Baylor Business Value Analysis 2022
Seller Scenario

The BBVA competition provides Baylor ProSales students with an important skill-building experience in developing and presenting complex value issues to customers/prospects in an understandable and meaningful manner.

You and Your Role
You work for a major computer chip manufacturer which manufactures, markets, and sells microchips used in thousands of products from toasters to telecom towers. As a sales representative for the firm, your job is to get your microchips – which are a standardized component in many small appliances – spec’d into the manufacturing process by OEMs (original equipment manufacturers). Once your microchip is spec’d in, you typically have very little interaction with the customer. Instead, your inside salesforce works with the customer’s procurement team to ensure steady supply of product to their manufacturing plants.

However, when a challenge or disruption occurs in the supply chain, you have to step back in to manage the situation. It’s important that you maintain customers for the company’s reputation and finances as well as for own your personal reputation and compensation. When you first sell in the microchip, you receive a bonus that typically represents 10% of the projected annual order size. After the first year, you receive what’s called a trailing commission which represents 1% of the ongoing orders.

Your Customer: KitchenAid, a division of the Whirlpool Corporation
In November 2017, you traveled to Benton Harbor, Michigan to meet with the design team for the KitchenAid ProLine toaster series. That trip came as a result of a successful RFP (request for proposal) process. The Sourcing Manager for KitchenAid Small Appliances, Kenneth Perry, had orchestrated the meeting with the design team since your firm won the bid on the RFP. Kenneth has since moved up and is now the Global for all of the Whirlpool Corporation which owns the KitchenAid family of brands.

Your company has provided the microchips for the ProLine series since the product line launched for the 2019 Christmas season. The ProLine series exceeded its sales plan for 2019. You found it interesting to learn that toasters are a popular Christmas gift. The market was down a little in 2020 due to the COVID-19 pandemic. Consequently, KitchenAid had a stockpile of your microchips as a result of the lower demand.

As the supply of your microchips started to contract during 2021 with the pandemic and its impact on the supply chain, you were able to shift some orders and make good on the KitchenAid ProLine series manufacturing needs during the first part of the year. They were also able to use some of their remaining supply from the 2020 season to meet Q1-2021 and Q2-2021 demand.

Bad News – Your Ship Has Not Come In
Now, it’s May 2021, and your inside sales team just sent you an URGENT message in Microsoft Teams. They just received KitchenAid’s order for microchips for their summer production run which supplies their retailers for the Christmas season. Unfortunately, the microchips are still at your manufacturing plant in Taiwan. They’ve been produced but not loaded onto a container ship so you are not sure when they will
arrive at the Port Los Angeles. After being shipped from Taiwan to Los Angeles, the cargo is scheduled to move from the ship to a cargo train. The Los Angeles-Chicago train transit time is only 60 hours. The last 100 miles (Chicago-Benton Harbor) requires truck transport.

You need to send a video to Abrianna Montoya (who replaced Kenneth Perry) to provide an update on the situation. You believe that you have three options:

1) Your firm declines the May order. You plan to tell KitchenAid’s Abrianna Montoya that you will not be able to meet their demand for microchips for the ProLine Series of toasters. Everyone understands the supply chain and transportation issues, so you think Abrianna will understand. You don’t believe she’ll be able to replace your product so you think your future business will be secure. Given the order level, you’ll personally take a hit on expected commission, somewhere in the order of $15,000.

2) You accept the order and plan to tell KitchenAid’s Abrianna Montoya that your product is manufactured and that you simply need to get the product from Taiwan to Benton Harbor. You will keep her apprised every step of the way by tracking the cargo ship once the product is onboard (https://www.myshiptracking.com/) You expect that the product will get to Los Angeles no later than July or August. You will suggest that they alter their manufacturing process and place the microcomputer chip last in the assembly process if the chips don’t arrive on time. This way, you’ll get the commission no matter what.

3) You accept the order and plan to tell KitchenAid’s Abrianna Montoya that your product is manufactured. The hold up right now is getting the product from Taiwan to Benton Harbor. Since the critical issue is the transportation part of the supply chain, you will guarantee product delivery no later than June 30, if KitchenAid will agree to an increased price of 15% to cover the change in shipping costs due to moving from water-rail-truck to air transit. To be fair, you are not certain that 15% will cover the full cost for changing the shipping to air freight, but you can use your commission to pay for any shipping costs in excess of the 15%.

**Competition Process**
Record a short video (less than 3-minutes) in F 229.01; sign up for a time on your assigned daypart:

- March 21, 8:00 – 12:30
  Armstrong -- Kleiner
- March 21, 12:30 – 5:00
  Langenfeld -- Wyatt

**Competition Rubric**

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<thead>
<tr>
<th>Component</th>
<th>Weight</th>
<th>Description</th>
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<tbody>
<tr>
<td>Introduction/Objective</td>
<td>15%</td>
<td>Compelling/ Clearly communicates the objective for the video</td>
</tr>
<tr>
<td>Rationale for Recommendation</td>
<td>15%</td>
<td>Presents compelling reason for recommendation</td>
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<tr>
<td>Value Presentation</td>
<td>40%</td>
<td>Presents recommended value of recommendation</td>
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<tr>
<td>Closing</td>
<td>10%</td>
<td>Uses strong closing (summarizes points; accomplishes goal)</td>
</tr>
<tr>
<td>Tone/Length (&lt;3 min)</td>
<td>20%</td>
<td>Conveys right tone with fewest words possible (word economy)</td>
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