the fall in demand for new homes led Mactaggart & Mickel to diversify over the past 5 years in order to recession-proof their business. Establishing a commercial lettings business unit, a contracting division with retail, commercial and social housing interests and acquiring a timber systems company have all helped smooth out the peaks and troughs during economic turmoil.

Mactaggart & Mickel Homes are one of 4 consortium partners who will work on the 2014 Commonwealth Games. The Company has secured an allocation of 225 homes at the Athletes' Village which will house up to 6,500 athletes during the Games and provide a mix of private and social housing.

Maximising sales potential

The efficient running of the sales function within any house building company is critical to the success of the business. COINS House Sales provides an opportunity to maximise sales potential. It facilitates the management and maintenance of data relating to all stages of a sale, from reservation through to the completion of the sale and thereafter into ground rents and services charges. It also encompasses marketing information, foot traffic data and visitor questionnaires.

Through the use of COINS House Sales Connection, Mactaggart & Mickel have ensured that any enquiries they receive through their company website are automatically captured in the House Sales Prospect Workbench. This enables the sales department to forward plan, taking details for future sites and start collecting potential purchasers.

Paul McAninch, Finance Director for Mactaggart & Mickel, says, "Previous to COINS we would take enquiries via our website. These would be filtered and those deemed to be genuine prospects were passed to the appropriate sales consultant for follow up. This meant that not all the data was being logged. Through the implementation of COINS, and the connection of our website to House Sales, we capture all opportunities and maximise our sales potential. In tough market conditions, it is essential that all opportunities are recorded and acted on. This has made a substantial return on the investment in the COINS system."

"COINS is core to everything that we do and everything else we need to do needs to be integrated into COINS."

**Paul McAninch,
Finance Director, Mactaggart & Mickel**

Time and cost savings

In a sustainability conscious society, Mactaggart & Mickel does paperless marketing using COINS House Sales to create e shots direct from the House Sales database, thus delivering development and property details with minimum effort. The sales department also saves a great deal of time. Updating plot statuses; reservations and deposits via COINS has totally transformed the weekend sales reservation reports function. Says Paul, "On Monday mornings, head office staff don't have reams of faxes from site to wade through as all reservations are directly inputted into COINS from site."

Driving the business with KPIs

Like many COINS customers, Mactaggart & Mickel are using their solution to provide information to measure against the company's Key Performance Indicators (KPIs). COINS provide the necessary tools to help report on performance indicators.

Bank covenants – interest cover

Previously the company produced reports from three different software packages for this aspect of the business. COINS House Sales and Cost Value Reconciliation (CVR) reports now contribute to the calculations.

Cash flows and projected peaks

CVR reports help the company analyse cost and value promptly after incurring the costs and is becoming essential as pressure on margins increases. Actual costs are automated out of COINS in the form of a report and comparisons can then be made on forecast to actual sales and construction progress.

Sales pipeline

Year on year, month on month trends drive its future decision making. Real time reporting through COINS makes pipeline forecasting much more robust. "Information such as reservations and cancellations on site by our sales consultants are always right up to date and we can take comfort in knowing that the figures are accurate," says Paul.

Average selling price and incentives

Captured by COINS House Sale module, this information now is in one place instead of disparate systems. Paul comments, "It provides us with a comprehensive history of the plot concerned and we can then look at margins, where we have price growth, which plots sell better than others, etc. It's the same for reservations."

Land and Planning Consents

Mactaggart & Mickel have literally hundreds of potential contracts on the go at any one time. Each contract carries as many as eight different analysis sets and COINS enables them to update and integrate the status of each as it moves through the cycle to 'live'. "It is a fantastic tool for our finance department, as the accounting treatment of development costs is driven by the ownership and planning status of each site," enthuses Paul.

Land appraisal

Direct reporting from COINS allows access to budget variance reporting, and Contract Status Ledger captures all relevant options for contracts such as planning status and ownership classification option.

"This is a big benefit for us," explains Paul. "Before implementing COINS, the appraisals were run on Microsoft Excel® which often led to inconsistencies in calculations. Using COINS has really helped us tighten up our appraisals as we now have a historical record and can look back via COINS to see how we came to the calculations we did."

Using COINS enables the company to see their profit margin on site very easily and gives them a guide on when a site becomes cash neutral and cash positive. It also allows them to create 'what if' scenarios through the interrogation of existing data. COINS saves time by automatically creates the development in the system, which will be the next phase of this particular evolution.

Cradle to grave strategy

Euan Gregory, ICT Senior Developer at Mactaggart & Mickel, said that "Prior to COINS we had islands of information with no one system talking to the other, which often led to duplication of effort and inconsistencies. With COINS we have transparency; from the moment a development is set up, everything pertinent to that particular site or plot is traceable. We are eliminating the islands of information and working towards a cradle to grave solution. Having a business wide integrated systems is our goal and working in partnership with COINS will help us achieve this."

Paul concludes "COINS is core to everything that we do and everything else we need to do will be required to be integrated into COINS. The recent integration of our new Work Flow Management system to COINS is testimony to this strategy."

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