

Send Him with Todd!

Donald A. Carpenter, Colorado Mesa University
Kay A. Hodge, University of Nebraska-Kearney

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Clint's Reflection and Background

Clint, the branch manager for a mainframe computer company, stared out of his office window at the mountains. He was always in awe of the peacefulness of the mountains, the colors, and the trees, which were quite a contrast with the hustle and bustle of the company for which he worked. While he stared, he backtracked over the last hour he had spent with his zone sales manager, Grey. Clint was so tired of solving all of the crises Grey seemed to create while just doing his job. Clint often wondered how in the world this guy ever moved up in the business. Clint often thought that Grey did not understand the business they were in. Was it Clint's fault that Grey did not seem to understand the culture of this sales zone?

Clint already knew that no one on Grey's seven-person sales staff was motivated by Grey. Indeed, most of them didn't even like Grey, who had been a moderately successful salesman for ten years in the industrial area just north of Denver as part of the Denver Branch. Before he was hired with the company, Grey had been a door-to-door insurance salesman for a decade in New Jersey. However, he just did not fit into the more laid back Colorado Springs area and the rural areas south, west, and east of there. The pushy tactics he had used in his former sales territories for twenty years didn't work for the dynamic, young people that Clint had hired to turn Colorado Springs in to the best-performing branch in the Mountain States District.

Clint had seen a lot of change in the company during his thirty-year stint, following the typical promotion path: beginning as a sales trainee in Boise, before getting his own territory to manage which he did successfully for 12 years. His success led to a promotion to become a Zone Sales Manager in Billings, a position which he held for four years. He was then promoted to district product manager in the Denver district office, helping salesman throughout the Mountain States learn to sell his assigned product line, which included specialized peripheral equipment for banks. The company's main product line then was based on mechanical bookkeeping machines. While he was a product manager, the company introduced its first computer products, which caused a complete overhaul in banking peripherals: new proof machines, new teller machines, and this new thing called an automated teller machine (ATM).

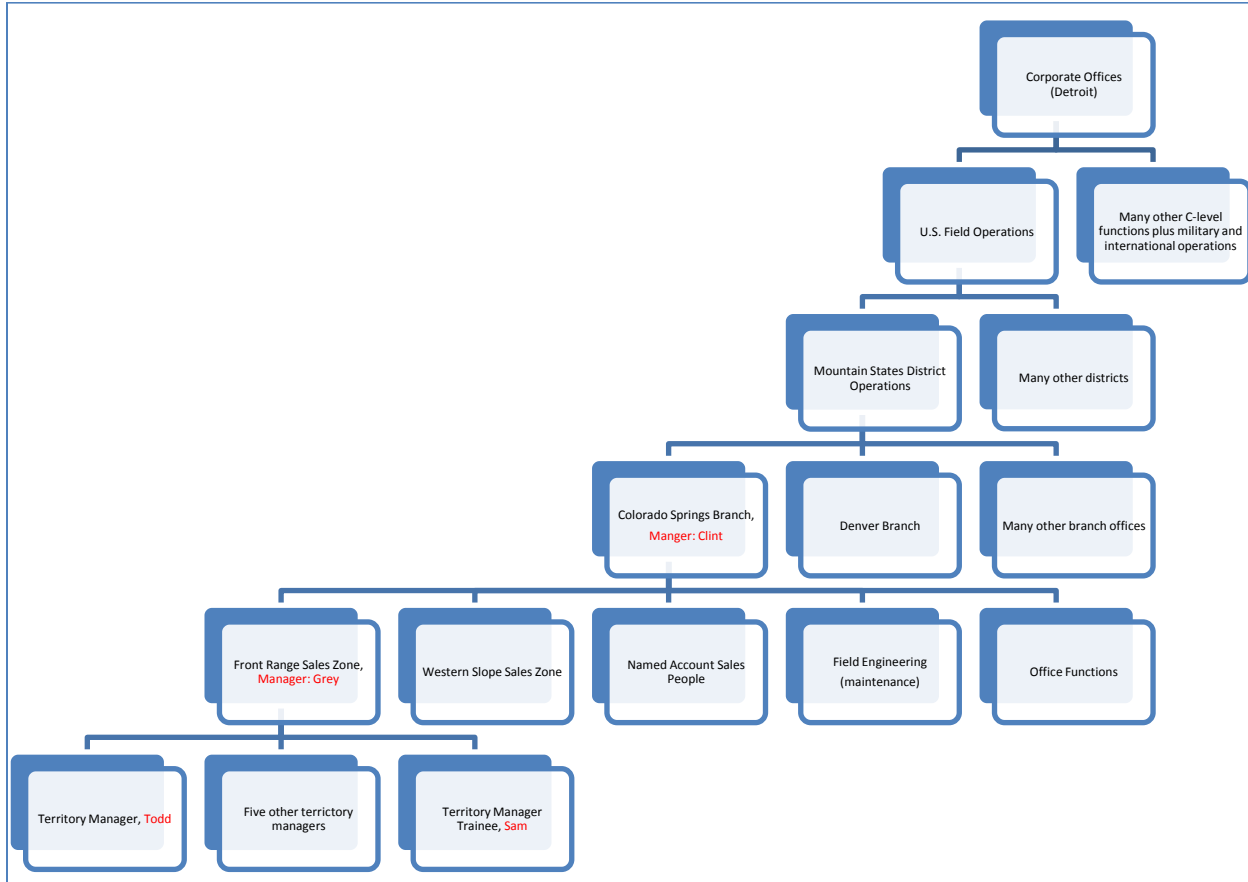
Clint had adapted rapidly to all the changes, and the Mountain States District became the most prolific in terms of selling the new banking peripherals. After four long years of traveling the Mountain States, Clint's performance was rewarded with a promotion to the new company-wide

product manager position, based at the corporate offices in Detroit. Four years of continued success in Detroit earned him the coveted branch manager position in Colorado Springs. Now six years into his tenure as branch manager, he had led the branch to be the top producer in the Mountain States District, despite it being one of the smaller cities in the district. He was well-respected by managers at all levels above his, and he was well-liked by all the employees in the branch office, with the possible exception of Grey. However, it was obvious that Grey respected Clint and desired his respect in return.

With the expansion of the mainframe computer line, the company grew rapidly, at a mandated 10% per year. Its product lines were morphing and expanding. In addition to banking peripherals, there were new product lines for manufacturing peripherals, for input/output devices, and for a new line of desk-size computers (predecessors to today's personal computers).

Hence, career paths were accelerated. Now it was common for a successful territory manager to become a zone sales manager after four years, do that for two years, then spend only two years as a district product manager and two more years in a home office assignment before becoming a branch manager. So what took Clint 24 years to accomplish, now was commonly done in 12 years. Clint considered that maybe the rapid pace was why Grey seemed to be so clueless at times. Clint first thought that maybe Grey had been promoted too soon. Then Clint recalled that Grey had been in his territory for ten years rather than a normal four years before his promotion two years ago to Zone Sales Manager in the Colorado Springs Branch.

Figure: Applicable Corporate Organizational Structure



The Conversation

As usual, the most recent crisis was about Sam, a sales trainee, who just was not performing at the level necessary for the Mountain States District of the company.

“Sam has too much potential to just fire him,” Clint said sharply. Branch manager Clint often openly showed his impatience with his subordinate zone sales manager, Grey. “Can’t you work with him to improve?”

“I’ve tried, Clint. I’ve reminded Sam that his base pay won’t be enough to live on. I told him that he has to sell to earn a commission. I’ve reminded him that if he doesn’t reach his quota by the time of his mid-year review, he will be put on probation, and I’ve reminded him that he won’t see another year with the company if his sales are not close to quota by the end of the year. But I just can’t seem to motivate him to work harder. I think Sam is just lazy,” Grey responded somewhat meekly.

Clint responded, “Well, we need to try harder, Grey.”

"I'm out of ideas. Do you have any, Clint?" queried Grey.

"One idea does come to mind." Clint paused and briefly considered an idea that could very well backfire. "Where is Todd going next week?"

Todd was clearly the hardest-working sales person in the branch based both on the time he spent on the job and on his sales productivity. In his first partial year in the territory, he had doubled his sales quota. Now, early in his first full year in the territory, he was well ahead of quota. That impressive accomplishment was even more impressive when Clint considered that Todd's sales territory was mostly rural southern Colorado, a twelve-county area that included three of the most depressed counties in the country. Yet, Todd was selling small mainframe computers to businesses like they were hot cakes.

Grey responded, "Todd has three full days planned in Trinidad and Raton. Why do you ask?"

"That's fantastic! He'll probably leave at six in the morning and drive straight to his first appointment. And he'll probably not get done until late each night. I would bet he also plans on staying at that flea-bag motel to save the branch some travel expenses. That should teach Sam a thing or two. Yup. Send him with Todd!" exclaimed Clint.

"Do you intend to pay Todd extra to train Sam? Unless you do, he's likely to say 'no,'" Grey replied. Grey's money motivation was showing. So was Grey's insecurity that he could be replaced by Todd.

"There's no way to pay him beyond his base pay and commission. Besides, Todd isn't motivated by money. He's more into accomplishment, being a team player, and expanding his skill set. I know Todd will be glad to help out," Clint emphasized.

"What if your plan backfires and Sam teaches Todd how to be lazy?" Now Grey was unveiling his beliefs in human behavior that might explain his tendency toward a Theory X management style.

Clint leaned back in his chair with his hands behind his head and said, "You really don't know Todd very well, do you, Grey?"

Grey responded with, "Well, I haven't really had the chance to work with Todd much."

Clint quickly leaned forward again. "Why not? He's been in your zone for close to a year!" Clint was visibly disturbed by Grey's revelation. "How are you handling his training?"

"He's been to the corporate training center in Pasadena three times." Grey was puffing up. "A week of Basic Sales Training, two weeks of Computer Products Training, and another week of Territory Management Training. That ought to be enough for anyone to learn the ropes. It was enough for me."

Clint leaned forward and scowled angrily, a purposeful sign to Grey to back down. Before he spoke, he reflected on how he had been spoiled by the previous zone sales manager, Chad, who unlike Grey always seemed to do the right thing for his sales people. Chad's promotion out of the branch had opened the position for Grey's promotion from Denver. Clint had always been quick to credit his success as a branch manager to Chad and Chad's Western Slope counterpart, both of whom had been successful on the job as zone sales managers before Clint arrived in the Colorado Springs Branch. In a louder volume for effect, Clint barked, "It is your job to refine the sales techniques of your sales staff. It is your job to understand their various career levels and to advise them on whatever they need to know to be more productive."

"Todd's never asked for any training beyond what I cover in my weekly sales meetings," Grey was becoming defensive.

Realizing Grey was not going to stay on track, Clint took a deep breath and seized the new opportunity Grey had just given him. "I've been meaning to talk to you about those meetings, Grey."

"Yeah? I think they've really been successful!" Grey was excited now. Finally, he could tout his skills to Clint. The salespeople hit the road right after the meetings. Obviously, my talks about time management have really taken hold. After all, that is the most important aspect of being a successful sales person. Why, without time management when I was a salesman, I wouldn't have been able to implement my Rule of Fives," Grey stated proudly.

"You know, Grey, there are at least three things in your statement that we need to talk about," Clint began. First, I agree that time management is critically important. But, in my book, there are a lot of important things that you're overlooking. But we'll come back to that in a minute. First I want to talk to you about your Rule of Fives. I heard about that from a couple of the senior salespeople, but I wanted to hear it from you because they must not have gotten it right," Clint raised his eyebrows to indicate it was Grey's turn.

"Okay, this is the way it works!" Grey was really excited now. "My Rule of Fives says that a salesperson must make five cold calls to get one person interested enough to talk to him. And five people need to talk to him before one person will emerge as a prospect and agree to a demonstration. Then, it takes five demonstrations before one prospect will agree to receive a proposal. Last, it takes five proposals before a salesperson can close a sale." Grey was proud of his pronouncement.

"Have you done the math on that?" Clint asked.

"No, but let's see." Grey grabbed a calculator from his inside sports coat pocket. "Five times five times five times five. That's 625. That sounds about right, based on my experience."

Then, more quietly, Clint asked, "How many businesses are in Todd's territory?"

"I wouldn't have any idea," Grey smirked as if he thought Clint was kidding.

Even more annoyed now, Clint took a couple deep breaths. “That you don’t have any idea is something else we need to talk about. But, there’s something like 200 businesses in an average rural county in Colorado. Todd has 12 counties, which translates to approximately 2400 businesses. So you just told him in the sales meeting that he’s only going to sell four computers in his territory. That’s four computers ever. His quota is a lot higher than that. I think your precious Rule of Fives is a crock, and I think you’ve got a lot of dissatisfaction to overcome with your sales force.”

“But they headed out the door like they couldn’t wait to get to their first sales call. Besides, I got the Rule of Fives from a well-known sales training book. I took a sales class from the author of that book on the sales job before I started with our company,” Grey was on the defense, now.

“If the sales training book is the one I saw on your desk, it is written for door-to-door insurance sales. But, I’m glad you got back to how the sales force rushed out the door after the sales meeting. How do you know they were headed out to call on customers? I would bet you ten bucks they were headed to the coffee shop to talk about how silly your Rule of Fives is. Each one of them, except Sam of course, has a much better track record. For example, Todd has averaged more than one order per month for nine months. There are not enough working hours in a month to make 625 cold calls. Moreover, I would bet he hasn’t made a cold call yet. He prepares well-enough that he knows about the business before he calls on the manager the first time. Plus, he treats each prospective customer so positively that he gets more demonstrations than I ever did, and I was very good. In addition, he does the demonstration and gives the proposal at the same time because he puts in hours in the office typing those proposals after you and most other salespeople have gone home.” The more Clint talked, the more he realized that Todd, after only nine months, would be a better zone manager than Grey, who had 12 years with the company. “So, tell me more about your relationship with Todd. You say you haven’t worked with him much? Why?”

“Well, like I said, he doesn’t seem to need any training except the sales meeting.” Grey realized he just opened the wrong door again, so he hurried on to the next excuse. “And I’ve been pretty busy working on a plan to reorganize territories. I think it would be more efficient if we set up a plan where the sales people shared one big territory. They could work in teams to call on all the businesses in a neighborhood before they move on to the next neighborhood. I call it a ‘saturation strategy.’”

“Wow,” was all that Clint could manage.

“Yeah, it’s really a cool idea, don’t you think. I’ll announce it at the next sales meeting and have it in place by the end of the month.” Grey was using his favorite closing technique, presuming the customer had already bought the idea. Like many others who use that technique, he had misjudged his audience.

Clint could contain himself no longer when he said, “I can’t believe you’d forgo training and motivating sessions to spend your time to even consider something so absolutely stupid!”

Grey's shocked speechlessness allowed Clint to compose himself and to continue. "I apologize, Grey. That wasn't very professional of me. However, your plan is contrary to the nature of what we sell, who we are, and the geographic layout of our branch. First, not all of the businesses in a so-called neighborhood are likely prospects for our lines of mainframe computers. Our typical customer is a medium-to-large business, a government entity, or a bank. However, in a typical neighborhood in our branch, most businesses are small, and small businesses seldom are good prospects. Even at that, our branch's average sale is \$40,000. (The computer mainframes the company sold ranged in price from \$20,000 to \$2,000,000.) So we would be wasting time cold calling on those who don't qualify. Second, we've hired people who are independent, people who can and want to manage a territory, not run like dogs in a pack. Third, the cost of sending all the sales people to 'saturate' Raton, New Mexico, for example, would be prohibitive." Clint paused for a bit to let that information sink in.

"But even more importantly," Clint continued, "your plan would not allow us to take advantage of the knowledge base that each sales person builds as he does the thorough analysis necessary to learn all he can about a business so he can develop the proper demonstration and proposal."

Clint paused for effect, then hammered his point word-by-word with his fist on his desk. "Your ideas to change our fundamental approach are not welcomed. Besides they would get both of us fired by the people three pay grades above yours who established and really like the tried and true ways. Back when those folks covered territories, they rode the train. Yeah, the territories might be aligned according to now-obsolete rail lines, but automobiles get people to the territories even faster. So the home office is convinced the alignment is appropriate."

Clint continued to take advantage of Grey having his tail between his legs. "Todd preserves the tried and true ways and adds his own improvements. Haven't you paid attention to his prospect list? Here, take a look this list," Clint handed Grey a piece of paper. "The last system he sold was to an accounting firm. See here, now he has three more accounting firms as prospects. And the system before that was to a school district office and right there are two more school districts as prospects. That's the secret to his time management; he minimizes the time he has to spend re-inventing the wheel. He takes advantage of the knowledge he has already gained about each line of business. You couple that with his enthusiasm, drive, and internal motivation, and it's no wonder that he doesn't come to you with questions."

Clint realized that was enough of a brow beating for today. He knew he would have a lot of demotivation to overcome with Grey's sales staff.

Then it dawned on Clint that his relationship with Grey needed as much attention as did Grey's relationships with his subordinates. He wondered if it was Sam or if it was Grey that he should send on the road with Todd to be enculturated. And he wasn't being nearly the leader for Grey that he knew he could be. He figured he might as well start to improve their relationship now: "Let's get a beer after work, Grey. I'm sure we can find something to laugh about."