

THE HIGH FLYER & THE GENERATION GAP

I have made it!

- David Lee, Singapore Country Manager for NZ Foods

With outstretched arms, David Lee looked at his new office space. At 27 years of age, David's career path in the grocery segment of a fast moving consumer goods company (FMCG) appeared to be miles ahead of his peers. Earlier in the month, on April 1, 2016, David had been appointed as the Singapore Country Manager for NZ Foods, a reputed family-run flour mill based in Christchurch, New Zealand. This meant he was in overall charge of the Singapore office in every aspect – from marketing to finance to logistics.

David believed that his early years 'working the ground' in the industry were paying off now. "Look sharp, work hard" – this was his mantra whenever peers looked to him for advice on his mercurial rise. He would add, "You must have the look of a leader, the confident aura – and then you should work harder than anyone else. That is my secret."

However, after a few weeks on the job – David began to realise that his new assignment was not as easy as it had first seemed...

An accelerated career path

Like most able-bodied Singaporean males, David was conscripted into National Service¹. It was a relatively early start, as he had just turned 18 years of age, and had completed his school-leaving 'A' levels examinations only a month before. It was after his Basic Military Training stint in the Army that David received news of his less than stellar examination results, which would not qualify him for entry into local universities. Whilst considering his options on how he could possibly further his studies, David injured himself during a rifle live firing exercise, earning himself a three month stay at the hospital. After his hospital discharge, he was given a downgraded Physical Employment Status² with the military, and was posted to the Central Manpower Base as an Administrative Assistant with the payroll department.

David counted his blessings. While he had been injured, he was still alive and working an '8.30 to 5.30pm' job that allowed him to return home after work. Unlike his counterparts who had to 'stay in' at military camps elsewhere, he soon realised that he could capitalise on his free weekday nights by pursuing a part-time degree at a private institution. As a result, by the time he was

¹ All male Singaporean citizens and permanent residents between the ages of 18-21 years of age had to undergo a mandatory 2-year period of national service in the Singapore Armed Forces, Singapore Police Force or Singapore Civil Defence Force. Reserve obligation ended at 40 years of age for enlisted personnel and 50 years of age for officers, <https://www.cia.gov/library/publications/the-world-factbook/geos/sn.html>, accessed 1 January 2015.

² The Physical Employment Status (PES) grading was assigned to personnel after assessing their overall health and medical condition. It was used by the three uniformed services in determining one's vocation whilst serving National Service. http://www.ns.sg/cs/content/eServices/mindef/Register%20for%20NS%20%28nsreg%29/General%20Information/medical_classification_centre.html, accessed 1 January 2015.

This case was written by Professor Paul Lim at the Singapore Management University. The case was prepared solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a managerial situation. The author may have disguised certain names and other identifying information to protect confidentiality.

discharged from the military, at the age of 21, David was armed with a degree and ready to find a job.

His first job saw him selling photocopiers to businesses. This business-to-business (B2B) type of work was not exciting enough for David, and he did not last long at this job. However, it did provide him with valuable experience and insights into the art of selling. His next job was as a merchandiser at Yummy Soya Sauce. This was considered the lowest of jobs in the FMCG world, but David had little choice given the less than positive local economic climate. It was 2008, and the world was in the midst of a serious recession with few jobs on offer. David thus took the first option that came along, and worked hard at it. His supervisor recognised his abilities and within three months promoted him to the role of a Sales Executive. By the time he was 23 years old, David had been appointed as a Key Account Manager, with sole responsibility for managing the Tesco supermarkets account of forty stores throughout Singapore. He also had one sales executive reporting to him.

After a year at this job, David took on a Product Manager role with Lai Choon Bee Hoon, another FMCG company in the grocery chain, which enabled him to be exposed to the marketing management side of the business. Given his frequent market visits to check the stores and the several networking activities he made it a point to participate in, it was not surprising that his circle of contacts grew. Along with this came increased visibility from other players in the industry and talk of his perceived abilities. It was only a matter of time before a company like NZ Foods took notice of him and made him an offer that he could not refuse.

NZ Foods

NZ Foods was founded in 1955, seven years after the Blake family uprooted themselves from their home in Brighton, England, to start anew in a land reputed to be filled with rolling hills and crystal clear lakes. By then, the Blakes, a family of bakers, had seen enough of the ravages of World War II with post-war England going through a period of poverty and lack. The Blake family did not wish to settle for this type of lifestyle and made the difficult decision to relocate 12,000 miles away to Christchurch, New Zealand.

Within a year of relocating, the Blakes did what they knew best – and started a bakery to serve the immediate community in their suburb. Business was good for the Blakes. However, the number of flour mills that could supply flour at a good quality and price were few. This led them to invest in a piece of land and build a small flour mill, primarily to supply flour to their retail bakery and a few others in the area. Over time though, the reputation of NZ Foods grew and business expanded.

By the 1990s, NZ Foods had representative offices in over twenty countries around the world. The flour products were branded under the Blake Fields brand and the premixes under the Farmer's Pride brand. In the Singapore market, three Blake Fields variants could be found on the supermarket shelves – plain, wholemeal and gluten-free rice flour. Farmer's Pride Premixes comprised of pizza, pancake and muffin mixes.

NZ Foods' Singapore office was not large, but it had a respectable sales track record to retail consumers. Singapore's wheat flour import business was worth about US\$64.5 million annually,

and was ranked fifteenth in the world in terms of import value.³ Under its former Singapore Country Manager, Charles Lai, NZ Food's two brands of flour and premixes had garnered a total revenue of US\$8 million over the past year. As Charles had turned 60 years old, he decided to retire, and spend his time travelling the world and looking after his grandchildren. Charles was greatly respected by NZ Foods' management and they were sad to see him go. David had been appointed as Charles's replacement.

Working at NZ Foods

On a day to day basis, David managed the Singapore office with a staff strength of five people. One was hired to handle finance and accounts matters; a second handled sales administration; a third coordinated issues related to marketing communications; and a fourth handled logistics (refer to **Exhibit 1** for further details). David's role was twofold – the first was to direct the strategy for the Singapore retail market and explore opportunities in the foodservice side of the business (that is, the B2B side of the trade); and the second was to be the face of NZ Foods' products in Singapore.

In the latter role, David had to make frequent visits to the supermarket Category Managers, lobbying for more orders from them. In addition, David made regular visits to manage relations and keep an eye on their distributor, a traditionally-structured Chinese business – Sheng You Foodstuffs Pte Ltd (SYF). SYF represented NZ Foods, and pushed its products to various distribution channels. It received and maintained NZ Food stock in their warehouses, delivering them to the respective supermarkets' flow through warehouses, or delivering them directly to the various distribution outlets with their own sales staff in vans (refer to **Exhibit 2** for further details). SYF also maintained a sales and merchandising team who frequently recorded new orders and ensured sufficient stock was available in the marketplace. Spoilt or unsold goods were also managed by SYF, who in turn billed NZ Foods for them.

Although SYF had marketing management capabilities, some Principals like NZ Food were more 'hands on' and wanted to manage the marketing effort themselves. There was good reason for this. Distributors represented many brands and distributed many product lines. Principals were often concerned that their brands might be marginalised by other brands that provided SYF with bigger spending budgets. David had to keep an eye on SYF to ensure that they served NZ Foods' best interest.

Working with SYF

David was feeling confident. He had made many contacts in the grocery trade through the years and all he needed to do was to pay them courtesy calls to explain his new role. Charles had one more month remaining before he left the company. However, Charles was scheduled to take a two week vacation. That left Charles two weeks to hand over the company to David.

On David's first day at work, Charles showed him around the small office and introduced David to the staff. Sitting David in his new office, Charles directed his attention to a pile of ring files. All that he needed to know about the company was in those files. With that, Charles excused himself to attend an off-site meeting. David felt a little bewildered at the abruptness of Charles's

³ Factfish.com, "Singapore: Wheat or meslin flour, import value (US \$)", <http://www.factfish.com/statistic-country/singapore/wheat%20or%20meslin%20flour%2C%20import%20value>, accessed June 2016.

departure but rationalised that his meeting must be an important one. He flipped through the files. Mostly, he understood what the documents meant, but it seemed many of their processes were rather different from anything he had seen before. He walked over to Ginny, the accounts specialist, to try and get a sense of what the documents meant. However, Ginny herself was stuck in a pile of paper work that she had to urgently clear. As David attempted to approach Mindy, the sales admin specialist, he noticed that she looked terribly busy as well. James, the marketing communications specialist, was out at an appointment. Bobby, the logistics manager, was on medical leave. Repeated attempts to contact Charles on his mobile phone were not successful. With nothing else he could do, David went back into his office and gave himself one more attempt at making sense of the paper work - before giving up.

With half the morning already gone, David decided to pay their distributor, SYF, a surprise visit. Arriving at SYF, he walked into the warehouse to view their stock level. What he got was a shock – there were very few carton boxes of goods belonging to NZ Foods. In fact, some of those cartons he could see contained returned or spoilt goods.

Walking over to the SYF warehouse manager, he demanded, “I am the new Country Manager for NZ Foods. What is the meaning of this low stock level?”

The warehouse manager, a portly lady in her fifties, lowered her spectacles to peer at him and said, “I don’t know, this is your company’s problem.” With that, she walked away.

David was flabbergasted, “What insolence,” he thought. “Such a poor level of service!” Just as he was about to walk up to her and complain, a gentleman in his 60s walked briskly towards him, and said, “You must be David, the new manager? Hi, I’m Ah Seng, the Sales Manager with SYF. How may I help you?”

Being the Principal, David felt that he had to act the role and decided to unleash his unhappiness at Ah Seng, complaining about the low stock level and poor service from the warehouse manager. Immediately, Ah Seng’s facial expression became more sombre and he promised that he would look into it.

Roadblocks

The next morning, just as David was stepping into the office, he bumped into Charles rushing out. David was about to ask Charles about the work processes when Charles excused himself to attend another meeting. The rest of the morning at the office was fruitless once again. Everyone was busy and Bobby was still on medical leave. He called Ah Seng to follow up on the previous day’s conversation. Ah Seng promised a reply but requested for more time. David gave Ah Seng one more day to get back to him. The rest of the day, David spent visiting supermarkets to check on their products. Charles could not be reached once again.

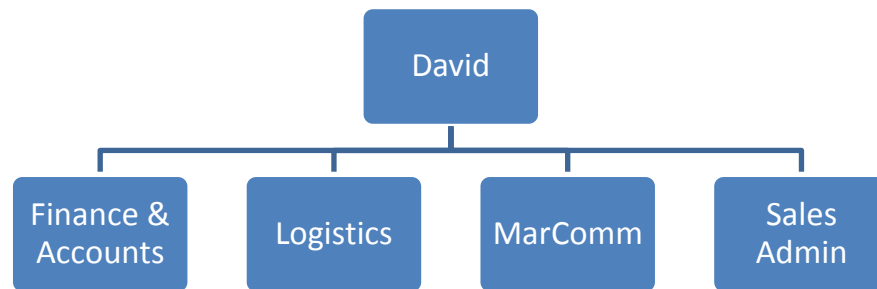
The third morning saw Charles absent from the office. It seemed that he called in to say that he was unwell. Bobby was still absent. This was a bad start to the morning. He called Ah Seng as the deadline had expired, but Ah Seng could not be reached on his mobile phone or the office phone. With his patience waning, David paid SYF another surprise visit to find Ah Seng having a coffee at his desk. Fuming, David demanded answers to his queries. Ah Seng promised that he would get back to him the following day. With that, Ah Seng walked out of the office.

David drove back to office in a huff. SYF was clearly not up to standard in terms of their service. He surely had to report this to head office. As he pulled up into the office car park, he saw Charles standing there in sports attire and a golf bag. David attempted to corner Charles once again but Charles made a quick getaway, very likely to a golf course.

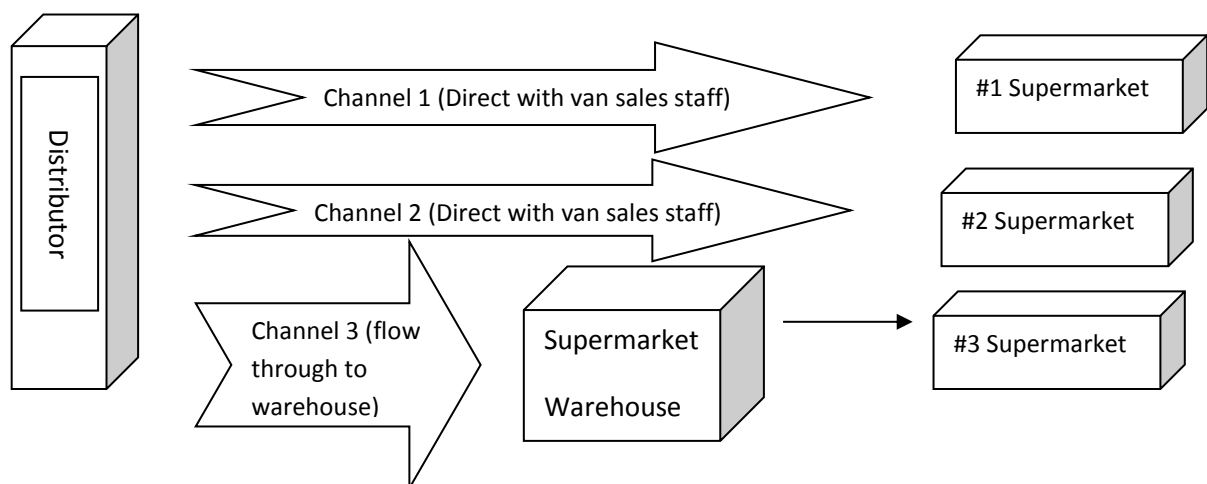
David was spent. He walked into his office and sank into his chair. He had many questions but no answers. Charles was not contactable, neither was he around in the office. Everyone in the office was busy. Bobby had called in to say that he had an extension of his medical leave. SYF was providing really bad service and Ah Seng just gave empty promises without delivering. In frustration, David banged his fist on the table, startling everyone in the office.

Ginny walked over and asked him if he was all right. David took this opportunity to explain all the roadblocks he faced in the past few days. Ginny listened intently, as if she was digesting every bit of complaint that David presented to her. As she turned to leave, Ginny spoke gently, "David, drinking coffee is very important. So very important." And without another word, she went back to her desk.

David ruffled his fingers through his hair. What does drinking coffee have to do with his problems? Why the cryptic message? Why was everything going so wrong? Was he in the right job? Perhaps he should just give up and go back to Lai Choon Bee Hoon. He was certain that his former boss would welcome him back with open arms. After all, he had hardly started work with NZ Foods. His reputation would still be salvageable if he cut his losses early on.

EXHIBIT 1: ORGANISATIONAL CHART OF NZ FOODS, SINGAPORE

Source: Author

EXHIBIT 2: DISTRIBUTION CHANNEL FLOWCHART OF A TYPICAL FMCG INDUSTRY IN SINGAPORE

Purchased for use on the Conflict Management at Abu Dhabi School of Management. Taught by Sunder Ramachandran, from 11-Aug-2020 to 22-Sep-2020. Order ref F388951. Usage permitted only within these parameters otherwise contact info@thecasecentre.org