

## Case Study 1, BMGT 464

### Reach for the Stars—Developing Salespeople, Achieving Organizational Success

As he read the email from his company's CEO, Ravi Verghese rolls his eyes and whispers to himself, "Oh boy, here we go again....":

To celebrate PRME's fortieth year in business, and our successful customer expansion from "seniors" to all ages served by a burgeoning sports and active lifestyle market through our new PRMESport line, I invite you, our invincible, "take-charge" marketing and sales units, to REACH FOR THE STARS! The goal is to increase PRMESport sales by 10% by the end of this year....

Ravi, sales director at New Jersey-based Providence Rehabilitation and Medical Equipment (PRME, or "Prime" as employees liked to say) remembers all too well the challenges he and his coworkers weathered 18 months ago when PRME expanded its product line from aging-related to sports injury-related medical supplies and equipment. The new products are branded PRMESport, developed to grab a share of a fast-growing medical and rehabilitation supply and equipment market segment. To achieve this, PRME bought a small, thriving manufacturing enterprise created by a couple of sports orthopedic surgeons—however no salespeople came with the acquisition. PRME executives decided to up-skill and retrain its existing sales force—"no sales associate will jobs will be lost because of PRMESport," they reassured—rather than recruit additional people. Ravi, whose stellar sales performance caught the attention of company executives, was promoted to director of the sales unit, a group of twenty-five people. Task one, executives said, is to reorganize the unit, establishing self-managed teams to penetrate the new market segment rapidly, efficiently, and effectively.

In spite of Ravi's initial eye-rolling reaction to the CEO's email, he rereads the message with an open mind and restored positive attitude. We can do this, Ravi acclaims. Bottom line, he is grateful that at age 35—young for a PRME senior manager—he has the opportunity to hone new management skills, focus more on his interest in strengthening PRME's human/intellectual capital, solve harder problems, and do his part to make his organization a top competitor. He was proud to work for PRME. The company's rags-to-riches founder, James Cleavon Jefferson, who started the business in a run down New Jersey warehouse with Chapter 8 support in 1974 and grew it into today's well-respected, successful global supplier, serves on the board as a conscience to the new owner, a multinational company. Ravi's own hard working parents, immigrated from southern India to the US, opening a family-run restaurant in Trenton—also with Chapter 8 help—that flourished in their diverse community.

While he loses no time moving forward with a strategy to reorganize into self-managed teams, he's determined to know more about the individual associates that make up his sales force before making final decisions. Right off, he conducts an all-hands meeting to brief the unit on the impending reorg, and, under the circumstances, he thinks it went well. Ravi's known as a straight shooter and consensus builder, although rapid company growth, headquarters relocation, top-down pressure to implement an electronic enterprise data system, along with increased travel to meet new customer needs, are taking a toll on the sales staff. He needs to identify and tackle

—individual by individual—PRME's sales force "soft spots" (his gentle way of saying "weak links") before forming teams, hoping to optimize human capital and meet—hey, maybe exceed!—the CEO's sales goals.

After reviewing annual appraisals and quarterly reviews, talking to trusted senior sales associates who report directly to him, examining statistical reports sales records, observing the unit's daily activities, and collecting his thoughts and checking his instincts (his MBTI "N" makes this easy), Ravi's can-do enthusiasm is tempered by reality. He calls his close colleague and friend, Portia Kingston, a fellow MBA student at Rutgers, presently teaching organizational behavior at a college in Boston, to advise him on where to begin. Portia laughs saying he surely knows how to manage the reorg from reading the first five chapters of her just-published OB e-textbook! Always an appreciator of Portia's sharp wit, dynamic intelligence, ambition, and immigrant roots and experience (she was born in Jamaica), Ravi laughs too, congratulating his friend on her publication and promising to download the information as soon as they hang up. "Seriously," Portia continues, "look at the stuff on analyzing—by that I mean *understanding better*—the individuals in your unit. Get a handle on how they act, what they do or *don't* do—in other words, on their behavior within the organization. For example, my friend, examine learning styles, generational, demographic, cultural and fault line factors, and the role of perception, attribution, personality, motivation, emotion, values, attitude, and ethics." "Will do, Portia. And thanks a million," Ravi signs off, deciding to begin with his notes and records on the lowest sales performers, described below.

## Tom

-Mid 50s

-Introverted, yet good listener, speaking up when prodded

-Jokes about being "the token old white guy"

-Over lunch recently shared his resentment about PRME's latest "bonus" programs, employee wellness and counseling, and sales incentive awards, sales incentive awards, free gym memberships and Knicks tickets

-Not a natural networker, can be temperamental, moody

-More than held his own in company until higher tech systems introduced

-Last couple of years, productivity flat lined

## Lydia

-Late 20s

-Cut sales teeth in pharmaceutical sales

-Gun-ho when hired, exceeded sales goals

-Passionate marathoner

- Proactive, confident, ambitious, competitive

- Bristled when company implemented more formal HR policies regarding work hours, telecommuting, regular staff meetings, and dress code performance began to falter

## **Jamal**

- Mid 20s

- James Jefferson's grandson

- Star athlete in college

- Outgoing, thrives on immediate interaction

- Well educated, razor sharp mind, gifted sales communicator

- Consistently falls behind in record keeping, customer data collecting, and monthly reports

## **Carmen**

- Late 50s

- Worked up through the ranks at PRME, starting as an admin temp when PRME first founded

- Superb customer service skills, widely recognized as solid organizational citizen

- Warm, convivial, conciliatory—"Oh, ask Carmen to handle that customer's complaints—she never says no"

- Quick learner—consciously compensates for no college education

- Increasingly heavy care-taking responsibilities of extended family resulting in absenteeism, frequent rescheduling, declining productivity and performance

## **Brad**

- Early 40s

- Promising engineering-oriented career selling precision medical equipment and service in Iowa before moving "back East" with a young family because his spouse got an coveted promotion in -VP at a large hospital

- Hired two years ago, just before company announced the PRMESport acquisition

- Good naturedly teased by co-workers about being a "techie geek"

- Strong work ethic, conscientious, though takes full advantage of PRME's work-life balance options
- Overly meticulous, uncomfortable dealing with big picture concepts, strategy, ambiguity, and rapid change
- Struggled to get a foothold with new product line—"I assumed I'd be working more with customers through the new software system than cold calling and pounding the pavement...."