

## ***Budget Cutting***

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(Happy Mother's Day Mom!)

I was going to write about interviewing this week until I read some reports about Citadel Broadcasting's recent, and what seems to be, future budget cuts. Two articles with quotes from Citadel CEO Farid Suleman were published in [Inside Radio](#) this week. One was on the 2% cutback in its workforce that the company has already made and looks to continue and the other was on possibilities in cutting its sales force.

Having been on both sides of budget cutting and considering where we are now with the economy, I felt the interview tip could wait and that a discussion on budget cutting might be more topical.

There are three sides to this issue. One effects the industry as a whole. Another is the effective use of the budget cut. And the last, but certainly the most devastating, is the cut employee.

Let's look at the big picture first. When I read Suleman's comment that "every air shift must be justified" and that salespeople that remain would be getting higher commissions...I couldn't help but think back to the beginning of consolidation when Clear Channel and other groups began distance and in-house voice tracking. They touted that there would be less on-air positions, but the people in them would be making more money. Well, I suppose that's true to a point, but we both know that the only one that truly made more money from this tactic was the company that made the cuts. Anyone who has had to fill an on-air position knows what 10 or 15 years of this programming model has done to desecrate our talent pool.

Do we really want to drive the good sales people away like we did with programming? Aren't they the ones we have the most invested in training? Where will we be in 10 or 15 years when all the good salespeople have left? And you think revenue is down now...

Now for the second point. Budget cutting can be found as far back as Marconi in our business and has been used effectively to get past many a slow point in the economy or low sales point for a struggling company. The most important thing to look at when you are a manager faced with budget cutting is, are you going to do unrepairable harm to your product or brand by doing it? Is there another way to make up the short-coming? You owe it to your employee to look at all possibilities in making up your short-fall, after all, you just aren't effecting them, but their families as well. There are MANY more things to look at other than the bottom line number when you are talking about the entertainment industry and an intangible like radio. Unfortunately, this has been neglected ever since the "bean counter" has been introduced to our industry by consolidation.

I have always felt that the best way to prevent future budget cuts is to be proactive when hiring. People come and go in this business. Each time you are faced with a staffing change, you need to look at what duties that individual did, how or if they could be distributed to other people in the building, and finally, NEVER HIRE THEIR REPLACEMENT FOR THE SAME

AMOUNT OF MONEY YOU WERE PAYING THEM. Don't reward your new hire with your just recently departed employee's hard earned raises. By cutting that salary for the next hire by 2-5 percent, you've just saved yourself 2-3 years in raises that you can give that person in the future. By doing this, you've also saved yourself moving expenses if they are coming from out of the market.

Finally, for the employee...there is absolutely no certainty in radio. Even if you are a model employee, that goes "above and beyond" everyday for the company you work for...you can still get cut. Ratings won't save you, client relationships won't save you, your passion and zest for the job won't save you if it's been determined that your salary number is a perfect fit for a cut. That being said...those are the only things that CAN save you. I know, I just contradicted myself. The point is this. Do your job everyday with all the passion and love for it that you have. Make yourself an invaluable employee, the last one your manager would ever think of cutting and you might just have a better chance of sticking around then the next guy. It's a tough business, if you are cut you have to think of it as an opportunity for the next step in your career and that positive attitude will get you your next job.

Bob has been cut and made the cuts...if you need guidance in these tough economic times, use him as a resource and an independent observer for your operation...Call him TODAY at (706) 358-9103.