

Casper Grant¹

Casper Grant was the Manager of the Ottawa Branch of the Milcroft Concrete Forms Corporation (Milcroft Corp.). Milcroft Corp. was based in St. Anthony, Newfoundland, with Branch offices in several major cities across Canada. The Ottawa Branch was their most successful, having been a consistent money maker until last January, when Casper Grant was brought in as manager from a competing Vancouver firm.

Casper Grant was an experienced worker in concrete and had been a manager for three years before coming to Milcroft Corp. He was considered a taskmaster, results-oriented and extremely demanding. His management team was made up of Robert Bonneville, Chief of Engineering, Susan Comfort, Chief of Sales and Marketing, William Magus, Chief of Finance and Administration, and Connie Wilson, Chief of Quality Control. Casper also had an Executive Assistant, Martin Campbell, whom he recruited from his old firm in Vancouver.

With forty persons reporting to him, Bonneville was responsible for engineering, construction and transport. Comfort had a staff of ten employees, five of whom were salespersons paid on commission. Magus's staff consisted of a senior assistant, four accounting clerks and a secretary. Connie Wilson headed a team of ten inspectors.

Casper's policy was to have a staff meeting every Monday morning at 7:00 a.m. This morning's meeting was extremely important, since Magus recently had tabled his financial reports, showing that for the first time in years, the Ottawa branch of Milcroft Corp. was losing money. Also, in the past three weeks, six persons had resigned. Further, Sales and Marketing reported earlier in the week that commercial contracts worth \$250,000 had been lost to competitors, apparently due to "less than competitive pricing".

Casper was deeply concerned about these recent developments and, at the staff meeting, brought these issues forward in his usual, forceful manner.

"People, you have put me in a very awkward position of having to explain to St. Anthony why, after all these years, this branch is costing them money. Now I want to get to the bottom of this, and I am prepared to sit here all day if necessary. Magus, here, has provided his financial report that clearly shows an operating loss of \$25,000. I assume the figures are correct, but I'll have my Executive Assistant check the arithmetic just to be certain. And I hope there are no errors, Magus! As for the rest of you, do you have any suggestions, comments or care to shed some thoughts on these financial problems?"

¹ Case written by Dr. David H J Delcorde, School of Management, University of Ottawa. This case is fictitious. Any resemblance to persons or organizations is purely coincidental. This case first appeared in *Business in the Canadian Environment*, Fifth Edition, by Peter H. Fuhrman, Prentice Hall Canada, 1995.

Susan comfort spoke first. “Mr. Grant, the impact of losing the six commercial contracts has undoubtedly caused this operating loss. As I indicated in my report, the loss of these contracts was simply because a new entrant into the industry is willing to suffer a short-term loss, performing these jobs at less than cost, in order to break into the market. It is very difficult to compete against this type of marketing...”

“Look, Susan,” interrupted Casper Grant, “I really don’t give a hoot about all your fancy marketing explanations. The bottom line is that you’re paid as a sales and marketing professional to figure out how to combat any type of marketing tactic. I want solutions that will work, not a pile of theoretical gobbly-gook. I want you to fix the situation now, and don’t allow this company to lose any more contracts. Do whatever is necessary.”

“You know, Mr. Grant,” said Robert Bonneville, “these are difficult economic times. Would it not be better to take a lower margin on certain contracts and receive some revenue, as opposed to maintaining our regular prices and losing additional contracts?”

“So now, in addition to being an engineer, you are also an expert on pricing, sales and accounting! Look, Bonneville, I pay you to worry about transporting concrete and building structures so that they don’t fall down. We’ll let Magus over there worry about the bean-counting, and sweet Sue can worry about the sales and contracts. You just make sure that my structures don’t fall down!”

“Mr. Grant, I would like to raise a concern I have regarding the number of recent resignations,” said Connie Wilson.

“I really don’t think this is an appropriate time to discuss this issue. We are facing financial problems. The fact that seven or eight persons have resigned may save us enough money to offset this operating loss,” replaced Casper Grant.

“Mr. Grant,” continued Connie, “these are long-time staff members who know the company and whose daily contribution cannot be remedied by reassigning tasks. And as far as replacing them, there is a considerable learning curve...”

“Look!” roared Casper Grant, “I am not interested in hearing any bleeding-heart stores. Everyone’s replaceable, including you and every other member of this so-called management team. Now the bottom line is this – before the end of the day, I want each of you to prepare a report on how you will operate your respective sections after I impose a ten-percent staff reduction. I want written suggestions from each one of you on how I am to remedy this financial situation. I want written suggestion on what I should tell head office. I want all of you to understand – your careers are on the line and you’re betting your pay cheque on your suggestions! I’m not happy with the performance of this team, and if I have to change it I will! Now look, people, we have to work together on this.

Whatever you do, work together and don't hesitate in asking the drones who work for you – sometimes they have suggestions they've heard on television that could be applicable. If you need to speak to me, I'm here."