



MCSTAIN® NEIGHBORHOODS

Dates

2000 – 2004

Program

Community developer and
home builder

1,400 units under development

7 projects in Denver MSA

8 products including

condominiums, townhomes,
and single-family

\$100,000 to \$600,000

Builder Ranking (2003): 120

Relevance

Master Planned Community

Urban Redevelopment

New Urbanism

Placemaking

Sustainability

Green Building

Scope

Principal/Shareholder

Chief Spokesperson

Senior Management

Strategic Planning

Land Acquisition

Product Development

Brand Strategy

Brokerage Operations

Mortgage Operations

Team

Branding and Advertising

Strada

Public Relations

JohnstonWells

Market Research

The Genesis Group

Project

McStain Neighborhoods

Location

Boulder, Colorado

Profile

First established in 1966 and one of the nation's pioneer green builders, McStain Enterprises, Inc. was interested in expanding their reach from their Boulder County, Colorado base of operation to Northern Colorado and urban neighborhoods in Denver. In the process, the company's Board of Directors wanted to harvest a premium for the green building practices and customer care the Company was known for in the marketplace. Recruited as Chief Marketing Officer and Vice President of Sales and Marketing, Jeff Kingsbury first restructured a 32-person sales and marketing team, outsourcing critical marketing and public relations functions while identifying and building talent within the organization.

A branding process defined, differentiated and positioned the Company, its neighborhoods, and products to achieve premium pricing, higher absorption and higher customer satisfaction. The branding process supported a top-to-bottom alignment of the Company's strategic plan to achieve a coveted industry benchmark; 90% customer satisfaction and 10% operating income margin. And, a new name: McStain Neighborhoods, to more accurately reflect what the Company was creating...neighborhoods, not just houses.

A "mission-based" training curriculum followed, aligning all sales, construction and customer service staff, as well as a new compensation structure to incentivize teamwork and, above all, a relentless pursuit of customer satisfaction. Systems and processes were instituted, supported by technology to bring rigour and discipline to the operation. From 2000 to 2004, McStain Neighborhoods boasted Sales Person of the Year and/or Sales Manager of the Year honors from the Home Builders Association of Metro Denver. To further distinguish the customer experience and capture incremental revenue, a Customer Relationship Management program, "Neighborhood Circle®," was developed, a new mortgage company was established, in partnership with Wells Fargo, and a new Home Studio for customer design selections and closings was launched.

Results

While the Denver market declined nearly 20 percent, McStain's gross revenues grew from \$67 million in 2001 to \$111 million on 358 closed units in 2003. The Company exceeded profitability projections, increasing shareholder value 29 percent. In three years, McStain's customer satisfaction metrics and referral sales were among the highest in the U.S. homebuilding industry, with over a 97 percent customer satisfaction rating.

Recognition

2004 Built Green Home of the Year, HBA of Metro Denver

2003 Best in American Living Platinum Award, *Professional Builder*

2003 Neighborhood of the Year Award, HBA of Metro Denver

2003 Green Project of the Year Award, NAHB Research Center

2002 National Homeowner Satisfaction Excellence Award, *Professional Builder*

2001 Energy Star Award for Most Energy Efficient Homes of the Millennium, EPA

2000 Colorado Ethics in Business Award, University of Denver