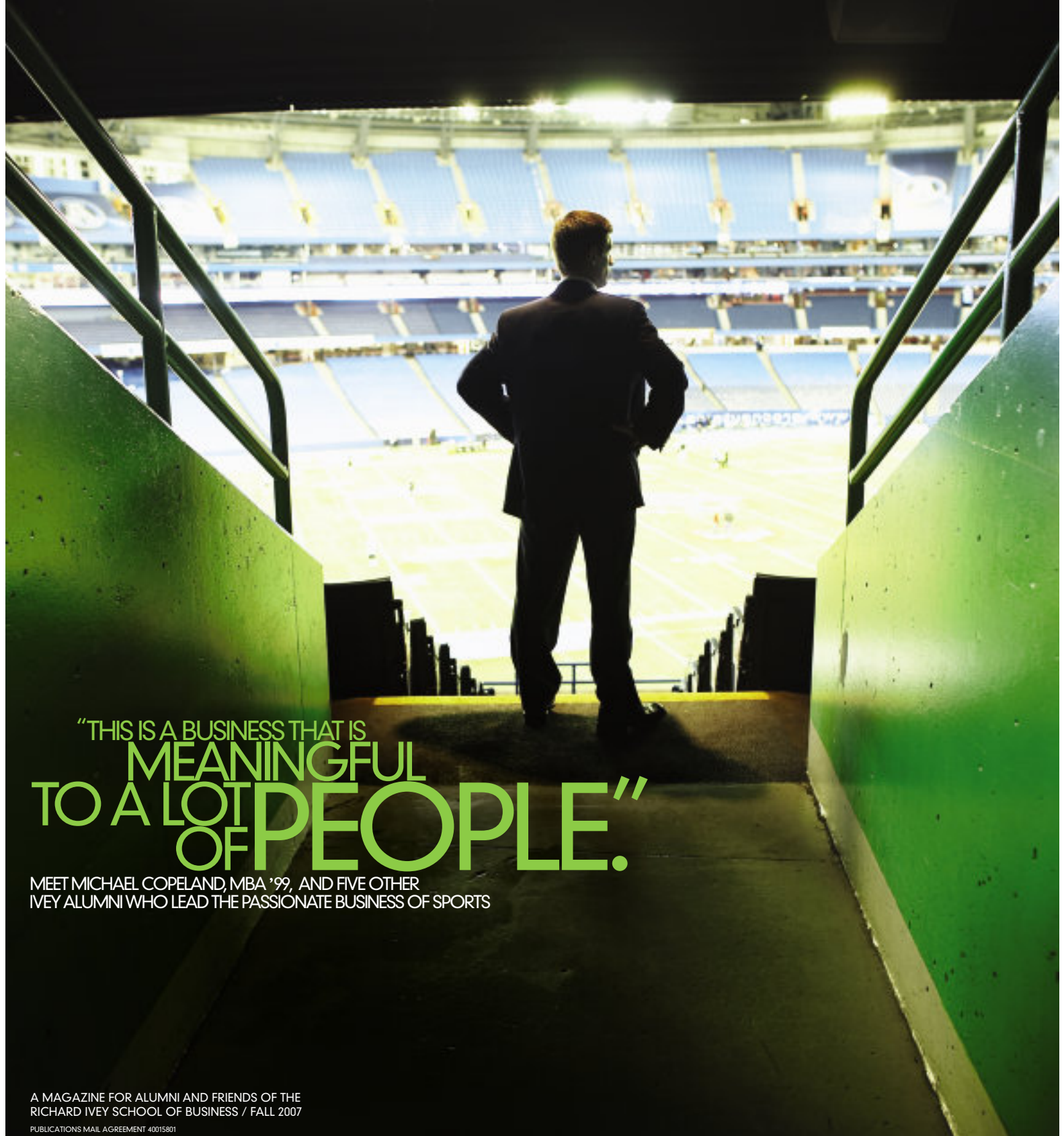


# Intouch



"THIS IS A BUSINESS THAT IS  
MEANINGFUL  
TO A LOT OF PEOPLE."

MEET MICHAEL COPELAND, MBA '99, AND FIVE OTHER  
IVEY ALUMNI WHO LEAD THE PASSIONATE BUSINESS OF SPORTS

# CASE STUDY

## DEALING WITH THE LOSS OF A KEY MEMBER OF THE TEAM

# I QUIT!

In this and future issues of Intouch, we will feature a “mini-case” to test your mettle and stimulate your thinking on management issues. You remember the drill – read and analyze the case, develop your ideas, and then discuss them “in class.” To post your comments and read comments from experts and other alumni, visit [www.ivey.uwo.ca/alumni/intouch/casestudy](http://www.ivey.uwo.ca/alumni/intouch/casestudy).

PHOTOGRAPHER: SUZANNE TUCKER

Ray Rutherford, CEO of Transport Two Inc., couldn't believe his ears. His partner and sales manager Mike Fleming had just stormed out of his office after slapping a letter of resignation on his desk.

### Transport Two Inc.

Rutherford had trained as a mechanic. As a young man, he joined Canada Transport Ltd., the largest truck dealership in Canada. Thanks to his natural talent and interest in management, he rose through the ranks, becoming service manager of the Hamilton branch.

In late 1999, Canada Transport was in financial difficulty. Rumors began to swirl about the company selling off individual branches. The Hamilton branch under Rutherford's watchful eye was extremely profitable. Rutherford saw an opportunity.

He discovered that it would cost \$1 million to buy the branch. He pulled together \$400,000 from his personal assets. His bank agreed to a long-term

loan for \$400,000. Mike Fleming, his gregarious sales manager, agreed to put up the remaining \$200,000. The new company, Transport Two Inc., was born in early 2000.

From the start, Transport Two had lots of business. The OEM had excellent market share, with a good number of installed vehicles. This translated into a solid parts and service business. But Rutherford knew that a successful dealership also needed sales.

He had an important asset in Fleming, an extremely successful salesperson.

Fleming “owned” the relationships with his customers, and did business in a very personal way. While Transport Two maintained a customer database, it was not kept up-to-date, and many details were kept in Fleming's head.

From the start of the partnership, Fleming made it clear he didn't want to deal with financial, bureaucratic or personnel issues. He preferred to be everybody's friend. If there were

major corporate decisions, Rutherford consulted with Fleming but it was simply a gesture to keep him in the loop. Transport Two had no formal Board or AGM. Rutherford gave Fleming a copy of the annual financial statements. When bonuses were declared, he simply handed Fleming a cheque. The business went well. Rutherford and Fleming were well compensated. Life was good.

### The CRM system

All that changed when Rutherford attended the OEM's 2007 annual dealer meeting. He was delighted to hear about a new Client Relationship Management system (CRM) that the OEM wanted to implement at all dealers. The new system would ensure that Transport Two owned the key contact information about its customers. It would also help the company to implement some new marketing initiatives, such as direct mail and customer satisfaction surveys.

Rutherford visited Fleming as soon as he got back to Hamilton. “We'll be introducing this new CRM system

immediately,” he announced excitedly. “This will make your life a lot easier!”

Instead of sharing his enthusiasm, Fleming flew into a rage. “I'm the sales manager,” he shouted. “I'll decide if and when we need a system. For too many years, I've been a second class citizen around here. Without me, you're nothing.”

### Rutherford's dilemma

Rutherford was stunned. He returned to his office and half an hour later Fleming turned up with his resignation.

What does Fleming's resignation mean to Transport Two and Rutherford? Why did it happen? What should Rutherford do now?

Crack the case, share what you think, and read the thoughts of experts and other alumni online at

[www.ivey.uwo.ca/alumni/intouch/casestudy](http://www.ivey.uwo.ca/alumni/intouch/casestudy)

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