

# Shopping mall



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Unfortunately, life has a way of dictating its own terms to the CEO and they are seldom ones that he expects or desires. Around 10 am, Lukas was dragged away from reviewing sales trends by a phone call. The receptionist had a prospective client interested in the company's products and asked whether she should the call through. The conversation lasted about 40 minutes. He put the phone down annoyed with himself for still not having worked out a procedure for handling prospective clients. Each new caller is put through to him instead of a sales person who could service the client professionally.

No sooner had the call ended than the daily grind began. Problems in Getter's retail outlets started springing up like mushrooms. And, as usual, Impressions was the only person deemed capable of resolving them. As if all this was not enough, he had to make decisions connected with export sales (new client, new transaction procedures) and the technology department urgently required his assistance. Last but not least, Lukas had to find time to manage Getter's export department. And so it went on into the evening.

The events of the passing day made it clear to Lukas that he had to delegate his mommies sales operations duties, including the retail store network management, to someone else. Lukas cannot bring himself to appoint a Country Sales Director to take over the Coo's duties in that area, even though the company has had a Sales Department for several years. For the time being, Lukas is not only the CEO of Getter but also the Head of the Sales Department. It is patently obvious that this is far too much work for which one person can cope.

Delegating part of the sales work to a Sales Director would mean that Lukas could finally perform his duties as Getter CEO much more effectively. He could finally stop worrying about missing out on market opportunities because of his daily routine tasks. Given more time, he might even go a step further and, instead of trawling the market for opportunities, he could go out and create them for Getter himself. All this, though, requires a clear head. Unfortunately, the decision to appoint a new Sales Director is not an easy one.

Getter is a family business established by Lukas Imprecision's parent's and handing over one of its key areas of operation to a total stranger is emotionally difficult. It is an enormous challenge to trust someone with no family ties to be as committed to the development of the organization as had been his parent's and Lukas himself. Another important decision regarding the recruitment of the new should the position be advertised on the open job market? From Mushroom Grower to Meat Processing Plant The story of the Mineworkers is that of a typical Polish family business.

Their family meat processing plant Getter is currently run by the founders' son Lukas who had gradually taken over the everyday management of the company from his parent's. Getter is classified as a medium-sized company with 144 employees and the organizational structure was becoming more and more elaborate. The family business now consists of two business entities - Getter, a sole proprietorship set up by Mr. and Ms Impressions (Ukase's parent's) and its daughter company Mercy-Meat, a limited liability company established by Lukas himself. Lukas is the CEO of both companies.

Getter is engaged in pig, cattle and horse slaughtering, and the fabrication of primal cuts of pork, beef and poultry. The company offers meat cuts (pork and beef quarters) to satisfy the domestic market and individual customer orders. Cured meats processing is another of its key business operations. The past business achievements of Mr. and Mrs. Impressions, and their son Lukas as well, are the direct result of staying true to their chosen path, being consistent in action and remaining open to risk. The Mineworkers started their business soon after they got married.

Their first business venture was a mushroom farm which, they built up from scratch. Without any financial resources of their own, they applied for a bank loan, which made it possible to get started. This business was their first opportunity to gain experience in company management, including export sales. Over time, however, the business gradually became less profitable as market conditions changed. Eventually, the Mineworkers were forced to make a difficult decision as to what to do next. Their next step was to establish Getter meat plant in 1992, while phasing out the mushroom business.

The founders remained unchanged but the activity was completely new. Getter - Change after Change The Mineworkers' choice of business activity was largely influenced by the region in which they were living (a rural area approximately 100 km from Warsaw), as well as a heritage of meat products in Poland in the early sass. They decided to meet the market's needs and taking advantage of their location they founded a meat manufacturing plant which initially dealt primarily in pig slaughtering. Apart from the many

obvious opportunities opening up for the company, there were also significant threats that could not be ignored.

By entering a new market sector, the Mineworkers were back at square one, both with regard to business contacts and building a market presence. However, they still had the business experience that they had gained while farming mushrooms. Getter dealt primarily in pork production during its first four years of operation and the company distributed its product to meat processing plants. Having researched the prevailing market trends, the Mineworkers came to the conclusion that they would have to do more if they wanted to move their business forward.

They soon purchased meat processing technology together with several core product recipes which, according to Lukas Impressions, "turned out to be "bluebells". The production technologies were imported from the West but the product recipes were meats. Employing an expert with extensive experience in a large meat processing plant was a major decision and one that was to have a huge impact on the success of the business. Drawing on his previous experience, this professional successfully implemented the newly purchased technology, procedures and recipes at Getter.

Meat processing commenced in 1996, the year Getter cold cuts meats first appeared on the market. The Mineworkers stayed focused on ensuring that the needs of customers were met while the meat plant was in its early stages of development. Indeed, they were so overwhelmed with keeping their new business alive that they did not recognize future expansion opportunities. Arguably, the volatile and bearish business environment, the

radical economic changes taking place and the protracted birth of a market economy in Poland all militated against making long-term plans.

Until 2001, the Mineworkers had remained convinced that their operations would be limited to the local domestic market. Unfortunately, as they say, change is the only certainty in life. The Mineworkers, despite having worked out a course of action, were once again faced with a crucial decision regarding their company's continued existence. This time the agent generating the change was the forthcoming accession of the European Union, and in particular, its directives regulating the operations of the meat sector adopted in 2001-2002.

The legislation set out requirements that meat producers had to meet in order for their products to be sold on the EX. market (the directives stipulated requirements concerning the adjustment of local procedures to EX. veterinary standards and production technology, the implementation of the HACCP system and other quality certificates). Any meat producer that failed to adjust its operations to comply with EX. legislation was not permitted to operate after the transition period expiring in 2005. This was a major shock to the Polish meat and cured meat producers, including the Mineworkers.

By the time new directives were in force, the Mineworkers meat plant had been renovated but it was able to meet EX. requirements only partially, with technological process lines still below required standards. The Impression family was confronted with the problem of what to do next. They could do nothing and be confined to the domestic market after 2005, and additionally

have their output restricted by regulations, or they could modify their operations so that Getter could sell its products anywhere in the E.U.

The Mineworkers held a brainstorming session in which a representative of the next generation - their son Lukas - took an active part. The meeting concluded with a decision to respond to the Ex.'s challenge and not give up. The Mineworkers and their son set about adapting the company's operations to comply with EX. standards. The result was that a new large plant was soon designed. The company decided to finance the investment with EX. funds and a bank loan. Lukas Impressions prepared an application for EX. funds to subsidize the construction. And so, once again, the Mineworkers, in the words of their son Lukas, "went for broke".

Construction of the new plant was completed in 2004. The plant was equipped with state-of-the-art technology the family had seen in similar factories in Denmark and Switzerland, and the machinery was likewise purchased from those countries. The new plant had two independent process lines for pork and beef and poultry (these do not come into contact with each other as per plant succeeded in obtaining all certificates required under the applicable EX. Directives including HACCP certification. Production was progressively moved to the new plant between late 2004 and early 2005.

The old premises were then converted into a warehouse and other facilities. It should be noted also that the activities undertaken by the Impressions family went beyond restructuring the company in terms of technology and EX. quality requirements. One important aspect of the change was the recruitment of new staff with appropriate qualifications and experience. In

2004, some 50 new people who had previously worked in plants with similar production systems were employed. One of the most important development steps Getter ever took was to consolidate TTS position on the domestic market by launching its own retail chain.

However, development of the retail network was put on hold while the new plant was being built and equipped in line with EX. standards. After 2005, the Mineworkers once again became involved in opening retail outlets and started building their network of wholesale and retail clients. It is interesting to note that Getter does not work with large commercial chains on the domestic market. The reason for this is that the company fears Jeopardizing the goodwill associated with a brand associated with top quality products.

The high price the consumer would have to pay for such quality products was another factor that hampered such cooperation. Human Resources Management at Getter The accumulated experiences of Getter with regards to human resources management indicate that filling any knowledge gaps that had been identified within the company has been a core criterion in selecting new employees. This was certainly the case when Getter made the move to expand into cured meats in 1996. A specialist who had the necessary expertise and experience of having previously worked in another meat processing plant was hired.

The company owners soon liaised that hiring an experienced professional was the right decision. The same decision was taken when the new HACK certified production plants opened in 2004-2005. Workers previously employed in similar businesses where HACK had been in operation and who



possessed the necessary qualifications were hired (approximately 50 people in 2004). Hiring a professional Export Sales Director from another company with extensive past export experience was another major decision the company made when it launched its export business in 2006.

It is worth noting that Getter has not always factored in prior meat industry experience when hiring new staff. For instance, none of the staff hired in the Domestic Sales Department had ever worked in the meat business before. These people had to learn the basics of the meat industry from the bottom up. Getter uses a variety of sources and means to recruit new staff, depending on need. The current practice for less responsible positions such as lower level production workers is to post Job advertisements and then have the Production Manager conduct a recruitment and selection process.

Potential employees are often recommended by existing staff members when Job advertisements are published (but only as required). Many of the candidates now applying for these positions are people returning from abroad and who have gained industry experience in other EX. countries. Meanwhile, personal professional and/or positions. The Export Sales Director (who was not only attracted by the financial incentives but by the challenges and the opportunities for professional development) is a case in point.

Lukas realizes that the "business acquaintance factor" will cease to be sufficient in future and that the company will have to turn to professional head-hunting companies to find senior personnel as confidentiality considerations may rule out Job advertisements as a selection tool. Graph One: Getter's Organizational Structure Lukas is aware that, despite having

been successful in building up a good team - evidenced by the relatively low turnover of senior staff and the moderate turnover of junior staff - finding the right people for the right positions, especially senior management positions, is not an easy task.

In the case of senior staff, the question of making the right choice is further complicated by the fact that the founders of Getter have been managing the company with their son for a long time. Ceding the power and authority that they have exercised so far has not been easy. Nor will it be easy to entrust the running of any further large elements their business to a stranger. The transfer of obligations to a person from outside the family always Production plants Domestic Sales Department Getting CEO Lukas Impressions Cured meats plant Administration A network of 25 retail outlets Export Department (Mercy-Meat SP. 0. 0. ) Slaughter plant induces stress and uncertainty as to their management style, but the company's rapid expansion leaves the Imprecision's with little choice. Lukas remembers only so well that he and his parent's were responsible for everything when the new plant was launched in 2004- 2005 and that it took a tremendous personal toll on them. In view of the complexity of the venture, they wanted to retain as much power as they could; they wanted to have maximum control over everything that went on within the organization so that they could immediately detect any issues that required improvement.

This was a particularly difficult period in their lives. In time outsiders - professionals who began to incrementally take over part of their duties - Joined the many. In 2009, Lukas Impressions was faced with another HER management challenge. His parent's, who were becoming old and infirm,

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gradually started to withdraw from the business while leaving the company management in the hands of their son Lukas. He was not exactly alone as one of Illus.'s brothers was now in charge of Getter's technical operations, although he was not a member of the top management team.

His sister and his other brother are still at school and it is hard to say whether they the time being, Lukas is the only Impressions family member entrusted with full authority over the business and responsible for the future of the family company. Getter's staff management involves a certain amount of trust in its employees and this has contributed to the character of the business. This is exemplified by a casual working style and a lack of strict supervision. This approach is rooted to a great extent in the fact that the owners made it a rule to encourage their employees to feel responsible for their work from the outset.

Everyone hired by Getter was apprised of his or her responsibilities immediately. This approach also resulted in the staff identifying strongly with the company. Constantly developing and raising the qualifications of its workforce is an important dimension of the Getter approach to HER. To a large extent, this is achieved through the application of internal resources. Junior workers undergo basic training conducted by more senior workers who hold the necessary licenses. Depending on individual needs, higher level personnel may attend external training courses. This, however, is not common.

The scope of internal training at Getter is limited and outsourced training is a rarity (e. G. One training course was devoted to acquiring laity certificates).

The Getter CEO deems the existing knowledge base satisfactory but staff development and the need to expand organizational knowledge resources are still major issues. After all, the company is continually expanding. That is why one of the most important tasks on the checklist of things to do in the nearest future is to deal with the issue of employee training in a more efficient and well thought-out manner.

As far as the motivation of employees is concerned, money bonuses are the prime motivator at present. No motivation system meeting all staff requirements has yet been devised. Nobody is responsible for HR management at the company at present. Any activities that come under this heading are deemed to be staff-related administrative matters and are handled by two people. The Sales Department Lukas Impressions set up a Sales Department to handle domestic sales at the end of 2004 when he returned to the business after completing his university education.

The core activity of the Sales Department is to manage a network of retail outlets in Ammonias Videodisc. Lukas was the brains behind the project. He came up with the idea of establishing such stores in 2001 when he was studying management. Four stores had already been set up by 2004 but creating the Sales Department accelerated the growth of the network. Twenty five outlets had opened by the beginning of 2010 and there are plans afoot to open even more in the very near future. In 2005, Lukas hired Anna to work in the newly created Sales Department and support the development of the retail network.

Anna soon turned out to be a valuable employee. She had relatively little experience in sales and little knowledge of the meat sector, but this was more than compensated for by her openness to new challenges and her willingness to get up to speed on the industry. She acted as Illus.'s assistant and, through working together with him, got to know the rules governing the meat market and his management style. For his part, Lukas gave her a free hand over a wide range of activities in view of her rapidly expanding competence and knowledge about both the market and the company.

Her creative input in the development of the network was what he valued most. Together they recruited competent store managers and sales assistants for their retail outlets. Anna had a good intuition about people and Lukas consulted her when hiring staff. The selected candidates were always the best choice, thanks to Anna's excellent knowledge of the company and her insight. Today, her job description encompasses managing the retail outlets she is in charge of so that they operate efficiently and effectively.

Anna is also involved in setting up new outlets. In late 2009 and early 2010, for instance, she was responsible for the opening of 3 new stores, the selection and recruitment of staff (store manager and 4 to 6 sales assistants in each store), the interior decoration and the procedures for having them approved by the relevant authorities (e. G. Sanitary authorities). Lukas delegated most of the contacts with the stores' various service providers (from contacts with media suppliers to store equipment producers) to her.

Apart from all that, all of the store managers report to Anna and she also manages the remainder of the sales team, which currently consists of two other people (one was hired in 2007 and the other in 2010). There are already enough headaches for her now with 25 outlets and roughly 140 employees. Each is employed as a Sales Representative, receives a monthly salary, and is responsible for approximately 8 outlets. They are monitoring the market trends. This particular market has its own idiosyncrasies and is highly volatile, especially when it comes to prices.

The sales representatives have to be alert at all times and cannot afford to take their eyes off the competition. The speed with which Getter can react to market changes depends to a great extent on their vigilance. Anna is clearly the De facto head of the Sales Department and is responsible for the company's retail outlets. Yet it is Lukas who makes all the decisions. He is the one everybody goes to whenever a problem arises and he is the one who comes up with all of the solutions. Anna only takes over once Lukas masticates his solutions to her.

But this can take a lot of time and the daily operation of the retail stores is already time consuming enough. Retail Outlets - Key Company Resource  
Getter owns a network of meat retail outlets which it is intent on developing by opening new outlets and by ensuring that each shop offers high-end customer service, as well as top quality products. Getter shops offer a complete range of pork, beef, poultry and cured meats. The company has supplemented its product range with bread (frequently baked on the premises) and spices to fulfill all the needs of its customers.

Getter has been selling a line of CEO meats (a line of 7 " Premium" high end top quality products with salt as the only preservative) for over a year.

Getter guarantees that the meats offered in its retail shops are of the utmost quality. Quality assurance has always been the Impressions families top priority. Getter's top quality products require the best available employees and the requirements laid down for store staff are strict. That they are selling top quality products and that quality comes at a premium is drilled into them from day one.

This applies to sales staff as much as it does to store managers. In practice, this means that each and every customer should leave the shop knowing that he or she has just bought a top-quality product. The staff of each shop consists of a manager and between 4 and 6 sales assistants. Remuneration of shop workers is based on commission. Lukas will visit the shops himself occasionally. This is partly to check whether everything is running smoothly and in line with his expectations, but mostly to meet his staff and customers in person.

This is what Lukas says of these visits: " I like to do a little tour of the shops when there is time. It's nice to talk to the staff in person sometimes and to see how our products are showcased, to listen to what our customers have to say about our meat and to talk to them. I often get a chance to meet the staff hired by Anna in person during these visits. " According to Lukas, the potential of the domestic market is still not being fully exploited given the quality of Getter products. He is considering expanding the Ammonias Videodisc retail chain and increasing domestic sales.

The company is planning more retail outlets over the next few years. This will mean more sales representatives. The company would like to have one representative per 10 stores. For practical purposes, this will also mean more problems in the daily operation of the Sales Department and the individual stores. The current sales representatives relate well to the company and problems are rare. Not having full control over their work is one nagging concern he has. The more sales representatives, the more supervision they need.

And dealing with this problem will chew up a lot of the Sales Director's time. There are already enough headaches now with 25 outlets and roughly 120 employees. Lukas knows this better than anyone. Some days, every one of the 25 stores will ring him with problems. Everyone knows that Anna is responsible for stores but they still call him. There seems to be a problem in communicating the information that Anna is the person to call for day-to-day problems. This invisible communication barrier will have to go before there can be any more stores.

Ukase has also set himself the goal of expanding beyond the existing retail network and establishing a nationwide presence. Virtually all products are sold through company stores. On one hand, because of the high quality of its products, Getter is not interested in working with large retail chains that value price over quality. On the other hand, reaching wholesale stores and wholesale networks who might be interested in selling Getter's top quality products requires dedicated promotional activities addressed to these stores. Unfortunately, at the moment, there is nobody in the company responsible for market promotion.



Apart from a few rudimentary sessions, the company does not engage in this type of promotional activity. There is nobody in the company responsible for producing any kind of catalogue containing a full and up to date product portfolio or for updating the website. Ukase does not have time to deal with this aspect of the business and all attempts to outsource these services have so far proven disastrous (because, in the Co's opinion " website designers cannot meet the company expectations as the company does not know what it wants").

Another key problem is to nominate a sales team member responsible for handling prospects and answering their questions. Lukas is adamant that the right person for the job is not him. A Challenge for the CEO of Getter The business development plans for Getter and the requirements they generate have made it clear to the CEO that the decision to appoint a Sales Director and revealing state of affairs where Anna is unofficially responsible for the department and the retail chain is highly inefficient. Lukas has often found himself, and not Anna, as the primary contact person when problems have arisen.

It goes without saying that the decision to have the Sales Department managed professionally has to be taken soon but the question of how to find the right candidate for the position remains unanswered. At first viewing, Anna seems to be the obvious candidate. She has the longest period of service in the Sales Department, she is familiar with the Co's management style, she knows the company inside out and her intuition has been vindicated on the numerous occasions that she has selected the best

candidates for Getter. She was also actively and effectively involved in setting up the retail chain.

Unfortunately, Lukas believes that there is a huge question mark hanging over her. Lukas is uncertain about Anna's future and her commitment to the Sales Department as she is considering having another baby. He knows from prior experience that when her child needs attention, Anna has to leave work to deal with the matter, so having another child would possibly add to this difficulty. Lukas knows that he could be accused of being sexist for thinking this but he suspects every owner of an SEEM goes through this dilemma.

He also knows that he should judge Anna's ability to do the job based on her professional abilities and not on her personal life. He believes that he is an understanding person with a positive attitude towards other people but he wonders if he can let his family business be affected by any competing claims on Anna's time that parenthood brings. Employing someone from outside of the company might be problematic because of Getter's location. Both the company and the production plant are situated near mall cities like Pullouts or Castro?→aka, both approximately 100 km from Warsaw.

Another issue with employing an outsider is that the successful candidate would have to pick up the specifics of the company and start thinking "the Getter way" very quickly. This is crucial as Getter's products are of very high quality, which translates into higher prices, which in turn makes the acquisition of new clients harder than it would be in the case of regular quality meat (large chain stores are more interested in low prices than

quality). The potential Sales Director should have experience in the eat industry and a sound knowledge of the market.

He or she also needs to have 'know-how, which is what Getter needs most at this moment. Another question is how would Anna react when she finds out that a new Sales Director is being recruited from outside? Will this denigrate her or, in the worst case scenario, prompt her to leave the company? Lukas has to decide how to conduct the recruitment process and what resources should he use - head hunters, press advertisements or some other option? The CEO is also faced with the challenge of devising and implementing effective control mechanisms for the new Sales Director ND the Department.

On one hand, these measures should give the director a large degree of autonomy, but on the other they need to give Lukas a sense of security that the department is working effectively and that the results meet the expectations of the company's owners. This is especially important given that the development of the retail outlets is one of Getter's key objects. Lukas feels that it is important for the new monitoring mechanism not to Jeopardize its identity of a family company and great deal of freedom but, at the same time, he has made sure that everyone knows the precise scope of their responsibility.

Impressions is aware that the company's further growth may render this approach inadequate and make effective control mechanisms necessary. Ukase has attempted to make internal company communication more formal. In view of the specificity of the market and the considerable price

fluctuations of meat products, management needs to be apprised of such matters as soon as new information becomes available if the company is to function effectively. The solutions adopted tussah have proved ineffective. The current regimen of sales staff meetings held every Monday or every other Monday is not producing the expected results.

Either the meetings are cancelled because something urgent crops up or the volume of data collected by the sales representatives is so great that it is difficult to extract the most important facts and figures. The next area that needs to be worked out is the design and implementation of support procedures for the retail outlets. Some problems are not limited to a single store, as can be seen from the company's track record. Therefore, the development of a single manual or code of conduct containing ways of dealing with the most frequently encountered problems would streamline the work of both store managers ND Sales Department staff.

It would also give them more time to spend on other tasks. The Sales Director would also benefit as he or she could finally focus on expanding the retail chain and looking for new locations. Officially delegating the management of the Sales Department onto a newly appointed manager wo