

# For AT&T Product Center, RQ4 was the 'Missing Link'

For President Mark Butler and Vice President Tony Saraceni, the process of growing AT&T Product Center in Long Island, N.Y. accelerated four years ago. It was then that they adopted iQmetrix's retail management system, RQ4, to run their wireless retail business.

With over 20 years of retail experience, Mark and Tony have come a long way. They have gone from invoicing and tracking inventory manually, to using custom-built software, to implementing third-party retail management solutions.

So, in October 2007, when they took a peek at RQ4's advanced reporting and inventory management features, they saw things their current system was missing. "We realized we wouldn't be able to grow without a more comprehensive package," says Tony. "We had five stores at the time. It wasn't an easy transition, but when we finally made the decision to go with RQ4, it made all the difference in the world."

Today, AT&T Product Center has 19 locations in New York and New Jersey with annual revenues exceeding \$16 million.

## AT&T Product Center at a glance:

- Mark Butler and Tony Saraceni have been in the mobile communications business for over 20 years, since the days of carphones.
- They began invoicing and tracking inventory manually, eventually moving on to third-party retail management software.
- 2007: Using a different software solution, their growth reached a 5-location plateau.
- 2011: Since adopting RQ4 in late 2007, AT&T Product Center has grown to 19 locations in N.Y. and N.J. with annual revenues of over \$16 million.
- RQ4 offered a more scalable way of looking at growth: increasing profit-per-door, streamlining management processes and improving efficiency across the chain.
- RQ4 has improved employee accountability: AT&T Product Center's product loss is virtually nonexistent.
- Using RQ4's BI module, management ranks employee performance daily – this is a huge performance motivator for staff.
- RQ4 has also enabled AT&T Product Center to improve its relationships with its customers and its carrier.
- The iQmetrix Wireless Summit is an annual highlight for Mark, Tony and their staff, both for networking and sharing best practices.



## A Scalable Growth Strategy via RQ4



"RQ4 enabled us to take the stores that we had and really make the number of locations more profitable, by looking at all the different metrics and different items that could produce profit for us," says Mark.

Instead of focusing on how many phones they were selling, Mark and Tony began drilling down to see which features salespeople were most successful adding to the phones they sold. They used RQ4 to determine the percentage of phones being sold with protective cases, or with handset protection. They could break it down by district, by store and by salesperson.

"This approach allowed us to worry less about how many stores we had, and more about how much profit we were getting out of each door," Mark adds.

And when the profit-per-door went up sufficiently across the chain, it was time to open up an additional location. And another. And another.

Product Center grew from five to 19 stores without a tremendous increase on the back end, Tony says. Instead, RQ4 has allowed the company to streamline management processes across the chain and function more efficiently as a whole.

"If you told me we were going from 19 to 50 stores in a matter of 24 months, we don't feel that our software would be the problem," says Mark. **"The software became a link in the chain and it's a strong link. When you're looking to grow your business, it's about fixing your weakest link."**

"I think we already fixed that link."

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Mark Butler  
President, AT&T Product Center

## Creating a Culture of Accountability

Beyond increasing the profitability of its retail chain, RQ4 helped Product Center keep better tabs on inventory and hours worked by employees.

The company uses wireless barcode scanners to conduct daily inventory counts in every store. If an item is missing, management is able to track it, look up the item's history and see if it was sold to a customer, returned, or transferred from one store to another.

"We can see the whole history of a single item, look at the chain and identify where it was last," says Mark. "Using barcode scanners connected to RQ4, we can do an inventory count across the entire chain within an hour. Our inventory manager can take a look at each store's count, in real time. If there's a problem, we know about it right away."

This practice has reduced Product Center's product loss to almost nothing.

Product Center also connected fingerprint scanners to RQ4 to track employees' hours worked. The company now enjoys a new level of accuracy in that area as well. **"You definitely have to hold people accountable and inspect what you expect,"** Mark says.

## Encouraging Increased Productivity

Salespeople are motivated by commissions and RQ4 allows them to see how their sales are doing in real time. "They're extremely motivated to add things to their sales – if they sell an extra item, their commission goes up instantly," says Mark.

Likewise, management is constantly looking at reports, keeping an eye on employees' and stores' progress.

Product Center used RQ4's Business Intelligence (BI) module to create what it calls a "Stack Ranking Report." This report exports all of the company's BI information into an Excel file, which head office e-mails to staff every morning. Employees can see where they rank, according to 10 different statistical categories – district managers are ranked, as are store managers and salespeople.

"Every morning, the report goes out before the stores open and I can tell you it's very motivational to staff," says Mark. **"If I see someone is lacking in a particular category, I can make a call to a district or store manager and find out what will be done to adjust that. On the other hand, I can easily pick up the phone to congratulate our top salesperson for the day."**

PocketRQ also allows Mark and Tony to monitor the business remotely. "As an entrepreneur I'm always focused on the business and working the hours necessary to deliver a world-class experience to our customers, satisfy the carrier's needs and be profitable for myself and my employees," Mark says.

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Mark Butler  
President, AT&T Product Center

PocketRQ™

## More Efficient CRM

In order to provide a “world-class experience” to customers, Product Center uses RQ4 to automatically send thank you e-mails to customers, letting them know the company appreciates their business and encouraging them to get in touch if they have any future questions or needs.

**“It’s been a real success story for us to be able to reach out to customers with a couple of mouse clicks and give them that information,”** Tony says.

Product Center also uses the Sales Opportunity feature of RQ4 to put prospective customers into a sales funnel, based on when they’re eligible for a handset upgrade or when new promotions become available for their current phone or plan. The system allows Product Center to reach out to these customers at a later date.

“We use the Sales Opportunity feature to keep track of and touch base with customers who come into our stores even if they have purchased their phone’s elsewhere. Hopefully by touching base with them, they’ll continue to come back to our stores, rather than going to a big box where they don’t get the personal attention we provide,” says Mark.

**“It’s been a real success story for us to be able to reach out to customers with a couple of mouse clicks and give them that information,”**



**Tony Saraceni**  
Vice President, AT&T  
Product Center

## Better Relationship with the Carrier

RQ4 has also helped Product Center improve its relationship with its carrier, AT&T.

**Often, the carrier will communicate with a dealer about specific products and promotions to push. The challenge for the dealer is passing these priorities down to the employee level and shaping behavior accordingly.**

Using RQ4 to track employee activities and productivity can help a dealer align priorities across the company and store chain.

“We’ve learned to maximize our stores’ and employees’ productivity, as well as customer service, while trying to squeeze out profit,” says Mark. “It’s a fine balance, all while trying to keep in the carrier’s good graces, because without the carrier, we’re not in business anymore.”

“It’s about keeping churn down, our features up and giving the customer a world-class experience.”

## Annual Wireless Summit: Comparing Notes with Peers

Product Center has attended the iQmetrix Wireless Summit for the past four years, including the 2011 event, recently held Oct. 16-18 at the Doral Golf Resort & Spa in Miami.



The Wireless Summit events allow Product Center to tap into the iQmetrix client ecosystem. "Learning how other people in the industry are using RQ4 helps, because they're able to give us guidance and none of it really involves using the software any differently than we are at 19 locations," Mark says.

Many of these fellow wireless retailers are in fact dealing with the same carrier, with the same issues, at different scales.

"When you're in an environment like that, you realize that these people are not your direct competition," Mark says. "These are dealers from around the country who face the same challenges we do. We share best practices with each other to better our companies."

Product Center keeps in touch with other AT&T dealers from the Wireless Summit and when AT&T makes changes to its policies, they discuss how these changes will affect their businesses.

"We determine what our strategy will be, we share that with other dealers, and they do the same," says Mark.