

Wholesaler Profits by SBDC Advice to Work *ON* His Business, Not *IN* It

Not that long ago, sporting goods wholesaler Muhammad Arfan of Decatur would wake up every morning and immediately begin filling his head with the things he needed to do that day for his business, Go Sports Warehouse. “My day was making the sales, printing the t-shirts, sending out the embroidery orders, managing customers, handling the vendors, cleaning the store, etc.,” he says.

Although he managed a staff of five, Arfan was responsible for all internal operations. He had the final say on all pricing and took all orders. Any problems with order entry, order processing, inventory, quality or scheduling delivery required his attention.

“I tried to be Superman and found out that didn’t work,” he says. Frustrated, he looked for help. He found the Decatur office of the SBDC and business consultant Bob Thiele, who showed him how to work “on” his business, not “in” it.

“Muhammad came to us initially to help him increase his sales with more marketing,” says Thiele. “He told us his marketing was erratic because he had to spend a lot of time working in the business.”

Thiele made several trips to the store and noticed that Arfan carried a lot of different products: more inventory than what he needed to handle. His staff all depended upon him for answers to pricing and customer information. Outsourcing of certain operations, like uniform embroidery and silk-screening, was required, which compounded his scheduling and order processing problems.

“Customers who received their orders on time and complete were satisfied with his company’s pricing and service, and would come back for repeat business. Those who were not satisfied simply left,” says Thiele. “Before Arfan would be able to market effectively, he would have to improve his internal processes. With increased sales, he would have self-destructed. He was too involved in the process and needed to step back and take more of a management role.

“Arfan had all types of products, but no rationale to the product mix. He needed to improve inventory and develop a product strategy, sales manuals for his staff and production processes so he could guarantee his customers their delivery dates,” says Thiele.

Arfan implemented the recommendations. He closed his retail sales and turned his focus to wholesale and team sales. He developed a sales manual and brought his embroidery in house to gain greater control. By managing the business, he says he now has time to enjoy his family and life as compared to handling all the little details about the business. With his new management strategy and more satisfied customers, his 2008 sales revenues grew 35 percent over 2007.

“I think I made a very wise strategic decision,” says Arfan. “Meeting Bob changed my life. I felt before, what is my role? He helped me understand that I am a business owner, not a technician. Since that day, I have focused mostly on managing and leading the business vs. doing all the technical aspects.

“The biggest challenge I’m facing right now is putting a sales team together. I am planning on hiring a sales manager, then will have people in place to run the system so we can replicate it and grow our business,” he says.

“Arfan needed to develop strategies and procedures to address his issue areas. Now he has the confidence to grow his business,” says Thiele. “If you want to grow, you can’t handle all the work yourself.”

“Bob has helped me a lot,” says Arfan. “He showed me that being a business owner is where I need to focus my attention. For all small business owners, our focus needs to be on growing the organization itself and its systems instead of our trade and technical skills. It takes a lot of practice, but under his supervision I’m getting better and better, day by day.”



Muhammad Arfan