## 

## Bunsen Glass

Bunsen Glass is an old British company which produces and sells glass products for school and university laboratories. It is a traditional company with high quality products and a reputation for reliability. Until five years ago Bunsen had little trouble with competition from abroad: although products from Taiwan were cheaper, their quality and reliability could not match Bunsen's.

Five years ago, Bunsen moved out of its traditional field and began selling its glassware to industrial customers. New salesmen were employed to handle this new business. The existing sales staff continued to work with schools and universities while the new team concentrated on industrial customers.

For the first three years things went very well: educational sales remained stable while sales to industry grew rapidly and soon made up 30% of the company's turnover. Industrial customers, it seemed, were prepared to pay a premium for quality.

Then the problems began.

The Far Eastern firms had learned fast: after years of continual improvement they now produced glassware of a very high quality, almost as good as Bunsen's, in fact.

The second problem was on the demand side: the government wanted to cut budgets. With less money to spend, schools began to ask if they really needed Bunsen's famous quality.

Hard times indeed. Although sales to industry have continued to grow, the rate of growth has slowed and school sales have fallen rapidly.

It became clear that unless costs were cut, Bunsen's prices would become less competitive, sales would fall and the factory would have to work far below capacity. As part of the company's cost cutting programme, the management decided to combine its two sales teams. With slightly smaller sales areas, it would be possible, they said, for one person to handle all the company's customers, both in industry and in education.

In the North of England two men currently share the same sales area. Harry Gibb works with the schools while Mark Ellis deals with industrial customers. Under the new programme, the two jobs will be combined and one of the salesmen will be out of a job.

Obviously, in such a crisis, no other jobs are available.

**Harry Gibb - 52**

Harry met John Bunsen, the son of the company's founder, in the army in the late 1990s. When Harry left the army, John Bunsen found him a job in his father's firm. With no commercial training, Harry had some problems "finding his feet" in the business world, but the Bunsen family's patience was rewarded in the end: from 2000 to 2010 Harry was the company's top seller on three occasions. In the other years, he was always in the top five of the firms 23 salesmen.

In 2002, Harry's wife became ill. She was often in hospital and needed a lot of care. Harry's work suffered as a result. However, after almost 20 years in the business, Harry had excellent contacts and most of his customers stayed with him despite his difficulties. At the end of last year, Harry's wife died. He took all his remaining holiday at once and nobody saw him for 5 weeks. Since his return, his work has improved greatly: his old contacts generally seem happy to continue dealing with him even though the competition often has a price advantage. Loyalty, it would seem, is not yet dead.

**EDUCATIONAL SALES**

|  |  |
| --- | --- |
| sales  volume  60  50  40  30  20  10 |  |

| | | | | | | | | | |

31.12 30.06 31.12 30.06 31.12 30.06 31.12 30.06 31.12 30.06 31.12

2011 2012 2012 2013 2013 2014 2014 2015 2015 2016 2016

**Mark Ellis - 34**

Mark joined the company only four years ago. He studied economics at university before starting work as a salesman with a large publishing company. At the age of 25 he changed company but remained in the same industry. At his interview with Bunsen he explained his reasons for changing jobs. He said that the book business was very traditional, promotion depended on age, not on merit. He saw no chance of getting into management before he was 40 where he was. Career prospects were better in the South of England, he added, but his family wanted to stay in the North.

Mark has done well over the last 4 years. He sells aggressively and he regularly brings in new clients. Unfortunately, he is better at winning clients than at keeping them. In the past, he has made promises on delivery dates that the company has not been able to meet. "He will promise delivery the next day, if it will help him get an order" grumbled Harry on one occasion. Until early last year, Mark had taken every possible chance to go on training courses even though this cut down his selling time. However, when he bought his new house his financial position changed and he could no longer afford the time, or the money for further training. His efforts are reflected in his particularly good sales figures. "A salesman who needs money is a good salesman" he jokes.

**INDUSTRIAL SALES**

|  |  |
| --- | --- |
| sales  volume  60  50  40  30  20  10 |  |

| | | | | | | | | | |

31.12 30.06 31.12 30.06 31.12 30.06 31.12 30.06 31.12 30.06 31.12

2011 2012 2012 2013 2013 2014 2014 2015 2015 2016 2016

## Trainer Notes

This material touches on some pretty complex concepts using reasonably accessible language. Basically, it is the time-honoured concept of the hunter vs. the farmer and the “winner” depends entirely on a) personal preference or b) what we consider to be the most appropriate strategy for the company.

* At B1 level the material can be used to set up a basic information exchange and discussion.
* At higher levels, the skills of chairing, reformulating, influencing and problem solving can be explored.

It lends itself well to introducing models such as SWOT and the Pugh Matrix.

More commercially aware groups will take a step back and ask what is best for the company.

Others will take a more personal approach and argue about who deserves to me kept on.

Either way, and at a range of levels, expect a lively exchange.

Instructions

* Go through the introductory page in whatever way is appropriate for the level of the group. It is important that everybody has a common understanding of the situation.
* Form 2 groups and give each a role / character. (I would encourage the participants to read the text for themselves, then to discuss things within the group)
* Set the scene – explain that each group has only ½ the information it needs on which to base a decision.
* Each group should analyse the strengths and weaknesses of “their” salesman.
* This information is presented to the other group.
* A Q+A session clarifies the situation
* The discussion to establish which salesperson to keep / release can begin
* Feedback according to the sessions aims

**IMPORTANT**

Tell each group that it is **not** their job to protect / support “their” character. We are trying to encourage the exchange of information and idea – not to set up a fight.