



15.387 – Entrepreneurial Sales

| | |
|--------------------|---|
| <i>Case</i> | Power Miser |
| <i>Class Title</i> | The Approach, Preparation for Presentation and Demonstration |
| <i>Task</i> | Prepare responses for Questions 1-4 |

Overview:

Your company, Power Miser, has developed a device that can power down cold soda machines during late night and early morning hours. A typical soda machine uses up to \$280 a year in electricity, but with your device, electric cost will run \$140 per year. Using a custom passive infrared sensor, Power Miser powers down vending machines when the area around them is unoccupied and automatically re-powers the vending machine when traffic returns.

The cost of the Power Miser is \$300 and the return to the user is 50% Internal Rate of Return/year. One advantage of the Power Miser is that the customer will never see a powered-down machine. In the event that someone approaches the machine at 4 AM wanting a soda, the Power Miser will turn on the machine and deliver a cold beverage as usual. Cans are dispensed from the bottom of the machine where they are coldest; and by measuring the ambient temperature and the compressor current, the Power Miser re-powers the machine as needed to ensure the products are at a cold enough temperature at all times. The soda machines are actually owned by the major soft drink bottlers, but MIT provides electricity and receives 10% of the revenue of each machine. MIT has a three-year contract with the bottlers, which is up for renewal at the end of this year.

Tomorrow at 4 PM you will make a sales pitch to Chuckie Vestcoat, who is the Director of Facilities at MIT, which has some 150 soda machines on campus. Chuck does not have a “budget” so to speak, but he is charged with implementing cost effective and environmentally correct solutions. Chuck’s budget for facilities runs \$15 Million a year in terms of expense and he has no capital equipment budget, per se. His major job is to make sure the physical infrastructure of the College runs well. You actually are not certain that Chuck Vestcoat is the decision maker, but you could find no one else who even came close to understanding the issue.

Recently Shai Agassi, founder and CEO, of Better Place, a venture backed company that aims to reduce the dependency on petroleum through the creation of a market-based transportation infrastructure that supports electric vehicles, spoke on the MIT campus. His message was that energy conservation was *everyone’s business*.



15.387 – Entrepreneurial Sales

“We have massive investments from firms like Vantage Point, Israel Corporation, Israel Cleantech Ventures....but it’s important that we each do the seemingly little things too.”

You asked Mr. Vestcoat’s secretary if he went to the speech on campus; she said that he did not.

Questions:

1. Prepare the first three parts of the sale – The Approach, The Presentation, and the Demonstration. You will have 15 minutes and you will be meeting Mr. Vestcoat in his office.
2. What information would you like to have before you meet with him?
3. Draw what you think would be an organization chart....and where Mr. Vestcoat might sit. What would his year-end review consist of?
4. How is this case different from the previous case?

MIT OpenCourseWare
<http://ocw.mit.edu>

15.387 Entrepreneurial Sales
Spring 2015

For information about citing these materials or our Terms of Use, visit: <http://ocw.mit.edu/terms>.