

ROLE-PLAY EXERCISE 3

National Farm and Garden, Inc.*

PROCESS

1. Make copies of the role-play exercise pages (one copy of background page for each student in the class; one set of five roles for every five students in the class).
2. Develop teams of five students (there are five unique roles in National Farm and Garden).
3. Have each student read the National Farm and Garden background page as an introduction to the exercise.
4. Assign each student a role to play and give him or her the specific role description to review.
5. Indicate the desired outcome of the process (for example, press conference, written and/or oral presentation, short-term plan, long-term plan, employee meeting, etc.).
6. Allow the teams to proceed without interruption for at least forty-five minutes, depending on the outcome specified above.
7. Create feedback mechanisms appropriate for the desired outcome.
8. Link exercise issues, processes, outcomes, and experiences to course training and learning objectives.

KEY ISSUES

1. Product safety
2. Product development and manufacturing processes
3. Risk management
4. Media and public relations

* The research and conceptual assistance of Larry Gonzales, Pat Hansen, Heidi Hollenbeck, Marilynn Hill, Michael Mitchell, Craig Hurst, Bill Haskins, and Dana Schubert is gratefully acknowledged.

NATIONAL FARM AND GARDEN, INC., BACKGROUND

(Everyone reads.)

National Farm and Garden, Inc. (NFG) was incorporated in Nebraska in 1935 and has been a leading supplier of farming equipment for more than sixty years. Over the last five years, however, demand for NFG's flagship product, the Ultra Tiller, has been declining. To make matters worse, NFG's market lead was overtaken by the competition for the first time two years ago.

Last year, NFG expanded its product line with the Turbo Tiller, a highly advertised and much anticipated upgrade to the Ultra Tiller. The product launch was timed to coincide with last year's fall tilling season. Due to the timing of the release, the research and development process was shortened, and the manufacturing department was pressed to produce high numbers to meet anticipated demand. All responsible divisions approved the product launch and schedule. In order to release the product as scheduled, however, the manufacturing department was forced to employ the safety shield design from the Ultra Tiller. When attached, the shield protects the user from the tilling blades; however, it is necessary to remove the shield in order to clean the product. Because of differences between the Ultra and Turbo models, the Turbo's shield is very difficult to reattach after cleaning and the process requires specialized tools. Owners can have the supplier make modifications on site or at the sales location, or they can leave the shield off and continue operation. All product documentation warns against operating the tiller without the shield, and the product itself has three distinct warning labels on it. Modifications are now available that allow for the shield to be removed and replaced quite easily, and these modifications are covered by the factory warranty. However, most owners have elected to operate the Turbo Tiller without the safety shield after its first cleaning.

Over the last year, a number of farm animals (chickens, cats, a dog, and two goats) have been killed by Turbo Tillers being operated without the guard. Two weeks ago, a seven-year-old Nebraska boy riding on the back of an unshielded tiller fell off. When the tiller caught the sleeve of his shirt, his arm was permanently mangled and required amputation. One of the child's parents owns the local newspaper, which ran a story about the accident on the front page of the local paper the next day. NFG's CEO has called an emergency meeting with the company's divisional vice president, director of product development, director of manufacturing, director of sales, and vice president of public relations to discuss the situation and develop a plan of action.

Divisional Vice President

You are the divisional vice president and have been with the company for many years. Historically, you have not been a pushy individual and generally prefer to stay in the background. When there are major decisions to be made or crises to address, you are frequently not available. The CEO recently put you on a sixty-day action plan to improve your division's output; failure to achieve this plan will result in your termination, even though you are just a few years shy of retirement. Therefore, you now find it necessary to satisfy not only your own objectives, but the CEO's very high expectations as well. This has caused great turmoil within all divisions because you place increasing pressure on your subordinates.

As the divisional vice president, you are focused on coordinating all departments. You are responsible for output from the sales, manufacturing, and field service engineering departments. The research and development (R&D) department, which must sign off on all new products before they are approved for production, is not under your supervision.

Recently, you received a memorandum from the director of R&D outlining some potential problems with the development and testing of the Turbo Tiller. The memo was copied to you, the director of manufacturing, and the director of sales. You agreed with the director of manufacturing not to share the contents of the memo with your CEO because you felt that bringing this small concern to his attention would cause unnecessary problems for each division. Moreover, the CEO is known for his abrasive personality and has a history of yelling at bearers of bad news.

The CEO has called an all-hands emergency meeting at 7:00 a.m. tomorrow. You are expected to bring all knowledge of this situation with you for discussion and creation of a comprehensive action plan.

Director of Product Development

You are the director of product development. Although you have a master's degree in mechanical engineering from Stanford University, you are originally from the inner-city area of Chicago, where you grew up in the school of "hard knocks." From previous experience, you tend to be rather uncompromising about products that are engineered within your organization. Your engineering team has been very successful in the past, and you are quite proud of the many new successful products your department has developed.

You originally fast-tracked the Turbo Tiller product due to constant pressure, particularly from the director of sales. However, on further investigation, you have become concerned about the implementation of the product's safety shield. Consequently, you recently sent a memorandum to the director of manufacturing, director of sales, and the divisional vice president outlining the fact that consumers could sue National Farm and Garden under the state's *strict liability doctrine*, which holds manufacturers, distributors, wholesalers, retailers, and others in the chain of distribution of a defective product liable for the damages caused by the defect, regardless of fault. Moreover, plaintiffs could cite the state's *concept of defect of manufacture* when the manufacturer fails to (1) properly assemble a product, (2) properly test a product, and (3) adequately check the quality of the product component parts or materials used in manufacturing. You now believe that NFG has violated all three of these concepts of "defects of manufacture."

Having received no response to this memo, you are contemplating whether to escalate the issue by going to the CEO. The only reason you have not already done so is the CEO's historic temper when confronted with negative situations.

The CEO has called an all-hands emergency meeting at 7:00 a.m. tomorrow. You are expected to bring all knowledge of this situation with you for discussion and creation of a comprehensive action plan.

Director of Manufacturing

You are the director of manufacturing. A graduate from the University of Alabama with a B.S. in industrial manufacturing, you have worked for NFG for twenty years. You are required to provide reports to top management on a weekly, monthly, and quarterly basis. Top management creates the exact measures of performance that you provide; although you have a say in what these reports focus on, you often disagree with their exact focus. Your overall performance is evaluated based more on numbers of units produced than on quality. Despite this, you enjoy working for the company. You consider the group like family, and especially appreciate the effort the CEO has made to make you feel valued and supported.

You are aware of the difficulties that the Ultra Tiller guard poses when used on the Turbo Tiller. Due to the Turbo Tiller's larger size, the guard is nearly impossible to replace after removal. Re-attachment of the shield requires a professional machine shop and additional assistance. However, with your knowledge of statistics, you know that, even without the shield in place, the chances of an animal or a person being injured by the Turbo Tiller are small. Thus, you agreed with the divisional vice president to bury a memo sent by the director of R&D stating related concerns. You both felt that the risks were small enough and that raising these concerns to your superiors would only cause headaches and paperwork. Furthermore, you need to stay on schedule in order to reach your volume goals if you are to earn your bonus.

You have also received several e-mails from the manager of the field service engineering department about reports of farmers operating the Turbo Tiller without the guard. When you requested statistical data regarding the number and location of occurrences and any related accidents, the field service engineering manager replied with field data indicating that more than 85 percent of all Turbo Tillers are eventually operated without the guard.

The CEO has called an all-hands emergency meeting at 7:00 a.m. tomorrow. You are expected to bring all knowledge of this situation with you for discussion and creation of a comprehensive action plan.

Director of Sales

You are the director of sales and have been with NFG for more than ten years. You were recruited from a competing firm and have more than twenty-five years of sales experience in the industry. Because of sagging sales, you face extreme pressure from above to meet your numbers. However, you feel that sales forecasts have been set unrealistically. Furthermore, these aggressive forecasts create churning within your department as your sales staff consistently complains that their quotas are unrealistic. Although you are adamant that declining sales are industry and product offering issues, you are reluctant to raise these concerns to the CEO because of his history of anger directed at messengers bearing bad news. You have witnessed this phenomenon firsthand as the CEO literally screamed at a coworker who brought a problem to his attention. On the other hand, the CEO has promised you a new BMW if your department reaches its numbers this year. Of course, you enthusiastically promised to achieve these results.

The Turbo Tiller has been a much-anticipated addition to your stagnant product portfolio, but you were concerned that it would be delayed due to red tape and wrote daily e-mails to the R&D manager about getting it to market on a timely basis. You have received a memo from the R&D manager about some legal concerns over the Turbo Tiller. However, you feel that these concerns are manufacturing's problem, not your department's. Furthermore, because the director of manufacturing received a carbon copy of the memo, you are sure that the concerns will be addressed appropriately.

You have organized training on this product for your sales staff that included proper operating procedures and the dangers of standing within five feet of the tilling blades. In addition to these training sessions, you arranged a separate class on how to address and downplay these concerns with customers.

The CEO has called an all-hands emergency meeting at 7:00 a.m. tomorrow. You are expected to bring all knowledge of this situation with you for discussion and creation of a comprehensive action plan.

Vice President of Public Relations

You are the most recent addition to the management staff at NFG, having been with the company for just three years. You obtained a bachelor's degree in human resources from Ohio State University and a master's degree in communications from Florida State University. Prior to working with NFG, you handled public relations at a nonprofit organization for five years. You took this job because you thought it would be a personal challenge to represent a larger, for-profit business. Besides, you were raised in Nebraska, and you are a farmer at heart.

Nearly six months ago, you learned that the company had developed and released a product that has some safety concerns. Most department heads were not concerned about the problem because of a lack of solid evidence that a danger existed. You have been monitoring the situation, although it has not been your highest priority due to recent union negotiations. Recently, the CEO informed you that a corporate meeting is imminent. As the vice president of public relations, it is your responsibility to gain information about public opinion to present to the CEO. As you begin to collect this information, you find disturbing news. Many consumers don't trust NFG because of its handling of a chemical spill five years ago. Additionally, many rumors are circulating about NFG's hiring practices.

You know that a single negative event can wipe out a company's reputation and destroy favorable customer attitudes established through years of expensive advertising campaigns and other promotional efforts. In this situation, you need to minimize the negative publicity yet still address the media. You suddenly wish the company had developed a crisis plan before this happened.

The CEO has called an all-hands emergency meeting at 7:00 a.m. tomorrow. You are expected to bring all knowledge of this situation with you for discussion and creation of a comprehensive action plan.