

Gilliland-Moore Wines  
09006001



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IO CONSULTING FIRM

File No. 09006001

Gilliland-Moore Wines

Employee Selection Process / Succession Planning

Gilliland-Moore Wines is a long-established California winery. Content to be a regional winery, the original owners built a successful business over a 20 year period where their products were sold throughout the state of California and Oregon. Sales were handled by a VP of Sales who managed four sales representatives.

The owners began the transition to retirement about five years ago and their children are now managing the company with ambitions to grow the winery and distribute their wines nationally. Initial efforts to expand into Nevada and Arizona were successful and so they continued their plans for expansion. In order to raise capital to fund their growth, the company has been taken public. In order to increase recognition of the company and their wines, the company has entered a number of well-known wine competitions. Recent wins in those competitions have drastically improved the winery's reputation, catapulting Gilliland-Moore wines into nation-wide distribution.

The rapid growth has caught them unprepared and they need to expand their sales force. They have determined that they want to structure their sales department with the existing VP of Sales, who will supervise four Regional Sales Managers whose territories will be divided along geographic lines. The company will hire ten sales team members. The sales team members will be divided among the regional sales territories and will report to the appropriate Regional Sales Manager.

Our point of contact with Gilliland-Moore Wines will be Annetta Cherne, HR Director. In order for the company to survive its rapid expansion, its new sales team needs to be successful and work well together from the very beginning. Given the importance of these decisions, Annetta would like our advice on how to select the sales team; i.e., whether to fill the positions from internal or external hires, characteristics to look for, how to structure the interview process, and any other traits that will suggest a qualified sales representative. While Annetta has a bachelors degree in Business Administration, her HR education consists primarily of seminar trainings. She has requested that we



provide her with an overview of the issues that we will be examining, as well as providing her with the rationale for each recommendation that we provide.

An additional challenge is that the current VP of Sales plans to retire in 18 months. We have been asked to provide counsel on setting up a succession plan. We do not have access to employee files, so we will not make recommendations on specific employees to be considered for the position. Instead we will advise Annetta of issues to consider in planning for succession.

The telephone interview with Annetta indicated that the company does not utilize a general counsel and does not have an on-going relationship with any law firm to handle labor and employment issues. We will also give Annetta an overview of legal issues that she should keep in mind as part of the interviewing/hiring and succession processes.

The company is considering filling the Regional Sales Manager positions with the current sales representatives, but may end up filling some or all of the positions with external hires. The ten sales team members will all be external hires.

See Annetta's email in the file for the job descriptions for all of the affected positions.

Our work will be divided into six phases.

#### Phase One Employee Selection and Development Overview and Proposal

Prepare an overview of the current research relating to employee selection and development.

Outline your preferred method for the Gilliland-Moore Wines project.

#### Phase Two Varied Selection Tools Overview and Proposal

Prepare an overview of the tools that can be administered to aid in the selection process.

Identify tests that would be appropriate for the selection process for the positions being filled by the client. Include intelligence and personality tests. Discuss how the tests you have selected will affect and aid the selection process for the specific positions at Gilliland-Moore Wines.

### Phase Three Overview of Interview Methodology and Proposal

Prepare an overview of common types of interviewing. Explain the advantages and disadvantages of each. Be sure to include

- structured and unstructured interviews
- behavioral descriptive interviews
- situational interviews
- biographical interview banks and data
- panel interviews
- stress interviews

Outline a series of interviews for use in filling the specific positions at Gilliland-Moore Wines. Set forth your reasoning for the selection of the different interview techniques.

### Phase Four Final Proposal

Based upon your work in Phases One, Two and Three, prepare a final proposal to be delivered to the client setting forth your strategy for filling the client's open positions.

For the Regional Sales Manager positions and the Sales Team Member positions discuss:

- Final Plan To Select And Recruit
  - Strategies you plan to implement
    - Types of selection tools to administer and why those tools would be useful
    - Describe the role of personality, intelligence, and other tests in the selection process
    - Your preferred method of selection interviews for each position; structured or unstructured.
    - The predictive validity of the chosen type(s) of interviews and psychological measurement (psychometrics).
  - How to develop each position in the future

For the Vice President of Sales position discuss:

- Characteristics and traits to look for in a successful candidate
- The advantages and disadvantages of trying to fill the position internally
- The advantages and disadvantages of trying to fill the position externally
- Issues to consider when doing succession planning

#### Phase Five Overview of Data Collection Techniques

Prepare an overview of data collection techniques. Include

- Records tracking
- Assessment centers
- Assessment instruments
- In baskets
- Leaderless group discussions
- Nonverbal tests
- Situational tests
- Interest tests
- Projective tests
- Work samples
- Weighted application blanks

Identify any techniques that would be helpful in the selection process for the VP of Sales, Sales Managers, and Sales Team Member positions Gilliland-Moore Wines. Explain your reasoning.

#### Phase Six Overview of Legal Issues

Prepare an overview that identifies the legal and ethical issues that can arise when using testing and measurement in diverse I/O settings, including the use of psychometrics in employment situations.

Select one of the identified issues and prepare a memo to Annetta Cherne explaining the legal and ethical implications of the issue and advise her how the company can mitigate its risks in utilizing such techniques.

To: Dawn Iwamoto@IC2.net  
From: Annetta Cherne@Gilliland-MooreWines.com  
Re: Gilliland-Moore Wines - Sales Manager Expansion

Dawn:

I am feeling much less anxious since we spoke this morning. I am so glad you're going to help us with this situation.

As I explained during the call, Gilliland-Moore Wines has been in business for almost twenty years and the owners have made a very comfortable living running a successful regional winery. Our wines were sold throughout California and Oregon. Glenn Schuchart was the original sales representative for the winery. As the wines gained in popularity and the winery's output grew, he became the Vice President of Sales and four sales representatives were hired to work under him. Formal titles were never given to the sales reps and while they would often work together and help each other out, they tended to split their work into four main areas - one handled accounts located in Oregon, one concentrated on accounts in Los Angeles, another worked in Northern California and the last worked accounts in San Diego and Southern California.

About five years ago the owners started to prepare for their retirement and their children began to transition into the management of the company. The children had plans to expand the winery and grow from a regional operation to a company with national distribution. The initial projects to expand capacity and begin distribution into Nevada and Arizona were very successful and exceeded even their most optimistic projections. To grow further, the children took the company public last year and have used the capital raised to further expand our capacity. Winning some prestigious wine competitions has spread the Gilliland-Moore reputation and demand for our offerings has exploded.

Our success has overwhelmed our sales department. We have decided to restructure the sales department with our current VP of Sales overseeing four Regional Sales Managers whose territories will be geographically determined. Each Sales Manager will oversee a number of sales team members (there will be 10 sales team members).

Glenn will remain the VP of Sales, for now. However, Glenn's wife had a cancer scare a couple of months ago. Luckily everything was benign, but apparently the experience has caused them to decide to retire sooner rather than later. Glenn has told us that he will be leaving

the company in 18 months. We had thought of making our current sales reps the four Regional Sales Managers, but after speaking with you this morning, we're now thinking that it would be better to fill the positions based on job duties and candidate skills and not just who has been employed the longest.

As I tried to stress on the phone, the sales team is now the lifeblood of the company. If the sales team isn't successful, it will cause the downfall of the business. I can't make the wrong hiring decisions. I need your guidance in how to choose the right candidates. Also, with Glenn planning to leave, I need advice on how to go about finding his successor.

I am attaching the job descriptions you requested.

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#### VP of Sales

The VP of sales and marketing oversees all regional sales management activities for Hanna Wineries. The ideal candidate would possess both excellent people- and task-oriented skills. The ability to interact with both the public and internal employees effectively and tactfully is a must. Excellent communication skills are extremely important and vital for success. The candidate needs to be a visionary and be able to design and implement organizational structure for the management team. He or she must be able to articulate where to focus for both present and future actions.

The candidate must also possess the ability to successfully delegate tasks and follow-up with the regional sales managers effectively and efficiently. Extensive knowledge of the product, the industry related to both current and projected market trends, as well as the competition, is required. This position answers directly to the COO, connecting sales team projected activities with the overall vision, mission and goals of the organization. Minimal travel required. The ideal candidate would need to be a self-starter, self motivated, innovative, independent, detail-oriented, and driven.

#### Regional Sales Managers

Regional sales managers oversee all sales team member activities for Hanna Wineries. The ideal candidate would possess both excellent people- and task-oriented skills. The ability to interact with both the public and internal employees effectively and tactfully is a must. Excellent conflict resolution and communication skills are extremely important and vital for

success. Extensive knowledge of the product, the industry related to both current and projected market trends, as well as the competition is required.

The candidate would need to easily both take direction from, and collaborate with, the sales director. He or she would also effectively and efficiently delegate tasks to the sales team members. Timely follow-up or support of the sales team is imperative for success. The candidate would strategically place sales team members with the appropriate sales accounts, hold all necessary team meetings and trainings, coordinate sales functions between team members and clients, and continually communicate with the marketing and advertising departments to schedule and deliver all promotional functions related to sales.

The candidate must also accurately monitor sales volume and fluctuations and be able to assess what is working well and what needs to be modified or eliminated. Interdepartmental functions are monitored by this position and related to all aspects of sales for their region. The position is responsible for all sales team promotions, route and account assignments, product and client quality control issues as well as all new sales account planning and development for their region. The regional sales position also works closely with human resources to decide on all final sales team hires and any disciplinary or termination issues for their region. The candidate must be skilled at making final, effective, and appropriate decisions for varying situations.

The ideal candidate must also be flexible, able to easily adapt to change, able to motivate sales team members in times of difficulty, and able to keep on track for both future and current trends or needs. This position answers directly to the sales director. Travel required up to 50%. The ideal candidate would need to be a self-starter, self-motivated, flexible, innovative, independent, detail-oriented and driven.

#### Sales Team Members

Sales team members oversee all sales accounts within assigned routes, including initial sales, confirmation of delivery, product placement and customer satisfaction follow-up visits or calls. Ideal candidate would possess both excellent people- and task-oriented skills. The ability to interact with both the public and co-workers effectively and tactfully is a must. Excellent communication skills are extremely important and vital for success.

The candidate would easily understand and follow directions from the regional sales manager and implement change and planned improvements immediately and effectively. Characteristics or traits for this position include being flexible, easily adaptable to change, energetic, charismatic, diligent, focused, detail-oriented and driven. Extensive knowledge of the product, the industry related to both current and projected market trends, and competition is expected. Minimal travel required. This position answers directly to the regional sales manager for its specified area.