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Richard Jenkins at SciMat

Having finished his meetings and conference calls for the day, Richard Jenkins closed his office door and sat down to review the events that had led to Erik Peterson's dismissal a week earlier. As Jenkins understood it, Peterson had failed to provide the necessary leadership and management of Biometra's product launch in addition to making several inappropriate personnel decisions. Jenkins recognized that Peterson had suffered from a lack of support and direction from his first supervisor, Jeff Hardy, and that this had contributed to a number of Peterson's problems managing the product launch. However, Scott Green, group VP of clinical and regulatory affairs for medical devices, had spent the past three to four months working with Peterson to improve both Biometra's operations and Peterson's effectiveness as a manager, with mixed results on the latter. Ultimately, the decision to fire Peterson had been made by Chip Knight, VP of product operations, after consulting with Green and group VP Dash Harper. It had been a difficult period for everyone involved, with an outcome that Jenkins wished had been better for both Peterson and SciMat.

Background

For several years, SciMat had been moving aggressively outside its traditional product segments and into the medical device industry. As Jenkins led the company's push into this new arena, he recognized the need to develop an assertive, entrepreneurial, and fast-paced culture within the new business unit while also providing necessary structure and expertise. To facilitate the latter, Jenkins had in the past year brought in experienced managers from outside SciMat (Harper and Knight being recent examples) and also recruited and hired several MBAs into line positions within the medical devices group. Like many large, diversified companies, SciMat could be bureaucratic and slow-moving at times, but Jenkins was generally pleased with the rapid progress that he and his team had made in building a business unit from scratch in only a few short years.

Jenkins remembered being very impressed when interviewing Peterson over a year ago in Los Angeles. Peterson had a strong background in terms of credentials and work experience, and had demonstrated considerable maturity and a sharp intelligence throughout the interview process. Jenkins also recalled that Peterson had shown a greater familiarity with the medical device industry

Professor John J. Gabarro and Research Assistant Andrew P. Burtis prepared the original version of this case, "Richard Jenkins," HBS No. 494-113. This version was prepared by Professors John J. Gabarro and Thomas DeLong and Jevan Soo (MBA 2011). The circumstances described in this case are reported primarily from Richard Jenkins' point of view. Although others' views have been incorporated, the case does not necessarily reflect all of them. The case was written with the cooperation of both the individual and the company involved. All names, places, and companies have been disguised. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

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than most MBA candidates that SciMat interviewed, despite his limited summer internship experience. The only concern he remembered having was that Peterson had struck him as having a somewhat low-key personal style, leaving some doubt for Jenkins as to whether Peterson was assertive enough to be a strong line manager. But on the whole, Jenkins had found Peterson to be highly competent and enthusiastic about joining the Biometra team, and had offered him the job with no reservations.

When his original group VP of peripheral vascular devices (VP-PVD) resigned, Jenkins had worked hard to find a replacement quickly but to no avail. It was undoubtedly risky to promote Peterson, a person so new to the company and with limited experience in the industry, to a general manager role. However, over his years at SciMat Jenkins had seen hires with similar backgrounds be successful in equally challenging situations. Jenkins and his key reports had agreed that promoting Peterson was the best interim solution to a tough situation, given the competing demands of other product launches in SciMat's medical device pipeline. They also believed that Peterson had potential to grow into the added responsibility. Jenkins hoped that having Jeff Hardy oversee the Biometra launch would provide Peterson with some support during the initial months and that Hardy could act as a point person for Peterson within Los Angeles headquarters. He had also expected the orientation period and visits to other SciMat subsidiaries to provide helpful internal contacts and exposure to typical product launch issues before Peterson headed to Woburn. Jenkins had found Peterson's reports on the subsidiaries he had visited to be quite perceptive, and had assumed that the experience helped prepare Peterson to take on his responsibilities at Biometra.

Unfortunately, by late fall Jenkins had realized that Hardy had not been a good choice, leaving Peterson without enough direction or support. This situation was exacerbated by the many demands on Jenkins' own time because the VP-PVD position was vacant, making it difficult for Jenkins to engage with Peterson and Biometra as much as he would have liked. By the time Dash Harper joined SciMat, Jenkins was convinced that a more experienced person was needed to manage product operations and he hired Knight accordingly.

Although it was normal to have unanticipated problems in a product launch, Biometra seemed to have more than the usual number of issues. During the late fall and early winter, manufacturing setup and validation costs were running higher at Biometra than in other medical device subsidiaries and the progress reports coming to Los Angeles were disappointing. Further difficulties arose when Peterson extended salary offers and increases without consulting with or seeking approval from headquarters. In addition, Jenkins received a note from Hardy noting that Peterson had surveyed a number of Biometra employees to find out what they thought was equitable compensation for their roles. Jenkins and a number of others at SciMat's headquarters found this approach problematic for many reasons, including the effect it would have on cross-subsidiary comparability and talent mobility (which Jenkins believed would hamper his efforts to build a more cohesive business unit from the multiple medical device companies SciMat had recently acquired). Jenkins also knew that Peterson had been dissatisfied with his director of operations to the point of asking for a replacement.

Although none of these problems had been major, their accumulation had left Jenkins feeling increasingly uneasy about the situation in Woburn. Because of these problems and the impending product launch date, Jenkins thought it would be useful to visit Biometra's offices on his way to an important medical device conference in Boston. The visit also seemed timely to help Harper further familiarize himself with SciMat's operations.

The Visit to Woburn

Despite Jenkins' growing concerns, he had anticipated the visit to Woburn to be a routine review of Biometra's operations and launch plan. Neither he nor anyone else had intended to make management changes at the subsidiary, and Jenkins had not expected the visit to end the way it did.

In their conversation on the ride from the Boston airport to the hotel, Peterson seemed not only unenthused about the product launch but also slightly defensive in response to Jenkins' questions. This first impression troubled Jenkins since his experience had taught him that one of the most important elements in a successful product launch was the general manager's level of enthusiasm. Because of these concerns, Jenkins touched on a few "hot buttons" that evening in the hotel bar to see how Peterson would react. Jenkins often did this when visiting a subsidiary to appraise managers' understanding of the business and gauge whether they seemed on top of the situation. Again he found Peterson's responses vague and unenthusiastic. Jenkins realized that the noise level in the bar made it difficult to discuss specifics, but he had hoped to see greater excitement and positivity on Peterson's part. After several attempts to engage Peterson, the discussion slipped into more casual, social conversation.

Jenkins recalled that he again unsuccessfully attempted to get a reaction from Peterson during their conversation at breakfast. After arriving at the Woburn facility, Knight went looking for the regulatory department to follow up on a specific question while Jenkins and Harper made some necessary phone calls. Since no particular activity had been planned for them, Jenkins and Harper were left with nothing to do but make their way around the office on their own. They were particularly interested in assessing the space situation in Woburn, as Biometra's facilities were somewhat old and Jenkins was considering moving the subsidiary to a new location after the product launch had been executed.

It was not until Jenkins talked with Wescott, Biometra's sales manager, that he became concerned with the way Peterson was handling the pre-launch operational details. Despite Wescott's considerable sales experience, he did not seem to fully understand the implications of the way Biometra's catheter was being presented to physicians. Jenkins discussed this with Wescott, trying to point out the problems and suggesting better ways of communicating the product's benefits based on SciMat's experience with other product launches. Wescott seemed reluctant to change things because the sales materials had already been printed. Jenkins was surprised that things had progressed so far without consultation with anyone in Los Angeles.

Jenkins also found his meeting with Trevor Burns, Biometra's marketing supervisor, somewhat alarming. It quickly became evident to Jenkins that Burns was a very bright and creative person who appeared to know a great deal about marketing but virtually nothing about medical devices. Jenkins remembered being surprised at the lack of regulatory knowledge evident in Burns' responses to his questions, and bothered by the influence that Burns appeared to have on Peterson's thinking.

More troubling, however, was that Peterson's responses to a number of questions left Jenkins feeling as though Peterson was overwhelmed and not fully in command of important details such as the regulatory filing strategy in light of Biometra's manufacturing validation issues. By late morning Jenkins and Harper found themselves both discouraged and very concerned. After lunch the two had a brief conversation with Knight that indicated he felt the same. Jenkins believed that many of Biometra's problems resulted from a lack of prior direction from both Hardy and Los Angeles, and that Peterson needed more support and guidance to be successful. The three then spent a considerable amount of time exploring possible ways to remedy the situation. Jenkins felt that Biometra's catheter was a high-profile product with significant reputational fallout if things went

badly, but a very lucrative market if things went well. They concluded that Peterson needed help quickly if the product launch and initial operations were to be executed properly.

Jenkins discussed several options with Harper and Knight and decided that the best course of action was to put Scott Green, one of SciMat's most experienced managers, in charge of Biometra to get it back on track and to work with Peterson to improve his management. Jenkins then discussed this possibility with Green, who agreed to take on the added assignment. The four men then debated how to tell Peterson of the change and decided that Harper should do it, since he led the peripheral vascular devices group that included Biometra. Jenkins and Harper agreed that it was important to present the decision in a way that did not undermine Peterson's position with his people and made it clear that SciMat accepted partial responsibility for how the situation had evolved.

In the three months that followed, Green made a number of changes in Woburn, most of which turned out to be effective. Although Jenkins, Knight, and Harper had made a favorable assessment of director of operations Curt Andrews during their initial visit, it later turned out that Andrews could not handle the job effectively and was consequently let go. During this period, Green had worked with Peterson and felt that some progress had been made. Knight, however, found that he could not get Peterson to concentrate on details such as refining the training regimen for interested surgeons and the need to closely manage marketing and sales support costs, which were running proportionally higher than those of other recently acquired SciMat subsidiaries. Jenkins, Green, Harper, and Knight also perceived a gradual decline in Peterson's attitude. It had been a trying period for everyone, and eventually Knight decided to fire Peterson from the company.

Looking back, Jenkins felt that Peterson's major failing was his inability to provide the detailed direction and hands-on management needed to launch a new product. Jenkins wondered whether Peterson had tried to act as though he were in a highly structured situation, which clearly had not been the case at Biometra. It seemed almost as though Peterson had tried to run Biometra like a well-established organization instead of a small, dynamic, and under-resourced one. Of course it was necessary for Peterson to delegate some tasks, Jenkins thought, but in a rapidly moving situation with cost and time constraints, a manager had to ensure that things got done and ultimately take responsibility for them.

Jenkins reflected that other recent MBA graduates had been successful at SciMat. Samantha Carter was an MBA with a similar background to Peterson who had taken charge of a product launch two years prior. Carter had handled her launch extremely well, despite problems that Jenkins felt were similar to or worse than those at Biometra, and managed to stay immersed in the details of the job while also maintaining a big-picture focus on the desired outcome. She was assertive, had an infectious enthusiasm even in highly stressful situations, and was able to motivate her people through difficult circumstances. The difficulty, Jenkins thought ruefully, was in knowing how to select young managers with such characteristics and develop them further within the company.