School of Media Studies

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**KQIP-TV'S NEW GENERAL MANAGER**\*

The Difficult Sales Manager

Nancy Jefferson did the most unladylike thing she'd done since she became the general manager of KQIP-TV, she threw her well-read copy of *Good To Great* up against the wall of her office and spat out a four-letter expletive that she hadn't uttered since she was a teenager.

It had been three months since she had been promoted and transferred by UBC from news director of its top-rated station to general manager of CBS-affiliated KQIP-TV, the number-two rated station in a Sunbelt city that was one of the nation's top twenty-five markets. KQIP-TV had stayed a strong number two in early and late news ratings, and was number two in overall household ratings and in the 25-54 adult demographics in most day parts, but number three in the 18-49 demos. Nancy Jefferson had been the first female to be a news director of a television station for UBC, and now she was proud to be the company's first female general manager.

However, Nancy Jefferson was concerned about being perceived as a token female general manager. She wanted to gain the respect of all of the people at her new station, KQIP-TV, especially the eight department heads, five of whom were men. Therefore, when she took over the job as general manager, Nancy made no changes. She listened and tried to learn as much as she could about sales, accounting, engineering, programming, and promotion. She spent a lot of time getting to know all of the people in the station on an informal, first name basis. Nancy had invited each of the department heads to her home for dinner, and she had given a party for all the employees at the station's transmitter site in an attempt to foster a family atmosphere at KQIP-TV. She set aside at least an hour at different times each day to walk around the station and chat informally with people.

Furthermore, she had conducted individual meetings with all of the department heads to communicate her vision for the station. She got their input on their department goals, and their general strategies for reaching those goals. Nancy gave them an outline of her expectations for each department head. She felt that all of the department heads but one, Tony Ritazzi, the general sales manager, were in agreement with her vision, and that they supported her enthusiastically.

Tony Ritazzi had been distant, cool, and relatively unresponsive to her efforts to get him to share her vision for the station. Every time Nancy talked with Tony she felt patronized, like Tony was saying to her, "Don't worry, little girl, we'll bring in the money; you just keep the newspeople in their cages and keep the ratings up." It wasn't clear to her what he disliked the most, the fact that she was female or a journalist. What was clear, though, was that Tony felt he had been in line for the general manager's job and, in fact, that he had been promised the job by the previous general manager. Tony seemed to harbor the notion that except for UBC's diversity policy he would have the job as general manager, a job that traditionally in UBC had been passed on to a reigning general sales manager.

Nancy's latest frustration had come when she had asked Tony Ritazzi for a list of his specific goals for the next quarter when she had made one of her daily trips to his office. He had said, as he always did, "To make budget, to make budget, and to make budget!"

"I'm a little concerned, Tony. For the first time in some years you are pacing a little behind budget. Do you have any other goals and strategies on how you're going to make budget?" Nancy asked.

"Business is picking up, we'll make it. What goals are there other than making budget – that's the way it's always been around here," Tony replied.

"You might want to set some other, more specific, activity-oriented, non-financial goals," Nancy suggested.

"Why? As long we're making budget, corporate will stay off of your back. Trust me, we'll make it," Tony said in a way that indicated he was, in essence, dismissing any other concerns Nancy might have and that he did not intend to talk any more about goals or the way he ran the sales department.

Nancy was frustrated. She couldn't seem to get Tony to see any other way of setting goals, or evaluating salespeople other than by budgets and billing. She felt he was stuck in the past and didn't want to consider that there might be another way of looking at sales performance. He interpreted all of her questions as lack of trust, not as an attempt to help. Nancy returned to her office, picked up *Good To Great*, aimed it at her framed diploma from journalism school and flung it as hard as she could as she spit out the long-forgotten expletive. Fortunately, she threw a natural curve, and the book missed the diploma.

The next day at 9:00 a.m. Nancy Jefferson called Tony Ritazzi and asked him to come into her office.

"Tony, I don't think you understood completely what I was asking for yesterday. My request was not a casual, frivolous remark. I would like for you to give me a written list of your specific goals for the next quarter, and your strategies for making those goals. Let's see; today is Wednesday. I'd like for you to return here by noon this Friday with a list of specific activity-oriented goals for your department, and be prepared to discuss them in some detail with me," Nancy said firmly.

Tony was stunned and angry. He had a difficult time holding his temper as he uttered softly, precisely, "I take it you don't trust me. I've said that my goal was to make budget. Our billing is good and we're pacing well – a little behind, maybe, but I'm pushing hard and we'll make it. Isn't that enough? If I take time to write out all the goals I set for all of the salespeople, it'll just take time away from keeping the pressure on them. Do you really want me to waste your time and mine with a long, written list?"

Yes, Tony, I want you to do as I ask. I'd like your list of sales goals by noon this Friday. The list doesn't have to be long, but it must contain specific, measurable, time-bound, and verifiable goals," Nancy responded calmly.

"All right, if that's what you want. But the list won't be short," Tony shot back as he left Nancy's office.

At 11:00 a.m. Friday, Tony called Nancy and said, "I have the goals list almost done. Can we go over it after lunch, about two o'clock?"

"Do you have an important lunch date?" Nancy asked.

"No. I want to go out with a couple of the salesmen and have a bite," Tony said casually.

"Well, in that case, why don't you bring a sandwich into my office at noon and you can catch a bite while we discuss your list of goals," Nancy replied calmly.

"Well, if that's the way you want it, OK," Tony retorted icily.

When Tony arrived sandwich and list in hand, Nancy asked him to read the goals. "I'll tell you by salesman, that's the way I set goals," Tony said. "Harry's goal is to bill $100,000, $90,000, and $93,000 for the next three months. I have to goose Harry a lot. He always lowballs me in his account-by-account projections. I have to raise them a lot."

"Why do you have salespeople do projections?" asked Nancy.

"They have to have something to shoot for, don't they?" Tony responded.

"Are their projections accurate?"

"Well, I usually have to raise them to make sure we come in on budget."

"So you re-do their projections based on making budget?"

"Yes, the projections then become their billing goals."

"Do most of the salespeople achieve their goals?"

"Of the eight, the top three always go over them and the bottom five usually come in under them. I set it up this way because salesmen need pressure; I don't want most of them to feel too comfortable."

"Do the bottom five ever complain about your goals?"

"Most of them gripe, but they know it won't do any good. The top three guys pretend I'm hurting them and then go out and bust the goal. This system motivates the other people to get a better list."

"How do they get a better list?"

"They usually wait until someone leaves and are given few plums."

"What do you do if a salesperson doesn't meet his or her billing goal?"

"Kick ass!"

"What do you do if a salesperson meets his or her monthly billing goal?"

"I give him a $100 bonus."

"How much do your salespeople make, on the average?"

"Low of $50,000, high of $185,000. The average is around $100,000."

"How else do you evaluate salespeople, other than billing?"

Billing first and then, close behind, is share. Third, I look at new business."

"How do you get share information?"

"They get it from the buyer when the buy is placed."

"Do you have any specific new business goals?"

"No. If they do a good job in bringing in new accounts, I don't get on their case. If salespeople don't bring in any new business, I jump on them in meetings."

"Do you have any other goals?"

"Well, I look at rates and inventory spread, but you can't get specific on those things."

"Why not?"

"If you'd been in sales you'd know that the only way to evaluate these things is by gut feel. I know all the agencies we do business with. I know what rates the agencies will and won't pay and what share we should be getting from these agencies, so if a salesman comes in with low shares, I either know what it will take to get the order or if the rates were too high. I push for the salesmen to put three daytime or late fringe spots for every local news spot they offer in a package, but you can't push too hard because it depends on the demo and the media plan."

"How do you control their packages?"

"I tell them to go in high and put lots of schlock in their packages. But when push comes to shove, I'll take the business to make budget."

"Could you be doing anything better?"

"We're making money aren't we? I've been the general sales manager for ten years, so no one has been unhappy – yet."

"What do you do when a salesperson comes in with rates that you think are too low?"

"I show her the high rates some of the good salesmen are coming in with."

"Do you give the salespeople any feedback on how they are doing?"

"Of course, I have a yearly performance review with them like the company requires."

"Is once a year enough?"

"Once too often, if you ask me. Salesmen can look at their billing and budgets to know how they're doing. Furthermore, I always let them know in the sales meetings how everyone is doing. If the salesmen don't make the billing goals I set, or if we're under budget, or if their rates are too low, I'll let them know I'm unhappy. Otherwise, if they bring in the business, they'll never hear from me."

"Do you treat all the salespeople the same."

"You bet. I treat the girls the same as the guys. No one ever accused me of being unfair!"

"I'm not accusing you of anything, Tony, but don't different people have different needs?"

"Not salesmen. They all have the same need – to make more money."

"That's all they care about?"

"You bet. I know news people are jealous of how much money our salesmen make, but our people earn it – they're the ones who bring in the bucks that keep this station going."

"Are there no other ways to evaluate how well salespeople are doing other than by billing and share?

"Oh, I guess. But in ten years of running a sales department, I've never heard the company complain about anything other than budgets and profits, and we've always delivered what they expected."

"Well, I'd like to begin a new era. I'd like you to be more specific about your goals. Let's start with a short of list of goals for next quarter, and I don't want any of these goals to be billing goals."

"You're kidding!"

"No, I'm not."

After this last, exchange, Tony was obviously on the verge of blowing up. He'd reached the edge of his self-control. He stood up slowly, stared at a spot between Nancy's eyes and said, "I don't care if you fire me. In fact, I think that's what you're trying to do with all this goals crap. You don't trust me and you're building a case to fire me. I've had it up to here with you news people. So I'll say it – you're a bitch!"

AUTHOR'S NOTE

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

ASSIGNMENT

1. What should Nancy do first?
2. Should Nancy bring in her boss at corporate to help out with Tony?
3. Do you think Tony Ritazzi is an effective sales manager? If so, why? If not, why?
4. What are Nancy's obligations to Tony?
5. What basic problems are at the heart of the matter?
6. What could Tony have done to avoid being in this predicament now?