

PROBLEM SOLUTION: INTERCLEAN, INC.

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TRENT RHODES

Problem Solution: InterClean, Inc.

The sanitation industry, previously a market seeking simple solutions to cleaning services, has developed into a more complex and demanding sector in business. Several changes can be attributed to this shift. First, the onset of globalization created a dynamic web of interconnections, providing communication opportunities to people from numerous nations. The speed of this communication has begun to expand the awareness of politicians, business owners and customers alike to the major challenges facing the planet. Second, the globalized phenomena contributed to the new awareness of environmental safety due to evidence supporting climate change. Third, industries are responding to this change in customer wants and needs by providing products and offering services that focus on cleaner technology, “greener” consideration for the environment, and emphasizing their respect for environmental compliance.

Interclean Inc., a powerful competitor in the sanitation industry, perceives this shift as both an opportunity for growth and potential disaster. The company’s senior executives experience this change as a need for survival and potential to thrive simultaneously; in order to remain a top competitor in the industry, Interclean Inc.’s Chief Executive Officer David Spencer, proposed a change in how it provided services to its clients. While simple solutions were provided to customers in the past, Spencer realized the need to offer clients complete package solutions, customized for the client’s particular needs.

In order to accomplish the solution-based model, current sales representatives will be trained in a multi-functional environment, attaining several skills and bases of knowledge to service clients. In addition, the approaching merger with EnviroTech is anticipated to bring in a new, effective organizational culture with a broad set of skills and vast experience among its acquiring employees.

These changes prompted internal responses which will have to be effectively managed if InterClean Inc. expects to survive and thrive in their evolving industry. In this document, the author outlines the company's major challenges, areas of opportunity and an effective package of solutions increasing the likelihood of success in InterClean Inc.'s future.

Situation Analysis

Issue and Opportunity Identification

A thorough assessment of InterClean's issue and opportunity identification revealed the challenges regarding organizational capability. The capacities of the organization reside in the investment and direction of its human capital or employees. As current Chief Executive Officer, David Spencer unveiled an ambitious strategy for InterClean Inc. to employ. The direction would be set by the new demand for efficient, complete solutions packages and globalized awareness of environmental challenge; in order to meet these rapidly changing expectations of the market, InterClean Inc. acquired EnviroTech and implemented a series of human resource evaluations to gain a clearer sense of the current employee environment. Disgruntled and concerned employees exist due to the changes in training and their expectations when mergers are successful. Employees have already decided to resign, and this series of actions triggered other employees to question their own longevity within the organization. Opportunity exists for David Spencer and Janet Durham of Human Resources to begin a campaign which reassures employees of their valuable contributions to the organization, how they can continue to contribute, and consequently easing growing concern over job security.

To effect successful change to a solutions-based selling model, employees will require new training methods to absorb the knowledge and effectively apply it when engaging clients. With a goal of reaching profits of 40%, a strong focus on the development of the sales team will be necessary. An issue facing InterClean Inc. regarding training and development is how these methods will be received and absorbed. Employees from both EnviroTech and InterClean Inc. have been evaluated on the levels of experience in the industry, knowledge bases and capacities. This uncertainty can be transformed into an advantage through engagement with employees,

establishing a feedback system. In this structure, employees can provide ideas and experiences from the new training. A consistently open line of communication would reinvigorate and empower employees to offer insights that directly affect the organization. This confidence would then lead to enhanced morale and trust among management and employees. Demonstrating to employees their input counts would help them regain a sense of purpose within the organization.

The above areas of opportunity, training/development and maximizing organizational capacity rest on the ability of management to effect motivational change. The ability of the visionaries to transmit that vision to all members of the organization and garner support requires open communication and a level of trust in all employees' well-being. Chief Executive Officer, David Spencer realizes a potential barrier to achieving this is the Vice-President of Marketing, Tom Jennings. Mr. Jennings's ambition is to establish a dominant position in the industry; at the same time he believes InterClean Inc.'s new strategy is a barrier to his goals. His expressed opposition against the solutions-based selling model could carry with him several supporters. If this is assumed valid, a division of ideas and progress towards the new strategic plan could widen and create chaos within the organization. This is an opportunity for both Janet Durham and David Spencer to begin working on gaining support from employees from each department, especially Tom Jennings' to lessen the possibility of major protest. In addition, an opportunity to strengthen relationships with employees could become an asset in the transition.

Skill assessment and development has become an issue for InterClean Inc. Carol Stanley is charged with the evaluations of current EnviroTech and InterClean Inc. employee skill and experience ratings. While management understands these evaluations to be valuable information in knowing where each employee's strengths are, some employees appear to feel concerned over them. Some employees observed by the author in the scenario engaged in conversations of

uncertainty over whether they would be able to handle the increase in responsibilities. Complete-package selling requires sales representatives to be knowledgeable in multiple areas. More extensive training has been the solution to develop more knowledgeable employees. Feedback in this element of low morale is an area of opportunity for management and employees to develop deeper relationships built on trust and an open flow of communication.

Increasing turnover has become an additional challenge for InterClean Inc. Information through the employee grapevine revealed to the author the concerns of employees who believe they will be fired. Some alluded to remaining with the organization for as long as he could while another was heard to have resigned. Lack of assurance about knowing how they will fit into the organization as it changes lead to rising turnover. A merger may consistently manifest anxiety over job security, and the acquisition of EnviroTech employees may be no different. Quelling the sentiment providing activities and team development structures can ameliorate this organizational wound.

Stakeholder Perspectives/Ethical Dilemmas

Employees as stakeholders in the InterClean Inc. scenario hold a powerful position; without their cooperation and effective performance, the organization would fail to succeed. Many employees face dilemmas stemming from not knowing how they will fit into the new strategic vision. Their interests are vested in management's understanding and handling of compensation, job opportunities and security. As they receive new training, hear of approaching layoffs, confirmed by those who resigned and experience working with EnviroTech employees, InterClean Inc. workers have a right to knowledge of their own job security and position in the organization.

Executive management functions as the directors steering the new solutions-selling business model into fruition. The stakes they place on the successful of this venture include their compensation, reputation and likely current employment. As the merger solidifies, management may face several ethical challenges, including whether to relieve an employee of their position due to weaker skill sets or develop them, how to solidify the relationship with disgruntled employees, and how to convey their message of a complete solutions sale to clients without the reputation of mass layoffs.

Clients make up the third sector of stakeholders. Changes in the global sanitation industry worked to shape their understandings and wants in the market. Their interests include receiving the highest quality service they could find and establish long-term relationships with sellers who can supply them with customized solutions; clients value their individuality and now require more personal interaction with their sellers.

Problem Statement

InterClean Inc. will increase profits by 40% and become a solutions-based selling organization by strengthening organizational cohesion and effective training and development.

End-State Vision

InterClean Inc., once a major competitor in the sanitation industry has become the industry leader through its successful implementation of customized and complete solutions serviced to its clients. Developing long-term relationships with each client provides InterClean Inc. with opportunities for rapid expansion and market acquisition. Profits increased 40% as targeted, and the energies of each department are focused on the singular vision of providing environmentally positive, individualized packages. A sense of unity exists within the organization, as the merger with EnviroTech proved a successful plan of action, strengthening organizational cohesion.

Alternative Solutions

Issue: Employees are not trained on how to deliver customizable solutions

Opportunity: Management can gain feedback on effectiveness of training

Alternative Solution: InterClean Inc. will remodel training curriculum

Issue: Increased turnover rate due to employee uncertainty about job security

Opportunity: Management can strengthen organizational cohesion

Alternative Solution: InterClean Inc. will develop morale-building activities

Issue: Employees concerned about learning new tracking software

Opportunity: Management can gain feedback from employees trained on new software

Alternative Solution: InterClean Inc. will enhance IT software

Issue: VP of Marketing Tom Jennings opposes the new strategic vision

Opportunity: Management can find an alternative for his position or gain his support

Alternative Solution: Management will gain support or replace T. Jennings

Analysis of Alternative Solutions

Remodeling of the employee's training curriculum received the highest weight at 4.29 due to its central influence in the process of transforming InterClean Inc. into a complete-package seller. Employees currently do not have the skill sets and knowledge necessary for the solutions model; this emphasizes the need for efficient and sensitive training methods. A combination of fields and knowledge bases employees will be exposed to, including environmental laws and compliance. Should this curriculum fail in its purpose to develop employees to the desired capacity, their performance will lag and clients would not be effectively serviced. Weight is strongest at the curriculum level because it remains the source of either progress or degradation for the new vision.

In connection with the training and development curriculum, the enhancement of the company's information technology rated at 4.29. The strength of this weighting resides in how it directly enables or disables employees from effectively servicing clients. The scenario provided evidence of some employees having difficulty adjusting to new software; misunderstanding the tracking software would have employees slow down production in an attempt to figure out how to apply the software and lose focus on client service. A recreation of the software the author recommends, including consistent feedback from employees while they use it. The author suggests creating pilot software and allowing employees to train on that while utilizing the previous software. The new software would improve with feedback and gradually take over as the dominant software.

Morale-building activities received a weight of 4.07 as it relates to strengthening organizational cohesion. A dangerous combination exists at InterClean Inc. which includes an acquisition, a change of strategy and change of selling model. Employees adjusting from these

elements may find difficulty in focusing on optimum performance in their job responsibilities because of pressure and looming concern over job security. Activities to develop morale such as in-house sports teams, company trips and more frequent meetings contribute to the sense of belonging and value of each employee.

Tom Jennings received the lightest weight of 4.00. As Vice President of Marketing, he strongly opposed the position InterClean Inc. decided to take. The strength of Tom's leadership is unknown to the author, but recognizes the importance in acquiring alliances with members of the marketing department in case Tom worked to make his opposition more known. Tom could be attempted to reason with regarding his position. If his stance becomes overbearing, a potential solution would be to conduct an executive search for a replacement VP who shares the company's new vision.

The use of new IT software risks employees not understanding the new architecture and consequently rejecting it. Misuse or lack of understanding could weaken motivation. A second risk includes the time duration; there is no contingency should the software take an abnormally longer time frame for rollout. Probability of this scenario remains at medium.

Risk Assessment and Mitigation Techniques

Risks of creating a comprehensive training and development plan include a rejection or ineffective response to the training from employees. This probability remains at the medium level because of its effect on the entire employee development process. If ineffective training is used, clients will experience the ineffectiveness in employees' presentations. Sales would ultimately be affected, limiting InterClean Inc. in its attempt to reach 40% profits. Unsuccessful selling may harm the company's brand remove itself from being a strong competitor in the industry. Mitigation against these hazards includes employee feedback throughout the training process; they must be recommended to provide understanding and trust in opening up to areas which challenge them. Consequences include ineffective selling and detailing of customer history; each of these areas affect the way employees engage clients; this produces high severity, as it affects sales and profits. Mitigation against this includes feedback provided by employees while testing a pilot version of the software. This allows the software to be edited real-time based on effectiveness in use.

Optimal Solution

The optimal solution for InterClean Inc. includes a successful acquisition of EnviroTech. Once the legalities are taken care of, training and development curriculum will be put in place and immediately in use. New software and consistent feedback keep management and employees in mutual understanding. Activities to build morale and create a sense of union within the organization work to support the new vision. Tom Jennings, VP of Marketing would be addressed for his support or opposition and absorbed or replaced as needed.

Implementation Plan

Two months can be allotted for the IT Department to benchmark client software tracking systems, experiment with each and work to combine those elements.

Human Resources may take up to three months to complete the employee training curriculum and system, including simulations and other forms of testing capable of completion independently. In addition to training, HR would be charged with conducting sales representative searches in anticipation of rapid growth after acquisition.

Finally, in anticipation that Tom Jennings opposes the new strategy to a level of creating chaos or disorganization, CEO David Spencer and Human Resources Vice-President Jane Durham may conduct executive searches within the first one to two months after acquisition.

Evaluation of Results

To measure the progress of enhancing the solutions knowledge base of employees, the author recommends using training test results provided by-monthly. Due to the immediacy of sales representatives having to apply this knowledge, they must be able to acquire this knowledge and use it as efficiently as possible.

Job satisfaction surveys are the author's choice of measuring the strength or weakness of the organization's unity. Given quarterly, this research enables management to more effectively respond to employee concerns and amplify their enjoyments about their contributions.

Profits being a major goal, 40% was set as the benchmark. Monthly sales can produce the data necessary to develop trends. Monthly sales goals and quotas make for extended individual and team challenges.

Conclusion

InterClean Inc., competitor in the sanitation industry produced a new vision in response to the global market change in environmental awareness and personalized solutions. Its shift towards a new model of solutions-based selling created an immediate need for HR training and development, the acquisition of EnviroTech and internal challenges remedied by stronger organizational cohesion. Through the author's research, areas of opportunity and issues were discovered to shed awareness on the critical areas affecting InterClean's success.

References

Dougherty. Dreher. (2001). *Understanding Behavior in Organizations*. The Effective Management of People. New York: The McGraw-Hill Companies.

Dougherty. Dreher. (2001). *Human Resource Systems*. Staffing, Reward, and Development Systems. New York: The McGraw-Hill Companies.

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Table 1

Issue and Opportunity Identification

Issue	Opportunity	Reference to Specific Course Concept (Include citation)	Concept
<p>CEO David Spencer possesses an ambitious vision of acquisition and strategic global expansion. The strategy includes becoming an initiate in providing complete solutions to clients and customers rather than singular tools and general consultation. InterClean’s challenge will demonstrate itself over the long-term: recognizing the pivotal value of hiring and retaining its most capable employees. The integration of EnviroTech employees may create an environment of uncertainty and heightened inter-competition. Responsibilities of employees will also widen, thus potentially triggering organizational conflict.</p>	<p>Opportunity exists for David Spencer and Janet Durham of Human Resources to begin a campaign which reassures employees of their valuable contributions to the organization, how they can continue to contribute, and consequently easing growing concern over job security.</p>	<p>“In addition to competing merely on price through financial capability, or product quality and innovation, high-performing companies engage in an explicit competition for the most capable employees” (Dougherty, Dreher, 2001, p. 4)</p>	<p>Organizational Capability</p>
<p>InterClean’s strategic change to a complete-solutions form of selling will require sales employees to become well-versed in several areas including sanitation, ethics, regulations and environmental safety. In order for this expanded knowledge base to be implemented successfully, Human Resources will be charged with successfully developing training and development programs that match employee capabilities</p>	<p>A consistently open line of communication would reinvigorate and empower employees to offer insights that directly affect the organization.</p>	<p>“Thus, firms must take care to select people with the ability and willingness to learn and develop, and they must establish reward practices that encourage employees to participate in training activities” (Dougherty, Dreher, 2001, p. 7).</p>	<p>Training & Skill Development</p>

and current knowledge.			
<p>There is a strong standing of support for the new strategic vision. In contrast, executives such as VP of Marketing, Tom Jennings, oppose the change. Employees experiencing fear or concern regarding job security also do not completely accept the new vision, and the EnviroTech acquisition augments this feeling. To ensure a smooth transition, management will have to develop ways to motivate key personnel to support the risk and charge for change.</p>	<p>An opportunity for both Janet Durham and David Spencer to begin working on gaining support from employees from each department, especially Tom Jennings' to lessen the possibility of major protest</p>	<p>“People must come to believe that change is necessary and must commit to abandoning the status quo for an uncertain future” (Dougherty, Dreher, 2001, p. 16).</p>	<p>Motivating Change</p>
<p>Carol Stanley, Internal Consultant began compiling an inventory of skills and aptitudes of current employees. These assessments were in response to the new training and development for future implementation, and to gauge the current value each employee contributed to the organization. Based on these assessments, further development will go into training employees by locating the optimum means for their growth and knowledge retention. Employees have interpreted the assessments as ways to find out which of them is most or least suitable to continue with InterClean in its new strategy.</p>	<p>Feedback in this element of low morale is an area of opportunity for management and employees to develop deeper relationships built on trust and an open flow of communication.</p>	<p>“Does the company approach training from a coaching, on-the-job, apprenticeship, job rotation, and project team assignment basis, or is there an emphasis on the use of formal training centers and programs (e.g., the corporate campus, teleconferencing, computer assisted and programmed instruction)” (Dougherty, Dreher, 2001, p. 60)</p>	<p>Training-Method Orientation</p>
<p>InterClean Inc. management has already obtained information via grapevine of potential terminations. The work environment has become unstable and employee morale decreased. The knowledge of</p>	<p>Quelling the sentiment providing activities and team development structures can ameliorate this</p>	<p>“Turnover is costly because replacements must be recruited, selected and trained. A high voluntary turnover</p>	<p>Costs and Benefits of Turnover</p>

<p>EnviroTech’s integration has been an addition to the rising level of turnover for InterClean’s organization. VP of Human Resources, Janet Durham, will face this challenge of mellowing the strengthened sentiment existing among employees; casual conversations noted in the scenario proved employment uncertainty and fellow coworkers who decided to resign from the company. Those members with significant time vested into the company also feel uncertain of their futures. InterClean’s HR department will be challenged to slow the decreased morale, and simultaneously take advantage of non-fit candidates who depart, paving the opportunity for more fit candidates to come on board.</p>	<p>organizational wound.</p>	<p>rate can also disrupt the social and communication patterns among stayers and increase stayer workloads and stress levels” (Dougherty, Dreher, 2001, p. 115).</p>	
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Table 2

Stakeholder Perspectives

Stakeholder Perspectives	
Stakeholder Groups	The Interests, Rights, and Values of Each Group
InterClean Inc. and EnviroTech Employees	Job Security; Compensation; Work Environment; Knowledge of Organizational Changes
Executive Management	Change of Direction; Meet Performance Goals; Ensure Merger is Successful; Establish New HR System
Customers; Clients	Excellent Customer Service; Customized Support; Buying Environmentally-Conscious Products

Table 3

Analysis of Alternative Solutions

Alternative Solution Evaluation Matrix						
		GOALS				Final Rating
		Enhance Solution-Based Selling Knowledge of Employees	Increase Profit by 40%	Strengthen Organizational Cohesion		
Relative Importance (Weight)==>		5	4	5		
ALTERNATIVE SOLUTIONS	Primary Alternative Solutions					
	A) Remodel Employee Training Curriculum	5	5	3		4.29
	B) Develop Morale-Building Activities	4	3	5		4.07
	C) Enhance IT Software	5	5	3		4.29
	D) Gain Support of Tom Jennings	4	4	4		4.00
	E)					-
	Secondary Alternative Solutions					
						-
						-
						-

SCALE==>	5 = High
	4 = Middle to High
	3 = Middle
	2 = Low to Middle
	1 = Low

Table 4

Risk Assessment and Mitigation Techniques

Risk Assessment and Mitigation Techniques			
Alternative Solution	Risks and Probability	Consequence and Severity	Mitigation Techniques
Modify Comprehensive Training Plan	<ul style="list-style-type: none"> • Low employee response to training • Training shown to be ineffective • Probability = Medium 	<ul style="list-style-type: none"> • Lower sales • Unsatisfied customers • Weakened Brand • Severity = High 	<ul style="list-style-type: none"> • Welcome feedback from employees during training • Track effectiveness during sales
Enhance IT Software	<ul style="list-style-type: none"> • New software may be difficult to use • Excessive time duration for completion • Probability = Medium 	<ul style="list-style-type: none"> • Ineffective client tracking • Ineffective solution-based selling • Severity = High 	<ul style="list-style-type: none"> • Pilot the software for employees while they officially use initial version • Allow employees to provide feedback on comparison
Acquire Support or Replacement of Tom Jennings	<ul style="list-style-type: none"> • Tom may resist change • Supporters of Tom may resist with her • Probability = High 	<ul style="list-style-type: none"> • Increased employee turnover • Weakened organizational structure • Severity = High 	<ul style="list-style-type: none"> • Present data supporting success • Gain support of employees under Janet • Provide Janet with incentives to support new model

Table 5

Optimal Solution Implementation Plan

Deliverable	Timeline	Who is Responsible
Sales Tracking Software Benchmarking and Selection	2 Months	IT Department
Employee Training System	3 Months	HR Department
VP of Human Resources Executive Search	1-2 Months	Chief Executive
Sales Recruiting Search	6 Months	HR Department
Compliance Audit	1 Month	Sam Walters

Table 6

Evaluation of Results

End-State Goals	Metrics	Target
Enhance Solution-Based Knowledge of Employees	Training Test Results	Tests Implemented Bi-monthly
Increase Profit by 40%	Monthly Sales Tracking	Establish Monthly Goals on Returns
Strengthen Organizational Cohesion	Job Satisfaction Surveys	Surveys Issued Quarterly