

Building For the Future



David Mclean Homes finds a multi-dimensional solution to their Reporting, Budgeting and Forecasting

The client

The David Mclean Group is the largest privately owned construction, civil engineering, commercial development and housing group in the country. It specialises in building individually designed homes to suit the aspirations and tastes of a wide range of customers in the North West, South West and Wales.

The challenge

“We wanted a solution that would cope the complexity of the construction industry”, said Finance Director, Andrew Budden.

The David Mclean Group (DMG) had developed a series of complex spreadsheet models to produce their management accounts and annual budgets. The models had a number of problems in them which were overcome by rekeying of data or entering a correcting number when a formula became circular. Adding new projects required a lot of work and as the model grows it becomes more difficult to maintain.

“The model has a significant difficulty in calculating monthly profit, which is based on a revisable profit percentage and needed to be adjusted retrospectively. Payroll numbers are calculated off-line and the results were summarised and keyed into the spreadsheets” said

Budden *“So the need was for a fully integrated model covering all aspects of the business, including the helicopter!”*

The approach

DMG were contacted by CFMS about a multi-dimensional database called MIS Alea which claims to give the best of database technology whilst maintaining a spreadsheet interface. They bought the FastStart™ approach (CFMS’s risk free implementation process) which allowed them to see use product with their own data.

“The Faststart focused on proving that MIS Alea could deliver on all the most complex requirements of DMG’s model. This was especially true of the calculation of forecast profit. Based on the first day of the FastStart, we decided to purchase MIS Alea and to invest in the development of the model” said Budden.

The model was developed in three main areas.: Sales Forecast, Payroll calculations and P&L.

A small number of linked cubes (like linked spreadsheets) enables the users of the model to focus on a particular area confident in the knowledge that all of the results will flow through correctly to the P&L.

Information, both numerical and Text is captured for each individual project through an Excel template and the results are collected in a Plot Management cube. Rules then calculate each month's revenue.

The results

The model which has been produced enables Actual, Forecast and Budget to be produced from the same input. It has significantly reduced the number of spreadsheets required to produce our internal management reports.

Conclusion

Budden concludes, "*MIS Alea has had a significant impact on the way in which we prepare and deliver our management information. It allows DMG to update the model for new construction and gives us the confidence that the complexity of our construction requirements are being correctly reported.*"



Implemented Software

MIS Alea

Server Platform

Windows 2000 Professional

Source-Systems

Dema Financials

Dema Payroll

In-House spreadsheets

Applications

Monthly reporting

Budgeting

Forecasting