

GROWING MANAGERS Harvard Case Solution & Analysis

About ColorTech Greenhouses, Inc.

ColorTech was a privately held supplier of annual and perennial flowers to big-box stores. Along with the rest of the color industry, ColorTech was facing increased price competition as well as a steady decline in sales. At this time, the market was experiencing a very low demand for the flower industry. ColorTech particularly was constantly receiving pricey customized orders, and being insisted upon for demands for lower prices. While the company operated its main U.S. greenhouses in Phoenix, Arizona; San Diego, California; and Columbia, South Carolina; ColorTech Greenhouses, Inc. operated in Nogales, Mexico, Colombia, and planned to expand into Ecuador.

Case Summary

ColorTech Greenhouses, Inc., headquartered in Phoenix, Arizona, is a supplier of annual and perennial flowers to big-box stores. The company quickly became the largest and most global grower in the western hemisphere. The status of the declining sales from the Phoenix division was examined through the eyes of Melissa Richardson, a recently promoted sales manager for ColorTech corporate headquarters. This case discusses the reasons for the difficulties currently confronting the Phoenix ColorTech sales team.

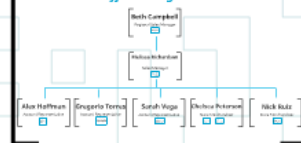
Recommendations

Organizational Management	Organizational Change
<ul style="list-style-type: none"> 1. Establish a clear vision and mission statement. 2. Develop a strategic plan. 3. Implement a performance management system. 4. Foster a culture of innovation and risk-taking. 	<ul style="list-style-type: none"> 1. Implement a new compensation system. 2. Develop a new organizational structure. 3. Implement a new recruitment and selection process. 4. Develop a new training and development program.

Summary

Although the sales team in Phoenix has some challenges, including inefficient management, frustrated and understaffed employees, and a lack of clear goals, actions can be taken to resolve these issues and create a team of high performing, motivated and productive employees.

Phoenix Office's Organization Chart



Statement of Issue

The Phoenix Sales team lacks motivation and commitment to company goals, as evidenced by their declining sales, dismissal of corporate expectations, and poor attitudes. These problems are exacerbated by poor management support.

References

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Key Organizational Concepts



Approach to Analysis

The Phoenix Color-Tech sales team and its members will be assessed in relation to the OB theories of motivation and job performance.

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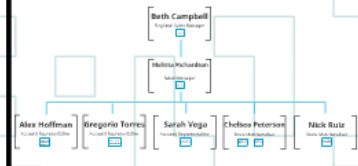
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References

- Booth, B., & Cates, K. Growing Managers: Moving from Team Member to Team Leader (2012). Kellogg School of Management at Northwestern University.
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Phoenix Office's Organization Chart

Beth Campbell
Regional Sales Manager

Melissa Richardson
Sales Manager

Alex Hoffman
Account Representative

Gregorio Torres
Account Representative

Sarah Vega
Account Representative

Chelsea Peterson
Store Merchandiser

Nick Ruiz
Store Merchandiser

Statement of Issue

The Phoenix Sales team lacks motivation and commitment to company goals, as evidenced by their declining sales, dismissal of corporate expectations, and poor attitudes. These problems are exacerbated by poor management support.

Inconsistent or Declining Sales

- Torres is unconcerned with meeting sales goals. His priority and passion lies in servicing the newly emerging customer base of small florists.
- Vega is able to perform to higher standards, but does not apply herself to the task enough to have reliable performance. Her attendance is spotty due to outside forces.
- While Hoffman seems aware of the problems the other two sales representatives are having, no mention of offers of assistance or coaching are present.

Inattention to Company Initiatives

- Hoffman, as the star salesman, led by example in his refusal to promote the company's new line of fresh flowers.
- Vega failed to comprehensively learn the various product lines in order to market them effectively to her clients.
- Torres was more interested in his personal project regarding online servicing than meeting his current job expectations.

Poor Attitudes

- Hoffman is dismissive towards his new manager.
- Peterson is hostile and aggressive, feeling entitled to a promotion despite lacking the necessary skills.
- Vega is unconcerned with serving customers, allowing messages to go unanswered to extended periods of time.

Lack of Management Support

- Campbell fails to be on site during Richardson's transition, nor does she take the time to get Richardson up to speed on the problems and expectations in the Phoenix sales office.
- Richardson is made aware of several problems with her team: attendance, poor attitudes, dissatisfaction in their current role, etc. but does not take any action to address these concerns.
- Clear communication is not practiced. Campbell does not inform Richardson of her predecessor's fudging of sales figures. She also chooses to spring the topic of Peterson's lawsuit on Richardson at the end of a meeting, rather than being upfront regarding the situation.

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