**TAKING THE IRE OUT OF AN IRATE CUSTOMER**

**Introduction**

Only a few weeks into her new position as National Sales Manager for the Greenhouse division of a heating company, Kate Stone was excited to meet the company’s largest distributor in the Northwest region of the US, YewGrow, Inc. As a new manager, she felt it important to reach out to her existing customers, so her first trip was to meet with YewGrow to review their success to date and to firmly establish a working relationship. As she entered the conference room, she encountered two representatives of the dealership, Phil, who was the greenhouse sales rep and Tom, one of the co-owners of the dealership. She had spoken to Phil several times when she arranged this visit, so she felt a certain familiarity with him, even though this was their first face-to-face meeting.

Expecting a warm welcome, she introduced herself and put out her hand to shake Tom’s hand. Tom immediately shouted “Where is your boss?” Unprepared for his outburst, she responded that he was not attending this meeting, that she would be handling the relationship going forward. Tom then said, “Well, just as well, because if he walked in that door, I planned to punch him in the nose!” Kate was taken aback by this aggressive tone, since to her knowledge, there was a good relationship with this dealer, and they were in fact the largest customer for her product line. As she looked towards Phil uncomfortably, she wondered what had gone wrong and how could she salvage this relationship.

**Background**

YewGrow was one of the first distributors to sell the newest generation of greenhouse heaters, a technological breakthrough in heating that promised less energy usage. Energy costs are the second largest worry among growers, ranked only slightly below the state of the economy as their single biggest concern (Greenhouse Grower, 2013). The new product ensured almost all the heat generated went directly into the greenhouse, unlike indirect-fired heaters that lost 20% of the heat out of the chimney. The reduction in fuel consumption caused by an innovative heat combustion design converted almost all fuel energy into useable heated air, allowing for an increase in thermal efficiency.

The greenhouse market is located throughout the US, with the largest concentration found in the West Coast, Southeast and the Midwest, with California representing the single largest market. Greenhouse growers produce nursery stock, horticultural and vegetable products, with the US market for greenhouse-grown produce alone valued at $3 billion annually. The next generation product launch had been rolled out slowly in the 18 months prior to her coming on board, with an emphasis placed on the Northwest. Kate’s firm felt they were ready for full market exposure and as part of this strategy brought her in and charged her with doubling the sales volume in her first year. Her immediate supervisor and current president of her company had spearheaded the sales effort initially and had been successful in closing a deal with YewGrow for the single largest sale to date. YewGrow serviced western Oregon, with most of its customers growing nursery stock. Kate felt that bringing on additional distributors and opening new territories for this innovative product, particularly in California, would be an easy route to increased sales.

**Dealing with the outburst**

Kate prided herself on her professionalism and ability to establish personal relationships with her customers. Her easygoing personality and attention to detail had propelled her career, and she felt equal to the challenge of a successful product launch. She therefore was completely taken aback at Tom’s outburst, she had not expected to be confronted by a visibly irate customer, and she had no idea of what had precipitated this buyer behavior. As she glanced around the room, she saw Tom, seated at the far end of the conference table, frenetically tapping his pen, and Phil seated next to her avoiding direct eye contact. After Kate recovered some composure, she asked Tom to brief her on the issue, who then answered churlishly “Go ask your boss.”

Since Tom was being both aggressive and non-responsive, she looked to Phil to diffuse the situation. Phil had been friendly and warm on the phone, and had given no indication of any potential roadblocks in furthering their relationship. Phil provided a brief snapshot of the source of the disconnect. Her boss had dealt with Tom in the first interaction between the firms, and had promised exclusive distribution in the Northwest. Based on the verbal commitment, YewGrow had placed a substantial order, and enjoyed good sales success in its first season. Just as they were planning to reorder this season, it came to Tom’s attention earlier in the week that another dealer in the same geographic area, Cal West was now also selling Kate’s heaters, thereby negating the exclusivity. CalWest was a significantly larger distributorship, not only handling the Northwest, but also the coveted market in California.

Kate knew about the recent relationship established with CalWest just prior to her coming on board, and had been pleased that she had CalWest as a partner to work with when taking on the California territory. What she had not known about was the previous interaction granting YewGrow exclusivity. Prior to this visit, she had exhaustively combed through the files, reviewing all previous communications, including customer service calls, purchase orders and shipments, and had not found an indication of either a legally binding exclusivity contract nor any informal reference to such an arrangement. She looked at Tom, and saw anger and frustration, and then at Phil, who seemed embarrassed, and thought “How do I handle this? How do I placate my single largest customer, avoid escalating the situation and salvage the relationship?”

**References**

\_\_\_\_\_\_\_ (2013, February 11). “State of the greenhouse industry in 2013”. *Greenhouse Grower*. Retrieved from <http://www.greenhousegrower.com/business-management/state-of-the-industry/the-state-of-the-greenhouse-industry-in-2013/>