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Bauer plays Big Brother to help close sales at Rack N Road

Listening to employee phone calls showed chances to close sales

Sacramento Business Journal - by [Kelly Johnson](#) Staff writer

The retail market is still bad, but **Rack N Road** is creating sales from what had been lost opportunities. As a result, the local retailer has just enjoyed its most profitable year.

Early in the recession, the Sacramento-based chain of eight stores renegotiated leases, cut staff, and reduced marketing and insurance costs. The seller of vehicle racks and travel gear also benefited from budget-conscious consumers' switch to short road trips, given high fuel costs and tighter budgets.

The biggest change for Rack N Road, though, came from listening in on employees' phone calls with customers. Monitoring and analyzing calls is somewhat Big Brother-ish, company president and chief executive officer Greg Bauer acknowledges, but it works. Sales increase, and customers get better service.

"We're beating our 2007 numbers," Bauer said.

The 18-year-old business had budgeted for sales to decline. Instead, by mid-September same-store sales were between 20 percent and 27 percent higher than sales were last mid-September, and 60 percent over budget.

Customized software is helping Bauer analyze the effectiveness of his employees' phone interaction with customers. Launched in June, the system records customer calls — a recording warns customers in advance and employees know that calls might be monitored.

From his laptop, Bauer listens to calls, and grades them on such things as enthusiasm, hold time and attempt to close the sale.

In one call, a customer tells an employee he was promised a call back an hour earlier. Then the customer, who wants a \$238 hitch, is kept waiting while the employee asks his manager questions — all of which the customer can hear. Halfway through the call, it's evident to Bauer that the employee should have turned the call over to his manager. The customer says he'll come into the store instead, but that usually means a sale is lost, Bauer said.

Armed with knowledge about store calls, Bauer was able to implement policies and procedures, such as who answers calls and what is said. After seeing call wait times, Rack N Road recorded a shorter voice mail message and created a tech center to answer calls when stores are busy or not yet open.

Bauer could afford to invest so many hours in his performance analytics software program because he knew he would also market it as a service to other businesses through another of his companies, **Bauer 360°**.

At first, some employees were uncomfortable that their boss was listening in, but Rack N Road tries to use the system to challenge instead of criticize workers, regional manager Chris Barnes said.

Recording calls for quality control is common practice. But having a boss listening in might cause some employees to be more guarded, making "communication with customers awkward," said Dennis Tootelian, a marketing professor at **California State University Sacramento**.

A company using such a strategy would have to weigh several factors, including the amount of spontaneity needed in customer interaction, employees' desire to feel management trusts them, and the value of constructive feedback and of adherence to policies and procedures.

Rack N Road recession beaters

- Use performance analytics to identify or reinforce opportunities
- Capitalize on high gas prices and the downturn in the market, such as vehicle downsizing and short road trips
- Don't wait to get lean —renegotiate leases, trim staff



Dennis McCoy | Sacramento Business Journal

Greg Bauer, chief executive and president of Rack N Road and Bauer 360, listens to employees work with customers over the phone to find ways to turn missed opportunities into sales.

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