

WWW.RADIOINK.COM

FIVE WAYS TO IMPROVE YOUR RECRUITING

GEARING UP TO GO PUBLIC

DIGITY CEO/PRESIDENT DEAN GOODMAN



The Most-Talked About Conference of 2013 is back!

Where the radio and automotive industries come together



The automotive DASH is changing now. Are you prepared?



Keynote:

Gary Shapiro, President & CEO
Consumer Electronics Association

*Innovation: At the crossroads of
automotive and audio entertainment*

October 15 & 16, 2014

Westin Detroit Metropolitan Airport, Detroit, MI

www.dashconference.com

For Sponsorship Opportunities: parenti@aol.com
For More Info & To Register: www.dashconference.com

Conference Partners:



PLATINUM SPONSOR



SILVER SPONSOR



OCTOBER 15, 2014

1:15-1:30 p.m.

Welcome and Introductions

Welcome Video

Introduction

Radio Ink Publisher Eric Rhoads
Jacobs Media President Fred Jacobs
Shuman Consulting Group Principal
Valerie Shuman

1:30-2:20 p.m.

Opening Keynote

GARY SHAPIRO, President and CEO,
Consumer Electronics Association

2:20-3:05 p.m.

Turning Data Into Dollars

We've got access to vehicle data, driving data, listener data and traveler data. What can we do with it all? How do we make it actionable? What is now possible with cross-platform marketing and services?

3:05-3:25 p.m.

Break

3:25-4:10 p.m.

Direct-To-Dashboard Commerce

Now that we've got a connected computer on board, the car is a mobile commerce platform. How will this work? What are the opportunities?

4:10-4:40p.m.

Solve It!

Engage with colleagues from across the audiotainment space to brainstorm solutions to today's challenges. Topics to be posted soon!

4:40-4:50 p.m.

Real World Case Study

4:50-5:25 p.m.

Dealers, Service, and the Connected Car

It's time to take a look at the entire car-buying and ownership life cycle from the connected consumer perspective. How will drivers buy and service their vehicles going forward? What new services could we be offering to them? How will their connected car experience interact with their connected lives?

5:25-5:30 p.m.

Day One Wrap

5:30 p.m.

COCKTAIL RECEPTION

OCT 16, 2014

7:30-8:30 a.m.

Breakfast

8:30-9:15 a.m.

It's All About The Experience

How do we need to partner to build tomorrow's user experiences? How will consumers interact with content and services as they drive?

9:15-10:00 a.m.

The Game Changers? Apple & Google &....

Everyone from Apple and Google to Intel and Amazon is suddenly paying attention to the connected car. DASH will provide an update on their efforts and the implications of these major players on this competitive space.

10:00-10:30 a.m.

Solve It!

Engage with colleagues from across the audiotainment space to brainstorm solutions to today's challenges. Topics to be posted soon!

10:30-10:50 a.m.

BREAK

10:50-11:20 a.m.

Open Mic

Many who attended DASH 2013 asked for more "face time" with OEMs, so we're dedicating an entire session to allowing attendees to fire away with questions to representatives from major car companies.

11:20 a.m.-12:10 p.m.

Keynote

12:10-1:25 p.m.

LUNCH

1:25-2:10 p.m.

How Private Is Your Car?

In a year where there have been numerous revelations about privacy issues, the car is also vulnerable. Legal experts will share

their recommendations to protect broadcasters, automakers, and consumers.

2:10- 2:40 p.m.

Solve It!

Engage with colleagues from across the audiotainment space to brainstorm solutions to today's challenges. Topics to be posted soon!

2:40-2:50 p.m.

Real World Case Study

2:50 -3:10 p.m.

BREAK

3:10-3:50 p.m.

The Future Of Traffic

For decades, traffic information has been a radio programming staple, and until quite recently radio had a near-exclusive on providing traffic information to consumers. But as in so many aspects of life, competition from other legacy media and digital options are encroaching. Will traffic reports go the way of school closing reports? Or can radio use technology to find new ways to deliver (and profit from) traffic? Edison Research will tackle these questions with a blend of quantitative and qualitative research.

LARRY ROSIN, Co-founder and
President, Edison Research

3:50-4:30 p.m.

The Future Of Mobility

The ways consumers are transporting themselves in major metropolitan areas is dramatically changing. Car and bike sharing, mass transportation options, and more are enabling consumers to transport themselves. How will this affect the way we interact with consumers?

4:30-4:35 p.m.

Day Two Summary

4:35-4:45p.m.

Closing and Final Remarks

**Agenda subject to change*

8 MILLION LISTENERS

**AND WE STILL DO
CUSTOM ENDORSEMENTS.**

Believe it or not, advertising with personality endorsements happens outside of the top 20 markets too. Dave Ramsey's brand power and trust factor isn't a commodity that should be reserved for only a few markets. We make it easy for our affiliates to leverage a major talent asset to increase local revenue.



Call Hank at 877.410.DAVE ext. 5520
daveramsey.com/arc



"I'd like to build a company that's built to last. That ultimately is the driving force at this point."

-Dean Goodman

IN THE ISSUE

06 PUBLISHER'S LETTER

Where There Are No Chains

08 WIZARD OF ADS

By Roy Williams
The Electricity Of Opposites

09 SALES

By Matt Sunshine
Five Ways To Improve Your Recruiting

10 SALES

By Sean Luce
Five Proven Techniques For Finding Great Salespeople

11 DIALOGUE

By VP/GM Deborah Parenti
Building Better Radio Brands
Dave "Chachi" Denes

12 SPECIAL FEATURE

By Jeff McHugh
The Personality Endorsement Phenomenon

18 COVER STORY

By Editor-In-Chief Ed Ryan
Dean Goodman's Gamesmanship

23 SPECIAL REPORT

The Power Of Independence
Mary Quass
Joe Schwartz
Gary Shorman
Julie Koehn
Nick Martin
Jerry "J" Chapman

31 BLAST FROM THE PAST

Brad Krantz



FEEDBACK:

Send e-mail to edryantheeditor@gmail.com. Submission of a letter constitutes permission to publish that letter in any form or medium. Letters may be edited for space or other reasons. You can also leave comments on all of our online stories at www.radioink.com. Become a *Radio Ink* fan on Facebook at facebook.com/radioink; follow us on Twitter @radio_ink.

Copyright © 2014 by Streamline Publishing, Inc. and Radio Ink. All rights reserved. ® Radio Ink is a registered trademark of Streamline Publishing, Inc. Radio Center,™ RadioCentric.com, and QuickRead are registered trademarks of Streamline Publishing, Inc. All rights reserved. RADIO INK (ISSN 1054-581X) is published twice monthly January, March, April, May, August, and October; monthly in February, June, July, September, November and December. Eighteen issues each year for \$199 per year. Canadian and European subscribers \$249 per year. Streamline Publishing, Inc. 1901 S. Congress Ave., Ste. 118, Boynton Beach, FL 33426. Periodicals postage paid at Boynton Beach, FL, and additional mailing offices. POSTMASTER: Send address changes to Radio Ink, 1901 South Congress Avenue/Suite 118, Boynton Beach, FL 33426. All subscriptions, renewals, and changes of address should include address label from most recent issue and be sent to the Circulation Department, Radio Ink, 1901 S. Congress Ave., Ste. 118, Boynton Beach, FL 33426. Clipping done for other than personal or internal reference without the express permission of Radio Ink is prohibited. Address requests for special permission to the Managing Editor. Reprints and back issues available upon request. Printed in the United States.



PUBLISHER

B. Eric Rhoads bericrhoads@gmail.com

EXEC. VP/GM

Deborah Parenti parenti@ol.com

EDITOR-IN-CHIEF

Ed Ryan edryantheeditor@gmail.com

MANAGING EDITOR

Brida Connolly brida.connolly@gmail.com

CREATIVE DIRECTOR

Kenneth Whitney kenneth.whitney@gmail.com

COVER & SPECIAL REPORT DESIGNER

Alfonso Jones alfonso.streamline@gmail.com

PRODUCTION COORDINATOR

Nicolynn Kuper kuper.nicolynn@gmail.com

NATIONAL MARKETING EXECUTIVE

Peter Doyle 646-319-5783
pmdoyle13@aol.com

NATIONAL MARKETING EXECUTIVE

Evelyn Yaus 937-371-8666
evelynyaus1@gmail.com

ADVERTISING/MARKETING CONSULTANT

George Wymer 937-609-6779
georgewymer@gmail.com



CHAIRMAN/CEO/PUBLISHER

B. Eric Rhoads bericrhoads@gmail.com
Twitter: @bericrhoads
Facebook: bericrhoads

EXEC. VP/COO

Tom Elmo thomaselmo@gmail.com

DIRECTOR OF FINANCE

Laura Iserman iserman@streamline.com

ACCOUNTING

Randa Debrowski randastreamline@gmail.com

CIRCULATION COORDINATOR

Sue Henry suehenrystreamline@gmail.com

EXECUTIVE EDITOR EMERITUS/LOS ANGELES

Dwight Case

Our Mission: *Radio Ink's* role is passionately to empower radio management to be more successful by providing fresh, actionable, reality-based ideas, inspiration, and education in a quick, easy to read, positive, pro-radio environment.

EDITORIAL OFFICES:

1901 S. Congress Ave. • Suite 118
Boynton Beach, FL 33426
Phone 561-655-8178 • Fax 561-655-6164
E-Mail: comment@radioink.com

Subscription Information:

Phone 800-610-5771 • Fax 561-655-6164



B. ERIC RHOADS
FROM OUR CHAIRMAN

Where There Are No Chains

TO REACH ME, WRITE:

B. Eric Rhoads, Publisher
RADIO INK
1901 S. Congress Ave.,
Ste. 118
Boynton Beach, FL 33426
Phone: 561-655-8778
Fax: 561-655-6164
bericrhoads@gmail.com
facebook.com/eric.rhoads
Twitter: @ericrhoads

The public markets are like chains on those broadcasters that have to report quarterly earnings. Few big corporations can take risks the way independent broadcasters can, because risk equals uncertainty — and uncertainty can reduce sales, rock investor confidence, and ultimately hurt stock values.

There are, as I see it, three major areas in the radio landscape. The first includes large public corporations, as well as large-market operators that may not be public but have giant debt loads to handle. Then there are smaller, independent broadcasters, some of which have significant debt of their own. The third area includes noncommercial public broadcasters. All three compete for listeners and for advertiser (or underwriter) dollars.

A friend of mine recently made the leap from a lifetime of commercial radio to the noncommercial side, and he tells me that world, to his surprise, is full of experimentation, with sufficient funding to have live personalities, a programming staff, and a promotion department. He said that for the first time in two decades, he feels like the chains have been removed.

He's been allowed to experiment, told he didn't need to research the music, and encouraged to hire live, unconventional air personalities and create extensive promotions. And the experiment, as it turns out, is working. His is an Alternative station in a large market, and it's crushing its commercial competitors.

I know of at least one other example of a noncommercial station that's taking on commercial competitors and blowing them off the dial. Interestingly, they don't do it by trying to sound like commercial stations; they lean more toward a hipper version of an NPR sound. Loose, light, not hyped, and yet they are not stiff and stuffy the way public radio can be.

Frankly, it's refreshing. Though I'm a radio programmer at my core and grew up with commercial radio, researched music, and a hot-hyped sound, it strikes me that our industry needs something new and fresh — and these new-breed noncomms seem to be finding it.

Stations that aren't bound by shareholder expectations or extensive debt are also becoming testing grounds for great radio. I'm seeing more experimentation this year than I've seen in the last 10, and there's potential there as well. These stations are taking advantage of their lack



of chains to try to crush their risk-averse competitors. They're approaching radio with more localism, the return of promotion, more live and local personalities, and shorter spotsets.

Though this is far from universal, even among the least burdened operators, it's refreshing to see any experimentation in a business that too often lets its product go stale.

Perhaps I'm too close to it, tired of "the biggest hits" and every other liner our industry has researched and used to death, but I'm starting to believe that those who adopt an almost directly opposed approach could reap big rewards. And that's evidenced by the two stations I know of in the noncommercial sector that are winning local ratings battles.

Though our industry needs innovation in every sector, it's more likely to occur where risk is tolerated. Yes, a public company or one overburdened with debt will always have more at stake. But I still recall a move made decades ago by the number one-rated and top-billing station in the town I grew up in, which took a chance, blew up a successful format, and reinvented itself entirely. Everyone thought they were nuts, yet they ended up bigger than ever. Risk has its rewards.

Are you in a position to take risks? We're seeing risk-taking stations gaining listeners, who will eventually be spending more time with them and less with you. Now is the best possible time for you to take some chances and reinvent. We all need to consider it. **INK**

B. Eric Rhoads
B. ERIC RHOADS, PUBLISHER

WESTWOOD ONE

THE MOST POWERFUL BRANDS IN RADIO





ROY WILLIAMS
THE WIZARD OF ADS

The Electricity Of Opposites

QUICKREAD

- Repetition can deepen understanding, but it also brings predictability.
- To elevate interest, put opposites, positive and negative, together and let them interact.
- Combine a strong idea with the last thing anyone would expect. Predictability is death.

It's in our nature to seek reinforcement of our preferences. We cling to the familiar and want more of the same.

Until we grow tired of it.

Repetition deepens perception, but with it comes predictability and cliché.

Do you want to elevate interest? Capture attention? Never grow old? Would you like to create radio formats and ad campaigns and characters in fiction that sparkle and dance and live?

1. Bring positive and negative into close proximity.
2. Resist the temptation to clothe them in insulation.
3. Witness the flow of electricity as it leaps between the two.

From "The Power of Two," an article by Joshua Wolf Shenk on John Lennon and Paul McCartney in the July-August 2014 issue of *The Atlantic*:

"The work John initiated tended to be sour and weary, whereas Paul's tended to be bright and naive. The magic came from interaction. Consider the home demo for 'Help!' — an emotionally raw, aggressively confessional song John wrote while in the throes of the sort of depression that he said made him want 'to jump out the window, you know.' The original had a slow, plain piano tune, and feels like the moan of the blues. When Paul heard it, he suggested a counter-melody, a lighthearted harmony to be sung behind the principal lyric — and this fundamentally changed its nature."

We're talking about the magic of duality, the power of opposites: Tigger on one side, Eeyore the donkey on the other. Kramer on one side, George Costanza on the other. Phoebe Buffay and Monica Geller. Oscar Madison and Felix Unger. Cartoons like Tigger, Kramer, Phoebe, and Oscar provide the happy counter-melodies for tortured souls like Eeyore, George, Monica, and Felix.

Shenk writes, "When he began to write songs, Paul [McCartney] wasn't thinking about rock and roll. He wanted to write for Sinatra."

Light shines brightest in the darkness. Springtime is beautiful because of winter. McCartney encountered Lennon while he was looking for Sinatra.

In the beginning, Frank Sinatra was merely a teen idol, the heartthrob of teenage girls. Twice he tried to enlist as a soldier in WWII but was rejected because of a punctured eardrum. As the other young men went off to boot camp or basic training, there were a lot of lonely women left in the land. Sinatra was every girl's boyfriend, singing of his loneliness.

(Read the biographies, and you'll find that Frank Sinatra and John Lennon were both profoundly lonely as boys.)

When the soldiers came home, Sinatra's career fell flat. Dark, tortured soldiers aren't looking for dark, tortured music.

"One thing is certain: For many of those who came back from WWII, the music of Frank Sinatra was no consolation for their losses. Some had lost friends. Some had lost wives and lovers. All had lost portions of their youth. More important to the Sinatra career ... the girls started marrying the men who came home. Bobby socks vanished from many closets. The girls who wore them had no need anymore for imaginary lovers; they had husbands. Nothing is more embarrassing to grownups than the passions of adolescence, and for many, Frank Sinatra was the passion."

— Pete Hamill, *Why Sinatra Matters*

What Paul McCartney was to John Lennon, Nelson Riddle was to Frank Sinatra.

The first product of the Nelson Riddle/Frank Sinatra partnership leaped out of the radio with a beaming smile on April 30, 1953. "I've Got the World on a String" became a runaway hit.

"Lightness shines as the primary ingredient of the Riddle style.... Riddle always manages to make everything sound light; that way, the weightiest ballad doesn't become overly sentimental and insincere." — Will Friedwald

"I love how Riddle used Ravel's approach to personality," said Quincy Jones, who has written arrangements for everyone from Count Basie and Ray Charles to Michael Jackson. "Nelson was smart because he put the electricity up above Frank. He put it way upstairs and gave Frank the room downstairs for his voice to shine, rather than building big, lush parts that were in the same register as his voice."

Here's how to make the magic, generate the electricity, and bring the heat: The next time you create something good, stumble upon something good, or need to bring a good thing back to life, ask yourself this all-important question, "What's the last thing a person would expect to accompany this?" And then add that thing. Do the unexpected. Create a contradiction. You may not get it right on the first try, but it's a lot less dangerous than adding something predictable.

Predictability is boring.
Predictability is tedious.
Predictability is death.

Now go make some money. You've got bills to pay. **INK**

Roy H. Williams is president of Wizard of Ads Inc. E-mail: roy@wizardofads.com.



Five Ways To Improve Your Recruiting

Over the last 30 days I've had the opportunity to spend a great deal of time working with sales managers and sales leaders from a variety of media companies. In almost every case, my assignment has been to help them evaluate their current strategic sales plans, as well as start to lay out their outlines and identify their big rocks (most important) for the upcoming year. And in 100 percent of those discussions, the biggest concern has been recruitment. No surprise there.

If you're a sales manager or in charge of revenue at your station, chances are that you're at least a little interested in making sure you have a solid recruitment and selection process in place. I've put together five great ways you can improve your recruitment and selection process now.

But there is a catch: In order for them to work, you actually have to use them. Just reading them here and knowing about them is not enough to make a difference.

On the off chance you don't believe in the importance of recruiting, here are three reasons you should put time and effort into recruitment and selection:

- The cost of turnover is ridiculously high. Most experts say turnover costs a minimum of 1.5 times the annual compensation of the departing employee.
- Turnover is time-intensive. The amount of time it takes to find someone, hire them, and get them up to speed is significant. If they don't make it, that's time you won't get back.
- Turnover is frustrating to your clients. Your clients are looking for a partner they can trust and get to know; they are not just looking for an order-taker. They want and need consistency.

FIVE TIPS TO HELP IMPROVE RECRUITMENT AND SELECTION AT YOUR STATION

1. Interview all the time. One of the biggest mistakes sales managers make is not having a talent bank. They only recruit when they have an opening. The best sales managers know the true value of having a talent bank and take advantage of it all the time. If you are not investing in building up your talent bank, it's time to start. Determine a monthly goal for the number of interviews you are going to conduct, and make it a priority.

2. Be patient, and hold out for the best. Don't settle. "Lose sleep before you hire, not after you hire," as we tell



our clients. It's easy to get impatient and simply hire someone. Don't do that. No compromises. Be selective.

3. You must use a sales-assessment tool. If you are not using some sort of assessment tool that can accurately predict sales success as well as show you a person's sales talents, you are simply guessing. Guessing is not the best strategy to grow revenue significantly year over year.

4. A resume may or may not be useful. Don't knock someone out because of their resume, but at the same time, don't get all excited and hire someone because of it. With resume-writing services today, you really don't know what you're getting just by reading the resume. At the same time, sometimes the very best aren't looking for a job and don't have a great resume because they've never needed one. Look beyond the resume.

5. Invest in a great onboarding and sales training program. You're going to spend the time and energy to recruit and select the very best, with the expectation that they are going to join your team and be part of it for a long time. You expect them to contribute in a meaningful way — and not just for the first six months, but for years to come. So you should invest in these people and make sure that you are getting them off to a great start. Don't let them wander around the sales pit wondering if they're doing what they're supposed to be doing. Have a sales onboarding plan.

These strategies will cut your turnover in half, but you must implement them in order for them to work. Recruitment and selection are vital to your success today and your sales growth tomorrow. **INK**

Matt Sunshine is EVP of the Center for Sales Strategy. E-mail: mattsunshine@csscenter.com.

QUICKREAD

- Recruitment is a huge concern for nearly all sales managers.
- Turnover is expensive in both time and money, and frustrating to clients who need continuity.
- Hire the best talent you can find, and give them the training and tools to succeed.



SEAN LUCE
SALES

Five Proven Techniques For Finding Great Salespeople



The toughest thing managers have to do is fire somebody. And that means the most important thing we have to do is hire the right people and make sure they are the right fit. Good recruitment techniques include making sure you have a good “bench” for your sales staff. It’s the best thing you can do to eliminate having to hire from desperation and adding a “warm body” you’ll soon have to replace.

You should always have two to three good candidates you know can hire with two weeks’ notice, and that means you need to constantly be recruiting. A sales manager should invest 10 percent of his or her time every week in recruiting, interviewing, and hunting for sellers. Four hours a week, minimum. Here are a few examples, from out in the field, for how to find your next great salesperson.

Corina Otani, GM at KUSA/Price, UT:

Previous sales experience is not important to me. That can be taught. Motivation, the desire to succeed, and self-discipline come from within. That’s what I’m looking for. Which brings me back to the importance of continual recruiting. Each person I interview will tell me he or she has an exceptional work ethic — and a few of them will be telling the truth. I have compiled a list of potential salespeople by attending Chamber of Commerce luncheons, community meetings and events, etc. I notice who shows up early, who takes notes, who makes a strong first impression. Those are the people I need.

Derron Steenburgen, CRO for Commonwealth Broadcasting in Bowling Green, KY:

The key to effectively recruiting salespeople is to do it all the time! When you drive a car, you don’t look at the road only when you sense an accident is near; you are constantly looking down the road for what lies ahead. Likewise, in recruitment, you must continually be looking for potential candidates. We have all faced emergencies when a top seller leaves. Those managers who excel at recruitment are continually identifying good prospects. One of my best hires took over six years to materialize; we began talking about her professional desires long before it happened. It is much healthier to identify good people when it is not an urgent situation. Much like driving, we are better recruiters when we do it consistently instead of waiting for the workplace accident.

Jamie Futrell, GM at Bristol Broadcasting in Paducah, KY:

We have a system: Test every applicant, and interview only those that pass. Every candidate will begin with an

interview with me or the LSM. If either of us doesn’t like them, the other doesn’t interview them. The candidates we both like are brought in for a third interview, with both of us.

Our best secret is that if they pass all that, they are invited for a fourth interview. I’ve saved myself from many problems with this fourth session. We explain the importance of the fit being just as right for them as it is for us, and then we invite them to go out to lunch with three of our veterans to ask any questions they might have.

I have been shocked by how many candidates blow it in this fourth session. One prospective employee revealed that she just needed a job until her husband found one somewhere else. Another explained that she and her husband like to ride Harleys every Friday and wanted to know how closely management monitored them. This is even more important if the two managers hiring are of the same sex and the prospective employee is of the opposite sex. Guys read guys better. Ladies read ladies better. You need that perspective if you don’t have it.

Mark Trotter, GM with Eagle Communications in Hutchinson, KS:

We have found two of our best sales leaders in unconventional places. Each person I had met before; one was a competitor, and another was the former manager of a retail clothing store. I saw one of them in line at the post office, struck up a conversation, and told her if she was ever interested in getting back in the business, to give me a call. Last week she celebrated her 20-year anniversary with us, the last 10-plus as a top biller.

The second one was an encounter at a restaurant, with someone who had left the business he was managing. I asked him to think about joining our company: “Come see us next week. We could have a place for you!”

And to these proven techniques, I’d like to add one of my own: the open house. Run an ad on Saturday from 10 a.m.–1 p.m. and ask people to call, or e-mail you a resume. Some people will interview on Saturdays before they’ll interview during the week; the good ones don’t like to cheat on their current employers on company time. The GM or sales manager cuts the spots. It’s very specific, and some great people have been hired at our properties using the open house approach. E-mail me for more information and a promo example. **INK**

Sean Luce is the Head International Instructor for the Luce Performance Group and can be reached at sean@luceperformancegroup.com or www.luceperformancegroup.com.



Building Better Radio Brands

It takes an entrepreneurial spirit to run an independent radio group or station. And that's the quality that took Dave "Chachi" Denes from major-market PD to launching Benztown, an international radio imaging and production company with more than 1,900 affiliations on six continents.

What are the key characteristics of an entrepreneur?

Anyone building a business today must be willing to take risks and try new things. It's easier if you believe in yourself, your product, and, most of all, your team. If you go to market with the highest-quality product, and work incredibly hard to give your customers the very best every day, you've got a real shot at success. In today's ultra-competitive, budget-conscious world, you also have to innovate to differentiate yourself from others and to continue to meet the changing needs of your customers.

How can imaging distinguish a radio station?

Imaging is all about branding your station, and it's an essential component that is paramount to building a strong brand that resonates with your target audience. People buy brands. Great radio stations are built on the brand, and the feeling people get when they listen to your station. Imaging sets the table for the main course and creates an atmosphere that drives listening.

In blind taste tests, Corona often ranks lower than its competitors, yet it outsells all other imported beers two to one. That's a testament to the job they've done branding the Corona lifestyle and creating imagery that resonates. We like to say that a station without effective imaging is like a picture without a frame, or food without a plate.

Benztown was just named to the *Inc.* 5000 list of America's fastest-growing private companies for a second consecutive year. Congratulations, and to what do you attribute that growth?

I have an incredible team, with fingers on the pulse of radio, pop culture, and what people find entertaining. We foster a creative environment and encourage risk-taking. And we do great work. We invest in our talent and our products. We invest in creative marketing and support industry publications and events, and we have a strong social media platform. All this builds our brand and the community around the brand — and helps create a legion of friends and fans that we call the "Benztown Brigade." It comes down to having staff and clients that get it. That has driven our continued growth.

What are radio's most undercapitalized assets today?

We have a massive "champagne problem": Ninety-

three percent of the population listens to radio every week. Businesses around the world would love to have that kind of "reach problem." But our industry often hesitates to innovate its product. To create the next big thing, we have to take risks. Radio can't lean on music to carry the day. Music is a low-risk way of promoting our product — but it's not our product.

We knee-jerked to PPM and essentially took our talent off the air, made them say as little as possible, relying on music to carry us. Netflix had a far bigger disadvantage than we have in radio because of its limited distribution, but because of incredible content like *House of Cards* and *Orange Is the New Black*, their subscriptions exploded. They took a big risk and made a big investment in their content, and it is paying off.

There are definitely some big personality brands in radio, but we need even more personality-driven radio shows, more big morning shows. We have the audience; we just have to give them more of what has always made radio great.

What advice would you offer independent radio groups and stations competing against bigger public companies with deeper resources?

Independent radio stations and groups are incredibly nimble. They can adapt more easily and make decisions more quickly. That's a huge advantage. That's one reason Warren Buffett's companies, like See's Candies and Geico, operate as See's Candies and Geico, not Berkshire Hathaway — so that they can move quickly, innovate faster, and stay competitive. Independent radio stations and groups can take advantage of that agility and are able to carve out truly unique brands that garner a large and loyal following.

Again, great imaging can make or break a station brand, and that doesn't have to cost a lot. We developed the barter model for imaging so that regardless of budget size, stations could access high-quality creative imaging with the highest production values. That kind of imaging can make a station jump off the dial.

Looking over your extensive and diverse career, what would be one of your favorite moments or greatest successes?

Throughout each stage in my career, I've been fortunate to have some great milestones that I'm very proud of. Getting my first job at KFMB/San Diego, at 19 years old (thanks, Tracy Johnson and Michael Steele!). Getting hired as PD of KBIG/Los Angeles at 28 years old (thanks, Craig Rossi and Jhani Kaye!). And getting fired as PD of KBIG at 33 years old (thanks, Greg Ashlock!). **INK**

Deborah Parenti is EVP/Radio for Streamline Publishing. E-mail: parenti@aol.com.



Dave "Chachi" Denes

Jeff
McHugh

The Personality Endorsement Phenomenon

NOTHING BRINGS
SUPERNATURAL REVENUE
POTENTIAL TO RADIO LIKE
REMARKABLE PERSONALITIES

In fall 1992, Jack Murphy himself had wandered into in my office at WKZL in Greensboro and was cracking me up with his stories. Jack was a big success at the Z100 Morning Zoo in New York City, on Murphy & McKeever at Q106 in San Diego, and from his on-air work in Minneapolis, Dallas, and Atlanta. Somehow, we had convinced Jack to move to Greensboro. Jack was more than a big fish in a little pond. He was a whale.

Within months, Jack's morning show had lifted WKZL to its largest ever 18-49 audience share. But that wasn't all. Jack also rocketed our station to the top spot in market billing. His creative, funny endorsements for local and national clients brought in revenue that a music format with the same ratings would never have come close to making.

In an era when many stations are basically lifeless iPods with transmitters attached, a station with great on-air talent and a sales team that knows how to monetize that talent through live endorsement commercials can be a dramatic sales advantage.

You're about to read sales secrets from some of the best market managers and sales managers in North America. If you are a seller whose product involves high-profile on-air characters, these secrets may help make your quarter – and your year.

Build Sections For "First Class" And "Coach"

Erin Hubert knows about working with big ballers. After leaving radio for a job as EVP/COO of the NBA's Portland Trail Blazers, she joined Entercom and applied that experience to driving revenue through popular radio-franchise stars. "The absolute number one tool for increasing revenue in radio is talent endorsements," Hubert says. "Talent is the biggest thing radio has to move the needle."

And the biggest thing to move the revenue needle was Hubert's realization that her sales team was giving away the beachfront property. Talent endorsements were tossed in for free to secure large annual buys, which were commoditized at the station's lowest rates. So Erin's team took a hard line, holding back endorsements for top-dollar clients while still negotiating rate on regular spots to get their share of those buys.

Talent spots commanded higher rates, and those sales put pressure against the overall inventory. When endorsement avails sold out, it allowed the cluster to command higher rates for regular spots.



96.9 Jack FM/
Vancouver,
BC's Kiah
& Tara
Jean

Specialized Talent Teams

One of Hubert's sales teams focused on heavily commoditized volume business, and another team on pure partnerships involving long-term campaigns where talent, programming, and sales worked together with clients on ideas. There were also hybrids of both types of business.

The sellers working with talent were more consumed with face-to-face interactions, frequent walks from the sales cubicles to the studios, and the higher level of service appropriate for top-dollar clients. The end result that year was a 100 percent increase, from about \$1 million to around \$2 million in controllable business.

Talent/Client Friendships

Another positive result Hubert discovered was higher client retention. The trust, friendship, and fun between client and talent helped keep buys on the books through the normal ebbs and flows of a campaign. In some client relationships, the advertiser would call the talent directly when copy changes were needed, and the talent basically did some of the sales reps' work for them.

Do anything you can to connect the talent and client directly.

Ask talent to write thank you cards to the client.

Ask the talent to make regular check-in phone calls to the client.

Face time is important. Lunches, dinners, and drinks. Some talent will invite favorite clients over for a barbecue.

Don't underestimate show biz. Invite clients to the station to be dazzled by your studios, microphones, and gold records, and by meeting the faces behind the voices.

Reasonable Expectations

"When we hear someone we trust saying that a product is something we should try, it's powerful," says Jim Blundell of Rogers Media in Vancouver. Blundell's cluster includes one of Canada's top radio personalities, Kid Carson on Sonic FM, as well as the highly rated Kiah & Tara Jean on Jack FM. Jim's son, Dean Blundell, has been a major Toronto radio personality for several years.

Blundell found that the key point in the endorsement sales process is the beginning, before reps walk out the door to sell. Without clear guidelines, Blundell says it's very easy to set unrealistic expectations or to make promises difficult for the talent to keep.

Karyn Cerulli at Cox Media has also learned to let everyone know what they're getting into with endorsement campaigns. "The advertiser is buying the star power, but can often forget that the stars are also people," she says. "People with big egos, opinions, and big thoughts who don't always stay in line with the advertiser. I found that addressing these potential talent-drama problems at the front of the negotiations was the best way to combat what more than likely would happen at some point during the relationship."

Happiness For All

With regular spots, we are mostly focused on keeping the client happy, and that's difficult enough. With endorsements, you must care for the needs of client, seller, and talent.

Bert Weiss of the syndicated *Bert Show* describes endorsements as "a real group effort." He says, "The endorsements that work best are the ones in which all parties are working for the same cause: to keep all brands performing successfully."

Part of what makes endorsements work is the intangible vibe that radiates on air from the passion of a personality who really believes in the product. If they don't feel they're being treated fairly, you'll sense it on the air, and so will the client. Endorsements only work with the dedication of sellers. It's more difficult and more time-consuming to manage the moving parts of these big buys. Remove all the obstacles to the sales reps' success that you can, and be empathetic to their challenges.

The Payment

Inevitably, a client will sometimes want to pay talent with cable service, the use of an automobile, or laser hair removal. We suggest sticking to cash. There are more conflicts over non-cash compensation and associated taxation than anything else in the endorsement process. Get the details clearly outlined in writing up front. Then deliver as promised.

Keep in mind, compensation comparisons do happen. Your account reps will do the math on what your DJs are making in talent fees, and your air talent will figure out what the reps' commissions are. If they're not in the same ballpark, you're going to have problems. Keep it equitable.

You may also have superstar talent with a larger per-spot talent fee than other, lesser-known personalities. That information will be floating in the hallways too, so be transparent and put it out there, along with the reason why a given talent is paid more. On-air talent will discuss relative endorsement fees across company lines, too, so find out what the station across the street is paying and pay similarly to keep your people content.

The party that should be the happiest of all with this transaction is the listener. After

"The absolute number one tool for increasing revenue in radio is talent endorsements."

ERIN HUBERT

21 years of creating memorable radio at KDWB in Minneapolis, Dave Ryan has built an extraordinary level of trust in the community. Both Dave and the sales team are hesitant to do anything to diminish that trust.

"It is my responsibility to make sure the product or service is top-notch," Ryan says. "We had a flower company ask me to endorse their low-priced flowers, and they asked me not to mention their substantial shipping fee. I refused because I didn't want to mislead people. Finally, they caved. They still got results, the listeners weren't misled, and everyone won."

Good Matches Are A Must

Angenette Natkowski has worked as a sales manager with some of the best on-air personalities in Chicago, and we worked together at Clear Channel St. Louis with world-class talent like Tony Scott and Tammie Holland of KMJM and Mason & Remy of KSD. Natkowski believes the key to endorsements is familiarizing the sellers with the characters and lifestyles of the talent so they can pair the passions of the personalities with the products of the advertisers.

What has moved the needle for Natkowski is a talent questionnaire detailing their activities, ownership, finances, and preferences. At Clear Channel St. Louis, sales and programming were at opposite ends of a large building. Some sellers had never spoken to certain talent. "So one Friday, we emulated the popular 'speed dating' format, where each sales rep spent seven minutes getting to know an on-air personality," Natkowski says. "After seven minutes, we would ring a bell and the rep would then move on to the next talent."

"At the end of the day, reps left with notepads full of ideas for both new prospects and current clients. And it was fun!"

Matching talent and client is a crucial part of the endorsement process. Jim Blundell has witnessed what happens when a Ford-pickup-driving talent suddenly starts endorsing Smart cars. "If the talent is not passionate about the product, that is problematic," he says. "There's no energy coming from a talent endorsing a product that they don't believe in, and it always fails."

On that subject, Bert Weiss says, "I absolutely won't take on an endorsement now unless I wholeheartedly believe in it and it is in line with my brand. In the past, I felt like I needed to be a good soldier for the company. So I took on some products that I didn't 100 percent believe in. That does nobody any good."

"You can't look at yourself as a pitchman. You have to look at yourself as the friend that they are being referred by. No different than when my best friend tells me I gotta try watching *Game of Thrones*. He knows my tastes. He has credibility with me. So I give the show a try."

Blundell also looks beyond the big stars for endorsement fits: "Keep in mind, your endorsement doesn't always have to be with your morning show host. It sometimes works better to have the lesser-known midday person who has enthusiasm for the product do the endorsement instead."

And always be wary of talent-fee-seeking personalities who exclaim, "I'll endorse anything!" Your client is expecting (and paying for) authentic passion, not a script read. While some on-air stars will claim the ability to fake sincerity in an ad lib commercial message, most cannot.

Strategic Quotas

An authentic match between talent and client can quickly go out the window with minimum endorsement-sales quotas. "Endorsements have become forced, instead of a natural fit for the client and the endorser," said one sales manager at a large U.S. radio company.

This company sets a sales initiative for 10 sold endorsements per talent, per quarter, non-competitive categories. There is pressure on sellers to search out any and all missing categories the talent are not endorsing yet, and to force bad fits on the talent to meet the quota. Inevitably, endorsements begin to sound just like every other spot. The consumer response is not as strong, and the long-term, high-dollar clients get replaced by low-priced commodity buys.

How many endorsements is too many? That's a number you will have to discern for your particular situation and perspective. Some personalities won't feel comfortable that they can deliver their best performance past five or six spots a morning. Others can easily improvise their way through four an hour.

Natkowski has heard client feedback saying that when a station airs two endorsement spots per spotset, it adulterates the endorsement for the client. "Endorsements are more impactful when we are more selective, because they are minimized per talent," she says. "The disadvantage for sales is that the endorsement fee is significantly higher because they are limited."

If you are worrying about talent endorsements turning off listeners, don't. We've tested endorsements in consumer focus groups and found that when endorsements are funny, conversational, and include good stories, listeners love them and will stick around to hear the spot to the end.

How long should the required commitment be for a client to be a part of your talent's endorsement program? Flexibility will be called for from time to time, but the longer, the better. "No client is going to see drastic short-term success," says Adam Goodman of the syndicated *Ace and TJ Show* from Charlotte. "The ones that are on at least three months are almost all still on and don't cancel, because they work."



Dave Ryan



Bert Weiss

Bert Weiss always asks for at least a one-year commitment on *The Bert Show*: "You can't constantly rotate endorsements, or, again, you lose credibility."

The Endorsement Assembly Line

Finally, here are some labor-saving tactics and fail-safe devices to consider in your endorsement selling campaign.

Get good talent and keep them.

If your company is committed to a future of one-dimensional programming with generic personalities, this whole endorsement revenue concept may be a non-starter or a "B" priority for you.

Cox's Karyn Cerulli warns, "If a personality does not renew a contract, or if the station did not renew a contract, it could be very risky from a revenue standpoint. If a buy was based on that talent alone, it was dangerous." Before hiring new personalities, work with the programming department to assess how talented they are at endorsements and how useful they are in the sales process.

Record All The Endorsements

Some may insist that the endorsement spot be "live." It will not matter to the listener or to the client if the spot is read into a live on-air microphone or into a recorder, if it is performed from the heart.

A recorded endorsement is easier to review for errors, it's easier to verify that it ran as sold, and it's easier to copy and send to a client. Promise that the spots will be "live" in the same way that NBC's *Saturday Night Live* is "live," which is another way of saying "recorded live" or "unedited."

Adam Goodman also suggests that once you connect a major client to your major talent, consider where you might strengthen the association by including sponsorship mentions in everything the show does:

- Events
- Major contests
- Blog pages
- Online video preroll
- Streaming preroll
- Podcasts
- Weekend countdowns and "best of" replay shows
- Charities and good public works
- Studio naming rights
- Weather and traffic sponsorships

Take inventory of everything the show does, and everything it *doesn't* — because some of your shows will produce different content. Including a consistent endorsement message across multiple platforms can be extremely effective in driving results for your client.

If you have any doubts about the revenue potential of live, local talent endorsements, ask yourself this:

When is the last time you had a powerful marketing tool in radio that Pandora, Facebook, Groupon, the newspaper, local cable, local television, direct mail, and digital marketing couldn't offer, even if they wanted to?

Jeff McHugh is a talent coach with the Randy Lane Company, teaching proven methods for increasing TSLand tune-ins with memorable content.

"You can't look at yourself as a pitchman. You have to look at yourself as the friend that they are being referred by."

BERT WEISS



RADIO INK FORECAST

2015

Save The Date

November 19, 2014

Radio's Premium Networking Event

Harvard Club, NYC

www.radioinkforecast.com



PLATINUM SPONSORS



CORPORATE SPONSOR





2015

FORECAST

8-8:30 a.m.

Continental Breakfast

8:30-8:45 a.m.

Welcome and Opening Remarks

8:45-9:30 a.m.

Economic Forecasting: Revenue Trends and Expectations for 2015

What do the recent midterm elections mean for the economy, and how will 2015's global and domestic events impact it, especially advertising expenditures, over the next 12 months? Forecast's opening panel of industry experts offer their prognostications on what's in store for the country and for media in the coming months, and what categories, platforms, and initiatives are most likely to generate the most revenue growth and expansion.

9:30-10:10 a.m.

2015 Investment Strategy: The View From Wall Street and Main Street

A panel of leading bankers, brokers, and equity investors considers the near- and long-term future of radio as an investment. What does a radio company need to look like in 2015 to attract today's more cautious investors? Has deleveraging altered perspectives in financial circles? And what is the environment for private equity, debt financing, and privatization over the next 12 months?

10:10-10:30 a.m.

Break

10:30-11:10 a.m.

Keynote

11:10 a.m.-11:50 a.m.

Independent and Optimistic: How Small Radio Companies Succeed

What are the secrets to successful independent operation in today's media and economic worlds? A panel of leading independent owners discuss what it takes to keep revenues pumped and cash flowing at their stations and how their ability to act -- and react -- nimbly works to their advantage. What are their plans and strategies heading into 2015? Find out as leadership, independent-style, addresses the issues facing all broadcasters.

Noon-1:45 p.m.

Luncheon Program

12:20-1:15 p.m.

Keynote TBA

1:15-1:30 p.m.

Lifetime Leadership Award Presentation

1:45-2:20 p.m.

Download on Digital: What You Need to Know to Enhance Your Business

What kind of return are you really getting on your digital investment? You can't manage what you don't understand. Social media, streaming, mobile, and the connected car have changed the playing field forever. For example, radio historically owned the car and about 50 percent of the listening, but now the dashboard and connected car are changing consumer behaviors. This panel will help you understand how to better tap and manage all your platforms and compete in the digital environment.

2:20-2:40 p.m.

Break

2:40-3:10 p.m.

TBA

3:10-3:40 p.m.

TBA

3:40-4:20 p.m.

Advertiser Super Session: Where Do the Ad Dollars Grow in 2015?

How can radio best position itself in the advertising marketplace? What metrics are necessary in today's geotargeted, multi-platform world to best insure their business? Advertising agency executives offer their perceptions of radio: what works, what doesn't, and what it will take in 2015 to earn their business and marketing partnership opportunities.

4:20-5:10 p.m.

Group Head Leadership Super Session

Radio's top executives offer their vision and expectations for the coming year in this frank and honest annual forum. This is a candid, rare view from the top: the insight, predictions and expectations for 2015 from radio's leading CEOs.

5:10-5:15 p.m.

Closing Remarks

5:15-7:30 p.m.

Annual "40 Most Powerful People in Radio" Reception

GOODMAN'S GAMESMANSHIP

THIS POKER PLAYER IS LOOKING TO TAKE DIGITY PUBLIC, AND IN FRESH DIRECTIONS.

Dean Goodman got his first radio job in his early 20s, at WRUF-FM, a commercial station owned by the state of Florida and located inside the stadium at the University of Florida in Gainesville. He tried out for the station, and his deep voice landed him the job. Goodman, Bishop Cheen, and a few others persuaded management to let them have two hours at night to do progressive underground rock on the FM — which just about nobody was listening to at the time. And that's when and how Goodman fell in love with the business.

After a three-year stint as GM of WWWL-FM (Love 94) in Miami, Goodman moved on to Kansas City. There he got his first taste of dealmaking, purchasing an AM/FM pair he ran for three years. After Kansas City, Goodman bought Love 94/Miami, which he subsequently sold to Gilmore Broadcasting. He helped operate both radio and TV properties for the company until it was sold.

The last radio station Goodman helped Gilmore sell went to Bud Paxson. Goodman and Paxson hit it off, and Goodman

ultimately spent 13 years with Paxson Communications, growing it into a huge media company (Clear Channel purchased Paxson's radio and billboard assets in 1997). After the Paxson sale, Goodman got out of the business to spend more time with his family (his kids range in age from 4 to 32).

Around 2007, he was looking to buy a few radio stations — with cash, so he wouldn't have to worry about investors or bankers telling him how to run things. He found two in Iowa, but once you buy and build, it's not that easy to just sit back. Goodman soon found a deal that was too good to pass up, but he needed big money to make it happen. He called up some of his old Paxson connections and decided he was going to try to go big again.

A deal to buy hundreds of stations from Clear Channel and other groups was on the table, but it never closed, and soon the wheels fell off the economy. Goodman got paid *not* to complete the deal and was left with about 20 stations in Missouri and Iowa, which he used to start building Digits (pronounced "digit-ee"), the company he hopes to take public in the not-so-distant future.

RI: Why do you keep doing this?

The one thing we did at Paxson that I was always enamored with was taking the company public and giving everybody stock options. Every employee. We grew that company, and many of them monetized their stock. It's really the most positive experience I've ever had operating a company, where everybody has a piece of the rock. That's been a goal of mine: to end up with a company like that, to build a radio, TV, digital company that has other

assets that can tie in with that kind of structure that's built to last. I'd like to build a company that's built to last. That ultimately is the driving force at this point.

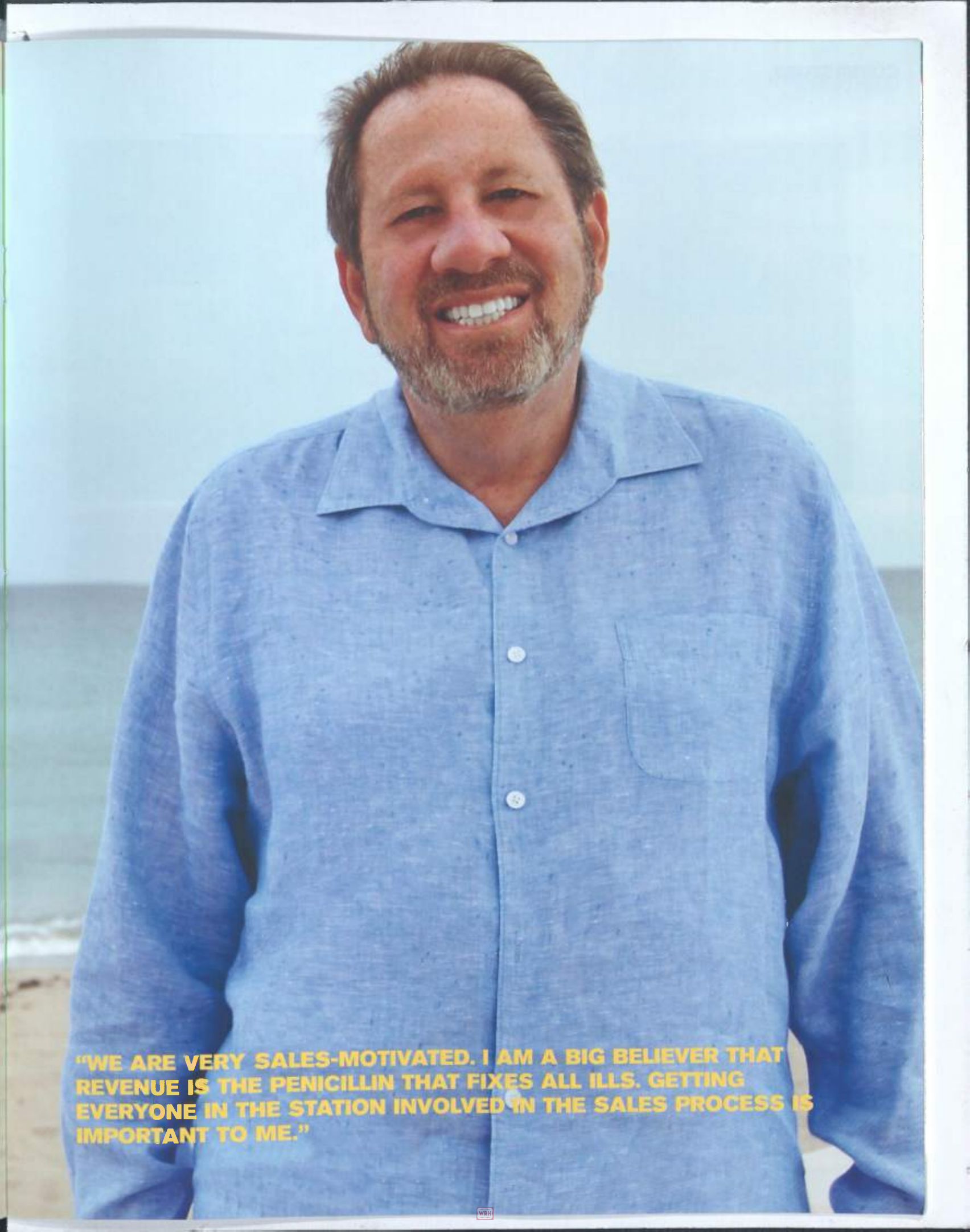
RI: What was it like when you did your first deal? Did that intimidate you at all?

To be honest with you, having lived on my own for my whole life and starting work at age 15, and being a poker player, I don't believe I was ever intimidated by somebody's having a lot of money, or having control. To

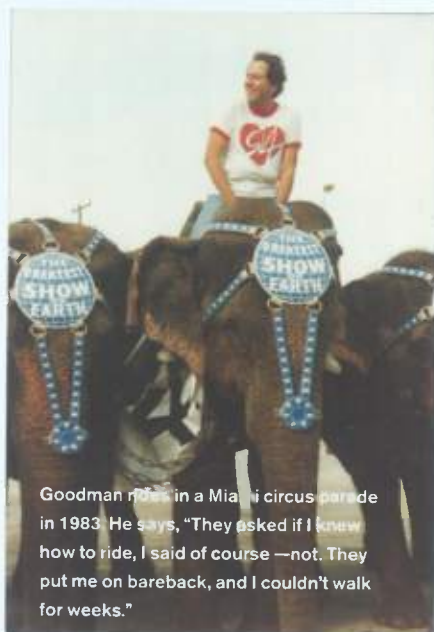
me it's a challenge, like a huge chess game, to get all these elements to work in unison. You need to identify good companies, assets, radio stations, and, most importantly, people who will create the revenue you're paying for. Then you get the money side and the technical details taken care of.

RI: Does the economic environment right now favor buyers like yourself?

The biggest change is the access to capital. Both debt and equity capital have



"WE ARE VERY SALES-MOTIVATED. I AM A BIG BELIEVER THAT REVENUE IS THE PENICILLIN THAT FIXES ALL ILLS. GETTING EVERYONE IN THE STATION INVOLVED IN THE SALES PROCESS IS IMPORTANT TO ME."



Goodman rides in a Miami circus parade in 1983. He says, "They asked if I knew how to ride, I said of course —not. They put me on bareback, and I couldn't walk for weeks."



Goodman, second from right holding his baby daughter, receives the key to the city of Miami Beach. More than 100,000 people attended Love 94's 1983 free show at the beach, with headliners the Beach Boys.

"I APPROACH MOST DEALS AS THOUGH, RATHER THAN BEING THE SMARTEST GUY IN THE ROOM, I AM THE STUPIDEST. I HAVE TO SEE A WAY THROUGH THAT, IF I CAN'T DO ANY BETTER THAN THE LAST GUY, I WILL STILL BE OK."

shifted significantly in the last 24 months and have even continued to accelerate in the last 12 months. That's been the single biggest distinction. And then the improvement in the domestic and other stock markets has also been helpful. But in reality, that changed not only for the radio business, but for every business, and has made the M&A opportunities viable.

RI: Are the multiples too low? Or where they should be?

(Laughs) It depends whether you're a seller or a buyer. The multiples have moved up a little, but relative to buying a business, I think multiples are rational where they are now. The spreads between the private market and the public market are pretty consistent with a stable economic environment, where you're getting 30 to 50 percent more in the public market than the private deals have been. So everything is pretty balanced at this point.

But, look, radio is a great business to invest in. The radio business has pretty much tracked the advertising business as a whole, which tracks the economy. The radio business is still, on average, a business where a third of what you get in revenue ends up as cash flow. Businesses like the food business, the grocery business, go on and on with low-single-digit margins.

Radio is a high-margin business that's been around a hundred years, and it remains a strong, viable business. If the economy really started to pick up, so would the radio business. There's a multitude of opportunities that groups are capitalizing on, ranging from doing events to a myriad of digital opportunities that are just at the infancy stage as far as the industry is concerned.

For instance, in Palm Beach, between the four radio stations we have, we come 80 percent of the population of the county. Promoting anything becomes significantly easier, as far as transitioning the radio audience to interact with digital elements. It becomes easier to make people aware that there's an event going on. I mean, it's the perfect symmetry, if you will, for having a successful platform for the advertisers.

RI: It's no secret you like big. How big are you going to grow the company?

I'd like to grow as big as I can, as quick as I can, for two reasons: Bigger allows us to have the type of quality support that's hard to afford singularly, to benefit each radio cluster in all areas — from programming to sales and so on, operationally. And bigger provides better access to capital, capital that can really only be accessed when you have significantly more cash flow, and less expensive debt.

RI: And it's no secret you'd like to take Dignity public. Why?

So we can have a viable way to [make money for] people who have helped us along the way and not have to sell the company. To reward employees for doing a good job in that environment. I think the public ultimately rewards good companies with a higher value. That's sort of the aspiration.

RI: Are you always looking at and working deals?

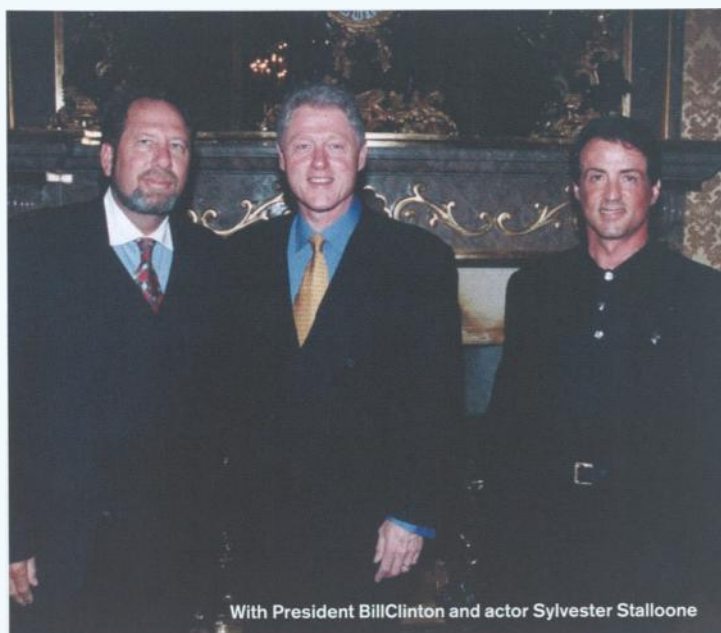
Yes — it's a process of arranging capital and arranging deals. My time is also spent on the integration of deals we've already done. I really abhor top-down management. We try to get everybody in the company to have, at a minimum, an option to look at the same things that we do when we make decisions.

For example, we just unified everybody on the same insurance plan, and we sent out what opportunities we had and the cost to the company so employees could look at it and give us their opinion. We have an intranet where employees can set up calls. We encourage people to talk to each other so we can take best practices in one market and apply them in a broader way. We try to be as transparent as possible on why corporate does what it does and allow employees to weigh in.

We are very sales-motivated. I'm a big believer that revenue is the penicillin that



Goodman shakes hand with President Ronald Reagan



With President Bill Clinton and actor Sylvester Stallone

“WHEN I WAS WITHOUT PARENTS AND ALONE, I WAS THE MOST MISERABLE PERSON IN THE WORLD. THE ONLY WAY I BECAME SUCCESSFUL WAS BY PICKING MYSELF UP AND SAYING, ‘HEY, IT’S MISERABLE NOW, BUT IF I HAVE A POSITIVE ATTITUDE IT WILL GET BETTER’ — AND IT DID.”

fixes all ills. The concept of getting everyone in the station involved in the sales process is important to me.

We are here to provide a product for listeners and serve our clients. Making sure the clients are healthy makes the community healthy.

RI: You are very big on giving back to the community.

I have been for my whole career — how can we make a more organized effort at public service, both personally for the people who work here and on a broader base, raising money and awareness for local organizations helping people. I am really focused on kids. I didn’t really have anybody to help me, so I think that’s the most important thing for us to do.

We started using the slogan, which is being formed into a charity, “We live here, too,” on the air at the top of the hour. It’s important to help smaller charities, the singular entity that doesn’t have someone who raises funds for it, like a small school for autistic kids who can’t afford to go to some private environment.

I believe that’s important for radio stations to be involved in. You never get thanked for it in any tangible way other than knowing that it’s happening.

RI: What makes you believe the way you operate is better than the last owners? What is the Digity philosophy?

Your assumption is that when I buy something, I have a disproportionate idea that I can do better. I approach most deals as though, rather than the smartest guy in the room, I am the stupidest. I have to see a way through that, if I can’t do any better than the last guy, I will still be OK. Having said that, I truly believe that if you empower people, that type of environment will do well.

The first thing I do is walk into the radio stations. You normally see a plaque on the wall a station received for doing some service project, and it could be 20 years old. Then you look around to see how clean the place is, whether it needs paint, is it a positive environment to work in. When I walked into the CBS stations I purchased in West Palm Beach, they had updated a disco facility from 1990. It had mirrors and multi-colored carpet — I could’ve been in New York or L.A., 20 years ago. The first thing I like to do is get paintings or pictures of the cities we’re in. Every city in America has areas that are beautiful, meadows, flowers, streams, etc. Here, we covered the walls with tropical beaches.

The other thing I do, and people think I’m nuts, is put happy faces everywhere. There’s this place called Eden Park in Pennsylvania, known for having happy faces on waffles, cookies, everything. I send these to the stations and tell them they should make it their happy place. It takes only one person to explain how miserable they are and bring a station down. It takes everybody else to say we don’t care, we want to be happy, or at least not be depressed. If you can change the environment where people are, be more positive about job and life, ultimately you are going to manifest it.

When I was without parents and alone, I was the most miserable person in the world. The only way I became successful was by picking myself up and saying, “Hey, it’s miserable now, but if I have a positive attitude, it will get better” — and it did. Not to say there weren’t bumps in the road, but frankly, we are all extraordinarily lucky that when we get up in the morning we can rely on getting enough to eat, that we’re going to be healthy, safe, have a shelter over our heads, and we can intellectually stimulate ourselves. Right now there are places in the world where bombs are going off and you might not make it through the day or have enough to eat or have a shelter. Why not be happy?

"EVERY EMPLOYEE OF A RADIO STATION SHOULD UNDERSTAND THEY ARE NOT RUNNING A DRY CLEANER. WHEN YOU WORK AT A RADIO STATION, YOU GET A DIFFERENT DEGREE OF RESPECT BECAUSE PEOPLE LISTEN TO YOUR PRODUCT."

RI: What is your opinion on how the radio industry treats its employees?

I haven't spent a lot of time looking at what others are doing. The headlines are that companies are reducing the workforce, and that's treating the employees badly. That may be correct, it may be

arbitrary; I don't know the individual circumstances.

When acquiring something, I've tried to keep people that are productive, or at least give them enough time to show they are. We try to provide benefits that are humane, rational benefits as far as an operator is con-

cerned, and to have the company successful enough so this is a place where people can say we treat them well.

I'm sure I have some skeletons in the closet. I don't know from an industry standpoint that I would just judge everything based upon layoffs, because I don't think that's a fair assessment of the industry. It's really not drilling down enough. It's, "Look, you have a business plan, and in order to make it work, this is the staffing you need now." Whether that's historically how it has been doesn't really tie in with executing the business plan.



Sidelines

WHAT ARE YOUR HOBBIES (OUTSIDE OF RADIO)? My kids, and diving and fishing.

WHO IS/WAS YOUR ROLE MODEL, AND WHY? John McCain. He put his team first, stood by them, and did not use them in Vietnam. He is brilliant and has the most integrity and love of country inside the Beltway.

WHAT ARE YOU READING RIGHT NOW? *David and Goliath: Underdogs, Misfits, and the Art of Battling Giants*, by Malcolm Gladwell.

And *Oh, the Places You'll Go!* by Dr. Seuss.

FAVORITE TV SHOW? *Wonder Pets* (my demo is 4-8 years old).

NAME THREE APPS ON YOUR PHONE RIGHT NOW THAT WOULD SURPRISE PEOPLE. Net Analyzer, Booksy, and Poker HD.

WHO IS THE MOST INTERESTING PERSON YOU KNOW (OUTSIDE YOUR FAMILY OR WORK)? Delos Cosgrove, M.D., CEO of the Cleveland Clinic. He created a hospital that works by collaboration.

IF YOU HAD 30 MINUTES, A TAPE RECORDER, AND YOUR CHOICE, WHO WOULD YOU INTERVIEW, AND WHY? Don Rickles. He will tell me how worthless I am, and I will think it is funny.

NAME THREE STATIONS YOU LISTENED TO AS A KID. WQAM, WIOD, and WINZ.

WHAT ONE GOAL HAS ELUDED YOU? A proper digital standard for radio and TV in the United States.

MOST PROUD CAREER ACHIEVEMENT? Thousands of kids I'll never know, in part because of radio stations I've been involved with, will have food, shelter, safety, health care, access to an education, and a responsible adult to care for them.

WHAT IRKS YOU THE MOST ABOUT RADIO? Lack of employees with a creative fire and desire.

DESCRIBE YOURSELF IN THREE WORDS OR LESS. Talks too much.

WHEN YOU DIE, WHAT WILL PEOPLE SAY ABOUT YOU? "Who?" Or (I hope) "He'll be back!"

RI: Is radio headed in the right direction?

I think the industry is in a good place to grow as the economy grows. This is conjecture, but there may be certain entities that, due to their financial structure, may need to make significant changes. I don't think it would be positive if there were a significant amount of divestitures on the market.

I think the biggest downfall we have right now is not being cool and not attracting the brightest of the bright, that have that creative fire. When I was doing mornings in Gainesville, I would be up at 1 a.m. doing show prep for a 5 a.m. show. I think a lot of that creative fire has moved to some digital environment instead of coming to us.

RI: What can radio do better?

Radio stations can really try to help their communities. We can do that better at Digits, and I think most others can too. There was a time when radio was very FCC-ish, and you were here to operate in the public need and focused on your ascertainties, etc.

We are broadcasters, which is a unique position. Every employee of a radio station should understand they are not running a dry cleaner. When you work at a radio station, you get a different degree of respect because people listen to your product. To them, you are part of the life of the station, and the fact that you're there is important to people.

Radio can do better at taking that responsibility seriously. We can be more entertaining and be more community-service focused. We have a tremendous vehicle for good, and the good can come in a variety of ways, but largely, it can help the community economically. That, to me, we can do better. In doing that, the whole industry rises. **INK**

The Power Of INDEPENDENCE

While 2014 so far has been nothing to brag about for the public companies reporting to Wall Street, life is pretty darn good on Main Street. The bigger radio companies get most of the press, but the industry is made up of many more small-market and independent operators, carrying the radio torch to every small business they can call on and every listener they can touch, in any way they can deliver it. Small-market operators have a formula for success no matter what the macro world is going through. And in this special report, we find out some of their secrets.

Independent and small-market broadcasters are growing revenue in 2014.

They are laser-focused on understanding their local markets and delivering a strong local product. But that doesn't mean they don't face challenges. For example, finding good salespeople continues to be an issue for operators in small markets. Making sure new sellers succeed — and then stay on in a town a lot of people have never heard of — is difficult, but the investment can pay off in a big way for broadcasters who can manage it.

Another challenge is digital: Everyone knows listening is moving toward digital devices — smartphones, tablets, and more — and broadcasters need to provide that distribution platform for listeners. But small-market broadcasters openly admit that digital is not really a money maker — not yet.

Mary Quass is the CEO of NRG Media, which was founded in 2005 with the merger of NewRadio Group and the assets of Waitt Media. The company owns 16 stations in Nebraska, including seven in Omaha; 13 in Wisconsin; seven in Illinois; and six in Iowa. Quass has consistently been one of *Radio Ink's* Most Influential Women in Radio and has also appeared on our list of the 40 Most Powerful People in Radio.

RI: Can you talk about the year so far? Halfway through, how has it been saleswise, and how does the rest of the year look?

Quass: Actually, we're coming out of second quarter about 3 1/2 points over last year, so that's a good thing. First quarter was a little lighter, but the back half of the year, right now we're on target (if we look at our forward paces) to be up probably 3 1/2 to 4 over last year, so I'm happy about that.

RI: Any new categories that stick out as a surprise?

Quass: It's been a combination of things. We're doing a little more NTR as it relates to some events that we haven't done before or are in the second year of, and that we're getting smarter at every year. We're getting a little better on a lot of different levels, and I'd say our bigger markets are doing a little better than our smaller markets. We've got to do it more on local direct business

than by relying on national and transactional business, and certainly I don't see anything in the future that's going to cause that to change.

RI: Is finding good salespeople a big challenge for you?

Quass: Sure, and I think since I got into the business — you know, back when the earth cooled — it's been a challenge, and it continues to be one. I would say that I think the company, and I would suspect maybe the industry, doesn't have a deep bench. We used to be constantly looking at recruiting and trying to have our eye on people that we could tap in to when we needed a salesperson.

In our company, I think we've gotten away from that, and we need to go back and start looking where there are good people — and not just the usual sources. Plus, there's a lot more demand for good salespeople than there's ever been. I've been involved with one of the universities here in the state trying to develop a curriculum to help train people, not just in journalism and not just in engineering, but on why radio is a good place to be from a standpoint of sales.

RI: What keeps you up at night, besides finding salespeople?

Quass: There's probably four or five things. Clearly, the economy seems to be confused about what it wants to do, so I think it's always about how we grow revenue in an environment that's

not accelerating, that's flat to moderately up.

How do we find great people? How do we help our clients in more ways than we have in the past, using the technology we have available to us? And another thing is, how do we go back to focusing on compelling content to make sure we're relevant with our audience? And I worry about how we're positioned relative to other entertainment sources as far as commercial loads.

RI: Radio commercial loads are crazy big.

Quass: We all talk about it, but we keep hoping it will go away. We have to address it. It's one thing to talk about it and try to make research fit whatever it is you want it to say, it's another thing to say you know that it's just too much. I think the model still works. I think an ad-based environment in this business is still the way to go. But we've got to start looking at how much, how we position it, and if it's sustainable. If it isn't, what else are we going to do?

RI: What is the key to making radio work successfully in the markets you operate in?

Quass: If I were going to say anything to other operators, I would say, "Sell your radio stations if you don't love a challenge." I do believe right now we are in the best of times, but we also have to get back to focusing on being where our

audience is and being relevant to them. Being where they are in terms of delivery systems, having content that is of interest to them, and, from an advertising standpoint, going back to what we've always done: great local radio.

The issues advertisers have are the same they had years ago. Now they have many more choices, but that doesn't mean they have more answers. I believe we are in the best position of anybody to be successful in this environment. Be relevant to your audience, and pay attention to it. Be a student of your audience. From an advertising standpoint, get back to the thing that brought us to the dance, problem-solving, and do it on a level you can control.

RI: Have you mastered digital yet?

Quass: (Laughs) Have we figured it out? Not really. Are we trying things? Yes. Will we make mistakes? Absolutely. We continue to work on it. Digital is a delivery system that's extremely important, and it's a complement to what we continue to do over the air, but it has so much more opportunity for how we can communicate with people. There's an over-the-air signal, which is broadcast, and then there's digital and all the components that go along with that, allowing us to "narrowcast."

The combination is unique, and it's a winning combination. It's not for the faint of heart, so if you're

"There's a lot more demand for good salespeople than there's ever been."

MARY QUASS



"The results we get from radio are as remarkable as ever, and I've been doing this for 37 years. Nothing's changed."

JOE SCHWARTZ



"If we're just waiting on national, we don't survive. Our local direct is up 2 1/2 percent so far this year."

GARY SHORMAN



not up to the challenge, again: Sell your stations.

RI: What do you want to see the radio industry do better?

Quass: Connect with their audience. Be important to their audience again. I want to hear people say, "I have a favorite radio station." In today's environment, what does that mean? We will have succeeded if you look at the digital dashboard, and your favorite radio station has a primary slot on the screen.

Cherry Creek Radio was born about a decade ago, when President/CEO Joe Schwartz got things rolling with the purchase of 24 stations in nine markets from Dennis Allen's Commonwealth Communications. Since then another 15 or so deals have pushed the total up to 60 stations in 15 markets.

RI: How have sales been in 2014, and how do you think they look moving forward?

Schwartz: Well, it's kind of the way the business has been the last five or six years. If you're expecting the market to correct itself on its own and start growing and getting back to doing big numbers, with 7, 8, 9, 10 percent growth every year, forget it. We are not in that phase anymore. It's quarter by quarter, year by year. This year is a perfect example. Our first quarter was magnificent, we hit it out of the park. But the second quarter was flat. Third quarter, we're pacing up a little — I expect it to be up a little more because of political. I'll see a good amount of political because there are very hard-fought races in Montana and Colorado.

There's no clear visibility to show anyone we have consistent growth ahead of us, so that's the bad news. The good news is that operators have to start looking at the radio business much differently than they've looked at it before, especially from a sales standpoint. Radio works so well — if you know what you're doing, you can make clients sing and dance and make their world so much better. If you know how to sell radio. What we find is there are people very

ill-prepared to compete in this environment.

RI: Be more specific — what needs to be done?

Schwartz: I'll tell you what we do, and I'll tell you why I think that. Go back 10 years. Where was digital? Where was the competition? Basically, the competition was across the street. That's how people thought. You have to be so much sharper today to talk to clients because of all the advertising options out there. Clients are in the same boat we are. They're looking for ways to grow their revenue, so if you're not an asset, if you don't know what you're doing, if you're not trained properly, you're in trouble.

What Cherry Creek has done is developed our own in-house training program. We do our own, in-house webinars for all salespeople, three days per week. I'm not interested in media reps; I don't hire them anymore. I hire the best salespeople in the market I can find. I don't care if they're in retail, I don't care if they sell time shares, I don't care if they work in a bank. If they are great salespeople, I'll teach them the radio business and I'll teach them how to deal with clients, how to have business conversations.

That's what I need — not reps who have been around for 20 years and who think it's 1997. People who are thinking that way are getting left behind, and you can see the results a lot of the big companies are getting because of that. A lot of people don't have faith in the industry, that it delivers. I'm telling you I'm on the ground every day, and the results we get from radio are as remarkable as ever, and I've been doing this for 37 years. They are as good as they have ever been. Nothing's changed.

RI: So you really focus on over-the-air revenue?

Schwartz: Nothing has changed. Everybody wants to talk about digital. I'm not saying it's something we shouldn't get into, and I'm not saying it's something we shouldn't all be aware of. But radio is so lucrative and so successful and so good, I

don't understand why operators doing 95, 96, 97 percent of their revenue in radio don't invest in it. They don't invest in their product on the air. I just don't understand it. I don't understand what business they think they're in. It's very disheartening to me, and it's very discouraging — but it's a major opportunity for me. So that's how I look at it.

RI: Understanding part of the goal is to increase sales every year, how do you define success in the radio business?

Schwartz: That's a great question. I think the number one thing the radio business has to do is to grow revenue. Period. There's a lot of talk about product, there's a lot of talk about digital, there's a lot of talk about a lot of things, but if we can't demonstrate the ability to grow revenue at a reasonable rate, 5, 6, 7 percent a year, dollars won't follow us. We won't have the money to invest in our products and to hire better personalities and to market ourselves and do all the things we want to do.

We have to grow the revenue, that's job one through 10, in my view. Nothing else matters unless we grow the revenue. And if you notice, most people think growing the revenue means putting a digital strategy together. That doesn't work, I'm telling you.

RI: What are your biggest challenges?

Schwartz: Finding great salespeople is my biggest challenge. Finding them, training them, cultivating them, teaching them the business, and showing them how to work with clients and how to make this business successful. I think that's the biggest challenge in the industry.

RI: Have you found a place you can go back to consistently to find good salespeople?

Schwartz: No. It's hard. What it takes, what my people do in each one of their markets, is they are very involved in everything that they can be in their markets. Chamber of Commerce, different clubs, sales clubs, Lions Clubs, everything, and it's groundbreaking — we are

working our contacts in every market we're in. And it takes time, it takes effort.

It's not easy, because we're talking to successful salespeople. That's who I want. I want people who are making a lot of money. I'm not interested in somebody who's unemployed. I'm interested in somebody who's making money selling in the market I'm looking to hire in, and can prove to me they have the contacts. It's not easy, but when and where we've done it, it's so wildly successful I can't even believe it. It just means everything. It changes the conversation. It changes the attitudes in the buildings and it makes it look like a real business.

These are not people who are out there trying to get our 5, 6, 7 percent or whatever that is. We are commanding far more money and far more attention in our markets, and, to me, that's the game. There really isn't much more to it than that. But it's hard,

and you have to be dedicated to it. We've created our own system. We've worked with outside consultants, sales consultants, recruiting consultants who've helped us put together a system, and they work with us to recruit. We've created a whole plan and a whole method to do this, and all of our people are invested in it and they own it. And that's really all I care about: finding great people.

RI: What's your philosophy on streaming? Do you worry at all about companies like Pandora?

Schwartz: Do I think we should worry about Pandora? Absolutely — Pandora, iHeart, Spotify, throw them in the same category. Why? Because the advantage they have over radio is that they run few or no commercials. Meanwhile, we're cluttered to death.

I applaud David Field for what he's doing in Seattle with The End [KNDD], cutting it to six units an hour. I know he's going to be

successful with it, and I believe in that. We need to stop the clutter on our own air, stop killing ourselves and put out a better product, and one of the ways we could do that is just by fixing the clutter. That's where I think we're losing a battle against the streaming services like Pandora.

Am I concerned about it from a sales standpoint? On the local level, absolutely not.

RI: What advice can you give other independent operators?

Schwartz: I'm not going to surprise you with this: Go find great people. Go hire great salespeople. Stop hiring other people's problems. Stop hiring people who have been in this business and keep doing things the same way over and over again that don't work anymore. We need a new look, a new perspective. We need better-prepared, better-trained salespeople so we can grow our revenue. Otherwise, we're pretty

much destined to do what we've been doing — up 3 one quarter, down 3 the next, flat the third, up 4 the next — I mean, it's all over the board. You need a consistent play here, and the only way you're going to do it is to have better people.

Gary Shorman has been president and CEO of Eagle Communications, which owns 28 stations in Nebraska, Kansas, and Missouri, since 1998. That same year, Eagle began transitioning to an employee-ownership model, and as of 2012, Eagle's employees own 100 percent of the company. Shorman says, "Everybody that's on the air, everybody that's on the street, everybody that's part of our operations is an owner of the company, which makes us a little bit unique."

RI: Every employee owns a part of the company — how did that happen?

Are you satisfied with your national business? Regional Reps can help.

AMERICA'S INDEPENDENT RADIO REP FIRM

We're the country's leading national sales representative for independently owned and operated Radio stations. With 58 years of experience, Regional Reps is a powerful extension of your local sales force. We'll share your station's story—face to face—with agency decision makers throughout the United States.

We're independently owned and 100% committed.



RegionalReps.com

216-781-0035

info@RegionalReps.com

[Facebook.com/RegionalReps](https://www.facebook.com/RegionalReps)

[Twitter.com/Shayna_RRC](https://twitter.com/Shayna_RRC)

REGIONAL REPS CORP.

MEDIA SALES REPRESENTATIVES

GET READY FOR

- ▶ **BREAKTHROUGH IDEAS**
- ▶ **MONEY-MAKING STRATEGIES**
- ▶ **INNOVATIVE INSIGHTS**

OPENING KEYNOTE

WEDNESDAY, SEPTEMBER 10



Bob Hoffman, Advertising Luminary,
Partner, Type A Group

Hear game-changing insights during
Hoffman's presentation on
"The Golden Age of BS."

"Star-Spangled Banner" performed by Madison Rising.

Sponsored by: **creative**

SUPER SESSIONS

THURSDAY, SEPTEMBER 11

From the Control Room to the Board Room



Dan Mason
President and CEO
CBS Radio



Bob Pittman
Chairman and CEO
Clear Channel

Sponsored by: **nielsen**

ADVANCE YOUR CAREER

- Expanded technology lineup
for broadcast engineers.
- On-site Society of Broadcast Engineers
certification exams.



OPENING REMARKS

Jeff Hallock
Chief Marketing Officer
Sprint

Paul Brenner, chief technology officer, Emmis Communications

Dave Kelly, director of strategic research, Big Machine Label Group

Ginny Morris, chairman and CEO, Hubbard Radio Group

Eric Williams, product manager, Sprint

Check out the incredible lineup on **RadioShowWeb.com** and register today!

Advertising and
Research sponsor:

Platinum
Simplifi

Programming
sponsors:



Gold
COLEMAN
INSIGHTS
MEDIA RESEARCH

Silver
MusicMaster

Management
sponsor:

Silver
SOCIAL NEWS DESK

INCREASE YOUR LISTENERSHIP AND BRING IN THE BIG BUCKS

FRIDAY POWER TRAINING SESSIONS

- SALES CONSULTANT SERIES
- PROGRAMMING MASTERS SERIES

BLOCKBUSTER BREAKOUT SESSIONS

- ADVERTISING AND RESEARCH
- MANAGEMENT
- PROGRAMMING
- SALES AND MARKETING
- TECHNOLOGY

EXPAND YOUR NETWORK

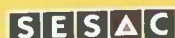


Your central destination for all of the action at the Radio Show.

HIGHLIGHTS INCLUDE:

- The Marketplace exhibit hall, where you'll find the latest radio innovations on display
- Networking opportunities, including coffee breaks and special receptions
- Powerful Super Sessions
- An Indy 500 racecar simulator
- Daily prize package giveaways
- And more!

Networking Lounge sponsored by:



Opening reception sponsored by:



DRIVERS, START YOUR ENGINES!



Speed into the action at The Marketplace! Cruise through a robust exhibit floor, then show off your racing skills in an Indy 500 racecar simulator. Suit up and blow past your competition for a chance to win a daily prize giveaway. Only in The Marketplace. Only at the Radio Show.

Shorman: They have a work investment, similar to a retirement plan. It started with an owner that believes in community broadcasting and doing things that are relevant every day in our markets. We spend a lot of time working on that, and the best way to do that is to have ownership in these communities. We have announcers who retire with six figures' worth of Eagle stock.

It creates quite an interesting dynamic when everybody in the company owns the company and their mission is to make sure you continue to grow, make sure your communities continue to grow, make sure you participate at a level you just don't get when you have a regular employee.

RI: How have you done in the first half of 2014, and how does the second half look?

Shorman: We're off to a good start for 2014. We have some markets breaking all-time records, we have some that are working to get there, and we're pleased where we are year-to-date. And through the end of 2014, there's some strength in a couple of areas. We depend on digital for incremental revenue probably more so than we do just advertising and spot revenue, and we feel it's an area that's going to be important.

RI: Why do you think you're doing so well?

Shorman: We focus on advertisers that are in the community. We do great on a national level, but for the most part our advertisers are local businesspeople trying to compete with the Amazons and the big-box stores. Combining what we do on the Internet with what we do on our radio stations really allows them to survive — and in small communities where you have 20,000 or 30,000 people, there has to be a real commitment to that. If we're just waiting on national, we don't survive. Our local direct is up 2 1/2 percent so far this year.

RI: What advice can you give other independent operators on how to be successful?

Shorman: We have to be committed to our local communities. Online services don't offer the local connection, the local weather, local information, local news, the temperature when it's 105 degrees. If you don't offer that and you just let the music play, you're going to lose. We're not perfect, but we strive every day to make sure that when the customer turns on the radio, they have a great experience, that they enjoy what they're listening to and have fun.

RI: Is radio in a good place these days?

Shorman: Radio is in a better place than some of the other traditional media, and in general. There is so much change that is happening, but to have a product that is not only free for the customer but accessible wherever they are, 24/7, that's something unique. If you have Internet, you have to have an Internet connection. To get any of the other services, you have to download something. But if you have a radio, you can go and turn it on instantly. It's there, it's ready to go. We just have to make sure when consumers turn it on, the information is there.

Julie Koehn is president of Lenawee Broadcasting, operator of WLEN-AM in Adrian, MI. Koehn has a tough battle on her hands in a community of 20,000 people, a county of about 90,000, and 56 signals reaching her market from Detroit, Toledo, and Lansing. Yet, despite the challenges, she's become respected by her colleagues in the industry as one of radio's top independent operators.

RI: How have sales been this year so far, and how do they look moving forward?

Koehn: Being in the shadow of Detroit, our world changed in 2009, and the economy in Michigan has not truly rebounded. Unemployment numbers are better, but they don't tell the whole story. They don't talk about the number of people who left the state or those who simply fell off the rolls and stopped

looking for work. Our population decline was over 10 percent, and more in the metro.

Prior to the recession, we began to change the way we were selling, what we were selling, and to whom we were selling. This change in strategy allowed us to maintain during the Great Recession and has since allowed us to grow certain areas. It was our survival, and, because we were able to maintain, we didn't have to lay off staff, which was my goal.

RI: How do you define success?

Koehn: We are always striving to do better, be better, and find new and innovative ways to serve our community, our listeners, and our advertising clients. When our customers, both listeners and advertisers and our community, are served and when they achieve success because of our help, that is success for us. We believe it is our responsibility to take care of our community and to be a community asset, so we do a tremendous amount of community service. We donate over \$800,000 in cash and in-kind giving to local nonprofits in our listening area each year. Our goal is always to leave everything we touch just a little better.

RI: What are your biggest challenges this year, and moving forward?

Koehn: There are a lot of big challenges for the broadcast industry. Regulatory and legislative intervention in broadcasting is a big issue for all of us. Performance rights fees, streaming fees, and increased competition from the myriad of new sources of content are all a challenge. We need to embrace the challenge, be mindful of our competition, and continue to produce meaningful content. Engagement politically on a grass-roots level is critical, and ultimately, good competition only makes all of us stronger!

RI: What advice would you give to other independent operators like yourself?

Koehn: Engage and embrace innovation. Just because you're

small doesn't mean you can't be mighty. Maintain relationships with your elected officials on the state and national levels. You are an avenue to help them reach their constituents; they care about what you have to say. Don't rely on someone else to carry the water for our industry. We're all in this together, and broadcasters both big and small must do their share. It's your future, and you need to have a say in it, so you need to be engaged with the NAB and your state associations.

You also need to be willing to put your money where your mouth is and invest in NABPAC and your state association PAC, if your state has one. Take a risk on new technology — HD, NextRadio and TagStation, receivers in cell phones. Innovation is for everyone, not just the large-market broadcaster. Think about the risk the early adopters of FM took. That's how we should be thinking. Our station will be celebrating 50 years in 2015, and our first promotion when we went on the air in 1965 was to give away FM radios. When you take significant risk, there's a pretty good chance you could fail, but what if you don't fail? It's not "Failure is not an option," it's "Failure to try is not an option."

RI: What is your philosophy on streaming? Do you worry at all about companies like Pandora?

Koehn: Content is key. As long as we are producing meaningful content with convenient delivery, we will be around for a long time. Our niche is and always has been local, local, local. Local content is what brought us to the dance, and it will be what continues to make us work.

RI: Are you generating any serious digital revenue?

Koehn: While we are not generating large dollars in digital revenue, we are generating some, and we continue to work on it. Our website is currently being redesigned, and we will have new digital offerings for our clients when that is complete. WLEN 360 will launch next year. We are already successful in engaging our audience in the digital space. Our Web numbers are significant,

with nearly 2 million page views per month on our classifieds site and over 91,000 unique IPs annually. That's big for our market size.

Nick Martin is the general manager of Big River Broadcasting; he's been with the company for 21 years, and in his current job for 14. In that post, he runs four Big River stations — three in Muscle Shoals, AL, and a satellite station in Tennessee.

RI: How have sales been so far this year?

Martin: We are actually up a little bit. In our market, the economy has been strong — it's been pretty steady since everything bounced back. We've actually seen an uptick over the last two or three years, and the first half of this year is no different. Second half of the year, we're projecting about the same, and we plan to be up by the end of the year overall.

We had a pretty big jump last year, so for us — companies don't normally say this — we had such a great year that if I had come out flat this year, I would have been very happy. So the fact that we're going to be up this year is better.

RI: Why do you think you did so well last year? Was it political?

Martin: No. Honestly, we had a very aggressive change when some auto-dealership companies came in. They are very aggressive with their marketing, and they dumped some pretty decent money in the market. It jumped up, and it's held steady.

RI: What changes were made?

Martin: Some of the dealers felt like they wanted to jump into the game and maintain the awareness and the brand identity, and others fell by the wayside. Others felt like they couldn't compete. And quite honestly, some that felt like they couldn't compete pushed back a little bit. A couple of those got bought out and have since come back as another aggressive dealer, so it just goes to show that you've got to keep marketing your product, one way or the other. When the thought process changed, and

some of these guys felt like they couldn't compete, they lost their market share and consequently decided to get out of business.

RI: How many people do you have in your sales department? Do you have enough?

Martin: We are always looking for people. My market size is ranked number 247, about 130,000 people. We've got six salespeople, and I could use five more. Our footprint geographically covers about 35 counties that we have a really strong presence in, and for five or six people to adequately work that, it's not enough. So, yeah, we are constantly looking for new people, and that's always been one of our biggest challenges in small markets.

RI: What are the biggest challenges in getting sellers to come work for you?

Martin: The problem we're having is finding the right person that fits for us. There aren't a whole lot of people out there that really want to be in sales. They all really love the idea of being in radio, but when it gets down to the nuts and bolts of it, people think this is a glamorous business and forget it's a business. When they get here, they see they have to develop relationships and learn how to sell.

Sales is one of those professions that you either have it in you or you don't, and it shows pretty quickly. You've got to have the ability to communicate. You've got to have the ability to create relationships, understand the product, understand how it works, and know how to use it to help advertisers grow their business.

We've found it's very difficult to bring people in and spend the time training them while maintaining what we're doing on a daily basis, because we all wear a bunch of different hats. I heard this quoted years ago, when I got into the business: "Only 10 percent of the people make it after one year, but if you make it through that first year, you're on your way to a successful career." A lot of people don't

hang in there, and it's tough to financially support somebody for a year to give them that opportunity in a market this size.

RI: What is it that makes you stick around in a market like this?

Martin: The ownership, and the fact that they give us complete autonomy to do our jobs. Sam and Jerry Phillips made their fame and fortune in other areas, in the music industry, but radio was a big part of that. Sam loved radio, and he always understood that you've got to empower people and let them do their jobs. They don't ever not want to be involved.

Jerry is very involved. We talk four or five times a week, or four or five times a day, depending on what we need to discuss. But when it comes down to it, they let us do our jobs, and the buck stops with me, and that's the reason I love it here. We don't have to go up the corporate ladder to make a decision. If we want to spend \$15,000 or \$20,000 on a promotion, we decide whether we can do this or we can't. I have friends who are managers corporately and they have a lot of autonomy too, but I love the fact that the buck stops with me and that I'm responsible for it all and accountable for it all.

RI: What advice do you have for other operators on being successful?

Martin: You've got to understand the market, and then you've got to dedicate yourself to being local. You've really got to dig in and be part of the community. There's no question about that. If you get in there and support the community, they'll support you, and I think that's the biggest part of it. You've got to have a dedicated staff that truly understands what you're trying to do. Everybody has got to be on the same page. They need to know exactly where you're headed and why you're doing it, and they've got to respect what you're doing.

That's one of the things that has made us so successful for years. We don't have a lot of turnover. Our airstaff is very

"It's not 'Failure is not an option,' it's 'Failure to try is not an option.'"

JULIE KOEHN



"Sales is one of those professions that you either have it in you or you don't, and it shows pretty quickly."

NICK MARTIN



"Our growth this year is in direct proportion to our execution of the basics."

JERRY "J" CHAPMAN



interested in the market. On our sales staff, we have one brand-new person. Outside of that, the combined years of experience on our sales staff is probably 60-70 years. We have veterans here that know the market, and that's important. When we sit around at our department head meetings, we've got a least a hundred years' experience sitting around the table in this business, in this market, so we feel like we know it from top to bottom.

RI: Other than finding sellers, what are your biggest challenges?

Martin: Digital. We're having a blast with it. We're not making a whole lot of money with it, but it's fascinating to see the development of digital in our industry. When I quote this number, it's staggering to people: With our three primary products here at Shoals, we've got 60,000-plus downloads on our apps — in market number 247. We had 800,000 "listening sessions" with our products online last year.

It's a very clear statement that you have to understand the market is changing, the industry is changing and evolving. The biggest challenge is making money with it. It's all well and good to talk about these big numbers, but how do you make money from it? And actually, it's fun for us. It's fascinating. To know that 800,000 times last year, somebody reached for our product on a desktop, iPad, cell phone, whatever. Turning it into money — that's another thing.

Jerry "J" Chapman is president of Woof Boom Radio, founded when he purchased six stations in two adjacent markets, Muncie-Marion, IN and Indianapolis. The deal closed in August 2013.

RI: How have sales been so far, and how do they look moving forward?

Chapman: Good. I think "good" is a fair answer. If someone says "great," they must be satisfied. Who's satisfied? How can you be satisfied? There is always more that I can do. I remember when I first got into radio sales, there was always something left to

do. I remember achieving billing milestones and winning contests — it was only satisfying for a fleeting moment.

The trick today is recognizing others for a job that they have done well. Recently one of our sellers passed a personal billing milestone, and we made sure we pointed it out. The pace of business today means recognition of a job well done often gets missed. That's wrong. The people that work here are demanding of themselves. My job is to make sure that we point out when we are doing a good job in growing the revenue.

For the year in total, we are up high single digits. Our growth this year is in direct proportion to our execution of the basics — things like making sales calls, uncovering marketing objectives, and coming up with cool ideas that get results. We must do a better job of growing the business of our most important customers. It's really about getting results for them.

RI: How do you define success?

Chapman: In the early '90s, I tried to do everything, but I wasn't doing any of it very well. My boss suggested that I decide what I wanted to be good at doing. That was great advice. Some broadcasters are great salespeople; others are skilled at exploiting an opportunity that others don't see. I get a huge thrill and great satisfaction out of building a strong organization that has really talented and good people who are enlisted in the mission. Finding and keeping talented people not only working for the organization, but continually looking for ways to keep them engaged, is really gratifying.

A long time ago, I decided that my success in business would be determined by my ability to help others grow and develop. I've been incredibly fortunate — one of our employees just celebrated their 30th year here. We also have employees who have 20-plus years, and those who have been here just two months. We define our success within the context of our ability to attract and retain great people. When I've done that well, our stations

have outperformed quantifiable traditional measures, like exceeding budgets, creating new revenue, and growing BCF.

RI: What are your biggest challenges?

Chapman: There are no challenges we can't address in the near term. We need to execute. Along those lines, we just signed on a new Country station. We will be successful because we are competing against a large national operator, and we know what plays well in Muncie, IN. Being local, we have a competitive advantage with the businesses who are our customers. Ultimately, our long-term success will be determined by our ability to attract talented, smart people.

RI: What ideas could you give to other independent operators like yourself?

Chapman: "Curly's Law": Do one thing. Regardless of where you are and what you are doing, it is so important to be known for something you are good at doing. You have to be passionate about it. It is impossible to fake it.

RI: What is your philosophy on streaming? Do you worry at all about companies like Pandora?

Chapman: On the micro level, what keeps me up is getting results for our customers. On the macro level, radio's battle is to be and be perceived as cool. We need to embrace digital, specifically the smartphone. The NextRadio effort today is an important part of that.

RI: Are you generating any serious digital revenue?

Chapman: No. We will. We are still in our first year of operation. The organizations I've been part of have been successful in really coming up with cool digital ideas for customers. The good ideas get monetized.

For Woof Boom Radio, it is more important to first execute the basics and then become proficient at selling digital solutions. Right now our work is all about building a strong organization. The digital will follow.

BLAST From The PAST >>



RIGHT ON TIME

This photo, which dates back to 1972, shows us a young Brad Krantz in the studios of WONE & WTUE in Dayton, OH. Lots of great vintage gear to be seen, and Krantz writes, "Dig the stopwatch/timer straight ahead!" Photo courtesy of Brad Krantz.

SALES INCENTIVES THAT ACTUALLY WORK!



CRUISES - 100% TRADE
OVER 900 STATIONS USE OUR VACATIONS AS INCENTIVES TO INCREASE THEIR SALES.

Sun & Fun Media
800-735-0060 ■ www.sunfunmedia.com
Largest vacation trade company in radio since 1996



Media Collections Require A Rare Mix Of Forcefulness And Delicacy



Szabo Associates, Inc.
3355 Lenox Road, N.E., 9th Floor
Atlanta, Georgia 30326
404-266-2464
FAX 404-266-2165
www.szabo.com
info@szabo.com

Unfortunately, almost every business has hard to collect receivables that must be turned over to a professional collector. You're best served, naturally, when that collection service has expertise in your industry.

In media-related business collections no one has more knowledge, skill and experience than Szabo. We have specialized solely in media collections for decades, and as a result, we know exactly when and how to apply pressure to achieve the maximum results for you. It requires a deft touch to be sure, for in most cases these are client relationships you don't want to harm.

We have specialists in every division of today's media, from radio, television and print to all out-of-home media, online advertising, as well as program syndication and product licensing. We have detailed knowledge of the credit customs, processes, terminology and practices of the media industry. Our representatives have an average of 14 years experience in collections, the vast majority of which is in media collections.

No one knows media collections like Szabo. Put your business in strong, careful hands.