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Erik Peterson at Biometra (C)

Erik Peterson spent the first day of his meeting with Knight going over the plans for meeting a newly revised launch date of April 15, which Peterson had advocated after realizing that Biometra's manufacturing issues would prevent them from meeting the April 1 target. Peterson felt that Knight had generally approved of his plans and the actions he had taken. Though Knight understood the complicated relationship between the Costa Rican manufacturer and Biometra's quality control department, he thought that someone with more of a "go-getter" mentality would get better results than Todd Jones. Knight urged Peterson to hire a "rock star" to replace Jones as quality control manager, and added that he would try to help find a suitable replacement from within SciMat to cover for the next few critical months.

At the end of the day, the two men finished their meeting and joined Scott Green, group VP of clinical and regulatory affairs for medical devices, who happened to be in the Boston area meeting with some prominent physicians. The three men then drove to Logan Airport to pick up Richard Jenkins, president of the medical devices group, and Dash Harper, group VP of peripheral vascular devices. Knight told Peterson not to worry about Jenkins' and Dash's somewhat impromptu visit, as the two men had simply found it convenient to stop by Biometra on their way to a conference at a Boston medical school.

On the drive to the hotel, Jenkins asked Peterson how many catheters he expected to sell during the first two months after the launch date. Jenkins seemed quite surprised at Peterson's estimate, which was much lower than Jenkins expected given the catheter's applicability to a range of medical procedures. Peterson then briefly described his plans for targeting certain leading hospital centers early on, and then expanding rapidly after Biometra had gained credibility from the initial "anchor" customers.

After Jenkins and Dash had checked into their hotel, the five men met at the hotel bar. Peterson had hoped to get to know Jenkins and Dash and discuss some of the issues facing Biometra, but the DJ's music and other background noise all but drowned out any such meaningful conversation. Instead, the others exchanged small talk about recent senior management moves within SciMat,

Professor John J. Gabarro prepared the original version of this case, "Erik Peterson (C)," HBS No. 494-007. 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 Erik Peterson's 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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leaving Peterson feeling somewhat sidelined and left out of the conversation. Peterson returned home around 2:00 a.m., tired and discouraged at the way the evening had ended up.

The next morning, Peterson met his visitors at the hotel for breakfast. Near the end of the meal Jenkins remarked casually, "Erik, we haven't even made it to Biometra yet but you seem surprisingly unenthusiastic about the product launch just around the corner." Peterson was startled by Jenkins' unexpected comment, especially since Jenkins had not yet visited Biometra under Peterson's leadership and had no real basis for making a judgment. He hoped to regain Jenkins' confidence as soon as he could spend time with the executives at Biometra laying out his plan of attack.

However, upon reaching the office both Jenkins and Dash needed to make phone calls. This also caught Peterson off guard, as he had assumed they would all sit down together to review the operations and launch plan once they got there. Jenkins used Peterson's office while Dash used the neighboring one, as Peterson waited for them at a nearby cubicle. When Dash finally finished, he joined Jenkins in Peterson's office and the two remained there for several minutes deep in discussion. Peterson was reluctant to interrupt them to see if they were ready to meet, and hovered nearby waiting for them to finish. In the meantime, Knight had begun walking around the office, talking to various people and inquiring about different issues. When Jenkins and Dash finally emerged from Peterson's office, they split up and also began to walk around, talking to people and asking questions.

Though Peterson felt he was able to answer most of their questions, it was difficult to keep track of all three men as they made their way around Biometra's building. At one point, Jenkins walked into sales manager Jim Wescott's office and remained there for nearly an hour. Peterson later learned that Jenkins had been quite displeased with the catheter product information and sales messages provided to Biometra's sales representatives. Jenkins had pressed Wescott very hard on this topic, pointing out what he thought would be a more effective pitch to doctors. Later Jenkins also interrogated Trevor Burns (Biometra's marketing supervisor) on a number of details, except that this time he did so with Peterson present. Jenkins asked a number of specific, detailed questions. He especially criticized Burns for not having organized enough pre-launch physician visits to Biometra's training site. Both Burns and Peterson attempted to describe in detail how they had prioritized particular customers for scheduled visits given their limited marketing resources. Overall Peterson felt that Burns had handled himself well during his exchange with Jenkins.

Jenkins, Dash, and Knight spent the rest of the morning either walking around and talking to people in various business functions or huddling together in whispered conversations. At one point Knight spent about forty-five minutes talking with Curt Andrews, the director of operations, alone in Andrews's office. When he finally finished speaking with Andrews, Knight walked out and muttered to Peterson, "I don't like that guy - he has absolutely no idea what he's doing."

Scott Green arrived from his clinician meetings at 11:30 AM, at which point the group split up for lunch. Peterson had assumed they would eat together, and was surprised when Knight asked Peterson to join him for lunch just as Green, Dash, and Jenkins hopped into a taxi heading to a different restaurant. Knight and Peterson spent most of lunch discussing Knight's concerns about Curt Andrews's management ability. Peterson got the feeling that Knight had intentionally chosen not to lunch with the others, perhaps because he thought they might want to talk privately. After everyone returned from lunch, the four executives again split up and continued to make the rounds separately at Biometra.

At 4:30 p.m., Jenkins, Knight, and Dash went into Peterson's office and closed the door behind them, leaving Peterson outside once again. They remained inside for about half an hour, at which

point Jenkins left the office to find Green who was still speaking with Melissa Miczek about some regulatory filings. Green and Jenkins whispered quietly for about ten minutes in the office lobby, and then both returned to Peterson's office. During this time Peterson tried to busy himself at a nearby desk with some overdue paperwork. After another fifteen minutes, Dash opened the door and asked Peterson to come inside and take a seat. Dash sat down behind Peterson's desk and told Peterson that there were a number of problems that had to be resolved at Biometra to ensure a successful product launch, and that Peterson obviously needed help in solving them. Dash acknowledged that Peterson had not had enough direction and support in the past, but the situation had reached a point where they felt he could no longer handle it alone. Dash then said they had decided to put Scott Green temporarily in charge of Biometra's product launch, with Peterson remaining at Biometra but reporting to Green until further notice.

Dash explained that the launch required more experience than Peterson could provide, and that Green had the background to offer needed direction and help. Green would do this in addition to his responsibilities in clinical and regulatory affairs, but would devote three days a week in Boston overseeing the operations. Peterson noticed that none of the other three men looked at him while Dash was speaking. Through all of this Jenkins remained in the background. Dash then asked Peterson to gather his key managers together so that he could announce the organizational change to them.

After Peterson had assembled everyone in the conference room, Dash made essentially the same comments to them as he had just done to Peterson. During this time Peterson fixed his gaze on the floor as he tried to process everything that had just happened. The room remained quiet when Dash opened up the floor for questions, and the group broke up soon afterwards. As the executive team made their way towards the taxi stand to head to the airport, Peterson asked Knight if they could speak privately for a moment. Pulling him aside, Peterson asked Knight why they had demoted him, and what it meant for his future at SciMat. Knight replied that they had not demoted him, but that they did not feel he had the necessary experience to handle all of Biometra's operations and would benefit from Green's guidance and direction over the next several months.

As Peterson left the building to go home, several people including Hanes and Burns stopped him to say how angry and shocked they were at what had happened. Needless to say, the day's events left Peterson feeling shaken and unsure about how to proceed.