

Midwest Live Bait & Tackle, LLC

Background

Midwest Live Bait & Tackle, LLC, located in St. Louis, Missouri, is a regional wholesaler of live bait and tackle to bait shops and service stations in Missouri, Illinois, Arkansas, Kentucky, and Tennessee. Known for its high-quality live bait, reasonably priced tackle, and good customer service, the company has been able to maintain a steady market share over the years. Its five salespeople have been primarily responsible for selling and servicing the company's current accounts. This involves making sure that customers have bait and tackle when needed, assisting them with merchandising and pricing, and ensuring their complete satisfaction.

Wanting to retire, the owner recently sold the business. The new owner was very ambitious and had big plans for expanding the company's market share. He felt that the quickest and most efficient way to move in that direction was to have his current salespeople actively pursue new accounts. Thus, he mandated new customer quotas, compensated salespeople for achieving targeted growth goals and threatened their jobs if minimal new account requirements were not met.

Current Situation

Dan Chub has been a sales representative for Midwest for over five years. Until the new ownership, he enjoyed his job very much and made a good living doing it. With his fourth child on the way, a poor economy, and a tight job market, Dan did not want to jeopardize his position with the company and reluctantly went along with the new changes. However, he was very concerned with how much time prospecting for new business was taking. He felt it may be endangering his current customer relationships. What follows are excerpts from a recent conversation with Earl Carp, a very significant customer, especially considering he sold bait and tackle out of his service station convenience store:

- Earl:** Dan, I've been having some problems recently with the minnows you've supplied for me. Some loss is typical, but lately the loss percentage has increased. What's going on here?
- Dan:** I don't know Earl. None of my other customers are having problems with their minnows. You're making sure that you don't add chlorinated water when replenishing your minnow holding tanks, aren't you?
- Earl:** Of course! I recently refurbished my tanks and added a new oxygen system. Maybe that has something to do with the increasing loss. Could you check it out and see what you think?
- Dan:** Just let me know how many minnows you think you lost and I'll see what I can do.
- Earl:** Okay, but since this has been going on for the last couple of weeks I was just hoping you might be able to give me your thoughts on my new system. By the way, that new line of fishing poles doesn't seem to be moving very well. How are they moving for your other customers?

Dan: I haven't heard much about those, so I guess they are moving okay.

Earl: Do you have any ideas on how I might improve my merchandising so I can move more of them? Perhaps my price point is too high. What do you think?

Dan: I'm really busy today Earl. I have several stops yet to make and I need to call on a couple of new prospects in the area.



Earl: You're not planning to supply my competition down the street, are you?

Dan: I don't know Earl. I've got to make a living, too, you know.

Earl: Last week you promised to bring by some of those new plastic cricket containers you were telling me about. Did you bring any of those for me to examine?

Dan: Oh no, those completely slipped my mind.

Earl: Hmm. Well, certainly you brought me the crayfish you promised me last week. I've had customers coming in every day asking for them. Also, how about those waterdogs we talked about? I've been getting some requests for those.

Dan: I should have told you sooner, but our usual crayfish supplier is having difficulty getting us as many crayfish as we need. I know you wanted 500 but I think I can give you 100. I thought we'd have the waterdogs by now, at least that is what I was told. We're still waiting.

Earl: Dan, I'm beginning to wonder how much you value my business. If you can't take care of me any longer, maybe I need to look for someone who can.

Dan: I've been under a lot of pressure lately to get more done in the same amount of time. My new boss is driving me nuts! I definitely want your business.

Dan needed to hurry off to meet with a new prospect. He didn't have time to preview some of the new spinner baits his company was now carrying.

Role Play Activity

Characters: Dan, sales rep; Earl, service station owner

Action: Role play the meeting between Dan and Earl. This time have Dan handle the situation (i.e., respond) as a sales rep that takes customer complaints seriously and cares about providing great customer service.