

Chuck Surack





AMAZEMENT SPECIALISTS

Chuck Surack is a shining example of the saying, “Do what you love, and the money will follow.” A keyboard-programming whiz, he started Sweetwater Sound 26 years ago as a recording studio, parlaying it soon after into a fast-growing mail-order-driven retail business specializing in professional audio and recording gear.

Today, his Fort Wayne, Ind.-based company boasts \$100 million in sales a year, with a new location on the drawing board. By 2009, he plans to have 120 new employees and \$150 million in sales. Even before the ground is broken on that project, business is skyrocketing. Sales in 2005 are up 30 percent from 2004, which was a banner year in itself.

But the numbers reveal only part of the story. More telling is the industry-wide respect Sweetwater has commanded over the years. Musicians, sound engineers, manufacturers and even competitors know that Sweetwater aims to satisfy customers at all costs.

“No one has the attention to quality, detail and customer service that these guys do,” said one supplier in nominating Sweetwater for this year’s Retail Excellence Awards.

“Sweetwater has the best-trained and most-knowledgeable sales staff,” said another. “The entire organization is

focused on the common goal of servicing [its] customers, and the impression one gets from working with the call center is that the ‘sales engineers’ truly love their jobs. The working environment created at Sweetwater cannot be matched.”

Give the company extra points for consistency. A perennial nominee in the Retail Excellence Awards, Sweetwater already received the Retailer of the Year distinction once, in 1999. And the accolades keep pouring in.

Based on the company’s continued growth and exemplary business model, the time is ripe for Sweetwater Sound’s second crowning as Retailer of the Year in the Independent Retailer category.

THE SWEET TOUCH

Surack brims with enthusiasm whenever talking about his company. Without a trace of the cynicism that can easily afflict a retail veteran, he’s genuinely thrilled that his love of music became a livelihood not only for him but also for his employees and their families. Surack’s effervescence and, equally, his respect toward his employees appear to be dual driving forces behind Sweetwater’s success.

“I’m personally stimulated, as most everybody is, coming in here,” Surack said. “I know I’m working with 210 employees, and they’re some of the bright-

Sweetwater bought one disgruntled customer a Japanese dinner. Here’s how the company continues to ‘wow’ customers with every interaction.

est and best. As long as I’ve been doing it, I’m still jazzed and stimulated every day because I’ve got a bunch of bright people around me. I can’t put a dollar figure on that — it’s just so invaluable to me.”

He’s the proverbial kid in a candy shop, an apt description because Sweetwater is, indeed, a candy shop. Not just metaphorically, although its mixing boards and guitars are goodies to sound engineers and musicians everywhere. Sweetwater includes candy with every order it ships out. It’s just one small touch the company implemented to set itself apart and leave a sweet taste in customers’ mouths.



The payoff has been huge, if immeasurable, and the overhead can't be that much, right? Actually, Surack laughed at the suggestion that the candy comes cheaply. "It's about 10 grand a week right now!" he said.

But he finds it well worth the hefty price tag. "It's just a simple, sweet way for us to say thank you. There's story after story of customers who talk about the candy, everything from 'I'm diabetic, don't send me anymore,' to 'My favorite are root beer float barrels.' It sounds silly, but we literally keep track of any comments the customer has made about candy in our system. And so, even as big as we are, when that order goes out the door, it will go out customized for the customer with the candy they asked for."

That points to another key to Sweetwater's success: its database system. Employees don't just keep track of candy preferences. When a customer speaks with a sales engineer, every detail is logged, from instrument purchases to a spouse's name to the customer's dreams and aspirations.

"We know that they're hoping to be a recording star, or whatever it is they're thinking of doing," Surack said. "It's all about the relationship and the rapport we build with them. That's really a philosophical difference between our company and all of our competitors: Each of our sales engineers develops a relationship with anywhere from 1,000 to 4,000 customers. And they call them back every week or every month or quarter, depending on that customers' interest and buying patterns. You develop a relationship over time, and you start to know a lot about them and what makes them tick."

AMAZING SERVICE

To say Sweetwater's employees always try to satisfy the customer is an understatement. Surack actually has a full-time employee, Doug Strahm, who bears the title "client amazement specialist."

If ever a customer registers a complaint, Strahm is ready to make a favorable impression that will exceed all expectations. Recently, when a customer got miffed that his refund didn't show up on his charge card immediately, Strahm eased his anxiety by purchasing him and his wife dinner at a Japanese restaurant.

"We're always doing things like that," Surack said. "I'm interested in the customer long term, not the one short-term transaction. So I'm happy to lose money on a deal or two or whatever it takes to get the customer to see that we're truly different."

Like everyone in the organization, Strahm does everything he can to make good with the customer.

"To me, it's the right way, it's the only way, it's the way I'm wired, it's the way most of our company is wired," Surack said. "You just do the right thing for the customer. So much of it is not scripted, it's just the natural right thing to do. If there's ever a question, you just do the right thing, and then long term, that's the correct answer."

ENGINEERED FOR SUCCESS

Making customers happy starts with making employees happy, and that's another ingredient to Sweetwater's strength. Surack draws qualified professionals from all over the nation, and he retains them with enviable salaries, benefits and perks, including company picnics and

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tickets to concerts and sports events. The very title of "sales engineer" lends them added respect, and it suits them well because most have attended music technology schools or worked as sound engineers. When they get hired at Sweetwater, they're not just killing time until their next gig. Most likely, they're in it for a career.

Empowerment is one means of keeping them happy. Surack tries to keep meetings, policies and other bureaucratic trappings to a minimum, choosing instead to let employees work out the details for themselves.

"We want to have the advantages of being a big company, but we also want to be nimble like a little sole proprietorship," Surack said. "And so we try really hard to slay the monsters that get in the way. We don't like any more policies than are absolutely necessary.

We'd rather have people who can make good decisions, and therefore, I'd like to not have as many black-and-white rules. I think black-and-white rules are stupid in most cases. If you empower people to make good decisions, you're better off most of the time."

When Sweetwater's new location is completed in a year or so, employees will have even more to be happy about — and so will customers. Located on State Highway 30, it will be two-and-a-half times the size of the current location with parking for 1,000 cars. Designed by noted acoustic architect Russ Berger, it will house a 225-seat auditorium with a video wall and other multimedia tools, plus it will boast a 4,000-square-foot banquet room for mini-conventions and such.

"We're building this little mall where we hope to have a lot of employee- and customer-centric services," Surack said.

He plans to include a full kitchen facility with a chef who will offer food all day long. There will also be health-club facilities and a racquetball court, and maybe even additional conveniences like a massage room.

"We've got great employees, and we want to make it so they really appreciate where they work," Surack said. "And I think that transfers down to the customer."

The new location culminates more than a quarter century of business at Sweetwater, and it heralds the promise of more good things to come. Surack hopes to begin construction this winter and open the new site within a year.

"We need to move in because we're growing too fast and there isn't enough room," he said. "We're bursting at the seams." **MI**