

Executive Suite



At a quarter past four on Friday, Bensen Quinn, chairman and CEO of High-Quest, finally breaks free from putting out fires long enough to hold his twice-rescheduled Monday morning meeting with his top executives. Talk among the officers assembled in the boardroom ceases as Bensen steps through the double oak doors and takes his place at the head of the conference table.

“Gentlemen, Anne,” Bensen says matter-of-factly, greeting them all with a quick glance. “Shall we start by watching the video segment? I haven’t seen it yet.”

“I’ve got it queued up,” says Joe Northrup, VP for marketing.

“Roll it,” Bensen directs. “When did it run?” he asks as they all shift in their chairs to view the large screen.

“Yesterday morning. The stock price, as you probably know, is up about fourteen percent since then.”

“All right!” one of the execs calls out as they all applaud.

The lights dim and in a moment one of afternoon television’s leading financial pundits appears, with stock market tickers running along the bottom of the screen.

“Today’s edition of Corporate Profiles spotlights HighQuest,” says the talking head, with a quick cut to the HighQuest logo followed by a pan of the buildings at corporate headquarters. “The Connecticut-based sports apparel company has shown remarkable growth even through the recent sluggish economy and the epidemic of corporate accounting scandals. CEO Bensen Quinn:

“When I came to HighQuest about eighteen years ago as a young executive,” says the TV Bensen, “it was a small, specialty, niche company that made outdoor apparel for hikers and campers. I felt we had a shot at a much broader market, and I pushed hard to expand the product line to include clothing with wide market appeal at a reasonable price. At the same time, through R&D, we perfected our high-end products.”

Amused at watching himself on screen, Bensen stretches his six-foot frame and relaxes into the big chair. “Do I look that old?” he wonders aloud, speaking over his own voice. The others laugh.

“Quinn’s double-barreled approach vastly increased the company’s visibility and market reach,” the commentator continues. “The high-end garments soon became known worldwide as *the* products for serious hikers and climbers. The company’s popular lines are displayed in sporting goods chains and apparel retailers, and last year’s models fill the racks at the big discount stores.”

As the broadcaster speaks, the onscreen visuals show several athletes, models, and a popular female entertainer dressed in HighQuest clothing and outdoor gear.

“Capitalizing on endorsements by high-profile athletes and projecting an image of clean living,” the voice continues, “HighQuest products have gained increasing favor with young consumers as well as health-conscious boomers. The innovative young executive quickly moved to the presidency, and four years ago, at the age of forty-six, was also named CEO. Now let’s take a look at the company’s numbers. . . .”

Bensen smiles with pride as the company’s success story flashes on the screen. When the segment concludes, another round of applause fills the room as the lights come back up.

“Great, that’s great,” Bensen says. “Can we get some more light in here now?” Another exec stands and works the control panel, sliding back the louvered vertical blinds. Bensen takes a moment to look out across the wooded corporate campus to the gently rolling hills.

“They did a good job on that,” Bensen remarks. “And I’m glad it encouraged investors to check us out. But what we need is increased growth. We’ve got to keep producing the numbers.” He glances around the table. No one is looking at him.

“All right, let’s hear your reports.”

It’s an important meeting, to go over preliminary second-quarter results. One by one the executives read key numbers from their reports, and then summarize. “Sales volume in our U.S. market is up three percent over second quarter last year,” says the VP for sales. “We’re hitting our top-line revenue goals. Actually, we’ve exceeded them by almost one percent. And Latin America is really exploding for us. Up seventeen percent in sales, and our market share is growing every month.”

Bensen breaks in. “Phil, I thought you said last month that we could ex-

pect a four percent increase in sales volume. Or am I not remembering correctly?"

A little flustered, Phil drops his eyes, then replies, "No, you're right, that's what I said. And it may still come in at four, these are preliminary numbers. But it looks like three."

"All right," Bensen says. "Let's move on. Joe?"

"Product development on the new Sierra line is moving ahead well," the marketing VP reports. "Market tests and focus groups for Sierra are coming up very positive; people like the design and the comfort. It looks like a winner, and I'd like to get the new ad firm we've been trying out to come in for a meeting to show some ideas."

"Just schedule it," Bensen says.

Next the vice president for operations reports that, thanks to the closing of another North American factory and the continuing shift of production to Asian and Latin American facilities, costs have come down for the sixth straight quarter.

Summarizing, COO Bob Barnett tells Bensen, "We're on plan. We hit our profit goals for the quarter, and then some. And we're on target to continue. Our Six Sigma process improvements are kicking into gear and producing some great returns."

The executives are feeling good about their results, but they're also a little nervous and fidgety. They know that despite their having modestly surpassed their goals, Bensen will not be content. Even as they go through the motions of making their reports, they know that at the end, the CEO will raise the bar and press them to jump higher.

True to form, when the reports are finished Bensen says, "I know you're all satisfied with your achievements, but let me tell you, I'm not satisfied. In today's world of business, you can't be satisfied; that would be the end of us.

"Okay," he continues. "Fine, we're meeting our profit goals. But we've got to push harder. The upcoming quarter is crucial. There's tremendous volatility in the market; no one knows how it's going to shake out. Consumer confidence is down, so we need to work a little harder and a little smarter to get our message across. We need to grow sales, expand the top line, and in case the economic uncertainty makes people slow their buying, we've got to maximize production efficiency and keep costs controlled.

"I'm counting on the Sierra line to make a big impact; I want you to do everything possible to get those products in the stores well before Christmas.

Let's build on our success. I want to see profits four points better than what we've planned for the next quarter."

As he speaks, the joyful air produced by the upbeat video report and their success at beating their own goals is quickly smothered by the force of Bensen's demands. Privately, though the execs may grumble a little behind the CEO's back, they all acknowledge that it's his job to set the goals and drive their performance, and they respect him; they know it's because of his relentless achievement drive that the company is doing so well at a tough time. But they would appreciate a little recognition from their boss. A heavy silence fills the room as Bensen continues to speak, and then suddenly Joe Northrup interrupts him in midsentence:

"I hesitate to say this, Bensen, but we're on target, and in this marketplace, to be on target is practically a miracle. Give us a little credit! The results I heard in here today are pretty damn good. It's Friday, we're tired, we've worked hard this week as we always do, and we're exceeding our goals. 'Congratulations, gentlemen, well done' would mean a lot to us."

"*Well done?*" Bensen explodes. "We don't have time for 'well done.' We only have time to get to the next level. We're all grownups here, we don't need that kind of reinforcement. We need to excel. In the marketplace our competitors aren't going to pat us on the back, they're going to kick us in the butt."

As usual, Bensen does little to foster a spirit of partnership beyond the quest for results. He maintains the distance between himself and the others. It's clear: He's the boss, and they are the employees. He calls the tune; they dance. He is in control, and they are not. For them, a moment's pause to appreciate themselves and be appreciated is important. For Bensen, what is important is profit and achievement.



The silence in the room lasts a long time. Finally Bensen asks, "Okay, what else? I know it's getting late. Anything else that can't wait till Monday?"

"There *is* something," one of the VPs says.

"What?"

"What do you want to do about the call regarding Jim Morris?"

"What call?" Bensen asks.

"I left a memo for you. Maybe you didn't see it yet. A reporter called looking for a comment from you. There was a story in Mexico City. They claim Jim's been giving bribes to develop business."

Bensen laughs. “That’s how business is done down there, isn’t it?”

“Bensen, you can’t say that. ‘Down there’—that’s pretty judgmental.”

“Well, it’s true, isn’t it?”

“It may be true for some companies there, but we have Arthur Andersen and Enron and WorldCom—does that mean we sit here and cook our books and say, ‘That’s how business is done around here?’”

“True. So . . . ?”

“So you can’t just brush it off,” the executive insists.

“What does Jim say?” Bensen asks.

“We haven’t talked to him yet. We thought maybe . . .”

“Maybe I’d want to handle it.”

“Right.”

“So what exactly did the reporter want to know?”

“If there’s any truth to the allegations. We told him we’re looking into it. But if it comes out in the New York media . . .”

“. . . it will not look good for HighQuest.” Bensen completes the sentence.

“It won’t exactly be a great follow-up to the story we just saw.”

“Okay. I’ll give him a call. I’m gonna be really pissed if he’s done something to put us in jeopardy.”

“It’s more than that, I think,” says Joe Northup. “If it’s true, and it breaks in the media, you’re probably going to have to let him go.”

Bensen pauses, holds back. “Well, we know he’s your good friend,” Northup says. “And we know how successful the division has been. But bribery is illegal. Not to speak of being strictly against company policy.”

“Well, this is a great finale to a great week,” Bensen says, beginning to gather his papers. “At least we got a little good press on the tube.”

Then the lone woman in the room, Anne Holmes—HighQuest’s Chief Financial Officer, someone Bensen has been mentoring for several years as his potential successor—speaks up. “Wait a minute, Bensen, gentlemen. We don’t know who or what is behind this accusation.”

“Are you talking corporate sabotage?” Bensen asks quickly.

“I don’t know. I’ve only met Jim a couple of times, briefly, but he doesn’t seem to me like the kind of guy who would do something really wrong.”

But nobody supports her. Instead, Bob Barnett says, “Well, suppose it is illegal. Is it really *wrong*, if it’s standard business practice?”

“I don’t know,” Anne replies. “I’d say it merits some thought, and some discussion. I wouldn’t jump to the conclusion that you need to fire him, without

looking more deeply.” After a moment she adds, “And I wouldn’t be so quick to fire him just to protect the HighQuest image, either. He’s been doing a great job.”

“I’ll go for that,” Bensen says. “And I’ll call him. Then we’ll see.” He stands up. “Okay everyone, have a good weekend.” Then, with a little grin, he adds, “But come in here Monday morning with your guns blazing: I want those four more points of profit!”

As he’s about to go out the door he turns and says, “I *am* going to call Jim, but I’d like somebody here to take charge of investigating from our side. Put somebody on it; find out what happened. Anyone?”

“I’ll take care of it,” says Northrup.

“Thanks, Joe. Keep me posted.”

Bensen feels uncharacteristically eager to get out of the building, but he knows he’s got to call Jim and deal with it, and he’s not happy about the prospect.

“Mr. Quinn, can you sign those letters now?” his assistant calls out as he swings past the door of her office.

“Not now, Marie. I’m busy.”

“If you sign them, I can drop them at the post office on my way home.”

“If they’re that urgent, why didn’t you sign for me and get them out with the office mail?”

“But you . . . um . . . well . . .”

“Never mind,” Bensen snaps. “Where are they?”

“On your desk. Center left. Where I always leave them.”

The letters signed, Bensen takes a deep breath and thinks for a moment before calling Jim’s direct line. He had brought Jim into the company just over five years ago and named him Director of Operations for Latin America. Hiring an old friend for a key position is always risky, and some eyebrows were raised. But it had been a good decision. A go-getter, Jim opened an office in Mexico City and promptly put the new division on the map, steadily and substantially generating new business and overseeing production at the factories there.

They had never talked about *how* the new business was generated. Bribery? That was too strong a word for what was probably just some well-placed gift-giving.

“And maybe Anne is right,” he thinks. “Maybe this supposed information came from a competing company wanting to get rid of a highly successful executive and throw a negative light on the HighQuest name, all in one stroke.” He’s known Jim since their college days as a genuinely religious man who would not do anything he felt was unethical; if he did offer “incentives” in order to land contracts, it would only have been in situations where that was how business is done. “But it still won’t look good,” Bensen admits to himself. “And it’s explicitly against company policy.”

He taps out the numbers, and when Jim picks up, he wastes no time. “Jim? Bensen. Listen, what the hell’s going on? I’m getting calls from the media about some bribery charges. What’s it all about?”

“Oh Jeez, Bensen, there’s this disgruntled employee who’s been running all over town trying to give me a black eye. He thought he was up for promotion, but instead I let him go, and he’s been trying to get back at me.”

“You’re saying it’s just a guy spreading rumors?”

“Essentially, yes.”

“And there’s no truth to it? There’s no problem?”

“Well, there *are* problems down here, but this situation is because of this one guy. I didn’t pay anybody off.”

Bensen presses. “I’ve got to know the truth.”

“That could take a long conversation.”

“I don’t have time for a long conversation right now. It’s been a tough week, I’ve had a lot of hard decisions to make, we’re in the middle of closing another plant and acquiring SportCo—yeah, the sweatshirt and uniform outfit—so just tell me whether you did or did not pay anybody off to get a contract.”

“No money changed hands. I assure you.”

“Good, that’s all I need to hear. I trust your word on this.”

“Bensen . . .”

“Yeah?”

“It’s a little more complicated. There *is* an angry former employee, trying to get back at me. . . .”

“It’s not a problem with a woman, is it? You didn’t do something stupid. . . .”

“No! Nothing like that. It’s like I said. An executive I fired for performance reasons. But—I have been giving out some gifts.”

“I thought you said—”

“I said no money changed hands. There hasn’t been any money. But there have been some nice presents. An expense-paid weekend, a case of good wine, stuff like that. One car. To open some doors, cement some accounts. Nothing more than that. What I *am* surprised about is that the media are giving it any play time here. Everybody does it—even to get a good ticket to a soccer game you have to pay the piper.”

The line is silent for a while. Then Jim says, “Bensen, I’m really sorry that you have to deal with this.”

“*You’re* sorry? Hell, I may have to fire you.”

“Come on, Bensen, there’s got to be some way to work around this. I mean, it’s just this one angry guy creating an uproar; I’m really not doing anything that wrong, and you know it. I’ve been busting my butt not only to build the company, but also to make life a little better for our people down here, to improve working conditions, pay them a little more. This situation is not a big deal. We’ve got to find a way to get past it.”

“You want to deny it?” Bensen asks.

“Yeah, deny it. We can do that.”

“Does this guy have anything on you? Does he have any proof?”

“I don’t know,” Jim says slowly, searching his memory. “He’s been around. He may have seen something. But whether he has actual proof—I don’t know.”

“Well, can you take charge of this? Can you find out whether he has anything concrete? Because if he does . . . it could be bad.”

“Dammit, Bensen, you know I’ll always be grateful to you for taking a chance on me for a position my background didn’t qualify me for. But you know who I am, what my values are. You know I gave up a vice presidency in advertising because I couldn’t stand to hawk products I don’t believe in.”

“I know, I know . . . listen, just tell me you’ll look into it.”

“I’ll look into it.”

“And before we come out with anything that ramps up the controversy, let’s wait and see if it comes out in the U.S. media. If it’s only down there, maybe we can just let it drop.”

“That would be great.”

“Now, what is this about working conditions? Why do you keep bringing this up? You’ve called me two or three times about it, and I keep telling you I can’t afford to allocate resources to improve conditions there. We need to stay lean now.”

“Bensen, it may not be good for the quarterly report, but you’ve got to start

thinking more long-term. This will come back to you. I hate to use such strong language, but some day you're going to regret being so stubborn about this."

"Hell, man, look who's talking."

"Well, I guess we're all human. We all make mistakes."

"Give me a break," Bensen snaps. "Listen, I can't talk about this any more right now. Think it through, will you? And find out if that guy has anything solid."