



Applied Business Statistics POS ASSOCIATES CASE

Introduction

POS Associates is in the business of selling sophisticated computerized point-of-sale cash registers, cash register printers, computer-printer software and interfaces, printer supplies, and hands-on training to commercial accounts. POS Associates' owners chose their market niche to be smaller companies that appear ready for a large scale expansion of their business. Smaller companies need, and are willing to pay for, the personal attention and customization of the hardware, software and training that POS Associates offers. Once committed to a particular configuration of hardware and software, these clients seldom reconsider their alternatives when expansion occurs. This is a high margin business and no client is considered too small to deserve attention. Small clients often blossom into larger businesses, and their growth typically signals the expansion of POS Associates' sales as well.

The typical marketing plan is centered on identifying customer needs and then developing a plan to satisfy those needs. POS Associates' first contact with potential clients demonstrates their cash registers' capabilities and the extent to which software can be customized to meet a particular client's needs. POS Associates account executives emphasize the importance of customizing both their software and training to meet clients' needs as the features that distinguish them from their competitors. They then request an opportunity to distribute a questionnaire to key personnel in the client organization in order to develop a customization plan that "fits" the client's needs and to make a presentation to the client based on their findings.

The questionnaire asks participants about important business issues needed to customize the software, and the backgrounds of those persons who will use the high tech equipment in order to customize the training program. Part I of the questionnaire deals with technical business issues that reflect the nature of the client's business and business plan. For example, information is collected regarding their accounting system, the inventory monitoring, control and reordering functions, the extent to which the client wishes to create a data base of client purchases as a marketing tool, and the selection and printing of in-store coupons on the back of the sales receipt designed to elicit future purchases that complement current purchases. These business functions, among others, are discussed with the management of the organization and go into designing the software to meet client's business needs. All senior level management and headquarters' professional staff (e.g., accountants) complete this part of the questionnaire.

The second part of the questionnaire is aimed at understanding the backgrounds of those persons who will use the equipment. This is important information, since the training program will have to be designed to meet the needs of those persons who will complete the questionnaire. If the typical employee has limited background in the use of computers, then a longer, more costly training program will need to be designed. On the other hand, if their background with computers is substantial, then a mere orientation to the use of this equipment might suffice. This is an important consideration from more than the training costs involved, since a great deal of evidence that exists suggests that poorly trained employees either become frustrated and quit, or if they stay, never help the company reap the full benefit of the technology it has purchased.

Wendy Cambridge began her career at POS Partners less than two years ago and has risen quickly from marketing assistant to assistant account manager for some of POS Partners' larger clients. She was recently given her first opportunity to co-lead a sales team for a new potential client, Green Thumb Plant and Garden. Green Thumb fits the profile of an ideal customer. They are setting up a small chain of plant and garden stores in a large Southern city and have plans to expand their company to ten additional cities over the next five years. Each store location will be surveyed to insure high levels of customer service. Operations staff will work individually with customers, from when they first walk in the store through check-out.

The POS Partners sales team has made their initial presentation to Green Thumb, who have agreed to allow them to do a follow-up survey to see exactly how POS Partners can help them. POS Partners knows they have their "foot in the door" and can make a potentially lucrative sale depending on how good a job the sales team does from this point on.

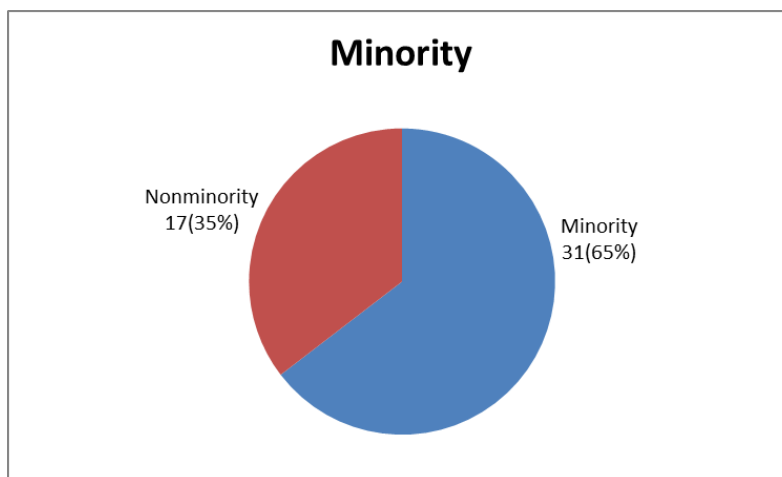
Wendy Cambridge was put in charge of administering the questionnaire and preparing a presentation on Green Thumb's training needs. This is her first time to head any part of a sales effort and she wants to do it well. While she has never interpreted survey results, written a proposal or made a sales presentation on her own, she has worked directly for Maria Lopez, POS Partners' Corporate Sales Manager, on these assignments and feels confident in her ability to take on these responsibilities.

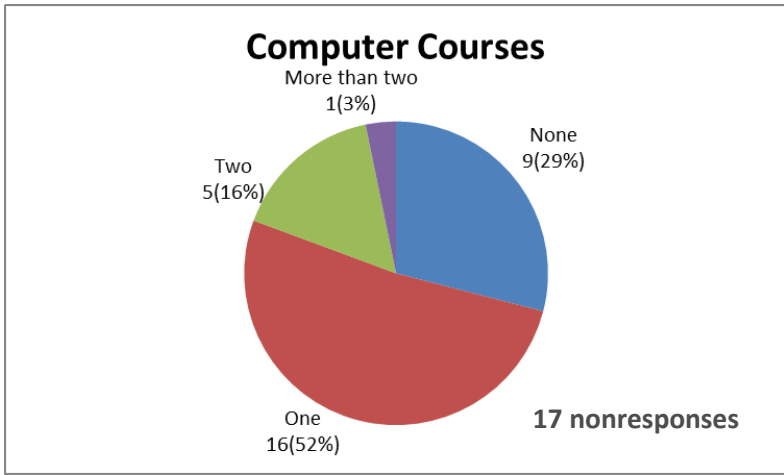
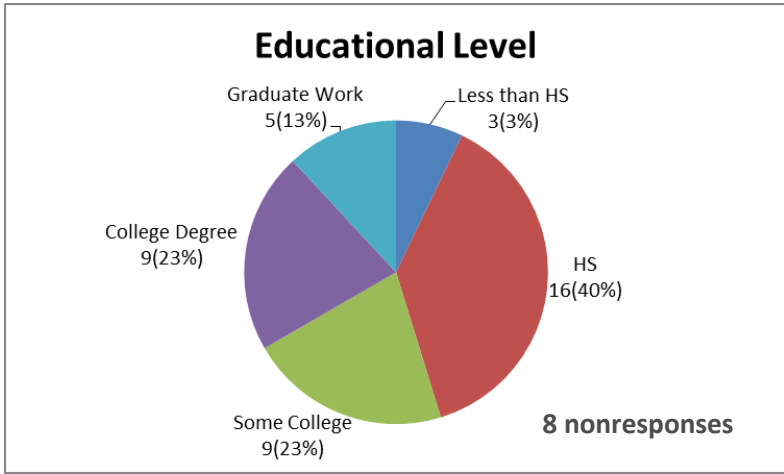
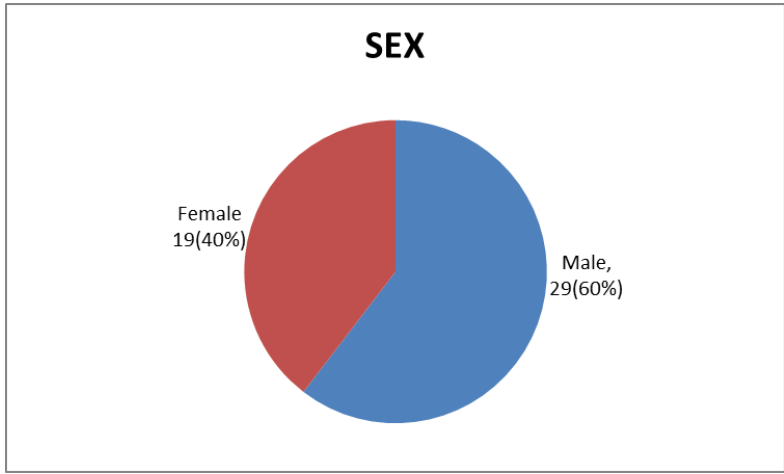
Wendy administered the POS Partners questionnaire to all current management and operations employees in their headquarters and three retail store locations. In total, she met with and distributed the questionnaire to all six corporate management and professional staff and, in the stores, to a total of nine management and 33 operations staff. Each store employs a manager and two assistant managers, plus an operations staff of 11 persons. She asked only headquarters' managers and professional staff to complete Part I of the questionnaire; everybody was asked to complete Part II. All employees completed the questionnaire on company time, in small group settings. Wendy prepared a computerized file containing the survey data and then analyzed the data regarding employee background using a common PC statistical software package.

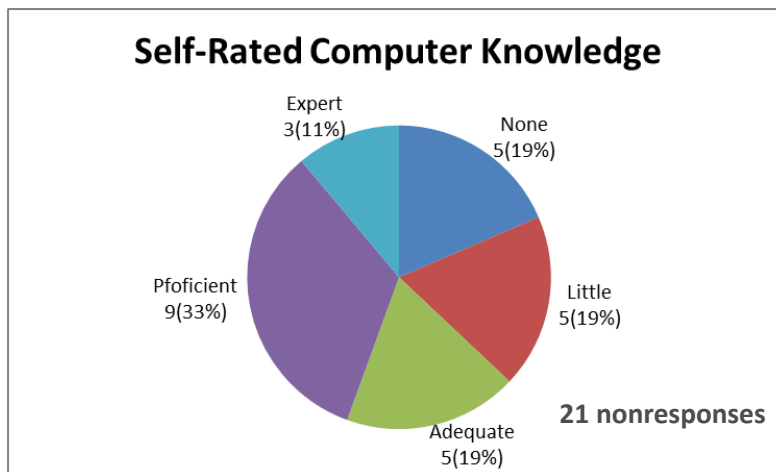
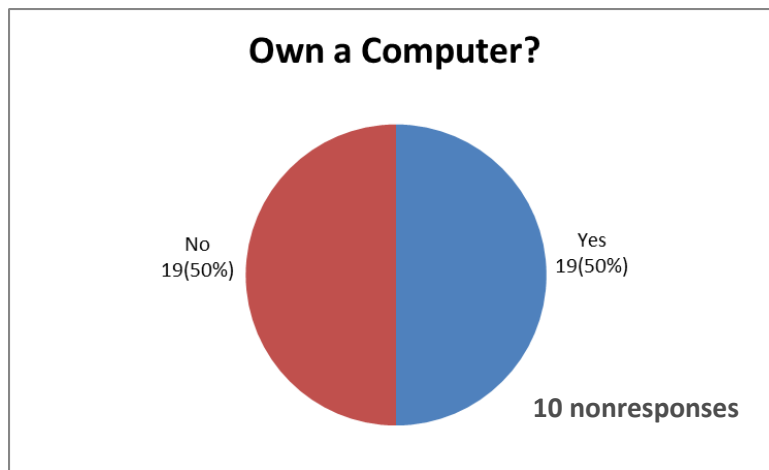
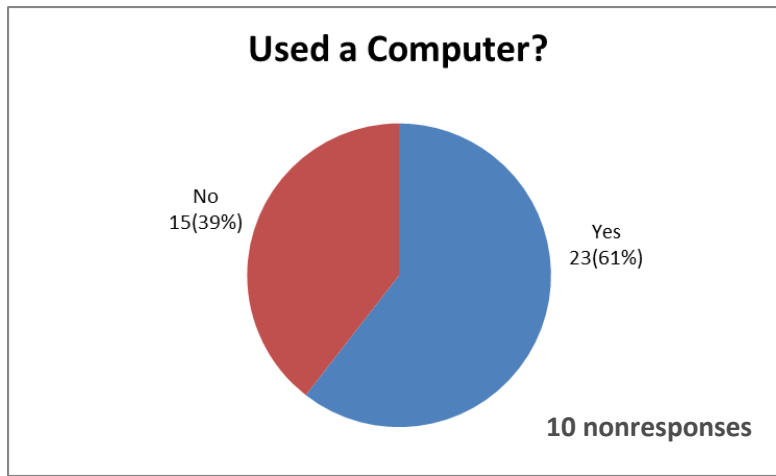
Wendy then examined the results from Part II of this questionnaire administration, and based on her analyses, developed a training proposal. In preparation for her presentation to Green Thumb, she also prepared charts (shown below) that summarized her findings.

SURVEY RESULTS FOR GREEN THUMB EMPLOYEES

	Reponses	Mean	Std. Dev.
Age	48	29.5	10.4
Computer Knowledge	27	3	1.3







In brief form, Wendy suggested that employees of Green Thumb were reasonably computer literate and, as a result, would need only minimal training-possibly little more than an orientation program, a brief tutorial on the use of the cash registers, and a question and answer session. She based her conclusion on survey results that she interpreted as follows:

- (1) Employees have a relatively high level of education.
- (2) More than half of the employees have taken at least one computer course.
- (3) More than half of the employees use or have used a computer on their present or prior jobs.
- (4) Half of the employees own a PC.

(5) The average level of self-rated computer sophistication is at the adequate level of understanding.

While Wendy's background is not in business, she has a track record of doing good work and of growing as her responsibilities are increased. Like most people, however, Wendy makes mistakes in her early efforts on new projects. When given feedback, she quickly "catches on" and can be counted on to learn from her lessons well. For this reason, Maria Lopez has decided to give Wendy some backup help to insure that she has the necessary "safety net" on her new assignment. Maria thinks a lot of Wendy's potential and knows that a little help early in her career will help make her a successful contributor for years to come.

Assignment

You have been assigned to be Wendy's "safety net." Look over the survey results and judge whether or not Wendy has correctly analyzed and interpreted the results from this survey. You'll find the data in the Excel file called POSAssoc.xlsx. A description of this data set is provided in the Data Description section. Prepare a brief report for Maria Lopez that reflects your interpretation of the survey's results, and that makes a recommendation regarding your support for Wendy's training proposal. Finally, prepare a chart that reflects the computer literacy of relevant Green Thumb personnel. The Case Questions below will assist you in your analysis of the data. Use important details from your analysis to support your recommendations.

Data Description

File POSAssoc.xlsx contains the coded data from the survey of Green Thumb employees. These data are coded as follows:

ID:	Survey identification number
JOB:	1 = Headquarters Management and Professional Staff 2 = Store Management 3 = Store Operations Staff
RACE:	1 =non-minority 2 = minority
AGE:	Age on last birthday
SEX:	1 =female 2 =male
ED:	1 =less than a high school diploma 2 = high school diploma 3 =some college work 4 = college degree 5 = graduate work or degree
COURSES:	Number of computer courses taken
USED:	Has the employee used a computer? 0 =no 1 =yes
OWN:	Does the employee own a computer? 0 =no 1 = yes
KNOW:	Self-evaluation of computer knowledge using a rating scale, where 1 = no knowledge 2 =little knowledge 3 =adequate knowledge 4 =better than adequate knowledge 5 = expert level of knowledge

Case Questions

1. Was Wendy Cambridge's interpretation of the survey results flawed? Explain.
2. Describe the "computer literacy" of those employees who will use the new point-of-sale cash registers. Be sure to describe (a) the sample of employees on which you based your interpretation and (b) the statistical results of your analyses.
3. Based on your analyses, what is your recommendation regarding needed training for Green Thumb employees?
4. Prepare a chart, in graphic or tabular form, that summarizes the results from your analyses of the survey data and that can be used to make key points in the sales presentation. Attach your chart to this assignment.
5. Explain the business implications of your recommendation versus that of Wendy Cambridge.