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SOFTWARE FIRM THRIVES WITH CUSTOMER SERVICE FOCUS

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MARION — A laser focus on great customer service has paid dividends for Ideal Computer Systems, which supplies business management software to outdoor power equipment and power sports dealers.

Dennis Haefner, 69, who sold the company on Nov. 30 to Constellation Software in Toronto, Canada, has always believed that if you provide customers with great service, business will knock on your door. That belief was tested through some lean years when the Marion company struggled to gain market share and annual sales were languishing under \$1.5 million.

“April 2002 was a difficult time for Dennis,” said Doug Wick, a business coach with Positioning Systems. “Ideal Computer Systems had not made money the previous four years and sales had been stagnant for some time.”



Service technician Calvin Schneiter of Cedar Rapids works on a Toro snowthrower at Midway Outdoor Equipment in Hiawatha. The company uses software from Marion's Ideal Computer Systems that allows it to control inventory and manage its maintenance and repair shop. (Jim Slosiarek/SourceMedia Group News)



Doug Wick,
Positioning Systems

Ideal's software primarily handles inventory control and shop management for dealers who sell and service equipment like lawnmowers, snowblowers and all-terrain vehicles. Haefner said Wick brought metrics to the table, which involved surveying customers about various aspects of customer service and setting attainable goals for consistent improvement.

“If you're not measuring your customer service in some manner, you really don't know how you're doing,” Haefner said. “We developed something several years ago called ‘overall customer satisfaction.’ We called our customers periodically, asked them a series of questions, and put a rating from zero to 10 on what they thought.

“As soon as you measure something, it gets better. As soon as you report it to your employees, it gets even better.”

While Ideal Computer Systems eschewed voice mail for a live person answering the phone, customers felt the company was taking too long to return calls for assistance. By the fourth quarter of 2008, Ideal’s “average speed of answer” had been slashed from an hour to 9 minutes. Fourth quarter sales allowed the company to eke out a profit in 2009 when many businesses were struggling to survive the recessionary economy.



Dennis Haefner, Ideal
Computer Systems

Haefner said the quick response time paid off when an industry consultant who was listening to a customer service call was impressed with the fast, courteous, professional and constructive service that Ideal provided his client.

“Somewhere along the line, we started getting customer referrals from this consultant and we had no idea who he was,” Haefner said. “We had never talked with him and yet he was referring us to his clients. Two years ago, he was running seminars on repairs in an area of the largest outdoor power equipment trade show in Louisville and he specifically asked us to be the software provider for that part of the show.”

As Haefner and Ideal management began planning for 2010, it looked like the company needed to focus more effort on gaining market share in the power sports industry, which had one exceptional competitor and no runner-up. The company planned to begin assaulting the market and aim to capture the No. 2 spot.

That strategy was quickly abandoned in the first quarter of 2010 when Ideal’s largest competitor in the outdoor power equipment market bought another larger competitor and Ideal’s leadership position was threatened. The executive team decided to remain focused on the outdoor power equipment market and widen its lead while the competitor would need time to assimilate its acquisition.

“We also saw that the market for power sports equipment fell sharply when the recession hit,” Haefner said. “Month after month, we enjoyed record profits and revenues. By the end of November, Ideal was on pace to exceed \$3.2 million in sales and our profit was up 600 percent over the previous year.

“We exceeded our goals, ending the year with \$3.4 million in sales.” Haefner, who wanted to realize his dream of selling the company and retiring, was able to do it and go out on top.

“We sold the business to Constellation Software, which owns about 25 other niche software businesses,” he said. “They plan to maintain the company in its current location. Constellation has the capital and resources to help them improve their business model.”

Haefner was retained as a consultant through 2011, allowing him to continue to contribute to the future success of the company.