

An award winning house builder in Scotland since 1925, Mactaggart & Mickel have diversified into contracts, timber systems and commercial property lettings.



### Lean Team

Alan Hunter – Building Manager

Colin Thain – Site Manager

Gordon Mooney – General Foreman

David Nicholson – Plumber

Linda Smith – Sales Consultant

Robert Morton – Painter

Craig Ormond – Land Manager

### Lean Project

Mactaggart & Mickel assembled a new team to focus on reviewing the current Customer Excellence procedures. The team objective was to identify ways to improve the customer experience whilst reducing the number of times customer homes are revisited for the repair of defects.

### Lean tools utilised

A cross functional team from the Campsie site attended the Lean workshops to develop a process for analysing the customer journey from start to finish. The team assembled on site to draw up a process map of activity. Over the weeks, as this gathered momentum, more and more people began to get involved in the mapping activity.

As the map became visible the team began to question why certain tasks were performed in a certain way, and they carried out a 5Ws / 2Hs Lean analysis. Output from this process demonstrated sub-projects that could be addressed as follows:

- Activities can vary from home to home
- Excessive use of tradesman time
- Inconsistent and inefficient use of Sales and Management time
- Documentation of remedials
- Non added value activity relating to After Sales
- Inconsistent management of customers
- Excessive costs attached to unreasonable customer requests

In summary the team had identified a drain on resources in terms of time, materials, morale and ultimately cost. As the project started to produce data the team began to measure the impact of remedial work by trade and this produced a cost analysis that could be used to measure improvement.

### Problem and Objective Statements

A series of Problem Statements were created and communicated across the business:

- The customer experience is not always as good as Mactaggart & Mickel strive to achieve
- Current procedures are not being adhered to consistently resulting in unnecessary costs and negative impact on the customer
- Sufficient data is not being produced and recorded accurately

The team went on to create an objective statement to address the above issues:

*"In order for us to exceed our customer expectations and to achieve our common goals, clear communication, regular reviews of company procedures and thorough implementation of M & M standards are essential"*

### Recommendations for Improvement

As the team completed the Lean programme, their analysis and assessment of current practices led to the following recommendations that will be implemented going forward:

- Revised customer choices form
- Site and Sales joint demonstrations
- Customer handover DVD
- Mandatory follow-up visits to clients by Site and Sales – 1 week and 1 month after completion
- Consider the introduction of a new position for dedicated customer care which would enhance the current one point of contact process and provide resource for efficient management of data
- Implementation of COINS after care database

- Exploration of new ways of communicating with clients utilising modern media
- Review and overhaul of Sales Operational Manual and Home Purchase Guide
- Staff training in the implantation of the new Manual/Guide
- Apply Lean Thinking to all company standards
- Visibility and regular review of results

### Benefits to the business

The analysis that the team carried out demonstrated potential waste of £16,000 p.a. in remedial costs on one 30 home site. This equates to £536 per home and has the potential to generate £161,000 p.a. of total waste across the business at peak times. In addition to this a site programme delay can cost the company as much as £30,000 per month. With a turnover in excess of £50m these figures make up a tiny fraction of activity however the company are committed to applying Lean in every aspect of their business setting world class standards. Data will be continually monitored to demonstrate financial gain and improved customer satisfaction.

### Environmental Planning

During the project a carbon footprint was carried out for on-site electrical consumption with a measure of 449,076 kWh electricity usage calculated (244.8 tonnes CO<sub>2</sub>e). This has provided a benchmark for future carbon reduction strategies.

"Our Lean Team consisted of individuals involved in different parts of our business, site staff, office staff and sales staff and gave us a unique opportunity to work together to capture different views on our customer excellence procedure. Lean Training helped us identify the potential financial waste involved in our current procedure and pinpoint ways to improve the customer experience. Our recommendations are already being implemented and may even have helped us win house builder of the year in the Scottish Home Awards 2011"