



INTUITION



COURAGE



EMPATHIE

HEART LEADERSHIP CASE STUDY #4

TURNING DOWN A CLIENT IN THE NAME OF HIS VALUES

“There are no good guys or bad guys. There are those who don't care, those who are afraid, those who don't have the time, but there is always a positive way forward for those who want it. It's the willingness to build relationships in ways other than through the market, rules, the law and interpretations.”



Michel Meunier
CEO of Janus



SECTOR
CONSTRUCTION

VSB
MISSION-DRIVEN
COMPANY

NUMBER OF
EMPLOYEES :
2 PARTNERS,
12 EMPLOYEES

TURNOVER :
1,5 MILLION
EUROS

STRATEGIC AREA :
CRISIS
MANAGEMENT

The decision-making framework

► The company

Founded in 2013, Janus France specializes in locksmithing, joinery and glazing for new buildings and renovation work. Its customers are property managers (the French government, social landlords and local authorities), with whom it contracts under purchase order contracts.

► The background

During the covid crisis, the periods of lockdown disrupted the implementation of Janus France's contracts with its customers.

Some stopped all communication and all requests for intervention without any notification or consideration. Others imposed new and onerous safety restrictions by registered mail. In addition to these extra impositions, materials prices rose sharply in early 2021.

The overall economics of the company's markets were severely disrupted. While most customers gradually agreed to take account of the exceptional circumstances, two customers persisted in refusing to make any contractual changes, even after the French Ministry of the Economy formally authorized them to do so in March 2021.

The first of these refused to implement orders already placed, even going as far as to cancel the public procurement contract in which Janus France was already involved. The second company refused to honor its overdue payments and did not respond to contract renewals after the first year of operation. In response to Janus France's dissatisfaction and the application of late payment penalties, this customer put its contract out to tender again, not giving Janus France the option to renew the contract. Because it is a small fish in a big pond, Janus France could have accepted this mistreatment and, like many service providers, gone along with it to keep its customers at all costs.



Michel Meunier's questioning

"I asked myself whether I should preserve the business relationship at all costs by accepting a total lack of **consideration** from these two customers (40% of sales). I was aware that by giving up working with them I would be seriously **affecting the profitability** of operations and putting the company in jeopardy. But I refused to let fear guide me and I decided to **listen to my heart.**"



The decision

Given the procedures used by the customers and the lack of communication and dialogue, Michel Meunier felt "a deep sense of dissatisfaction, anger, and the need to **put [his] commercial relationships** on a more human footing to make them more balanced."

He made the brave decision to "break the deadlock and not to respond to calls for tenders from these two customers in the future."

The decision-making framework



▶ The manager's motivations

As a mission-driven company, Janus France had formalized its core purpose, statutory objectives and values at workshops involving all its employees. These values reflect its desire to contribute to the ecological transition and to build progressive partnerships with its customers. The behavior of the two customers was in complete contradiction with these principles.

"I had the intuition that continuing the commercial relationship would be detrimental to the company because it was contrary to our values and a source of tension within the team. We had to put an end to these unhealthy practices."



▶ The others players in the decision

Michel initially decided on his own to end this unhealthy relationship. However, he felt supported by the values of Janus France, which had been decided collectively by all the employees.

"I freaked out, but I did what my heart told me to do. Despite the economic challenge, which everyone was aware of, the employees welcomed the decision with **relief and pride** because they were suffering under this difficult relationship with these customers, which was already apparent before the covid crisis."



▶ Decision-making criteria

The decision was taken in line with the company's values, which call for mutually respectful, constructive relationships with customers aligned with **shared objectives**. Relationships based on trust.

As a mission-driven company, Janus France seeks to operate in EFC mode (Economy of Functionality and Cooperation), which means refusing to compete: the concern is not price or profit but supporting and recognizing the distress or difficulties of others.

Key issues

- These two customers accounted for 40% of sales in 2020.
- The cessation of orders and contracts would result in a net loss of sales and a deterioration in the company results: a nil balance for the financial year in 2020 would be followed by a loss of €92k in 2021.
- As Janus France had never paid dividends, its overall cashflow position was sufficient to cope with the situation.
- A state-guaranteed loan of €275,000 was taken out help to offset the losses and rebuild sales (although this would normally have been used to grow the company).

Results of the decision

Economics results

Although 40% of the company's turnover was wiped out, resulting in losses in 2021, Janus France was pleasantly surprised to find that clients who had previously rejected it in tenders began to work with it, attracted by Janus France's profile as a mission-driven company and its values. This enabled the company to gradually regain its initial business volume.

Contribution to the social climate

The deterioration in the company results prevented the payment of a profit-sharing bonus for two years, but the employees rallied round and gave life to the company's mission statement in a tangible way.

Company's reputation and attractiveness

Promoting this mission-driven company's objectives and values encouraged the development of constructive and fruitful business relationships. It sparked a new business momentum and contributed to the overall attractiveness of Janus France.

Unexpected benefits of the decision

Even though Janus France did not publicize it, word spread about the decision in professional circles, and **customers** who had never awarded a contract to Janus France opened their doors.