

Final Project Case Study: Fortuga Artisans, Inc.

Fortuga Artisans, Inc. has been a successful home decor manufacturing company for more than 30 years. Founded as a small operation in 1981 by Peter Fortuga in Charleston, South Carolina, the company has expanded to include international operations, and now employs more than 600 people in three factories (two in the United States and one in Madrid, Spain). Its corporate office remains in the original location in Charleston and employs another 47 full- and part-time employees. In 2011, Peter Fortuga announced his retirement, and the Board of Directors began a search for his replacement. With Peter's support, along with strong encouragement from the local community, they hired a prominent interior designer, Doug Jeffers, as CEO. His charismatic personality, work ethic, and attention to detail had earned him tremendous acclaim in the Charleston area; as a result, he was very well-connected in the industry. At only 36 years old, Doug served on the boards of several local non-profit organizations dedicated to the arts and was known for his innovative ideas as well as his philanthropic prowess. Single, ambitious, and driven, Doug Jeffers was considered the complete package – poised to take Fortuga Artisans, Inc. to the next level of success.

However, within two years, Doug's executive assistant resigned, citing her dissatisfaction with his leadership of the company. When Doug received Maryann Bishop's resignation, he was shocked – he'd thought she was a permanent fixture at Fortuga. She had been with the company for more than five years and he depended on her. Everyone knew and liked Maryann, and Maryann knew everything about the company. When he called her in to discuss her resignation, he asked why she had not discussed her dissatisfaction with him before. Maryann reminded him of all the times she'd tried to do that, and he had simply brushed her off. She said that he took her for granted. For that matter, she felt he took many people for granted. Maryann noted the increase in employee turnover that their Vice President of Finance, Sarah Harris, had mentioned in last month's staff meeting. She also noted the recent concern voiced by Mike Andrews, VP of Artist Relations, over the decline in new artists being signed to the company. She informed Doug that Fortuga's artists did not like him – several were not planning to renew their contracts at their next renewal date. Also, she noted that employees did not trust him or his ability to lead the company. His treatment of both contracted artisans and staff employees was degrading. He talked down to them, did not welcome or consider their opinions or ideas, made decisions in a vacuum, ignored company policies, and did not respect anyone's personal time. He was chauvinistic, too – Peter Fortuga had left the company with five vice presidents (Domestic Operations, International Operations, Artist Relations, Marketing, and Finance), three of whom were female; now, only one female remained. The other two had simply said they were resigning for personal reasons. Doug had not asked questions or paused to consider their reasons, because given his extensive network, he'd already had

replacements in mind – both positions were quickly filled with male executives who Doug had worked with successfully in the past. Maryann suspected that the one remaining female VP – the one over finance – was looking for employment elsewhere, but she was not sure.

Most everyone who worked with and for Fortuga was becoming increasingly unmotivated, and many had been talking with a competitor, AmerArt, about other employment opportunities. In fact, Maryann had recently been offered a job with that company - at nearly double her pay and with opportunities for training and advancement. She had decided to take the job, despite her years of service and loyalty to Fortuga, and she was looking forward to not receiving Doug's 24/ 7 phone calls about things she felt could have easily waited until the next business day.

Doug was speechless; his confidence in his ability was severely shaken. He asked Maryann if he could talk her into staying, but she told him it was too late for that. She had already accepted AmerArt's offer, and would not break that contract. Over the next two weeks, Doug met with each of his VP's individually, as well as several other employees and artists in informal venues, and while he knew many were not being completely honest with him, he could tell that Maryann's feelings were representative of his staff and others who worked with Fortuga. While the community-at-large loved him, those who worked for him did not, and if he did not make some changes to his leadership style, approach, and strategy soon, Fortuga would not continue to thrive. He needed help.