

A1 Lofts Creates Networked CRM Solution to Manage Growth

A scalable solution for sustainable expansion

By Alistair Ewen, General Manager, A1 Lofts



Our company, A1 Lofts, is an expanding project management company specializing in attic (loft) conversions around London. Our customers are typically home or property owners who want to convert their attics into livable space. Here in the United Kingdom, we have real estate development policies that restrict the amount of land that we can actually build upon. Accordingly, many people see their attic space as an ideal investment opportunity. Homeowners who want more room – but love their neighborhoods or cannot afford a larger house – can convert an attic to make it into a living space. A number of our clients convert attics into apartments and earn rental income.

So far, we have completed more than 800 loft conversions, and in recent years, we have worked on between 160 and 240 projects per year, with a backlog of around 200 orders. At any given time, we have 40-45 projects underway around London.

Our managing director, Steve Mills, started the firm with a colleague and his daughter. Our business has been growing steadily since 2000, from tens of thousands of pounds annually to more than £14 million (\$26 million USD/€18 million) in 2007. We have transformed from a small family business into an organization comprising 22 staff in Chertsey, Surrey and an administrative office of eight people in Grimsby, in the north of England.

Firefighting to Cope with Growth

One of the main challenges that has emerged as our business grows and operations expand is making the transition from the informal structure of a small family business – where three principal employees are “firefighting” to cope with the demands of loft conversions and business operations – to a structure and business model more properly suited to a rapidly expanding and geographically dispersed business.

I was hired as general manager to assess A1 Lofts’ growth needs and develop a strategy for scaling up the business to meet the new challenges. While I am a veteran of the loft conversion business, one of my responsibilities is looking after A1’s IT requirements. I engaged The Comms Company (TCCO) – a business partner of Alcatel-Lucent – to assess our existing processes, organization and equipment, a process which also identified several needs. In light of the company’s ongoing expansion and current business volume, TCCO concluded that existing processes and infrastructure did not lend themselves to supporting our growth needs. For instance:

- With 30 employees split between two offices in Grimsby (eight) and Chertsey (22), staff in both sites needed to better collaborate and needed improved visibility of what each site was doing.
- A process was needed to warehouse large drawing (CAD) files in a common server location rather than wasting bandwidth by sending them between the two offices via e-mail.
- Critical business processes were spread over several different applications – many were handled manually.
- Remote access to applications was not available to remote workers.

TCCO's study revealed the most pressing reason that A1 Lofts needed a new system: We were having major problems sharing data between our two offices. Our servers were constantly running out of memory because people were e-mailing massive spreadsheet or drawing files to one another. Processes would be wastefully replicated as employees and contractors used 'cc' or 'reply all' to assure collaboration and accountability. As a result, we created bottlenecks of data.

At the same time, our office in the north of England continually experienced problems accessing data on our servers based in the south of England. We even reached a point where people were waiting 5 to 10 minutes for a single Excel spreadsheet to open.

We began to recognize that our processes – especially our customer relations and workflow – needed to be redesigned. For example, our managers and employees routinely printed everything and put it into a file, or saved and locked away data onto the hard drives of their computers. Therefore, if a manager was away from his desk when a customer called for information on a project, colleagues had to search through paper files or attempt to access the manager's PC to find information.

This scenario was the main reason for our consideration of customer relationship management (CRM) systems to help improve communication between the two offices on customer relations matters.

We therefore undertook an initiative to identify how our project managers could be more effective and use fewer people on their projects by streamlining workflow, using less paper and making information more widely available in real time. We learned that if we could take the bumps out of our project management process, we could increase our throughput of loft projects. By managing more projects, including some we wouldn't have considered before, we would be in a position to grow at an even more rapid pace.

An Affordable Infrastructure to Support CRM

A1 Lofts was ready to find solutions to its network performance, customer relations and project management problems. We needed to grow our IT infrastructure beyond the constraints of a group of interlinked PCs.

As members of the wider business community, we had long been aware of various CRM offerings. We had even received a quote for one system, but judged that the purchase price – set at tens of thousands of pounds – plus the incremental cost of any future upgrades or additional functions, was prohibitive for our company at that time.

Instead, we decided to work with TCCO to create a set of Web 2.0 applications on an existing Alcatel-Lucent Extended Communication Server (ECS) to make web-based CRM and file-sharing applications available to our staff and partners.

TCCO identified applications suitable for A1 Loft's requirements. They did this by understanding A1 Loft's business process and installing the applications on their test servers. TCCO then modified the applications to suit the detailed requirements. The applications chosen were:

- Drupal – an open source content management system (CMS) that acts as a file repository for documents, drawings and photographs that staff can access either locally, or over the virtual private network
- SugarCRM – a provider of commercial open source CRM software that runs the customer database and tracking tool for all the company's processes

These applications were then integrated with Alcatel-Lucent's ECS – a pre-configured server designed for small and medium businesses that need enterprise-class business telephony capabilities.

By running these open source applications on Alcatel-Lucent hardware, a solution was built for approximately £8,000 (\$14,700 USD/€9,970). What's more, the solution offered significant project management functions.

TCCO also identified, tested and implemented a click-to-call feature, which dials a call from a contact in SugarCRM via our existing OmniPCX Office telephone system. Future development is already planned, and it includes Short Message Service text messaging direct from the SugarCRM application to provide instructions to subcontractors. A monthly support fee is charged to provide ongoing support, as well as to review and enhance processes as new requirements emerge.

Managing Customers and Growth vs. Paper and Processes

Our new CRM solution gives us the capability to check the status of each loft conversion by name. There is a home screen for each project that allows A1 Lofts staff to see at a glance the status of that project, whether there are any actions that need to be taken on that project or if there are any outstanding issues.

The package allows us to monitor every aspect of a project from the time we receive a sales lead to the point that a project is completed. We can monitor salespeople as well as the staff who follow up on the quotes that are sent out.

Once the projects have been allocated to a builder and, if appropriate, passed onto our other office in the north of England, all the key tasks that they need to accomplish are established. We can quickly see how long certain key points take to implement, and can monitor the performance of our subcontractors and see how efficiently they are actually working. After project completion, we can look back to find out exactly who did the plumbing, the plastering or the electrical installation, how long they took, how much the project cost and who the salesperson was. Every key stage that we measure and manage is available to our staff. Anyone in the organization, wherever they are in the country, can access the correct information quickly and hence operate much more efficiently.

To keep pace with growth and maintain scalability, we can quickly and inexpensively obtain additional licenses for new users. Our CRM installation helps us monitor every part of our company and our individual projects. Furthermore, it allows us to expand and manage our business better, without having to change our already proven business concept and system.

In our northern office, we have seen a dramatic increase in the speed and efficiency of managing loft conversions. We have also noticed a dramatic reduction in errors, which is resulting in cost savings. Staff can open a project home page, see exactly what is going on and know that nothing has been missed, which has led to a more relaxed and efficient working environment. Even our customer surveys include more positive remarks about our efficiency and responsiveness.

The CRM package also gives our subcontractor colleagues – surveyors, architects, building contractors and tradesmen – an excellent project management tool that saves time and money. For example, our architects are typically based in their offices and do not go out to the site to measure our clients' houses before drawing up plans. Instead, a surveyor measures the whole house and passes the dimensions to the architect via our CRM system. We also use CRM to pass all our photographs and any associated documentation to the architect, thereby reducing our paper trail.

Our data transmission demands have been significantly reduced by our CRM deployment. Previously, every project generated a Word document of around 147 pages, which was then sent back and forth between users in our two offices. Over a week, our staff might generate a 2GB (or larger) Excel spreadsheet. Now, our sales and project management teams refer to common data elements that

reside on servers accessible to all A1 Lofts staff. We are able to reduce the amount of data that travels between users because our staff works simultaneously on the same data. As a result, storage costs and network demands have reduced considerably.

Mobile access has also proven an essential part of our business process. Sales staff, for example, can refer to CRM information remotely. This helps them stay up to date with accurate customer and prospect information at any time of the day. Project managers can update a project's status from the field, which is helpful in ensuring that billing is executed in a timely manner. Our project managers can also use remote access to provide real-time guidance and reference to documents and regulations for on-site colleagues, which can save money and eliminate costly errors.

High-growth Firms Should Automate and Network in Anticipation of Demand

Any business that is poised to grow needs to consider the potential benefits of robust networks, CRM and project management capabilities before an efficiency bottleneck is reached. While our experience has been excellent, we would have been better off – and able to expand even more rapidly – if we had implemented our new system 18 months earlier.

Start-up businesses should start thinking at the earliest possible opportunity about implementing even a basic CRM package that can grow with the business. The potential benefits of CRM systems, in terms of efficiency and cost reduction, and their potential for facilitating scalable growth, will at some point be crucial to the success of any enterprise that plans to stay in the game long term.

By introducing CRM efficiencies and discipline into business processes early, start-ups and small businesses can equip themselves with the basic building blocks they need to match IT and communications support to the needs of a rapidly growing business in the future.

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