

A SALESPERSON'S DILEMMA¹

Who's Interests Come First?

Janet Holcombe loved calling on Harry Godowski. In spite of the difference in their ages and background, and despite the fact that Janet was a salesperson for TheDailyNews.com website and app and Harry was an advertiser, they had become good friends during the six years that Janet had been calling on Harry.

TheDailyNews.com served a top-25 market, and it was a digital version of the first large local newspaper in the country to migrate its content completely online. It was also one of the most successful digital local newspapers in the country. TheDailyNews.com also had no newspaper competitors.

Janet's job at TheDailyNews.com was her second one in sales. She had started at a radio station in a small town in which the university she graduated from was located. Janet remained there 18 months, and then moved to the city where TheDailyNews.com was located.

Janet was anxious and insecure when she first started at TheDailyNews.com and felt that perhaps she had jumped into selling digital advertising too quickly. She was not given a very good list of accounts when she started, and by the time she had gone for six weeks without an order, she was close to being desperate. Then she called on Harry.

Harry Godowski owned the city's largest jewelry store. He had been in the same downtown location for 40 years, and even stayed there when many businesses had moved to the shopping malls that had sprung up around the outskirts of the city. Harry not only stayed downtown, but he prospered there. He sold a variety of jewelry lines ranging from gold chains, diamond rings, earrings, necklaces, high-priced watches and graduation rings. Harry had earned an excellent reputation for customer satisfaction and for providing superb customer service. He was President of the Downtown Retail Merchants Association and President of the Rotary Club. His store also had an online presence.

Harry was a robust, rotund, rumped and jolly man in his late sixties who never seemed to stop smiling and who made every customer he waited on, regardless of whether the customer bought anything or not, feel like he or she was the only person in the world. Harry was an outgoing person who loved the spotlight, was nurturing to his customers, colleagues and vendors, and loved to have friends and to be well liked. He was very goal oriented and open minded. He needed to understand as much as he could about his business, his products, his community, his

competitors and his advertising. Harry was also conservative by nature; he didn't take unnecessary risks and wanted to preserve what he had built over the years.

When Janet Holcombe first called on Harry, he had been investing about 15 percent of his ad budget in the Daily News newspaper, but did not want to switch to the digital version when the paper announced that it was moving to an all-digital version.

Janet was a small, pert, well-groomed woman with the freshly scrubbed look of a South Eastern Conference college cheerleader, which she had been. She always joked about herself by saying that she would probably still look like a cheerleader when she retired. No one argued that point with her. When she called on Harry, he intimidated her at first. But he sensed her nervousness, and he went out of his way to put her at ease. Janet settled down and conducted a thorough needs-assessment and problem-identification interview. She returned two days later and made an intelligent, solution-based presentation and got Harry to agree to advertise with the digital version of the Daily News. Over the six years that Janet had been calling on Harry, he increased his advertising budget until he was investing about 25 percent of his yearly advertising budget (just over \$65,000) with Janet on TheDailyNews.com.

Even though Harry was not one of TheDailyNews.com's or Janet's largest advertisers, he certainly was one of the best. He paid his bills on time every thirty days, he paid reasonably high rates, he negotiated with Janet once a year and bought the schedules she proposed with few exceptions. Harry ran a small weekly schedule of banners and then ran heavy-up campaigns in December for his Christmas business and in May for his graduation and wedding business. He used video ads for his heavy-up campaigns.

One hot summer afternoon, Janet got a call from Sy Abell, the young manager of the new Hess Jewelry store that was opening soon in the city's largest mall.

"Hi Janet, Sy Abell here. I'm sorry I didn't get back to you sooner, but I've been swamped making plans for the new opening. When can we talk?"

"I'll be right there," said Janet. She was delighted to receive Sy's call, as she had been calling him and trying to see him for two weeks. On her way out of the office, Janet stuck her head into the ad director's cubicle and shared her good news with him.

"Be careful, Janet" the ad director said, "when you put a claim in for the Hess Jewelers account, I had the accounting department check their credit, and I also called a few friends in other markets about them."

"Well?" asked Janet.

"Well, just be careful. They pay their bills, so we'll approve their credit, but they always pay after 120 days. I hate people like that, but we'll take them because they spend big bucks. Also, they are fierce negotiators. Hold on to your pocketbook. I was also told there are several complaints about them at a couple of Better Business Bureaus. But the complaints have not been substantiated, so we can't turn them down."

"What kind of complaints?" Janet asked.

"Oh, standard stuff like the karats on their gold chains aren't what they claim in their ads, or they advertise low prices on diamond rings and then bait-and-switch people. None of it highly unusual in the jewelry business, I guess. Since there are no judgments against Hess or proof of false advertising, we don't have enough on them to turn them down. Don't let them beat you down in rates too far, but get the business."

Janet nodded and left. She smiled and shook her head slightly as she got in her car. "Always the same advice. At least he's consistent: 'Don't let them beat you down in rates, but get the business.'"

When she arrived at Hess Jewelry's office, Sy Abell had her sit and wait in the reception area for twenty minutes with salespeople from two radio stations. "He's trying to lower my confidence and give the message that he can always buy my competition," Janet thought somewhat smugly to herself. She had learned a lot in six years.

Janet was confident that Sy would eventually buy TheDailyNews.com because it was the most visited website and app in the market and had rates with about 10 percent lower CPMs than the radio stations whose salespeople Janet was sitting with.

When Janet finally met Sy, he was gooiily charming. After a little small talk, Sy made his offer to Janet. "Janet, I'm here to win. My career and future depend on me winning, and that means beating that slob of a dinosaur at Godowski Jewelry. I want to put him out of business, and I can do it, too. He's a small one-store dealer; we're a big chain and buy in volume. We can offer consumers much lower prices. We have sales every week: diamond sales, gold chain sales and brand-name watch sales. You name it; we have a sale. And we promote our sales; which means we'll spend a ton of money with you."

Janet was getting uncomfortable. She would love to get a large order from Hess because she would receive a 15 percent new business commission, as opposed to the TheDaiyNews.com's regular 6 percent sales commission. She needed the money for her upcoming wedding. However, she did not want to do anything to hurt Harry Godowski. She nodded at Sy Abell as she struggled with her dilemma.

Sy was aggressive, highly competitive, dominating and clearly wanted control over all aspects of his advertising. He was a risk taker who would do what it took to win, and saw himself as a ruthless negotiator whose objective was to win at all costs.

"Here's what I'll do: Number one, I'll spend three times what Godowski's spends with you, but to do this I must know exactly what he spends on a yearly basis and precisely what he is going to spend for his Christmas promotion. I want to know his schedule, his rates and his expenditures. If I don't get this information, I won't buy you. Number two, because I want to dominate your website, I want guaranteed page positions above any of Godowski's banners. Number three, I will give you an equal amount of business, on a dollar basis, in all four quarters of the year if you will give me a 33 percent discount off the rate Godowski is paying. My business is better for you – more volume and better spread throughout the year. Furthermore, if you make this deal with me, I'll give you a top-of-the-line Rolex ladies watch for looking after the positioning of my banners. If you don't meet all three of my demands (Godowski's expenditures and schedules, guaranteed page positions, and a 33 percent discount off Godowski's rates), I won't buy you and will put all of my money in radio. Do we have a deal?"

Janet didn't reply immediately as she tried to absorb all of the conditions. While she was thinking, Sy added in a casual manner, "Oh, by the way, what are you doing for dinner tonight? I'd really like to get to know you better."

ASSIGNMENT

1. If you were Janet, would you take Sy Abell's initial offer? Explain the thinking behind your reasons either for taking it or not taking it.

In the shoes of Janet, I would humbly decline the offer because of 2 reasons. First, the demeanor Mr. Abell presents is snotty, uptight, & manipulative with the offer he brings to the table. Although he does add a lot of incentives due to salary he generates but he's a risk, dealing with business like that can end the long run damage your reputation and potentially shut down the corporation. Late when it comes to being assertive as a businessman, paying bills and late on fees he has to pay with other business. The risk is much higher leaning in the direction of Hess jewelry. Second, thinking long term I feel as though doing business would reflect negatively on the company's behalf because of the trust and bond that was made with Harry & Godowski Jewelry. Joining forces would ideally be more beneficial for our business as the AD director and her detailed, all in all, Godowski true nature in customer value when dealing with people from any background is a score in any situation to me.

2. If you take the deal, what would you tell Harry Godowski when he sees the Hess banners above his on TheDailyNews.com?

Not taking the deal was not for the lack of empathy on the behalf of Harry seeing what was done because at the end of the day business is business and what was best for the company matters in a situation of this such. Ultimately, choosing to stick with Godowski's advertising was based off the sales and yearly basis we gathered with Harry. He offered what Hess couldn't and that was understanding the customer, putting himself in their shoes, and taking responsibilities into his hands when counted on just seems to make sense to keep the bridge already built that was made between one another.

3. If you do not take the initial offer, what reasons would you give to your ad director?

Going off the top I would state that following Mr. Abell plans does generate more revenue for the company and brings forth an expansion to the company sale value. The type of business he gets is centered around the community Geographic area with the customer ratio, our numbers would look almost certain going through with his proposal. But the smaller the company the higher the downfall we would take advancing with his offer because his cliental is small-scale and we could not afford a drop off in customer satisfaction because of the type of company we are.

4. Are there any counter proposals you can think of? If so, please give several examples.

Judging off of the materials requested from Mr. Abell, if I wanted to select him, I would need the following:

1. Higher discount for percentage of items
2. Up to date payment for Incoming statements
3. Share advertising blocks alongside Mr. Godowski

5. If you were Janet, how would you handle Sy's pass at you?

Seems as if he is trying to stake me out, sort of reel me in by relaying on his gross male charm to secure the deal. I think it's a brief of professionalism on him because he sees an opportunity due to her being a woman and the lack of intelligence speaks volume when he thinks he is ahead and in control. Dealing with a person like that outside the workplace would present a headache I don't think she needs in her life. I would respectfully pass up on his offer and include that this is just business, and it should stay that way.

¹ This case was prepared by Charles Warner.

Personality Trait Scale

Sy Abell (Hess Jewelry)

Honesty-Humility__High_10_9_8_7_6_5_4_3_2_1____1_2_3_4_5_6_7_8_9_10_Low

Emotionality__High_10_9_8_7_6_5_4_3_2_1____1_2_3_4_5_6_7_8_9_10_Low

eXtraversion __High_10_9_8_7_6_5_4_3_2_1____1_2_3_4_5_6_7_8_9_10_Low

Agreeableness__High_10_9_8_7_6_5_4_3_2_1____1_2_3_4_5_6_7_8_9_10_Low

Conscientiousness__High_10_9_8_7_6_5_4_3_2_1____1_2_3_4_5_6_7_8_9_10_Low

Open to Experience__High_10_9_8_7_6_5_4_3_2_1____1_2_3_4_5_6_7_8_9_10_Low

Personality Trait Scale

Harry Godowski (Godowski's Jewelry)

Honesty-Humility__High_10_9_8_7_6_5_4_3_2_1____1_2_3_4_5_6_7_8_9_10_Low

Emotionality__High_10_9_8_7_6_5_4_3_2_1____1_2_3_4_5_6_7_8_9_10_Low

eXtraversion __High_10_9_8_7_6_5_4_3_2_1____1_2_3_4_5_6_7_8_9_10_Low

Agreeableness__High_10_9_8_7_6_5_4_3_2_1____1_2_3_4_5_6_7_8_9_10_Low

Conscientiousness__High_10_9_8_7_6_5_4_3_2_1____1_2_3_4_5_6_7_8_9_10_Low

Open to Experience__High_10_9_8_7_6_5_4_3_2_1____1_2_3_4_5_6_7_8_9_10_Low

BLANK PERSONALITY PROFILE (Sy Abell)

<u>Dominant Personality Traits</u>	<u>Descriptive adjectives</u>
Aggressive Highly Competitive Dominating Negotiator	Gooily Charming Risk taker Casual

BLANK PERSONALITY PROFILE (Harry Godowski)

<u>Dominant Personality Traits</u>	<u>Descriptive adjectives</u>
Prosperous Reputable Conservative Goal Oriented	Robust Jolly Rumpled Outgoing Nurturing

Benefits Matrix

<u>Customer</u>	<u>Customer Business Challenge</u>	<u>Customer Descriptive Adjectives</u>	<u>Your Feature</u>	<u>Your Benefit</u>	<u>Frame Your Benefit</u>
Hess Jewelry	Wants AD's above Godowski Jewelry banners.	Aggressive Highly Competitive Negotiator Dominating	Equal amount business Page Positions	33% Discount Ladies Rolex Watch	33% Discount Ladies Rolex Watch Middle class customers More value Lower prices

Benefits Matrix

<u>Customer</u>	<u>Customer Business Challenge</u>	<u>Customer Descriptive Adjectives</u>	<u>Your Feature</u>	<u>Your Benefit</u>	<u>Frame Your Benefit</u>
Godowski Jewelry	Did not want to break up his old ways, Isn't a risk taker.	Robust Jolly Rumpled Outgoing Nurturing	Online Presence	High Rates 25%	High Rates 25% invest Upscale customers Downtown Plaza

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Comm 475

September 28th 2020

Reflection

1. What was your one takeaway? Why?

One way to look at this scenario is to make sure you make the wise choice for the company no matter how it may seem on the surface. Deciding on what makes the companies morals are still attached and not feeling as if you made a deal that looks appealing but in the long run doesn't benefit your company needs.

2. Do you think completing the Personality Trait Scale, Personality Profile, and Benefits Matrix were beneficial to Janet? Why? Why not?

The addition of breaking down what each company brings to the table and how both parties can produce more is always necessary, being able to determine who can contribute the most and tally up sale numbers between the two is very important. Seeing the attitudes of both managers shows you which way the business will go either positive or negatively. It gives an opportunity to project the strengths of each company and weakness from a side to side comparison.

3. What are some advantages of using documents such as the Personality Trait Scale, Personality Profile, and Benefits Matrix? Why?

Optimizing the things that come from each side is vital when doing ad's because you want the right person under the brand and not selecting someone who can jeopardize that. Creating a chart is essential to give a lead in on who's more acceptable to move forward with and that'll give the better outcome. When dealing with a company you want things to feel as home as possible, allowing both sides to feel like it's a hospitable atmosphere that doesn't put the business at risk, understanding how the administration works provides the security blanket that's needed when building connections with third party institutions.