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## THE GARDEN DEPOT

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*Karin Koopmans wrote this case under the supervision of Professor Elizabeth M. A. Grasby solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.*

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“I can’t take this anymore! When is Derek going to start doing his job?” exclaimed Janice Bowman, after hanging up the phone. It was an early June morning in 2007 when Bowman, office manager at the Garden Depot (The Depot), had again dealt with a very irate customer. The phone call was one of many that Bowman had taken during the past four months concerning the lack of communication between Derek Sinclair, the Barrie, Ontario, store’s landscaping manager, and his customers. This call was the last straw for Bowman, compounding her anxiety about numerous labor and organizational problems she had witnessed in the landscaping division. Bowman knew that extensive changes needed to be made if she were to do her job effectively while, at the same time, managing to avoid involvement in the landscaping division’s problems.

### THE GARDEN DEPOT

The Depot originated in 1985 as a small, family-owned floral company in Barrie, Ontario. As sales and profits grew, the company began carrying a larger variety of floral, gardening and lawn-care products. In 1992, The Depot launched a lawn maintenance department to capitalize on the growing desires of customers to have professionals take care of their lawns. Responding again to customer demand, The Depot created a landscaping division in 1998, offering complete custom landscaping packages, waterfalls and sprinkler systems. By 2007, The Depot operated a successful 12,000-square-foot retail store, a lawn maintenance division and a landscaping division (see Exhibit 1 for an organizational chart).

Due to the nature of the gardening business, The Depot’s sales fluctuated with seasonal demands. It was always a challenge to recruit and retain qualified staff, and management was often forced to downsize staff during the winter months. During peak summer months, 80 per cent of The Depot’s employees were students who would leave at the end of the summer to return to school in September. There was no formal performance appraisal system at The Depot, nor any defined job responsibilities. The Depot’s owners relied on department managers to deal with any labor issues.

**JANICE BOWMAN**

Janice Bowman began her career in the gardening industry in 1992, working as a general manager for one of Garden Depot's competitors. After 13 years of service, personal differences with management forced Bowman to leave the company. Upon hearing of her availability, The Depot approached Bowman with an offer in June 2005, which she accepted, to join the company immediately. Although there was no particular opening for her, management was confident that The Depot could benefit from her 13 years of operational knowledge in the industry. In her first few months, Bowman was asked to organize the computer inventory system and develop a material ordering system. After the first few months, Bowman began to work on other small projects within every division of the company, sharing her knowledge wherever it was needed.

Bowman described herself as a dedicated worker who was happy to help co-workers whenever they needed help. She was never one to say "that's not my job," and she could often be seen cleaning shelves on the retail floor. She took great pride in her job and wanted to ensure all areas of the business were running smoothly. She described herself as highly customer-oriented and would go out of her way to ensure customers had a positive experience with The Depot.

In March 2006, Bowman's manager, Dave Sampson, suggested they sit down informally and discuss her performance to date. The informal appraisal was highly positive; however, Sampson had noted that Janice was involved in too many areas of the business, and this level of involvement was not sustainable. They decided to loosely define her job title as "office manager," which included tasks such as inventory management, computer system management and logistics.

Although Bowman often worked seven days a week without complaint, she was growing increasingly frustrated with how The Depot's landscaping division was run. Since her job relied on information provided by this division, she deemed it her responsibility to try to solve many of the division's issues. She knew that if no action were taken, she would spend more hours trying to fix the division's mistakes and more hours taking customer complaints.

**THE LANDSCAPING DIVISION**

The landscaping division was responsible for designing and installing custom landscaping, including rock walls, gardens, waterfalls and sprinkler systems. The division employed 12 landscapers, 11 of whom were part-time summer staff. The department managed to complete approximately 50 landscaping jobs each year, which were fewer than what was demanded, resulting in many jobs being pushed back to the following spring if they could not be completed in the fall.

In January 2007, the manager of the landscaping division left the company to pursue other opportunities. In a move that was viewed as questionable by many full-time employees, The Depot's owner hired his 35-year-old son-in-law, Derek Sinclair, as the new manager of the division. Many staff worried that The Depot's owner was doing his son-in-law a favor by hiring him, given that he appeared unqualified for the position. Bowman noted some immediate problems with Sinclair's integration into his position and with his management capabilities.

**MURRAY KING, PRESIDENT**

Murray and Glenda King started the Garden Depot in 1985 based on their shared love of gardening. The husband-and-wife team had been equally involved in growing the business until 2004, when Glenda retired. Murray King was a “hands-off” manager who trusted his division managers to run their respective divisions appropriately. King worked at The Depot five days a week, spending most of his time in his office. Bowman’s interaction with King had been limited to asking him questions when she needed clarification. On more than one occasion, King would claim to know nothing about what Bowman was asking, leading her to believe he was quite removed from many of the day-to-day activities in the business. Bowman had observed that King spent endless hours crunching performance metrics in his office, but very little time was spent on planning the company’s strategic direction. Bowman chose not to involve King in any of the issues she was having with the landscaping division since he appeared to be far removed from its operations. In fact, King had commented on more than one occasion that Sinclair was doing a superb job and he was happy with Sinclair’s performance to date. Bowman noted that Sinclair had a strong rapport with King and would often be in King’s office chatting casually; in fact, if Sinclair had any concerns or problems, he took them directly to King for discussion.

**DAVE SAMPSON, GENERAL MANAGER**

Dave Sampson joined The Depot as its general manager in 2002 and was responsible for ensuring the overall financial health of the company. Sampson had a good relationship with all division managers and was well respected by all employees. Sampson spent most of his time in the retail side of the business, wherein he managed the retail staff, ensured the store looked presentable and kept an eye on sales levels and profitability. Despite this concentration, King had commented that Sampson was responsible for the operating efficiency of both the landscaping and maintenance divisions.

Sampson gave his subordinates a lot of autonomy to run their own divisions and intervened only when problems became too burdensome for managers to solve. Sampson was receptive and approachable; thus, many employees approached him for help. Sampson and Bowman were good friends and they often spent time discussing the company’s problems and how they might solve these problems.

**DEREK SINCLAIR, LANDSCAPING MANAGER**

Derek Sinclair joined The Depot as landscaping manager in late January 2007. Sinclair’s previous work experience included being a dispatcher at a local towing company, where he claimed to learn skills such as paying attention to details and strong customer orientation. Beyond these skills, Sinclair had no prior experience in the retail, construction or landscaping environments, and he had no previous management experience. As a manager at The Depot, Sinclair’s responsibilities covered four key categories: organizing and deploying landscapers to job sites, dealing with customers and responding to customer concerns, invoicing completed landscaping jobs and traveling to clients’ homes to quote<sup>1</sup> jobs.

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<sup>1</sup> *Quoting involved meeting the customers at their homes to discuss their landscaping goals and providing these customers with a cost estimate of the job.*

## EARLY PROBLEMS

Within a few weeks, Bowman noticed many of Sinclair's limitations in his role. First, because he lacked any experience in landscaping, Sinclair was unable to answer specific customer questions when they called, which often led him to avoid answering the phones altogether. Bowman also noted that many jobs were not priced according to the cost of the materials being used; she suspected that Sinclair was not accurately quoting jobs since he was unsure which materials would have to be used. Whenever Bowman approached Sinclair's desk, she noticed numerous incomplete invoices scattered over it, some with dates many weeks old. This meant that clients were not getting billed for landscaping work that had been completed. Bowman sympathized with Sinclair, so she had approached him at the end of February to offer help with the invoicing responsibilities. Sinclair appeared relieved and was happy that Bowman had come to his aid.

By the end of March, Bowman had taken over the majority of Sinclair's invoicing duties, in addition to her own job responsibilities. While her initial offer was to help alleviate some of Sinclair's load, Bowman soon found that Sinclair was sending her every single invoice and was not completing any of the work himself. After four weeks, Bowman had become frustrated. She had spent four Saturdays catching up on the invoicing, while noting that Sinclair had not worked a single weekend since his employment with The Depot.

Bowman approached Sampson about the situation:

Dave, I feel like I'm being used. It has become clear that I am doing all of Derek's work on top of my own. I am simply running out of time to get everything done. I'm spending all my weekends here to catch up on *his* work!

Sampson agreed that this was not Bowman's responsibility, so he approached Sinclair and told him that he would need to find a way to manage the invoicing on his own. Bowman felt relieved that Sinclair would be reclaiming this work, and she could return to concentrating on her primary inventory management responsibilities; however, it wasn't long until continuing problems in the landscaping department resurfaced.

## INVENTORY CONCERNS

### Job Slips

Bowman was solely responsible for ensuring that parts and supplies arrived in a timely fashion and were in ample supply when required by the landscaping division. Stock-outs were costly to the company since it could hold up a client's job for numerous days until additional supplies could be ordered. In order to account properly for the flow of goods, the landscaping division was responsible for forwarding customer invoices and job slips to Bowman. A job slip was a list of all supplies and materials used at a job site in order to accurately charge clients for the material cost of their landscaping (see Exhibit 2 for a sample job slip.) Bowman would then take the supplies used on each job out of the computerized inventory system and reorder supplies if necessary. She also ensured that payments were received from customers. Not long after Sinclair had resumed his invoicing responsibilities, Bowman began to note that the customers' invoices were still grossly underpriced on the job slips, since the listed materials were not the actual materials used on the job.

Bowman was also struggling to keep track of the materials that had been used on each customer's job. She was constantly receiving job slips that were clearly missing materials that would have had to be used, given the nature of the job being invoiced. For example, if a customer had received a sprinkler system for a 1,000-square-foot yard, a minimum of six sprinkler heads would have had to be used. Bowman would receive a job slip listing three sprinkler heads and hardly any plumbing supplies. She assumed that the landscaping staff was either too lazy to account for each and every material item used or they didn't know what parts they were using and could not describe them on job slips. To alleviate this problem, Bowman prepared detailed binders with pictures and product codes for all materials used on a job site and gave a binder to each of the 12 landscapers. Despite all of these efforts, Bowman still noticed inconsistencies on the job slips and was forced to track down the landscapers to clarify which materials had been used.

Bowman finally decided to approach Sinclair about the issue.

Bowman: "Derek, you need to go over each job slip with staff and ensure that they are complete. I've found many parts missing off these slips, and I don't trust that customers are getting billed accordingly. I simply can't spend time chasing every worker around to make sure the job slips are correct. I suspect we are losing a lot of money on these jobs."

Sinclair: "Is it really a big deal? A dollar here and there isn't going to affect the company. The parts used on these jobs are not expensive."

Bowman: "Well, I suspect that we are talking about more than a few dollars. Even so, if I can't keep track of how many parts we have in inventory, I'll never know when to reorder them. It's too costly to run out of parts."

Sinclair: "All right, Janice. I will make a stronger effort to review the slips and keep the inventory on track. If it takes me reviewing each and every one at the end of the day, I'll do it."

Although Sinclair's promise sounded sincere, Bowman noted that when the landscapers returned to The Depot at 6 p.m. after completing their jobs, Sinclair had already left for the day and the job slips were not reviewed.

### **John Campbell**

When walking by Sinclair's desk, Bowman was surprised to see John Campbell, a part-time student landscaper, at the computer entering new invoices. Campbell explained that Sinclair had told him that he was now responsible for invoicing duties and that he was not sure how to do them. Bowman could not believe that Sinclair had shifted this responsibility to someone with no invoicing experience, and she suddenly realized that the past weeks' invoices were most likely not accurate. Bowman told Campbell not to hesitate to ask her if he had any questions. In the four weeks that passed, Campbell never approached Bowman with any questions, so she believed she had no choice but to fix the invoices herself. Though displeased with this arrangement, Bowman chose not to complain to anyone, and she continued to fix invoices on her own.

## OTHER CONCERNS

### Sinclair's Leadership

Bowman knew she was not the only one questioning Sinclair's ability. Bowman's son, Marcus, had recently joined the landscaping staff on a part-time basis and had daily interaction with Sinclair. With 12 years of previous experience in the garden industry, Marcus knew all aspects of landscape planning and building. After one month working under Sinclair's leadership, Marcus commented:

I've never seen a landscaping department run so poorly. Derek is completely useless at all aspects of his job. He has no time-management skills or concept of how to schedule landscaping jobs in a time-effective manner. He lacks a customer focus and often avoids taking customer calls. Everything Derek does is reactive, always waiting for customer complaints rather than taking action to provide good service. I'm sick of showing up at customers' houses and getting yelled at for Derek's incompetence.

Bowman wondered whether other staff members felt the same way. She was concerned about the impact Sinclair's leadership may be having on staff morale.

### Customer Complaints

Bowman was getting increasingly anxious about the large number of customer complaints she was receiving. When a customer called the store looking for a specific person, they could either leave a voicemail for the requested person if he or she was not available, or they would be given the opportunity to speak with someone else. Bowman was well known and well liked by many of The Depot's regular customers and, thus, was often asked for on the phone by name. Unfortunately, the majority of the calls Bowman was taking lately were customer complaints about how Sinclair had not returned his calls or how their invoices were not similar to the quote provided by Sinclair. Bowman often sympathized with customers, commenting:

It's just not fair to the customers. All they want are updates on when they can expect their landscaping job to be completed, and Derek doesn't bother to call them back. It really doesn't take a lot of effort to keep customers happy — it's all about communication. I find myself promising customers that I will personally follow up with them after speaking with Derek, which only adds to my workload. I'm tired of getting yelled at for circumstances not under my control, and I feel guilty working for a company that treats customers so poorly.

Bowman was unsure whether she should approach Sinclair about these concerns and, if she did, whether she could trust that he would change.

### Staff Problems

Bowman's concerns about the landscaping division and Sinclair's management style were exacerbated by the strange behavior of one of the landscapers, Jayme Strong. Jayme joined The Depot's staff as a full-time landscaper in April 2007. He had two years' previous experience with another landscaping company, and he appeared to get along well with the other staff. Strong was expected to work approximately eight

hours a day, five days per week. When Bowman received the employee time cards,<sup>2</sup> she noticed that Strong's assigned jobs took longer than comparable jobs on other employees' timecards (see Exhibit 3 for a sample time card.)

One day, Bowman was speaking with a long-time customer, Mr. Gladwell, who had purchased some rocks and garden supplies to create his own landscaped garden. At numerous points in the conversation, Mr. Gladwell mentioned how Strong had arranged the flowerbeds and installed things so beautifully.

Knowing that the customer had not paid for any installation services from The Depot lately, Bowman approached Sinclair:

Bowman: "Derek, I just had an odd conversation with Mr. Gladwell, who mentioned that Jayme had installed some of his flowerbeds. Didn't he only purchase materials from us?"

Sinclair: "Oh yes ... Well, Jayme just did some of the install for him while he was in the area. It's not a big deal really. We made enough money off of selling him the materials anyways. Who cares?"

Bowman simply shrugged and walked away, appalled that Sinclair would let Strong do volunteer work on company time. She wondered whether Strong had masked this work at Mr. Gladwell's in his time cards by extending his reported time on other jobs. She was concerned that other customers may have been overcharged for hours that Strong was not actually working there. Furthermore, was Strong charging Mr. Gladwell for his work and keeping the money himself?

Bowman began to think Strong was not only dishonest recording his time cards but also potentially stealing goods from the company. In early April, right around the time Strong joined the staff, Bowman was baffled when a sprinkler system, which was in stock according to the computerized inventory, was nowhere to be found. A few weeks later, The Depot's bookkeeper approached Bowman with an interesting story. She mentioned that friends of hers had a new state-of-the-art sprinkler system installed, which they gushed was a "bargain deal." They mentioned that they bought the system from a young man named "Jayme" who had also been kind enough to install it for them at a very cheap rate. Bowman thought this was very suspicious but she had no proof to confirm what she thought to be true — that Strong was working on personal jobs on company time and stealing supplies to do them.

Bowman had mentioned these odd occurrences to Sinclair, but he never expressed as much concern as Bowman. Although Bowman knew that Sinclair was Strong's boss, Sinclair appeared to have no desire to discipline Strong in any way or to further investigate these mysterious situations. Bowman was finding it difficult to ignore behavior that could have devastating effects on the company's financial position and reputation.

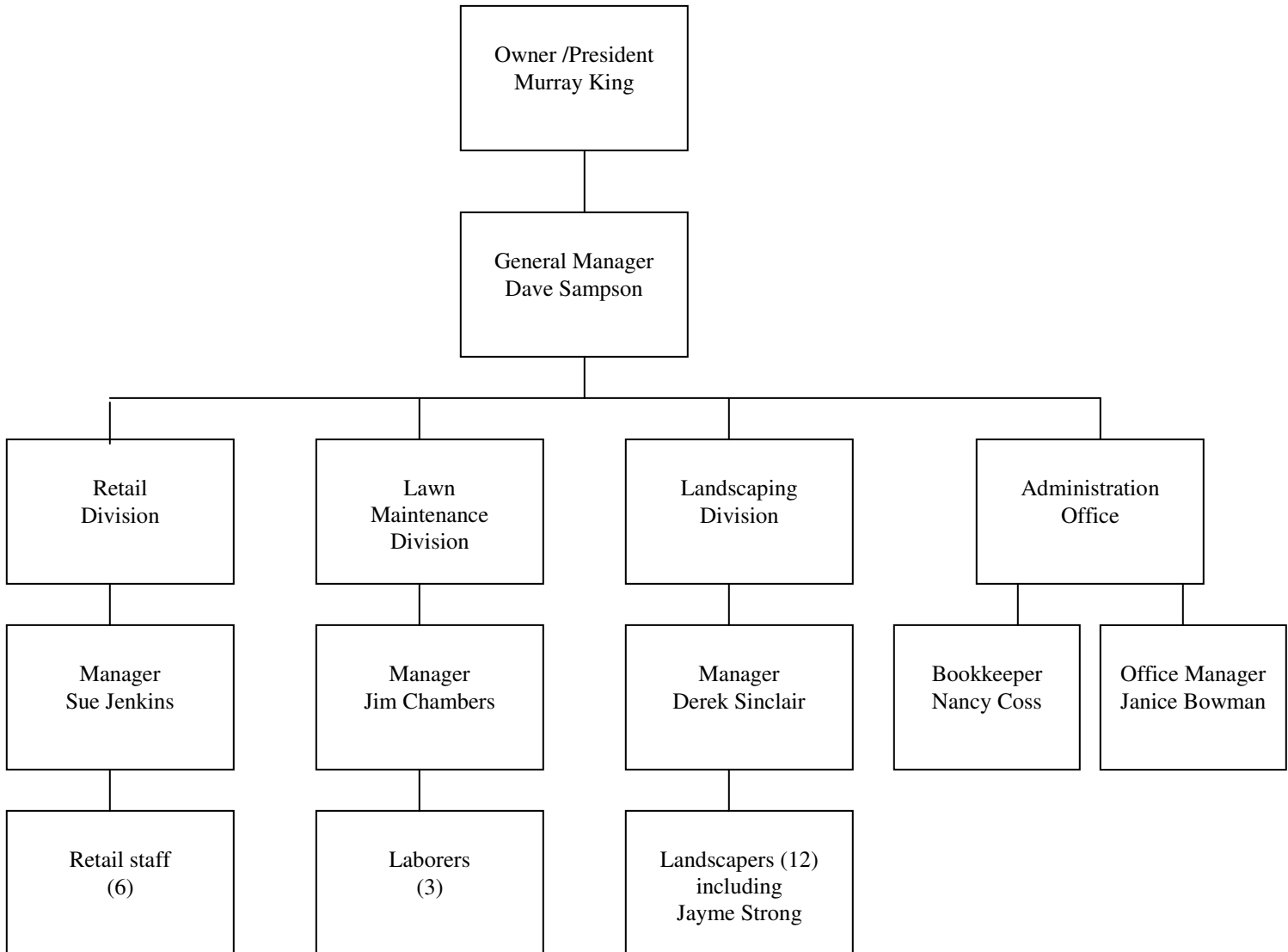
## THE FINAL STRAW

After hanging up with yet another irate customer, Bowman was exasperated. This was not the first complaint she had to deal with concerning Sinclair and his refusal to return customers' calls or to keep them informed about the progress of their landscaping job. In Bowman's view, the landscaping division was completely disorganized, and she was not confident that Sinclair was interested in keeping things under control. Bowman feared that soon customers would be going elsewhere and the longevity of company would be in question. She knew something would have to change if she was going to continue working at The Depot, but she did not know where to start.

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<sup>2</sup> Employees were required to fill out time cards. The time cards detailed which jobs they worked on and for how long.

**Exhibit 1**  
**ORGANIZATIONAL CHART**





**Exhibit 2**  
**SAMPLE JOB SLIP**

Customer Name: M. Jones		Job #: 006	Date Job Completed: April 16, 2007		
Flowers/Shrubbery Quantity/Description	Rock/Stone	Plumbing/Fittings	Misc.		
<u>2</u> Potted Gardenias	___	<u>5</u> Elbow fittings	<u>4</u> A+ 4lb Soil		
<u>8</u> Rose buds	___	<u>6</u> Bronze Sprinklers	___		
___	___	___	___		
___	___	___	___		
___	___	___	___		
<u>10</u>	___	<u>11</u>	<u>4</u>	<b>Total</b>	

Exhibit 3

SAMPLE TIME SHEET

Employee Name: K. Roberts      Employee #: 002      Time period: April 1/07 – April 7/07		
Date	Customer Name (hrs)	Hours
Mon 01	Simpson (4), Cobb (2), Gyll (2)	6
Tues 02	Sanders (3), Walsh (2), Cobb (2), Leighton (1)	8
Wed 03	Gyll (2), Warner (1), Walsh (3), Cobb (2)	8
Thurs 04	Leighton (5), Simpson (2)	7
Fri 05	Warner (4), Gyll (1), Simpson (3)	8
Sat 06	Day Off	
Sun 07	Day off	
<b>Weekly Total Hours</b>		<b><u>37</u></b>
X <u>K. Roberts</u>		