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**BURNOUT \***

Did Hank Abbey Have To Retire?

Hank Abbey was fifty-eight years old and had just been awarded an expensive gold watch to recognize twenty-five years of service to WMEE-TV. Elaine Monsoor the station's new, thirty-six-year-old vice president and general manager made the presentation at a staff luncheon in studio A. Hank's wife and three grown children were present for the event, along with most of WMEE-TV's employees. In addition to the watch, Hank received a congratulatory letter from the company's president.

Hank's family was very proud of his long service and accomplishments, not only at the station, but in the community. Hank was the senior account executive on an eight-person sales staff for WMEE-TV, an ABC affiliate in a mid-sized market. Hank had an opportunity to become local sales manager twelve years earlier, but he had decided to remain an account executive because, as he said, "I don't like all that administrative paperwork."

Hank had enormous respect in the business and advertising community as well as in the community at large. He had been very active in the Advertising Club, Boy Scouts, Red Cross, Junior Olympics and his church. Hank had served as a board member of the Advertising Club, was a past president, and three years ago was named Man of the Year in Advertising by the Advertising Club – the first media salesperson to be so honored.

Most of the salespeople who worked with Hank respected him too, as did the national sales manager (NSM) Linda Puckett, age 40. Whitey DiOrio had been the station's local sales manager for the last two years, after six very successful years as a WMEE-TV salesperson. Whitey had a reputation in the market for being an aggressive and innovative sales manager.

Linda Puckett had been with the station for only one year, coming from the station's national sales representative firm. Prior to that sales experience, she had been a buyer at K, R & B Advertising. Linda was very fond of Hank and relied on him to help her understand the local market and local business conditions. Although she was totally involved in national business, Linda realized that she must gain experience in local sales if she was ever to get consideration for a general sales manager's position with WMEE-TV's parent company.

Although Hank appeared pleased with the recognition of the watch and the retirement party, underneath it all he was upset. He felt out of touch with everything going on at the station now, and as though he hadn't really been given a fair shake. As the senior account executive, Hank had been assigned a list containing many of the most significant local agencies and accounts. Many of his advertisers and media buyers were long-time friends as well as customers. He had been through the ups and downs of business cycles and relationships with many of the most important media people in the market.

But Hank began to see the market changing, the television industry changing, the station's staff changing and his assignments changing. He continued to have large billing, but he only made his billing quota in months that the station did very well in total billing. Hank was often criticized by his local sales manager, Whitey DiOrio, for not developing new business and for not making specifically tailored marketing proposals to accounts at the client level.

Some of the WMEE-TV salespeople continued to go to Hank to seek advice, but others harbored resentment because he had so many important, big-spending, repeat customers. Also, Hank's attitude was growing more and more negative as he began to feel that his work as an account executive was unfulfilling. In recent months, Hank and another salesperson, Jo Alice Matter, began to complain to each other about the station, the corporation, the business and their jobs. They were discrete enough not to let their negative conversations be overheard by anyone else, but when they were together they seemed to feed on each other's negativism.

Jo Alice admired Hank and his stature in the community. She did not care for Whitey DiOrio, feeling that he was much too aggressive and demanding. Despite being only thirty years old, Jo Alice felt she had been around long enough not to be asked to make so many new business development calls and make "those silly sales projections." Her achievement of her billing quotas was barely acceptable – she achieved them about half the time – but certainly not outstanding.

Whitey, as local sales manager, was trying to juggle the needs of the diverse personalities on his staff, achieve station quotas and make a name for himself in the company's broadcast division. He felt he was being held back by the unspectacular performance of his sales staff. He had some very good performers, but he began to focus more and more on Hank as a major source of what he, Whitey, perceived as a performance shortfall.

Whitey was getting no reinforcement of these negative feelings about Hank from Everett Moore, the station's general sales manager, who had progressively become less involved in the local sales effort. Moore was required to write a lot of reports for corporate headquarters, and spend time in meetings with the new general manager and other department heads. The new general manager, Elaine Monsoor, had been a successful news director at another television station in the market and had no sales background. She trusted Everett Moore and relied on him as her sales expert and mentor.

At the beginning of the year a new, corporate-dictated compensation system had gone into effect at WMEE-TV. A major portion (over 33%) of the local salespeople's compensation was based on a quarterly bonus based on achievement of local sales quotas that were based primarily on new business development. Some of the account executives who developed substantial amounts of new business expressed displeasure with the new system. They felt that they missed the bonus at the end of the first quarter because some of the staff, Hank in particular, contributed little new business.

The number-one new business producer, Allen Leach, usually had the most new accounts on the air. Allen was not bashful about pointing out his productivity to Whitey DiOrio and Everett Moore. The flip side of Allen's value to the station was that he had a low rate of account retention and repeat business. He had twice as many accounts on his list as any other salesperson because he was relentless about digging them up and claiming them.

At the end of the second quarter, Everett Moore called in Whitey DiOrio for a performance review. Although local sales were up four percent over last year, the station had missed its projections for the second straight quarter. Moore was starting to get some heat from the general manager, Elaine Monsoor. Monsoor in turn was getting questions from corporate headquarters, which she passed directly on to Whitey DiOrio. During the performance review Everett Moore unofficially put DiOrio on notice. "We need to see this thing turned around by the end of the year or I will have to look at making some changes," Everett Moore told Whitey DiOrio.

Whitey was angry. It wasn't his fault the new business quotas were being missed, it was primarily Hank's. "Can I force Hank to retire?" Whitey asked Everett, "I've been building a case on paper for six months and have warned Hank twice." "Do what you have to in order to turn things around," said Everett.

The first thing Whitey did when he left Everett Moore's office was to call Hank Abbey into his office and say: "I'm sorry Hank, but the heat's on. Here's the bottom line: you can retire and have a gold watch and a party – leave with honor and dignity – or I'll give you three months notice right now and fire you. I've got a paper trail built on you and can do it."

Hank looked almost relieved. "Great," he said, "I can't wait to get out of here. Consider me retired.”

AUTHOR'S NOTE

While the incidents in this case are not factual, they do represent a composite of actual events and operating practices of some companies. This case was prepared to use as a teaching tool.

QUESTIONS

1. If you had been WMEE-TV's local sales manager, what would you have done differently than Whitey DiOrio did?
2. What are some ways to avoid the burnout that Hank Abbey experienced?
3. Where would you start to turn around the local sales performance problem?
4. Is there a local sales performance problem?
5. Would you have made the same decision Hank Abbey made about retiring instead of getting fired?

\* This case was prepared by Charles Warner and Ron Steiner