

Kbbreview Industry Awards 2007

CATEGORY: Master Retailer Award for Kitchens

FINALIST: McNally, Dublin

How would you describe your business to the Judges?

McNally is a vibrant, family run business, which has been supplying the highest quality integrated Kitchen, Bedroom & Living room furniture to both retail customers and major contractors for over 35 years. Our peerless customer service, surveying, fitting and design, are complemented with state of the art products from Europe's leading manufacturers. McNally is the sole distributor of ALNO and Impuls Kitchens in Ireland.

The company is also a distributor for bulthaupt and Nobilia kitchens, and Hulsta, Leolux, Loddenkemper and Arte-M furniture. In 1968, John and Maeve McNally founded McNally and in the intervening 39 years the company has grown exponentially. In 2000 ownership of the business passed to Ian, Edward & Orla McNally. In 2005 the company relocated to a custom-built 8,000 square foot facility equipped with showrooms, office space and warehousing. In 2007 McNally opened a third showroom (10,000 square foot).

Showroom:

First impressions count, and our showroom aims to make a big impression. McNally's showroom strategy is to create an exceptional customer experience and our Flagship showroom in North County Dublin exemplifies this aim. This 8,000 square foot facility houses 15 kitchen displays, 10 bedroom sets and several living room and dining room displays.

Our Dublin city-centre showroom is 1,200 square foot in size and focuses on ALNO kitchens. In both showrooms customer comfort is paramount. We have provided secluded areas for informal discussions, children's play areas and a surfeit of parking. All of our displays are professionally designed and propped.

Customer walk-throughs are carefully considered, providing visitors with a journey through some of the most beautiful furniture and fittings available today.

Separate contract kitchen and wardrobe areas ensure that contract customers can concentrate on what is important to them. They are also impressed by our innovative warehousing facilities and how each individual project is designated its own bay, ensuring efficient and accurate deliveries.

Staff:

McNally employs 75 permanent and 15 contract staff. Our staff are our greatest investment and most valuable asset. We go to great lengths to ensure that they are happy with the quality of their life and work. Examples of changes we have implemented to help our staff include:

- Increased specialisation and departmentalisation, allowing staff to become expert in one particular area such as retail sales, design, customer service representatives and warehouse management & fitting.
- Greater empowerment of staff in order to ensure that their jobs are more rewarding and that the company gets full benefit from their abilities. This empowerment has recently been prioritised as part of a dedicated project (Project Focus 2008).

Marketing:

We entice customers to our showrooms in a variety of ways; word-of-mouth recommendations, strong magazine advertisements, direct mailing, partnerships with architects and interior designers and repeat business from retail and contract customers.

The majority of McNally advertising appears in high quality interior and lifestyle magazines, to target those Master Retailer Award for Kitchens.

What specific evidence can you give that your business is successful?

Financial:

McNally is a successful company. Underlying the increase in turnover are continuously maintained net margins and profits. Our growth in products and staff is a result of our continuous re-investment of these profits into our business.

Other:

- McNally are the largest customer for both ALNO and Impuls products across Ireland and the UK.
- We are the largest supplier of German Kitchen products in the Irish market.
- We are ranked 6th out of all bulthaup suppliers in the UK and Irish markets, after less than a year of supplying bulthaup.
- After one year of supplying Nobilia Kitchens, we are the largest Nobilia customer in Ireland and 6th largest in the UK and Ireland.
- We have grown from 8 employees to 90 in less than 9 years - maintaining margin and profit throughout this period.
- The majority of our contract customers return to us for all of their developments.
- Our greatest source of retail customers is through referrals from previous customers.
- We have very low employee attrition numbers.

Plans for the future:

McNally aims to increase both ends of our business, concurrently, in the coming year. With the launch of our Kube Showroom, we will supply high quality, lower cost furniture, sourced in Germany. Kube's home will be a new 10,000 square foot showroom in Dublin's high quality Beacon South Quarter development. The business model will vary from McNally's standard operational practices, as customers need to source their own fitting service, reducing the administrative cost for McNally. At the same time we will continue to expand our high end kitchen and furniture sales, through the expansion of our premises in North County Dublin. bulthaup, will soon join the other McNally products in our flagship showroom in north county Dublin, and we plan to expand our current Leolux area. Plans are also in place to expand our existing contract business. In 2007 a new software management solution (from SMART Solutions) was designed and implemented. This has already improved our systems and processes, and further improvements are planned, through working closely with the software developers to produce bespoke systems, which make a difference today, and in the future.

Summary

- Established for 35 years.
- Employees: 90.
- Turnover: £13.56m with a constant minimum 30% increase per year while maintaining margins.
- Showrooms: Two retail showrooms under the McNally brand. One retail showroom under the

Kube

- brand opening in 2007.
- Future plans: Expansion with new range and new store. Constant system and process improvement.
- Growth of business from existing stores.

What specific evidence (including financial) can you give that your business is successful?

Our combined turnover before the merger was approximately £8million. Since the merger we are on target for our budget turnover of £10m with an expected profit of approx. £1m. Our budgets were prepared at the start of the year and management accounts are prepared quarterly.

All costs are achieved within budget.

Success is evident in:

1. Financial terms
2. The quality of our staff.
3. The enjoyment in being the force behind Kitchens International.

What strategy do you have for the future?

We aim to open two other studios in Scotland within 3 years,(we have an offer in for premises in one of our target areas). This will enable us to further develop our contract and retail business and reach our target turnover of £20m.

Internally we have started to proceed with our After Sale 'MOT' which will be a contract taken out with the client (first 2 years free) to service their kitchen yearly. This service will include eg. polishing worktops, adjusting doors, etc. This again will make Kitchens International proactive in the care of kitchens instead of being reactive to clients calls for aftercare.



