

# At Robnet, Service Spells Growth and Profit

**R**obert Edelstein started Robnet in October 1985 in his mother's basement with \$5,000 and a good industrial customer base that came from where he had worked previously.

Rob described the environment at his former employer. He said, "I had been trained in the field at a company that specialized in bad morale, horrible work habits, poor customer service, poor inventory control and systems that were outdated and useless. The company went Chapter 11."

## Start Small and Do It Well

Rob and his wife Liz are running a "Mom and Pop" business and together they are the driving force. Anyone who knows Rob and Liz will agree that they run a unique business and they have boundless enthusiasm for their work. Rob also brought important real world experience with him. He stated, "What I learned from my previous employer was exactly how not to run a business (or how to run it into the ground successfully). We built Robnet slowly, and we attribute our success to a simple concept. Service the customer like no one else does."

Robnet decided to create a group of dovetailing products that make Robnet an exercise in efficiency for the customer. Their product offerings have grown to 35,000 items and they pride themselves on being in stock on those items that their customers are going to need in a hurry. Their mainstay is fasteners, but they handles products as diverse as cutting tools, taps, drills, wrenches, and even Gatorade®. Their target customer base finds everything that they need with one call.



*Not Just Fasteners — Robnet's diverse product mix means that when a customer calls them, it is an exercise in efficiency.*

## Growth Means Change

In the beginning, with a small customer base and not too many products, it was easy for them to move forward without the help of a computer system.

At about \$750,000 in annual sales, they began to see that there were a number of changes occurring:

- They were losing control of their inventory, which had grown immensely.
- They were not purchasing properly.
- They were having trouble being consistent in their pricing.
- They were no longer able to be efficient, so their excellent customer service was starting to slip away.



*They work hard, but Liz, Rob, Louie, Lee and Eric make time to take vacations. Their company runs efficiently while they're gone.*

Competing on price begins a downward spiral and if you begin to depend on that strategy, you are sure to fail. Rob understands that well. He stated, "Selling a generic product doesn't allow for too many options in setting one's company apart from others. Some methods of competing are service, product mix and a fully stocked warehouse. The least desirable way to win business is by cutting price. We opted to emphasize our unique attitude, depth of stock and customer centered product mix. Our margins remain above average."

The people at Robnet pride themselves on the breadth of their inventory and their ability to find tough items. Their job is to make calling Robnet the easiest thing that their customer has to do all day. Whether they need an immediate delivery, have an item to return, or a question about an invoice, their customers

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can get their answers 24 hours a day, seven days a week. Rob and Liz understand that in this industry wasted time is wasted money, so their sales team is set to handle customer orders and inquiries quickly and efficiently.

**The BUSINESS EDGE**

Rob said, "We were committed to continue our growth with the least amount of employees. We knew that we needed a computer system to help us manage the business, but we didn't want to end up locked into doing things just like everyone else. We finally decided on The BUSINESS EDGE from Computer Insights, Inc., because it gave us both the control that we needed and the flexibility to do it our way. We now manage 35,000 line items confidently as we have grown to almost \$3,000,000 in sales with only 10 people on the payroll."

Robnet's average invoice is less than \$500, which means that they process a huge amount of transactions. Without an efficient and flexible system, it simply wouldn't be possible. The growth at Robnet has accelerated dramatically since the installation of The BUSINESS EDGE. One big reason for that is the proper

use of management's time. Since things run smoothly, Rob and Liz can focus on sales, customer service and purchasing — the keys to their success.

The BUSINESS EDGE is a key ingredient in their philosophy. Now:

- They have control of their inventory.
- They are purchasing properly.
- They are always consistent in their pricing.
- They are efficient, so their excellent customer service continues to improve, even as they get bigger.

**The Robnet Way**

Rob summed it all up by saying, "Doing business the Robnet way allows for an above average gross profit, which brings a big number to the bottom line. The banks love it. The accountant loves it. And most important, we love it."

Robnet can be reached at 3701 Commerce Drive, Suite 104, Baltimore, MD 21227; phone 800-771-BOLT. Computer Insights, Inc. can be reached at 108 South Third Street, Bloomingdale, IL 60108; phone 800-539-1233; or visit their website at [www.ci-inc.com](http://www.ci-inc.com).

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