

SALES
MANAGER'S

BIBLE

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Chapter 7

The Book of Katy

Theft: Fight the Urge to Steal and Conceal

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Employee theft is one of the most common crimes in society today. Employees steal an estimated \$30 billion to \$100 billion per year from their employers. The U.S. Chamber of Commerce estimates that more than 30 percent of business failures are caused by employee theft, devastating both businesses and their employees.

The profit lost from theft in the workplace is harmful to honest employees, adversely affecting pay raises, promotions, and new jobs. In short, workplace theft robs the thief and every other employee at your company. Remember that when you steal from your company, you are really stealing from yourself.

You must never abuse your position of authority to deceive your company.

The Book of Katy

Katy's first job was door-to-door magazine sales. Her combination of intelligence and quick wit made her instantly very successful. No one could resist the sweet, innocent, very attractive girl, and ended up buying what she was selling without hesitation. Katy was making money hand over fist.

As intelligent as Katy was, she just couldn't resist the urge to lie to her prospects and steal from the company. She began by overcharging customers for the products she was selling. Katy also started skimming off of the top, and when she turned in her money, it was always short. Even when she was young, she rifled through her mom's purse and through her dad's jacket pockets and wallet to steal cash. When Katy visited friends, she would lift CDs, jewelry, and money. The sad part was that no one ever turned a suspicious eye toward Katy.



Once you have stolen from your company, fighting the insatiable urge to steal again is a very difficult thing to do. Once you feel like you have gotten away with it, greed sets in, and your chances of getting caught increase tremendously.

As an adult, Katy avoided getting caught by moving from sales job to sales job. She sold encyclopedias, vacuum cleaners, and sewing machines, and then she found her true love in the replacement window and door industry. Katy decided it was time to clean up her act, even though she still fought the urge to steal.¹

Katy was great at selling energy-efficient replacement windows. Katy's close ratio was two out of three, which means that out of every three presentations, she

would sell two windows. Katy was setting company records for sales. All eyes—including Upper Management's—were on her. All the other sales representatives wanted to ride with Katy to see how she closed so many sales. Katy began training the sales representatives, teaching them new techniques and closing skills. The sales representatives learned a great deal from Katy.

Katy was the first woman in the company's history to earn Salesperson of the Year, the award for highest sales volume. She was confident that she was ready to take the next step and throw her name into the hat for a sales management job.

Merle had been the sales manager for about two years when Katy walked into Merle's office. Katy came to the company at just the right time because Merle had just been written up by Upper Management for his failure to perform.² Katy set the pace for the company, and Merle knew that without her sales, he would be out the door.³ Merle suffered from several problems that usually end up bringing down a sales manager. His two major problems were complacency and heavy drinking.⁴

Merle became very friendly with Katy, and Katy became very friendly with Merle.⁵ After all, Merle was a good-looking guy. However, he was married with two children. Katy began flirting



There are many contributing factors why a normal person may start and continue to steal. One factor may be the thrill of stealing and getting away with it. Some other factors include excessive gambling, self-inflicted high personal debts, unforeseen financial losses, living far beyond one's means, extra-marital involvement and related blackmail, excessive use of alcohol, the use of controlled substances, and, last but not least, greed.

with Merle; if Merle had been smart, he would have shut Katy down immediately. But Merle didn't do what he should have done; instead, he flirted back.⁶

Katy knew exactly what she was doing. She wanted Merle's job and she was going to get it at all costs. Katy knew that by using her sex appeal, it would be possible to get Merle to make the biggest mistake of his life. Katy made every effort to entice Merle into taking the relationship further.⁷

Then the day came when Merle made his move and asked Katy out to dinner. As Katy's story goes, she felt an obligation to go to dinner with Merle because she feared if she didn't go, she would lose her job. That night Merle tried to take the relationship further and this is when Katy abruptly called the relationship to a halt.

Merle was shocked the next day when he was called into Upper Management's office and was told that Katy had filed sexual harassment charges against him. When Merle tried to have a conversation with Katy, she issued him an ultimatum: quit his job and leave her alone, or she would press charges.

After all, Katy thought that if she was smart enough to lure Merle into sexual advancements while in the workplace, then she had proven herself smarter than Merle and therefore deserves his job.⁸

Merle immediately turned in his resignation and left the company, and he even moved out of state. Upper Management felt that the only thing they could do would be to promote Katy to sales manager to help squash any ramifications or liabilities.

Katy found herself loving life with her new position and she was very good at it. Katy was a prime example of the phrase, "The speed of the leader is the speed of the team." Katy was a

selling machine, and demonstrated her ability to conduct training seminars and she constantly motivated the sales representatives.

The sales representatives were responsible for going out on the appointments but it was Katy's job to critique the outcome of the sales representatives' leads if they were not successful. The leads cost a fortune to develop, and Katy was in charge of making sure that everything was done to make the leads turn into sales.

Katy was also in charge of making sure the deposits were collected from the salespeople and turned in to the company and put in the bank immediately.

As quick as Katy was at making money for the company, she was equally as great at making illegal money for herself.⁹ You see, after several very successful, record-breaking months, Katy's low threshold for boredom set in again.¹⁰

Katy needed to make the job more interesting, and the only way she could do that was to put a little excitement into it. That meant that Katy would have to go back to her old ways and steal from the company.¹¹

Katy started by falsifying commission sheets and splitting the extra money with a few sales representatives.¹² This type of theft is called collusion, when a manager or executive colludes with employees to falsify organizational data, such as monthly sales reports, income statements, payroll sheets, or commission sheets.

Katy was great at manipulating company assets, and even better at embezzlement.¹³ For instance, Katy once told Upper Management that she needed a copy machine. When she was given the funds to do so, she instead had the old copy machine fixed and pocketed the extra money. Katy also padded her expense

account on a monthly basis, and she used her gas credit card to fill up friends' and relatives' cars.¹⁴

Katy viewed herself as an above average person in a dishonest world where everyone was just trying to get ahead or maintain what she possessed.¹⁵ However, stealing from an employer was no accident for Katy, it was a way of life that kept creeping back into her behavior.¹⁶ Katy was the one who decided to willfully commit the act of theft because she felt the odds of getting caught were slim.¹⁷

Katy picked up cash deposits from customers who were having prime replacement windows or doors installed, and put the money in her pocket. She then used this money to go on a shopping spree. She bought new clothes, jewelry, and anything else her heart desired.

Katy even began cheating manufacturers by telling them products came in damaged or broken; they would send her new windows and doors, which she would sell out the back door to friends and relatives for cash for herself. This method of stealing is called sweet hearting, "taking care" of your friends and relatives in various forms of theft schemes.

Katy was out of control on this new crime binge, and could not even remember how much she had stolen and whom she stole it from.

Upper Management had no idea what was going on and never even suspected anything. Sales were great, money was flowing in from the window and door orders, installations of the products were going fine, and Katy was living high off the hog with the money she had stolen.

Katy purchased a new BMW and moved into a new apartment in a high-rise building with an unbelievable view.

Katy decided she needed to find new ways to steal money, and decided to work a deal with the installers where she would give them the larger jobs if they would give her a kickback on the money they were earning. What did the installers have to lose if they were guaranteed the larger window and door orders?

Then, when a few sale representatives quit, Katy kept them on the payroll and would forge their name on their paychecks. This worked so well that Katy created some ghost employees, people who did not exist but were placed on payroll. Katy would draw checks for these ghost employees and forged their name to cash the checks. She then would fire the ghost employees after a few weeks so no one would become suspicious.¹⁸

Katy moved into another area that seemed ripe for the picking, which was the accounts receivable. Upper Management noticed an increase in accounts receivable, and it should have been evident to them that there was a potential theft problem. Katy was going out to the customers who owed money and making special deals with them, offering that if they paid off their debts in cash, she would discount the amount owed drastically. If they couldn't give her cash, they could write out a check in her name. Katy would tell them that the money would go to the company, but the discount would be more if the deal was cash.

Katy was so filled with greed that she even started robbing from petty cash. Nothing was sacred around Katy, and anything that wasn't nailed to the floor was not safe around Katy either.

Katy understood that with all she had going on, it would be only a matter of time before she would be caught. This thought only fueled the fire more, and she wanted to get away with all she could before she would face the inevitable.

Everyday when the phone would ring, Katy would get a very bad feeling, thinking that somebody may have found out what she was doing. Katy freaked out every time she was called in to Upper Management because she thought that they would begin to interrogate her about all the wrong she had done.

Katy now lived her life in fear and had trouble thinking straight and sleeping at night.¹⁹

Katy again decided to go straight and not to steal any more. But it was too little, too late because the phone calls started to roll in to the company. People were claiming that they did not get the product they ordered or copies of the receipts for cash payments that Katy collected.

Upper Management was appalled at the fact that they now knew they had a thief on payroll. Katy was placed on administrative leave without pay until they could sort through all the criminal activity. The police were called in and a warrant was issued for Katy's arrest for grand larceny.

Katy was actually relieved that this nightmare might finally be coming to an end and really wasn't worried about what would happen to her. All Katy knew was that she needed help, and if it had to come to this to get help, then so be it.

Katy went to court and was sentenced to three years in prison, and had to make restitution to the company to the tune of slightly more than \$275,000. Katy also had to seek psychiatric help to cure her of the desire to steal.



What led to the demise of poor Katy? Let's look at all the ways in which Katy more than cheated her sales management position.

The Book of Katy: Translations VII

Katy 1. Usually, whenever someone indicates that he is going to clean up his act, it is generally not as easy as he assumes it will be, especially when it involves theft. Modifying this behavior generally requires outside help, such as a psychologist or psychiatrist.

Katy 2. Failure to perform is a Mortal Sin of Sales Management. It should not be tolerated and is grounds for immediate termination. Failure to perform is an indication of a lackadaisical attitude, and when one reaches this point, it is very difficult to reel them back in to regain their enthusiasm, energy, and effort.

Katy 3. In sales management, you cannot count on one person to represent your entire sales force. Success involves a team effort and should not rest on the shoulders of one person. Competition stimulates excitement and there cannot be competition with only one person.

Katy 4. Complacency, the mother of job loss, is the major reason why so many sales managers fail. It is incredible how so many sales managers fall prey to this evil. Usually a person recognizes that he has become complacent and turns to alcohol to ease the pain of knowing that his job is being threatened by his own inadequacies. When complacency sets in you lose the burning desire to get the

job done at all costs and would rather go sit in a bar or at home doing nothing but try to pass the night away.

Katy 5. Romancing and flirting should be kept out of the workplace. They can devastate a business, and the distraction that they create can lead those involved to irrational thinking.

Katy 6. When sexual overtones from employees start to creep into the workplace, shut them down as quickly as possible. This is something that should not be tolerated, and violators should be severely reprimanded.

Katy 7. Always bear in mind that people will do anything they can to get your job when you are in a management position. They will attempt to lead you into a direction that will send you down a rocky road with a lot of bumps. Make sure you have the policy and procedure manual and stick to it like glue!

Katy 8. Whoever is in charge should resist the urge to fall prey to someone making sexual advances. If the person making the advances is smart enough to lure you into this situation, then he or she has proven smarter than you. Therefore he or she should have your job, since he or she becomes in charge anyway.

Katy 9. As you get further down the road in your management career, you will learn a great deal about how to make money for the company. Within those legal limits, you may find that you will seek out ways that you could sabotage the operation and earn additional money illegally. Doing something out of line is not worth the worry, guilt, and sleepless nights that it will cause, not

to mention the potential career damage. Stay clean at all costs, and you will never have anything to worry about.

Katy 10. When people have a low threshold for boredom, they usually have what is known as an addictive personality, which means a personality predisposed toward becoming addicted to something. The problem is that once they find something new and get excited, it only lasts for a short period of time before they are thoroughly bored with it. Then they are always looking for new ways and new things to fill the void. Try to make these feelings productive toward the job you do now, and don't look for ways to beat the system.

Katy 11. There is an old saying that once a thief, always a thief. A tiger never changes his stripes. A leopard never changes his spots. All are great lines, but all are untrue in the real world. People can change if they have the desire and the willingness to work hard to overcome their problems. Once a person decides to make a change, and does it habitually, it becomes ingrained in their behavior and they are less likely to revert back. Formulate good habits, good habits stay; formulate bad habits, and they stay and turn into a big mess.

Katy 12. Once you decide to defraud your company, you can count on the ramifications to stick around. There is no turning back when greed sets in. If you should be so unlucky to get away with it, you definitely will want to move on to bigger and better things. The same skillful knowledge you could and should be using to create a better workplace for yourself and your company, you spend committing crimes.

Katy 13. It would be much better to learn how to better the company's profit margin, instead of learning how to embezzle and manipulate your company's assets. Once you change your course to learning how to manipulate the system instead of learning good sales and training skills, it is time to get out of the business. You must learn to fight these urges to be dishonest and make it a point to live a respectable life.

Katy 14. Once you rise to the level of master thief, you will begin to look for bigger scams to earn large dollars quickly, but you also will look anywhere you can find cash. It is very possible that a small thing will be the one to knock you out of your position, leading management to find larger things. The small things will just amount to job loss, while the larger things will amount to prison.

Katy 15. Rationalizing theft is one of the easiest things to do. Why not? Your company has made plenty of money off of your efforts. Are they really going to miss a few extra dollars? Companies have checks and balances in place and they want their books to balance to the penny. When Upper Management realizes that someone is stealing their money, the first thing they do is scrutinize your salespeople, who will quickly crumble under the pressure that they may get in trouble, and turn you in to save their own hides. These people will confess to anything and agree to anything in order to plea-bargain their way to a safe haven.

Katy 16. When you become unable to control your behavior, it is time to seek professional help. We all are well aware of our

shortcomings and problems; for some it's alcohol addiction, drug addiction, theft addiction, violent temper, compulsive gambling addiction. But the most important thing about all of these addictions is that people can be helped. Once you recognize that you have a problem, you are halfway to solving the problem. All it will take is some minor alterations to your lifestyle.

Katy 17. People always judge risk by the ability to overcome the challenge without doing personal harm. If there is a possibility that you may harm yourself in any way, shape, or form, don't take the risk.

Katy 18. Ghosting employees has become a popular way to steal from companies, especially when it's a branch office located in another city or state. It is so easy to create the necessary paperwork to put an employee who doesn't exist on payroll. The signature of that employee is easy to replicate because the manager does the actual forgery. Usually the dishonest manager will keep the ghost employee on payroll for two weeks, then report to the corporate office that the employee has quit.

Katy 19. Of all the evils that one must suffer through, guilt takes the cake. Knowing that you willfully committed a crime and knowing that you have violated your own principles of right and wrong will bring about feelings of shame and regret. We all experience temptation to do wrong, but you must realize that once you take that step into the realm of dishonesty, you must be prepared to have worry, anxiety, tension, stress, and sleepless nights where you will find yourself tossing and turning and have the constant fear of being caught.

The Divine Truth of Katy

In *The Book of Katy*, we learned the various ways an employee steals, including collusion, pilfering, ghosting employees, embezzlement, swindling, kickbacks, and sweet hearting. When a star employee shows signs of any form of theft, the manager faces one of the hardest challenges in management—questioning that employee's integrity.

When you steal, you will spend your entire career trying to conceal. Stay on the straight and narrow path, striving to achieve success through hard work and dedication to your company. Slipping onto the fast track with one hand in the cookie jar and the other eye peeled is no way to live. Even if you never get caught by your employer, your conscience will always get you in the end.