The Italian Gelato Shoppe Case Study

Eller Suit Up Sales Challenge First Round Case

After graduation from the University of Arizona, Eller College of Management in May, 2019, you have accepted a position with AT&T and moved to Dallas to start the four months of intensive product/service and sales training. You finish in the top 10% of your class during training and secured a small business account manager position in your home town of Phoenix, Arizona. Knowing the importance of constantly prospecting and utilizing your network, you join a young business professionals’ networking group. While still engaging in a good bit of cold calling on small business prospects, the majority of your new business have been a result of networking and referrals from your AT&T inside support team. Your early success in closing new business has put you in a position to make a run at the “rookie of the year” honors in your region.

During an organized Saturday afternoon pool party at your apartment complex one of your friends from your floor introduces you to Ali Boardman. You learn that Ali is also a University of Arizona graduate (Class of 2015) and is an account manager for Zurich Insurance Group. Ali is an aspiring entrepreneur and exploring opportunities to buy into a franchise business in the next few years. While talking with Ali you find out she is very excited about a recent conversation she had with a Franchise Relations Manager from a fast-growing gelato retail operation based in Phoenix. Ali became familiar with “The Italian Gelato Shoppe” franchise a year ago when she sold them a cyber-risk policy with an annual premium of $10,000. She also admits she is addicted to their maple vanilla gelato flavor. Ali enthusiastically declares, “the flavor of the gelato product is just incredible!”

After informing Ali about your small business account manager position with AT&T and the plethora of products and services your company offers small businesses, you ask Ali for an introduction to someone in management at The Italian Gelato Shoppe. She offers to connect you with the owner, Francis Owen, via LinkedIn. She also cautions you not to expect to get an appointment right away because Francis is incredibly busy with the day-to-day operations of the business and the many franchise openings across the country that are taking place.

You connect on LinkedIn with Francis Owen after receiving a referral from Ali. After a week of playing phone tag you are able to have a two-minute conversation over the phone and scheduled a 20-minute meeting to learn more about The Italian Gelato Shoppe’s cyber risks.

Sales Call Round 1

You have a 20-minute meeting set with the very busy owner (Francis Owen) of The Italian Gelato Shoppe.

What you have found from doing your pre-call homework
Francis Owen got the idea of starting a gelato shop after a family vacation to Italy. During a four-city tour of Italy that included Rome, Florence, Venice, and Milan, the family gushed about the intense gelato flavors they encountered and were amazed that gelato shops existed on just about every corner in every city they visited. Eating gelato became almost an addiction during their visit to Italy and, by the end of their two-week vacation everyone, in the family had unanimously decided that gelato was one of the best reasons to return to Italy in the future.

After falling in love with gelato’s cool dense silky taste, Francis was hooked on the idea of bringing this wonderful tasting frozen treat back to the Phoenix area. From his/her business background and research, Francis knew the product’s taste would appeal to a high-end customer that could command a higher price point with associated high margins. The key to success in Francis’ mind is to present the gelato product properly at retail locations near some of Phoenix’s trendier dining and entertainment areas.

Francis quit his/her job and took the majority of his/her retirement funds to open the shop. Francis completed a 3 month certificate program at a Gelato University in Italy. She/he opened The Italian Gelato Shoppe in the Scottsdale area in 2008. After a successful launch, a second location was added in 2010 near the Arizona State University Campus, and a third location followed in the high tourist traffic town of Sedona, Arizona. Suddenly Francis had requests coming in from customers across country because of the visitors who fell in love with the gelato product and the store atmosphere. Francis decided to offer franchise opportunities in 2014. In order to get up to speed on the nuances of franchising, Francis went outside of his/her immediate network for the first time and hired a franchise relation specialist who previously worked at Cold Stone Creamery to join his/her management team. Five years later and with a lot of growing pains The Italian Gelato Shoppe currently has 45 franchise locations across the country plus three corporate owned stores in Arizona.

What sets this business apart from others?

With each visit The Italian Gelato Shoppe customers get an authentic Italian experience. This includes a warm welcome, quality artisan gelato products, and a friendly store setting customers want to come back to again and again with friends and family. All retail locations must maintain a high level of service and cleanliness. The in-store atmosphere created must say Italy at all times. Everything in the store from the display cases, furniture, tile floor to the art are all imported from Italy. Customers are able to sample any of the over 60 flavors offered before they make their purchase. Only the finest Italian ingredients are used in the production process. The only non-Italian made domestically sourced ingredients used in the production process are butterfat and sugar. Franchises are supplied with all the store fixtures, displays, signage, advertising and promotional materials, ingredients, recipes and point of sale (POS) hardware and software for registering sales and an inventory control system that is tied to the POS software. Franchisees are required to use the hardware and software as specified by the master franchisor. As the master franchisor The Italian Gelato Shoppe charges a 7% royalty and 2% advertising fund fee on all register sales. Franchises sign a 25 year renewable contract and
agree to electronic daily audits of their sales receipts. The average franchise generates $1MM in sales.

Other information from Ali you were able to gather
Francis is not very tech savvy, but is a hands-on owner and is involved with every business decision. She also told you that what triggered the sale of the cyber-risk insurance policy after their supply chain was shut down for two weeks. From what she could surmise it sounded like they had either a data breach, corrupted data or were the victim of cyber extortion. In addition to the insurance policy they also used a third party vendors to strengthen their passcode encryption software and their internet firewall.

Objective for Meeting with Francis (see role play scoring rubric)
- Professional introduction as well as a concise and compelling agenda
- Learn more about the buying process and who makes the buying decisions
- Take notes and have a high-level understanding of the client’s needs
- Learn about the customer’s business
- Determine if the customer is a good fit for any of AT&T’s cyber security products and services by asking appropriate and engaging questions
- Establish interest in AT&T’s products and services to ensure that the customer will be willing to have a next meeting or make a purchase
- Show a reasonable return on investments based on information you gather and pricing provided
- Close for the appropriate next step
- Use professional language and presentation materials

AT&T Cybersecurity Solutions and Services resources
Enterprise Mobility Management - https://www.youtube.com/watch?v=7seR5YAhbqo
AT&T Security Solutions - https://www.youtube.com/watch?v=doMaWEgwUSQ
Vulnerability Scanning - https://www.youtube.com/watch?v=cWgXdcmmypA
AT&T Cybersecurity - https://www.alienvault.com/pricing

AT&T Cybersecurity pricing for this case
Below you will find pricing for AT&T’s different security products.
McAfee - $5 per user
Cloud Web Security - ~$2.00/user
Secure Email Gateway - ~ $1.25/ user
Premise Based Firewall - $500 per site
VSS (Volume Shadow Copy Service) - ~$3K for a one time, $5K/year for a 3 year quarterly scan
AT&T Cybersecurity - ~ $1,700 a month (old alien vault)