

Deciding: To Ditch or Not to Ditch Design Display

Instructions for Dale Doran (1)

Since you last met with your attorney, the situation at Design Display has deteriorated dramatically. You suspect that the CEO is heading for a nervous breakdown. He is paranoid, angry, bitter. He makes shortsighted decisions, such as ordering cuts in marketing expenses and charging customers for administrative overhead. You have lost one customer over this policy.

The CEO has made it increasingly unpleasant for you at work. He has declared that no one will get more than their salary until things turn around, no matter what their gross revenues. He insisted that you pay for the cost of overtime support for an upcoming presentation. He stops by your desk and hurls insults, saying you're "sitting on your duff" or "too lazy to pound the pavement." He has commented in sales staff meetings that "Dale is the anti-role model...an old dog with old customers and no new tricks." He has threatened to "redistribute" your customers among the rest of the sales staff, to "incentivize" you to bring in new accounts, even if it means cold-calling. There is no love lost between you and the rest of the sales staff (including the CEO's daughter), all of whom are newer and jealous of your higher customer and revenue base.

Late one afternoon, after the CEO walked by your desk and yelled: "You're wearing a hole in your chair." You followed him to his office and broached the idea of your leaving. "Maybe I should just go somewhere else, if you are so displeased with me." The CEO began to yell: "You can go all right but you're not sucking the company's blood out with you. You'd better not lay a hand or a phone call on the company's customers. You're stuck here and you can go down with us, or you can sit out on the sidelines."

You realize that the CEO is afraid of exactly what you'd like to do: leave and take your customers with you. He is afraid that will be the end of his business. He is never going to say yes voluntarily, not unless you have some leverage.

You are indeed loyal to your old customers. You feel obligated to spend much of your time at Design Display facilitating their project work, in order to retain their business. However you are **completely** confident of your ability to sell to entirely new customers, particularly if you were selling Upscale Display's products and services. You would anticipate a lag in commission revenues, as it would take at least 3 years to replicate your client base. But, you believe you could generate at least \$100,000 in commissions in your second year at Upscale, on new customers and perhaps \$50,000 or more in the first year. Your total commissions would be much higher with some of your Design Display customers.

Design Display is the bad guy here. You have been treated terribly. If it gets to court, you are sure you could convince a judge or jury of that and that they wouldn't enforce the non compete because it is so unfair.

If you have to, you and your wife could pay the attorneys' fees needed for legal action here.