

Buddy's Snack Company

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**By Russell Casey, Clayton State University, and Gloria Thompson,
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Buddy's Snack Company is a family owned company located in the Rocky Mountains. Buddy Forest started the business in 1951 by selling homemade potato chips out of the back of his pickup truck. Nowadays Buddy's is a \$36 million snack food company that is struggling to regain market share lost to Frito-Lay and other fierce competitors. In the early eighties, Buddy passed the business onto his son, Buddy, Jr., who is currently grooming his son, Mark, to succeed himself as head of the company.

Six months ago, Mark joined Buddy's Snacks as a salesperson and after four months was quickly promoted to sales manager. Mark recently graduated from a local university with an M.B.A. in Marketing, and Buddy Jr. was hoping that Mark would be able to implement strategies that could help turn the company around. One of Mark's initial strategies was to introduce a new sales performance management system. As part of this approach, any salesperson who receives a below average performance rating would be required to attend a mandatory coaching session with his/her supervisor. Mark Forest is hoping that these coaching sessions will motivate his employees to increase their sales. This case describes the reaction of three salespeople who have been required to attend a coaching session because of their low performance over the previous quarter.

Lynda Lewis

Lynda is a hard worker who takes pride in her work ethic. She has spent a lot of time reading the training material and learning selling techniques, viewing training videos on her own time and accompanying top sales people on their calls. Lynda has no problem asking for advice and doing whatever needs to be done to learn the business. Everyone agrees that Lynda has a cheery attitude and is a real "team player", giving the company 150% at all times. It has been a tough quarter for Lynda due to the downturn in the economy, but she is doing her best to make sales for the company. Lynda doesn't feel that failure to make quota during this past quarter is due to lack of effort, but just bad luck in the economy. She is hopeful that things will turn-around in the next quarter.

Lynda is upset with Mark for having to attend the coaching session because this is the first time in three years that her sales quota has not been met. Although Lynda is willing to do whatever it takes to be successful, she is concerned that the coaching sessions will be held on a Saturday. Doesn't Mark realize that Lynda has to raise three boys by herself and that weekends are an important time for her family? Because Lynda is a dedicated employee she will somehow manage to rearrange the family's schedule.

Lynda is now very concerned about how her efforts are being perceived by Mark. After all, she exceeded the sales quota from the previous quarter, yet had not received a "thank

you” or” good job” for those efforts. The entire experience has left Lynda unmotivated and questioning her future with the company.

Michael Benjamin

Michael is happy to have his job at Buddy's Snack Company, although he really doesn't like sales work that much. Michael accepted this position because he felt that he wouldn't have to work hard, and would have a lot of free time during the day. Michael was sent to coaching mainly because his customer satisfaction reports were low; in fact, they were the lowest in the company. Michael tends to give “canned” presentations and does not listen closely to the customer's needs. Consequently, Michael makes numerous errors in new sales orders, which delays shipments and loses business and goodwill for Buddy's Snack Company. Michael doesn't really care since most of his customers do not spend much money and he doesn't think it is worth his while.

There has been a recent change in the company commission structure. Instead of selling to the warehouse stores and possibly earning a high commission, Michael is now forced to sell to lower volume convenience stores. In other words, he will have to sell twice as much product to earn the same amount of money. Michael does not think this change in commission is fair, and feels that the coaching session will be a waste of time. He feels that the other members of the sales team are getting all of the good leads and that is why they are so successful. Michael doesn't socialize with others in the office and attributes others' success and promotions to “who they know” in the company rather than the fact that they are hard workers. He feels that no matter how much effort is put into the job, he will never be adequately rewarded.

Kyle Sherbo

For three of the last five years Kyle was the number one salesperson in the division and had hopes of being promoted to sales manager. When Mark joined the company, Kyle worked closely with Buddy Jr. to help Mark learn all facets of the business. Kyle thought this close relationship with Buddy Jr. would assure his upcoming promotion to the coveted position of sales manager and was devastated to learn that Mark received the promotion that he thought was his.

During the past quarter, there was a noticeable change in Kyle's work habits. It had become commonplace for Kyle to be late for appointments or miss them entirely, not return phone calls or follow up on leads. His sales performance declined dramatically, which resulted in a drastic loss of income. Although Kyle had been dedicated and fiercely loyal to Buddy Jr. and the company for many years, he is now looking for other employment. Buddy's Snacks is located in a rural community, which leaves Kyle with limited job opportunities. He was, however, offered a position as a sales manager with a competing company in a larger town, but Kyle's wife refuses to leave the area because of her strong family ties. Kyle is bitter and resentful of his current situation and now faces a mandatory coaching session that will be conducted by Mark.