

CASE 2.2

A Remarkable Turnaround

Carol Baines was married for 20 years to the owner of the Baines Company until he died in a car accident. After his death, Carol decided not to sell the business but to try to run it herself. Before the accident, her only involvement in the business was in informal discussions with her husband over dinner, although she has a college degree in business, with a major in management.

Baines Company was one of three office supply stores in a city with a population of 200,000 people. The other two stores were owned by national chains. Baines was not a large company, and employed only five people. Baines had stable sales of about \$200,000 a year, serving mostly the smaller companies in the city. The firm had not grown in a number of years and was beginning to feel the pressure of the advertising and lower prices of the national chains.

For the first 6 months, Carol spent her time familiarizing herself with the employees and the operations of the company. Next, she did a citywide

analysis of companies that had reason to purchase office supplies. Based on her understanding of the company's capabilities and her assessment of the potential market for their products and services, Carol developed a specific set of short-term and long-term goals for the company. Behind all of her planning, Carol had a vision that Baines could be a viable, healthy, and competitive company. She wanted to carry on the business that her husband had started, but more than that she wanted it to grow.

Over the first 5 years, Carol invested significant amounts of money in advertising, sales, and services. These efforts were well spent because the company began to show rapid growth immediately. Because of the growth, the company hired another 20 people.

The expansion at Baines was particularly remarkable because of another major hardship Carol had to confront. Carol was diagnosed with breast cancer a year after her husband died. The treatment for her cancer included 2 months of radiation therapy and 6 months of strong chemotherapy. Although the side effects included hair loss and fatigue, Carol continued to manage the company throughout the ordeal. Despite her difficulties, Carol was successful. Under the strength of her leadership, the growth at Baines continued for 10 consecutive years.

Interviews with new and old employees at Baines revealed much about Carol's leadership. Employees said that Carol was a very solid person. She cared deeply about others and was fair and considerate. They said she created a family-like atmosphere at Baines. Few employees had quit Baines since Carol took over. Carol was devoted to all the employees, and she supported their interests. For example, the company sponsored a softball team in the summer and a basketball team in the winter. Others described Carol as a strong person. Even though she had cancer, she continued to be positive and interested in them. She did not get depressed about the cancer and its side effects, even though coping with cancer was difficult. Employees said she was a model of strength, goodness, and quality.

At age 55, Carol turned the business over to her two sons. She continues to act as the president but does not supervise the day-to-day operations. The company is doing more than \$3.1 million in sales, and it outpaces the two chain stores in the city.

Questions

1. How would you describe Carol's leadership traits?
2. How big a part did Carol's traits play in the expansion of the company?
3. Would Carol be a leader in other business contexts?