



15.387 – Entrepreneurial Sales

<i>Case</i>	Divers Delight
<i>Class Title</i>	Making the Sales Call
<i>Task</i>	No Write up, please prepare to discuss

Your company, Divers Delight, makes state of the art wetsuits for the scuba industry. Your product made of individual nanotube filaments, can keep divers 5°C warmer than competitive suits, although the cost to the consumer is substantially more (\$400 vs. \$250). Your firm received venture backing from two venture firms, one in Israel, and one in Menlo Park, California. The technology itself was jointly developed for use by the U.S. Navy Seals and your company owns the world wide patent rights. There is no direct competition, although some firms are testing a battery powered solution that might offer some degree of warmth, but the technology is unproven and there have been reports of mild electrical shock.

The scuba industry owes a great deal of gratitude to two men – Jacques Cousteau and Hugh Bradner. In 1943, Cousteau invented the aqualung, a system of regulators that remain the core of modern scuba gear and which played a huge role in opening the seas to millions of people. Bradner invented the wetsuit in 1951 while working for the U.S. Navy; his insight was that a thin layer of water could be trapped between the body and a layer of neoprene. Later Jack O’Neill and his brother Robert commercialized the process. The scuba industry counts some 6 million people who are certified divers worldwide and the industry has been growing 10% per year for the last decade. 75% of certified divers are men between the ages of 18 -35; 25% are women.

You have been asked by East Coast Divers, a large scuba shop chain with 25 stores in New England to make a presentation to their buying group at 4 PM tomorrow afternoon. Each of these stores regularly sells \$100,000+ per year of wetsuits and they cater to the top end of the sport diver market. East Coast Divers typically buys product at 50% discount from suggested retail prices and they do not discount. Although your company has never cracked East Coast Divers, you are well aware of their sterling reputation. East Coast Divers carries a few brands of wetsuits but 50% of their sales are O’Neill’s. O’Neill has begun selling its dive suits directly over the Internet and has also begun selling through large department stores and discount chains, forcing dive shops to cut their prices to stay competitive. You understand that East Coast Divers has a love/hate relationship with O’Neill.

Each East Coast store runs weekend dive boats which typically will have 10 – 15 divers on each day of the weekend. Most stores only run these dive boats during temperate weather during summer months, usually 10 – 12 weeks. The price for a one tank dive is \$70; a two tank dive is \$100.



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Their buying group is headed by Jake Q. Stow, who regularly tests state of the art equipment himself. Stow is an experienced diver with a military background. He has done industrial diving, ice diving, cave diving, and salvage diving. He does not suffer fools lightly. He tends to run hot and cold and has been burned previously by start up companies that couldn't deliver or even stay in business. He prides himself that East Coast Divers has a reputation of knowing the best equipment and having the most experienced store managers. His buying group wants to make certain that East Coast Divers stays in the forefront of what is happening in diving. Make no mistake Stow is "The Man".

Under ideal circumstances, you would like an order for 12 wetsuits per store, 2 units of both Men's and Women's suits in Small, Medium and Large.

Assignment:

1. Prepare a Sales Presentation for the Jake Stow and East Coast Divers Buying Committee. They have told you that you have one half hour on their schedule.
2. What do you think will be their major objections? If you were on this buying committee, what questions would you need answered? Prepare for those objections in your presentation.

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Spring 2015

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