School of Media Studies

THE NEW SCHOOL January, 201

**JUSTIN FREEDMAN** \*

The New Sales Manager From Outside the Company

 Justin Freedman was buying drinks at a Silicon Alley bar in New York for five salespeople after his first day on the job. DigiNet, the nation's third largest digital and mobile ad network, had just hired Justin to take over as V.P. of Sales for its largest sales office. Justin had replaced Matt Boyer, who had left DigiNet to become the head of sales for digital startup company.

 Salesperson Nick Katz finished a glass of beer, smiled at Justin, and said, "You'd better be good. I pitched for your job and didn't get it. I'm the top biller and I was kind of upset when they brought in someone from outside the company. If you don't improve things, I'm outta here."

 "I'd hate to lose you," Justin said, "what should I change?"

"Why should I tell you? If you fail, I might get another shot at the job," Nick replied with an even bigger, yet unauthentic, smile. "I'll see you tomorrow, *boss*," Nick said as he strode out of the bar still smiling. Justin couldn't tell if it was a mocking smile, a challenging smile or the type of smile that comes after a friendly jest. “A typical Lone Wolf,” Justin said to himself.

 "Well, how do all of you think I could improve things?" Justin asked the four salespeople who remained.

 Jenny was the first to reply. "First of all, have meetings at a decent time – sales meetings at 8:00 A.M. three days a week are ridiculous," she said.

 Justin asked, "What do you do in the sales meetings?"

 "On Monday Matt would ask us about specific accounts," Jenny responded openly.

 "We'd also go over our projections in SalesForce. Matt would look at our pipeline and then we'd have to tell him what specific accounts we'd close that week," another salesperson added.

 "How do like that system," Justin asked.

 Two of the salespeople said they didn't mind it – that it let them know where they stood in billing.

 But Jenny didn't agree, "The projections in the pipeline are a waste of time. There are no closing likelihood levels – you know, like 90 percent sure, 50 percent sure, or only 10 percent sure. Matt insisted on all-or-nothing projections and often pushed accounts into 100 percent sure totally unrealistically. No salesperson ever hits his or her projections. We spent time doing the stupid pipeline, and then Matt would raise the projections by pushing accounts into the 100 percent category. So we made up numbers and tried to predict what accounts might possibly come in with some money. It was always a giant guessing game. If we didn't hit our numbers, Matt would beat us up in the meetings for missing them. There was never any encouragement. If we went over our projections, he'd beat us up for not knowing our accounts well enough. All he cared about was hitting the projections he’d given corporate. He'd take any business at any rate to hit his numbers. He'd come around the sales stalls at the end of every day and ask how much we sold and would write down the number."

 "What's wrong with that," asked Justin.

 "I make my car payments by selling well, not guessing well," said Jenny. "Matt used the projections just as a whip to get us to sell more; there was never any strategy discussion on how to approach or give insights to an account," she continued. "All he cared about was making the projections. His bonus was based on hitting the numbers, and that’s all he cared about."

 "I see," Justin mumbled.

 Bill, one of the other salespeople chimed in, warming up to the subject. "Prices are tumbling because there is no much inventory out there. Buyers are getting gut-bucket low CPMs because they're buying from exchanges programmatically. What's more, we had a really ineffective marketing campaign last year that didn't help us. How can DigiNet expect us to increase revenue by ten percent if CPMs are constantly going down? I work really hard – often 14 hours a day – but I can’t overcome the price-dropping trend.”

 "Did Matt tell the company he thought they ought to do more marketing?”, Justin questioned.

 "No way! Matt wasn't stupid. He told them what they wanted to hear. That's the way you have to deal with corporate around here. You'll see," Bill responded.

 "That's crap," Jenny blasted, "corporate didn't like Matt because he couldn't manage or coach his way out of a paper bag. Both Nick and I are good salespeople and we went over our projections and budgets consistently."

 John chimed in and said calmly but firmly, "That's because you have a good list because you played up to Matt, and Nick was lucky enough to have been hired first. He was given a great list that was never changed."

 "Account lists are never changed around here. You know that you and Nick had the best lists when Matt came, and he never changed them," John proclaimed.

 "Bull! I've written more new business than anyone and added more new accounts to my list by knowing how to sell solutions and insights. I’m not just a relationship builder who gives clients everything they want," Jenny steamed. Justin smiled to himself secretly as a recognized the Challenger in Jenny.

 "You did well because you wanted the double commission on new business and because your list is so big," John responded. “My list is smaller, so I have to spend a lot of time building solid relationships with my current accounts.”

 "We're getting nowhere," said Jenny. "I'll see you at the stupid 8:00 A.M. sales meeting in the morning." She threw out the words as she left, tossing them at nobody in particular.

 John got up to leave and said to Justin, "If you want to keep Nick, you'd better fire Jenny. They hate each other. Matt pitted them against each other to see who could bill the most. Nick won because of his list, and Jenny can't stand it."

 The other salespeople drifted away shortly and left Justin with a handful of drink bills, a cup full of office politics, and a head full of questions. He knew Matt Boyer had been fired and that he, Justin, was under no pressure from corporate headquarters to make any quick changes. But what changes should he begin to make?

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

 You are Justin Freedman. Before you show up at the scheduled 8:00 A.M. sales meeting the next morning, you have to ask yourself several questions and plan to take some action.

1. Was an informal meeting at a bar a good idea?
	1. Would it have been better to call a formal sales meeting and tell the salespeople about your standards and expectations?
	2. Were the exchanges helpful or harmful – were they mini-brainstorming sessions or were they merely negative exchanges that served little constructive purpose?
	3. What should you say to Nick in the morning?
	4. Should you have stepped in and cut off the argument among Jenny, Bill, and John?
2. Is there competitive conflict between Nick, the number-one billing salesperson, and Jenny, the number-two biller?
	1. If so, how are you going to deal with the conflict?
	2. According to *The Challenger Sale,* what type of salespeople is Justin probably dealing with (Nick, Jenny, John and Bill)?
	3. From what you have learned so far, what do you see as the three or four biggest problems that you have to address?
	4. What two or three actions you are going to take in the meeting tomorrow morning?

\* This case was prepared by Charles Warner.