

Case 3-2.

Improvements at ServeNow

ServeNow is a grocery store chain that has seven stores in the southeastern United States. ServeNow's strategy is to target smaller towns (under 50,000 population) so it can become the dominant store in the area. The chain is headquartered in the largest town (population 75,000) in which it has a store. Each store is at least 50 miles from another store within the network.

The owner of the stores, Edward Bushley, has found that it is extremely difficult to monitor store activities because of travel logistics. As a result, the manager of each store has traditionally had a lot of latitude. Many of the pricing and inventory decisions are made at the individual locations. However, most purchasing is made through a central purchasing office in the headquarters city.

But during the past two weeks, three managers left ServeNow to start an online grocery brokerage service. This took Bushley by surprise, but being an entrepreneur himself, he understands their desire to start their own business. In addition, another manager is nearing retirement. Bushley has found that it is extremely difficult to find qualified replacements for these energetic, creative managers.

Bushley had hoped that potential managers would be available among his present employees, but he discovered the company is weak in its succession planning. Current staff members do not seem to have the capabilities or desire to become store managers. It has become obvious that managers have to be found outside of the present staff.

Bushley has retained a small-business consultant, Solange DePeres, who specializes in personnel problems. DePeres agreed that no potential managers were on the present staff. The assistant store managers would be able to manage during the transition, but ultimately new personnel would have to be hired. She stated that Bushley would have to hire managers who were not familiar with the stores' operations and simply spend more time with them than he had with the previous managers. In particular, Bushley would have to spend time training them and answering operational questions.

Bushley asks DePeres, "How can I possibly spend more time at the individual stores? It seems that I am already too busy to maintain a balanced lifestyle."

Project

Assume you are the small-business consultant, Solange DePeres, and make several recommendations to help Bushley stay in touch with his stores and develop his managerial force. Consider especially the technological communication tools on the market. Explain your recommendations.