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# NetApp Day in the Life

## 1) Real problem

Jim Wilson has inherited a complicated district at a time of turmoil for the industry and for NetApp. Sales have recently fallen off about 20% from 2001 to 2002, whereas in years past they nearly doubled. In late 2001, NetApp laid off nearly 200 people. However, now for 2003, NetApp wants to get sales back on track with a 30% increase. However, NetApp has implemented a hiring freeze that prevents Jim from hiring outside candidates. In addition, many of Jim’s team members are not performing to expectations or have resigned.

## 2) Key Facts

The people involved:

* Jim Wilson – District Manager for North Silicon Valley
  + Star of the case
* Alice Minnelli – Regional Manager of the Bay Area
  + Jim and 2 other DMs report to Alice
* Whitney Tomlin – Vice President of Sales

Jim’s team:

* Bing Chasen
  + Was doing poorly
  + Was put on an Improvement Plan
  + But he did not make it and was fired
* Brian Smith
  + Was doing OK
  + Doing poorly because of a recent baby in his family
  + Was put on an Improvement Plan
  + Quit because he did not like being branded as a failure
* Victoria Knapp
  + At the top of her game
  + Was assigned many of Bing’s accounts
* David Engle
  + Hired as an internal transfer to join Jim’s team
  + New, but promising
* William Frank
  + Under perfoming
  + Good at taking orders
  + But takes Jim along to a lot of his meetings
  + Put on an Improvement Plan
* Todd DeSchutes
  + A good rep
  + But gave e-Market.com a huge discount, costing the company money
* Patty Thompson
  + A good rep
  + But handed in her resignation letter because she made an impulse decision to marry someone she met that weekend
  + Could be convinced to stay

## 3) What are viable options?

First off, NetApp needs to look at its compensation plan to make sure that representatives have the best interests of the company in mind when giving customers a discount. Reps should only give customers a discount when the sale would not go through any other way, as opposed to a tool for the rep to decide when to close a deal.

In addition, Jim should be clearer about his use of the Improvement Plan. Putting an employee on probation is a big deal. The process involves a lot of forms and the HR department. To most employees it is a signal that they will be fired. Rather than improve, employees may instead look for another job. This has already happened to Jim with Brian. However, Jim continued to put people on the Improvement Plan, including one of his best reps Tom. Instead of using the formal Improvement Plan mechanism, Jim could internally and privately make it clear to Todd that the discount was unacceptable and work with him so that he understands the company’s discount policy.

Jim needs to work to fill his position. He might need to realize that he might not make this quarter, but he cannot afford to continue on without filling the empty slots on his team. He needs to make sure that no one else leaves. He should seriously work with Frank to help him improve. Even if he fails, it might still be worth having an order taker rather than an open position in a team that has so many open slots.

Jim could even meet with customers himself. However, he should focus on building his team, as that would be best in the long term.

Jim should consider seeing if someone on the Atlanta team might want to switch to Silicon Valley. That way he could replace Patty with a qualified member of the team.

## 4) What methodology to solve which options?

Jim needs to plan out all of the costs and benefits of having a position remain open, filling it with someone, and having it continued to be filled with a lackluster person. Jim should then pick the option with the highest NPV.

Jim should also work to expend his options beyond the ones he is currently considering. A novel solution could improve his options.

## 5) What will it take to get to a better situation?

Jim needs to make sure that his best people will not continue to leave. If his people are leaving in a bad economy, he is doing something wrong. He needs to take a 360 degree look of the company, the industry, and his management style. He should then try to fix the issues that he identifies.