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Best Practices

AHT Sets Quality Standards
As CEDIA's Dealer of the Year

COVER STORY

While a re-design of their showroom and a continuous flow of high-end custom installation projects have kept Atlanta Home Theater owner/managers Scott and Jennifer Ross busy enough, their CEDIA award and a nearly flawless reputation with clients, vendors and their peers, have led to the creation of a "side business" in dealer consultation on top of it all.



by jeremy
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CEDIA's Dealer of the Year

● *Refuses to Rest on* ● *its Laurels*

winning wisdom

Prior to CEDIA EXPO last year, Atlanta Home Theater was leading a fairly anonymous existence in suburban Atlanta, quietly establishing itself as a top retail/custom dealer in its market. After the show, however, the Roswell, Georgia, company had become a "household name" in the industry, having walked away with CEDIA's Dealer of the Year award and "Best Home Theater" for its million-dollar "Thunder in the Hills of Tuscany" project.

Much has happened to Atlanta Home Theater (AHT) since that fateful September evening. While a re-design of their showroom and a continuous flow of high-end custom installation projects have kept the husband and wife owner/managers Scott and Jennifer Ross busy enough, their CEDIA award and a nearly flawless reputation with clients, vendors and peers, has led to the creation of a "side business" in dealer consultation on top of it all.

Though the Rosses tend to downplay their honors, they acknowledge that their Dealer of the Year award has served as a great business success benchmark for them, and that it has garnered them quite a bit of attention from the industry in the past year. "Becoming CEDIA's 'Dealer of the Year' is the greatest honor a home technologies dealer could be given considering the grueling criteria that must be met and the caliber of contenders for this spot," Jennifer Ross said. "It is the only qualified award, industry-wide, which measures profit, revenues, growth, inventory, assets and human resources, *and* also accounts for an accurate measure of service quality and your client's satisfaction. We view our 'Dealer of The Year' title as the industry's opinion of our success, but are cognizant that our true worth rests in our clients' perception of the quality of our work."

The most flattering and unsuspected outcome from wearing "CEDIA's crown," according to Ross, were the consulting opportunities that have emerged this past year. In particular was a CEO who had a vested interest in a start-up home theater venture. He read about AHT in industry magazine articles following CEDIA EXPO and sought out their help. The savvy businessman had been impressed by the story of AHT's meteoric climb in the industry and the fact that he heard no negative comments on the company from their vendors and clients. After his initial call, AHT set up a meeting with him to explore their consulting opportunity.

"He and his vice president flew down to meet with us and proposed a retainer in exchange for our expertise, wisdom and story," Ross remembered.

Not inclined to disclose such information in the beginning, the decision to assist the startup was not an easy one for the AHT management team. However, Ross added, AHT had been guided by their own mentors in the past, and without people to lead them toward success, they might not be as successful.

"At this stage of the game helping others only strengthens the industry and increases the client's chances of getting a good return on their investment," Ross noted.

Consulting, the AHT management team believed, could be a way to give back to a field they love and, at the same time, give someone else a powerful edge in a different market.

"We entered the Atlanta market in 1996 with a mandate to set operational standards, raise consumer expectations in the areas we serve, create an environment where our team could build a long-term and secure career, demonstrate to our clients what quality service feels like and become successful enough to have options," Ross explained. "Those objectives have been met, and there is no harm in assisting others while we proceed in our own direction."

As part of their consulting retainer, AHT generated an electronic manual, called *Wired to Win, The AHT Guide To Becoming A Successful Home Technology Dealer, Volume I*. Culled from their well-documented project files and general observations accumulated during their six years of business, the manual includes strategies and advice specific to managing an A/V retail and custom installation business.

"Profit and loss, inventory and assets, long-term and short-term goals, good and bad decisions, strategies, momentum and the passion behind the purpose are things we address in our consulting efforts, which are carefully documented around our own experiences," Ross described.

Other basic examples of the AHT consulting wisdom include, "Quick growth brings with it the challenges of maintaining control of all the things constituting a stable business"... "A dealer with too many projects and too small of a team faces slow turnaround"... "A team with too many members and too few projects can create a cash flow problem"... "A dealer who oversells his services faces the possibility of a damaged reputation" and "Promoting outstanding performance creates a competitive environment, yet a team without reward and recognition leads to stagnation."

In addition to sharing their own "chess moves," AHT spent time learning as much as they could about the structure and goals



Scott Ross (left) manages to keep ahead of Atlanta Home Theater's steady flow of design and installation business, and is exploring a new business consulting plan that came along after winning CEDIA's Dealer of the Year award.

Atlanta Home Theater practically became a household name in the industry, after walking away with CEDIA's Dealer of the Year award and "Best Home Theater" for their million-dollar "Thunder in the Hills of Tuscany" project (right).



of their first consulting client. Though they first pointed out that what makes sense for one business might not be best for another, they soon set about breaking down their client's business model, piece by piece, to find its potential flaws. "To an outside analyst, a deficit of healthy practices can be identified more quickly and precisely than it can be by someone consumed by his everyday operation," Ross said of their consulting. "In a start-up you build a model and then later refine it.

Consulting, the AHT management team believed, could be a way to give back to a field they love and, at the same time, give someone else a powerful edge in a different market

When we began our model, Atlanta Home Theater received support and advice from some of the industry's 'greats,' and as a result we have avoided costly and unnecessary setbacks. We looked for those same red flags in our client's model, and then outlined them in detail for them."

While Ross admits that the AHT team is relatively young and have only their own experience from which to draw, they feel that their "two cents" have proven a worthy investment for the start-up home theater company. "We are confident that they will be a big player in a matter of time," Ross said.

AHT never set out to run a consulting business, but Ross says that their first experience has been such a positive one, that they would seriously consider future opportunities. "Originally we got in this industry because we wanted to serve our market better than it was being served," she explained. "Our focus then broadened to maintaining a secure business environment for employees to work and grow. So now, if consulting is another way to make a living and find gratification in what we do, then we should do it."

AHT, like other successful A/V dealers, continues to thrive despite a slowing U.S. econ-

omy, on its pre-sold business and the consistent buying power of its high-end clientele.

"Overwhelming" is the word Ross uses to describe AHT's business pace. "It has been like riding on the back of a thoroughbred racehorse," she said. "We won the roses, jumped the fence and then just kept running. Our team has been in a constant sprint for some time. We have a pile of awards and certificates, and our pipeline is booked with projects throughout the next year."

During the past two years, the company has been named top dealer for Wilson, Vidikron and Seleco and has finished in the top five for Meridian. Last year, the dealer also was awarded exclusivity on Krell products in their territory. "Krell is a product line every dealer wants to sell, for the name carries as much weight as any in our industry. Just as each of our theater designs support one of our product lines, we have a theater modeled after the Krell products and we are anticipating a good year with this line."

Despite, or more likely as a result, of their success, Ross says AHT is looking for ways to slow down and focus on their pre-sold jobs and complete internal renovations to their design facility which already includes a new \$704,000 home theater showroom that was designed as a special prototype for a client.

"Our team could use a good night's rest and some family time as a reprieve from the long, grueling hours, extra miles and marathon projects," Ross said. "Analyzing how we arrived at this juncture, there was a climatic point several years back when our company had their choice of projects. More people and projects were finding us than we could handle, so we focused on the big ones that would

require more and carry prestige."

AHT had a newly certified team that was ready for the challenge, so up the mountain they went. Several projects over \$100,000 led to \$300,000, then \$500,000 and so on. Several dozen later, and they were quoting and managing projects at the million-dollar mark.

"As a company we took great pride in the fact that we were getting these jobs and that we were the only dealer in the Southeast working at this caliber," Ross added. "But after a while with no break, we began to see signs of wear. Hiring more technicians takes time and energy that we could not afford with the pressure of our demand."

Ross says that with the market booming in recent years, people almost couldn't find enough ways to spend money in their home, and AHT had trouble finding enough suitable people to meet the demand. Nonetheless, the company added three permanent technicians, a design engineer, a lighting designer and a set design artist to the team this year.

As for their strategy to slow down, AHT generated a set of goals for the rest of the year. "Plan A involved the hours, strategy and commitments we made to complete the big jobs on time," Ross said. "Plan B was our decision to back away from sales until we could reduce our pipeline to 'manageable.' Plan C was to take a break once things were under control and rest up for the next year. All three plans are in progress, and we are looking forward to the break."

This break, however, won't keep AHT from staying true to the goals common to all successful custom installation companies. "We have found a variety of healthy business practices common to all of the industry leaders, but most outstanding is that they share the same objective," Ross said. "Atlanta Home Theater's best kept secret is our commitment to people. Just like those who we most admire, we too are committed to the people we serve and the people we employ. The rest is cake."

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Jeremy Glowacki is editor of Residential Systems.