

CBS
RECORDS
CANADA
25TH

ANNIVERSARY

CBS RECORDS INTERNATIONAL
SALUTES
CBS CANADA
FOR



Happy Anniversary!

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Throughout the past twenty-five years, when it's come to getting the music to the people and the people into the music, you've done it better than just about anybody in the business.

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CBS Records (USA)

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ON 25 SUCCESSFUL YEARS



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Ian Hunter

Chrysalis



Meatloaf



THE EUCLID BEACH BAND



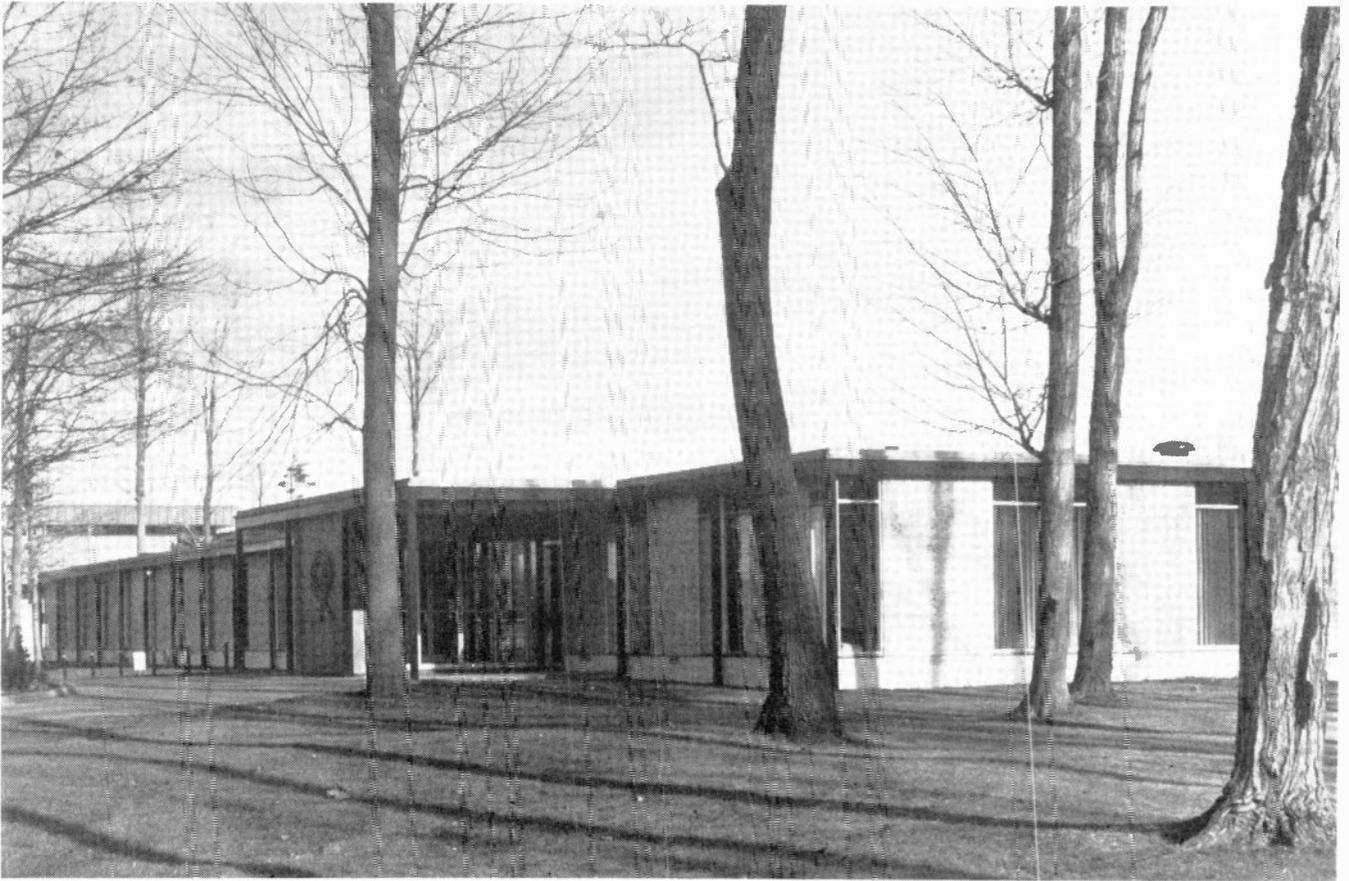
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Head office and manufacturing plant, CBS Records Canada, Don Mills, Ontario - opened in 1960

CBS
RECORDS
CANADA
25TH
ANNIVERSARY

1954 - the birth of a giant - Columbia Records of Canada

Researched by Walt Grealis and J.J. Linden

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In an industry that gives birth to and exercises a form of artist-euthanasia to so many over such a short period of time, sometimes months, it's rather ironic that the industry can be slowed long enough to reflect the birth of a giant - Columbia Records of Canada.

The year was 1954 when Bob Pampe, a District Manager for CBS' mid-Western Territory in the United States, was given the task of putting together Columbia's new Canadian company. He became the pioneer General Manager, a position he held until his retirement in 1968. Together with Canadian Frank Jones, he began structuring the company from offices and a small warehouse in the rear of Quality Records, who were pressing Columbia product at that time.

It was also a year when the senior Senator from Wisconsin, Joseph McCarthy was up to his fists in dirt and witch hunting. The little nation of Cuba was even, in that time frame, effecting the United States with a dance craze known as the mambo and, of course, the biggest event in the history of music, the birth of rock and roll. Bill Haley was changing the sound and the look of music as he became one of the fathers of

rock and roll with Shake, Rattle & Roll, and Rock Around The Clock.

The big sellers for Columbia were what we would classify today as wallpaper music.

Rock and roll was the least of the worries of the new Canadian Columbia operation. Louis St. Laurent was Prime Minister of Canada, a country boasting a population of sixteen million. The record industry was still experimenting with the Columbia invention of the 33 1/3 long-playing album, which carried a suggested list of \$3.98. Still popular were the ten inch albums as well as the 12-inch monaural albums. The latter contained several cuts on two sides, instead of the heavy, bulky, and breakable 78's. Columbia's 33 1/3 long-playing albums were being advertised as "uninterrupted music at its finest - on Columbia long-playing records." The albums gave the listener up to 50 minutes of music with each record and included Puccini's Madame Butterfly, Offenbach's Gaité Parisienne, Beethoven's Ninth, Edward R. Murrow's I Can Hear It Now, and, just for laughs, "The latest pop hits too!" The latter included cuts by Frank

Sinatra, Dinah Shore, Frankie Carle, Doris Day and others.

Columbia was originally distributed across Canada by Addison Industries. When Columbia opened its own company, the Addison staff moved into the new operation. Included were Eddie Colero, Bob Martin and Charlie Camilleri. The latter remains an important part of the now CBS operation as Director of Artist Relations and, perhaps, official historian. Charlie remembers the early beginnings very well. "They were heavy times", meaning of course, that the bulk of shipments were 78's, a far cry from today's lightweight discs. One of the first big stars Camilleri first worked on was Joan Weber with "a phenomenal hit called Let Me Go Lover," recalls Camilleri, "which came out of a Westinghouse television show. The phones were ringing off the hook and we were pressing and shipping, and shipping and pressing. She put out one more record. It didn't make it and that's the last I heard of her." So, even back in those days, the mortality rate among recording artists was devastating.

The big sellers for Columbia were what we would classify today as wallpaper music

C O N G R A T U L A T I O N S

ON YOUR

25TH

FROM

**B R U C E
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**M U R R A Y
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**B E R N I E
F I E D L E R**

**B E R N I E
F I N K E L S T E I N**



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TRUE NORTH RECORDS

or middle of the road: Doris Day's *What ever Will Be Will Be*, Rosemary Clooney's *Hey There, Young At Heart* by Frank Sinatra, and Doris Day's *Secret Love*. Columbia was also big on Broadway shows, because of an avid interest in this music form by Goddard Lieberson. In John Hammond's book, *John Hammond On Record*, he describes Lieberson as "a brilliant executive, a prescient picker of music and theatrical winners." Broadway shows became a big part of the Columbia catalogue. Camilleri fondly remembers selling and promoting *Oklahoma*, *Pyjama Game* and *My Fair Lady*, to name a few. Camilleri remembers that "It was through Lieberson that Columbia financed and owned the entire rights to *My Fair Lady*. They locked it up so tight they even had a major piece of the action when the movie was produced."

Guy Mitchell broke the barrier with a rockabilly treatment of *Singin' The Blues*.

Mitch Miller was in charge of A&R for Columbia and the label was very successful in marketing what they called "hits". It was an era of male and female quartets. A Canadian group called *The Four Lads* became top sellers for Columbia with *Standing On The Corner*. The competition was very keen with product flooding the market from the Ames Brothers, *Four Aces*, *McGuire Sisters*, *Ink Spots*, the *Andrew Sisters* and *The Diamonds*. It's not difficult to visualize Mitch Miller's tastes in music, having joined Columbia's roster from a job as oboe player in a chamber music group. He was an accomplished musician in the serious field and just didn't allow himself to be influenced by rock music. Says Camilleri, "Mitch Miller was such a great musician he didn't believe rock and roll was music. He was interested in putting out 'beautiful music' like Tony Bennett's *I Left My Heart In San Francisco*. When Miller finally relented "just a bit" he allowed Guy Mitchell to give a little rockabilly treatment to a single, *Singin' The Blues*, which later became a giant hit for country artist Marty Robbins. Miller still wasn't captivated by rock and roll, and he continued to crank out MOR product that, fortunately for him, continued to be hits. In 1955 it was his own *Yellow Rose Of Texas*; in 1956, the *Four Lads* with *No Not Much* and *Johnny Ray's Walkin' In The Rain* (even though it was on another label); in 1957, *It's Not For Me To Say* by *Johnny Mathis* and another rockabilly outing by *Marty Robbins* titled *A White Sport Coat*; and on up to the sixties when *Percy Faith* hit with *Theme From Summer Place*.

The year 1959 saw the demise of the 78, replaced by the 45 rpm.

Columbia Canada was going through growing pains. The firm established the *Columbia Record Club* in 1955, a year after opening their Canadian operation, and it grew like topsy and was a perfect launch for Columbia's long-playing album.

The year 1959 saw the demise of the 78, replaced by the 45 rpm, which was available in two formats, the single and the extended play (E.P.). The latter lost its



Arnold Gosewicz, Chairman, CBS Records Canada, is inducted into the Canadian Music Industry Hall of Fame (March 26, 1978) by RPM Publisher Walt Grealis.

charm and value and began to disappear by 1960.

In the meantime, Columbia Canada was straining its britches. Like IBM they were scattered all over Toronto: The Record Club on Soho Street, a printing department on Bermondsey Road and the distribution branch at 100 Wellington Street, which is now the site of the city's Toronto Dominion Centre. Bob Pampe talked Columbia's powers that be in the International Affairs office in New York, into sanctioning a Toronto headquarters to house all their departments under one roof. The Leslie Street offices (Don Mills) were opened in January of 1960 by Canadian recording artist and world renowned pianist *Glen Gould*. Ironically, after 25 years, CBS has found its operation too large to contain under one roof and has reverted back to the IBM hither and yon philosophy. CBS Canada now has departments scattered across Toronto and is currently in the process of expanding the Leslie Street operation.

The year 1960 was also a banner year for Toronto theatregoers with the opening of the *O'Keefe Centre*. Columbia played a major role in the opening - presenting the world premiere of the Broadway musical *Camelot*, starring *Richard Burton*, *Julie Andrews* and *Robert Goulet*. Needless to say, Columbia was front and centre, promoting the Original Broadway Cast album of the famous *Lerner/Loewe* musical.

Columbia was now boasting branches in Toronto and Montreal, with sales offices in *Winnipeg* and *Moncton*. Western Canada was serviced by independents. Distribution was a major factor in Columbia's operation and *Bob Pampe's* Vice President *Fred Wilmot* was the architect of the massive distribution network that Columbia has today. Mr. Wilmot succeeded Pampe in 1968, succumbing to a heart attack while playing tennis in 1973. He was only 47 years of age at the time of his death.

As the moods and the music changed, so did Columbia. Rock and roll was firmly established and Columbia showed its good

Canadian corporate image by investing in Canadian content. One of their first studio recordings in Canada was an album of the *48th Highlanders of Canada*, titled *Pipes And Drums*, with *Pipe Major Archie Dewar*. Needless to say, it was a hit, even though it didn't make the charts. They also released an album by the *CBC Symphony Orchestra* which was recorded at *Massey Hall* in Toronto. On the lighter side of the domestic front, Columbia released product by the *Travellers*, *Diane Miller*, *The Romeos*, *The Howard Sisters*, *Phyllis Marshall* and *Ray Hutchinson*. They even took a chance on a little Canadian rock, with releases by *Little Caesar & The Consuls*.

Mitch Miller's philosophy of putting out "beautiful music" still stands.

Columbia has always been in the "hit" business, by whatever name you want to attach to it. When RPM was established in 1964, *Barbra Streisand* had a hit with *People*. Then, in 1965, Columbia staggered under a streamlining in thinking by its new Chief Administration Officer, *Clive Davis*. The label, almost overnight, became a rock-oriented company. The *Byrds* hit with *Tambourine Man*, *Billy Joe Royal* with *Down In The Boondocks*, *Bob Dylan* with *Like A Rolling Stone* - all in 1966. The stage was set. Columbia even got a foothold in the British explosion with the release of *Kind Of A Drag* by *The Buckingham*s followed by *Mercey*, *Mercy*, and *Don't You Care* - all in 1967. As the years progressed, so did Columbia's roster of stars: *Gary Puckett* and *Union Gap*, *Simon & Garfunkel* (*Mrs Robinson* in 1968), *Paul Revere & The Raiders*, *Janis Joplin*, and on up into the late seventies with *James Taylor*, *Johnnie Taylor*, *Chicago*, *Billy Joel*, *Earth, Wind & Fire*, *Paul McCartney & Wings*, *Nick Lowe* and *Meat Loaf*, to name just a few. Mitch Miller's philosophy of putting out "beautiful music" still stands however, after all these years. *Johnny Mathis* and *Barbra Streisand* remain "big sellers", even to this day.

How did it all happen and how has CBS Records Canada managed to present a picture of exciting solvency, during a period of recession and witch-hunting?

The year is 1979 and, after celebrating 25 years of exciting growth, Columbia Records of Canada or, CBS Records Canada, as it's known today, prepares to enter the eighties. From a humble beginning, with a staff of less than a dozen, to the giant empire of record services CBS represents today employing hundreds of Canadians in every province and major city in Canada. CBS Records Canada has completed a series of projects that makes it master of its own destiny. Boasting one of the most modern pressing plants in North America, currently being expanded, the company now controls a network of franchise and company-owned stores known as A&A Records & Tapes and, feeding some of these stores, along with other accounts, the CBS Records owned rack service, All Records Supply (ARS) with branches in Calgary, Vancouver, Winnipeg, Toronto, Montreal, Halifax and St. John's. As well, CBS tailored their Quebec operation so as to better serve the needs of the Quebecois with a Montreal base flying the banner of CBS Disques.

The firm has also established a national distribution centre, designed to handle the "super-sellers" like the million selling album of *Bat Out Of Hell* by Meat Loaf, which broke the million barrier for the company.

How did it all happen and how has CBS Records of Canada managed to present a picture of exciting solvency during a period of recession and witch-hunting? To borrow a quote: "The outstanding growth of CBS Canada's record company operations in the past two years has been very much the result of the imaginative and bold development of an aggressive marketing and sales team at the head office and branch levels that was born from Arnold Gosewich's recognition that CBS' giant and superlative roster of recording artists could reach further heights of consumer acceptance in Canada."

Arnold Gosewich, by the way, was inducted into RPM's Canadian Music Industry Hall Of Fame in 1978 - just after he took over the reins of CBS Canada, and after 20 years of service to the industry.

ARNOLD GOSEWICH

"... There have been many things that have contributed to our growth. ..."

Heading up CBS Records in Canada is Arnold Gosewich, Chairman of the Board, a veteran of the Canadian recording industry and one of its major spokesmen and most prominent figures. Gosewich, an Ottawa native, is a veteran of a number of years in retail, followed by a stint of eight years as President of Capitol Records-EMI of Canada. He joined the CBS team in his current capacity two years ago. Among the accomplishments in Gosewich's illustrious career to date are engineering the Maple Music Junket and being heavily involved in the CNE Music Industry Pavilion honouring 100 years of recorded sound.



ARNOLD GOSEWICH - Chairman of the Board CBS Records Canada Ltd. - 1979

CBS Records has enjoyed a period of remarkable growth in both sales and market share over the past two years, from the areas of marketing and distribution out to manufacturing, rack jobbing and retailing. That pattern of growth, while prevalent at CBS for quite a number of years, accelerated visibly when Gosewich joined the company.

"... the biggest factor was the creation of a marketing department. ..."

The Chairman recalls, "When I originally came into the company, my view of CBS as an outsider had been that it appeared to be a company that was doing quite well. It certainly had a good profile within the industry here in Canada, and indeed, after I joined the company and saw things up close, my view was pretty well confirmed.

"However, I also felt that it was a company that had such a tremendous strength in its artist roster, and had a high opportunity in terms of our rack division and retail division, that there was more that could be done. It was sort of a belief that I had, and I had certain ideas I felt could

be put into place to turn that belief into reality.

"In the last two years, there have been many things that have contributed to our growth. As far as the record company operation is concerned, I guess the biggest factor was the creation of a marketing department staffed by people carrying out the various functions related to artist development, publicity, advertising & creative materials, and product management, and the creation within the marketing department of the different groups under the Vice President of Marketing.

"That was one key thing, and that led to another key thing, the simple stimulation of our sales department personnel, who now have more to work with in terms of selling product. The theory of marketing is to create a market. The theory of selling is to sell enough product to satisfy that market. Therefore, the more the marketing personnel can help create the market, the more it can serve as a stimulation to the sales force to sell more product, and hopefully for our customers to sell more of our product through to the consumer.

"Of course, as we've grown in this way, it's contributed to new problems that didn't

exist before. As a result of greater success, our factory has had many problems in coping with the increased demand for product. We're now, therefore, engaged in an expansion of both our physical facility and our equipment.

Spearheading growth in distribution operation.

"The other problem that was created by our increased demand," Gosewich continues, "was our capability to distribute the product." The CBS distribution function has undergone major changes in the last half year to meet the new needs. Gosewich discusses the changes, "First of all, we recently moved our main distribution centre in Toronto to a separate distribution facility. Our main building on Leslie Street was accommodating our factory and our distribution centre, as well as our offices, and we simply ran out of space. In order to expand our factory, we needed to set up a new distribution centre, to provide not only for today's needs, but also for the next ten years. This was done in July.

"The other thing is that back some time ago, I recognized that distribution is a very important part of the overall job of selling records to the consumer, so important that it was decided to create a separate vice presidential responsibility for it." The position was filled several weeks ago by music industry veteran Brian Josling. Gosewich notes, "I'm looking forward very much to the increased attention that he will be giving the distribution function, not only in Toronto but in our operations across Canada."



Brian Josling
Vice President, Distribution

As Vice President of Distribution, Josling will be overseeing the company's warehousing, the acquisition of product from the plant and other suppliers, and the physical distribution of that product to the rack jobbers and other accounts. Apart from the national distribution centre in Toronto, CBS has a major warehouse facility in Montreal, which also moved to larger quarters earlier this year, and a distribution centre in Calgary, within which the company has recently made some internal operational improvements. CBS, in addition, opened a sales office in Winnipeg this year. Other sales offices are already located in Vancouver and Moncton.

"The distribution part is another key

factor," notes Gosewich, "not only in terms of our results to date, but also as far as the future is concerned in the record company operation." Josling is directly responsible for the distribution operations in Calgary and Montreal, and the regional managers in those two areas, while reporting to Director of Sales Don Oates, have a dotted line responsibility to Josling's department for the physical distribution of product, inventory management and customer service. In Toronto, the distribution centre serves the dual purpose of acting as a regional branch for Ontario and also servicing the warehouses in Calgary and Montreal, as well as servicing some of the customers directly.

A&R - Developing Canadian and international acts.

Through the years, CBS has been highly prominent within the industry and publicly for its vast roster, international, of course, but notably Canadian as well. Through their own A&R department through international signed Canadian artists, and also through label agreements with companies such as True North, Attic, Bomb and Unison Records, the CBS roster includes the likes of Harmonium, Martin Stevens, Zon, Harlequin, Bruce Cockburn, Murray McLauchlan, Liona Boyd, Burton Cummings, Battered Wives and Bob Segarini, as well as a new disco/hockey instructional LP from Montreal Canadiens star Guy Lafleur on Unison. Each of these artists have achieved significant notices, ranging from the national breakout capacities of acts such as Harlequin and the Wives to the international stardom of triple platinum artist Cummings and world-renowned classical guitarist Boyd.

The CBS A&R department is headed by Jeff Burns, Director of A&R. He is responsible for the signing and production of domestic artists, release of their product, and determining the release of CBS international product other than from the U.S. (U.S. release decisions, owing to the proximity of the market, are made by the marketing and sales divisions). There is also an A&R department at CBS Disques, the Montreal operation, with Pierre Dubord as Director of A&R.

One would think that having such a rich international roster, CBS wouldn't have to support and develop Canadian talent, incurring the extra costs of production, in-house P.O.P. material construction and tour support.

Gosewich explains, "From a CBS International policy point of view, virtually every CBS affiliate around the world and the people who are responsible for running those companies are encouraged to develop local talent for simply business reasons. Whether an act comes out of Canada or comes out of Finland, if they can become a worldwide success through CBS around the world, then that's good business. Very simply, that's the reason why it's done. It's got nothing to do with some kind of nationalistic, good corporate citizen attitude - we don't invest money just so we can say we're good corporate citizens or we're contributing to the national culture. That is not the reason. Of course, there's a sense

of pride when you develop your own artist and he becomes successful, but there's the same sense of pride, in my own view, for the Canadian company to break Flash & The Pan, who are an Australian act."

Still, CBS is very excited about the domestic artists, and Gosewich feels the reason is in the product. "It's a matter of music, of the artists involved, of creating excitement, and the capability of the artists involved to help contribute to their own growth in the future." Gosewich anticipates further domestic signings in the future, as the A&R department discovers artists with success potential, with an end largely to developing the talent for the international market, although the Chairman notes, "There will always be exceptions to that rule. We recently signed a production deal for children's albums done by Mr. Dressup, of television fame. It may not exactly be viewed from the outside as having international potential, but we'll do a deal like that because we believe there's opportunity for CBS to develop a market for children's albums in Canada. But most signings today and in the future will be with those artists who we believe have a chance to develop internationally, because that fits with the overall encouragement by CBS as a corporation worldwide in developing local talent for international success."

Gosewich doesn't feel CBS Canada has yet achieved its peak in attracting international releases for its domestic acts, "but that has been worked on over the last year or so. I think it's reached a point now where the A&R people within those affiliates in whose markets the music of Canada has an affinity are now listening with more attention to our Canadian product. I know the number of releases around the world by artists on our current roster has definitely increased over the prior year." Artists with international releases include Liona Boyd, Hellfield, Zon, Dale Jacobs, Marie-Claire Seguin, Richard Seguin, Gilles Rivard and Martin Stevens.

"I've tried to encourage an attitude that we can break artists on our own."

One highly visible strength of CBS over the past two years since Gosewich has been Chairman is the company's exceptional ability to break new artists in Canada, even before they have become successful in their own and other countries. Among the artists to reach gold and platinum marks in Canada first are Eddie Money, Elvis Costello, Cheap Trick, Flash & The Pan, and of course, Meat Loaf, whose *Bat Out Of Hell* LP is the company's first million seller ever in Canada. Noteworthy and current are Australian group Flash & The Pan, currently reaching platinum on their self-titled debut and selling about the same number of units as the U.S. - in a market about one-tenth the size.

Traditionally, Canadian companies have had to rely on U.S. trade charts and success to convince the Canadian stations, rackers and retailers to buy and play records. CBS are among the country's

CONGRATULATIONS

ON YOUR FIRST 25 YEARS

HERE'S A DOZEN TO MAKE THIS YEAR YOUR BEST YET



PROUDLY DISTRIBUTED BY CBS RECORDS CANADA LTD.
* WATCH FOR OUR FIRST RELEASES ON BASEMENT RECORDS *

leaders in breaking this tradition. Gosewich notes, "I think the thing that I've tried to encourage almost from the beginning, has been an attitude of belief that we can break artists in Canada on our own, that we don't simply have to rely on the records climbing the U.S. radio charts to lead to greater radio exposure in Canada, and having that lead to success in Canada. It is true that that condition still exists, but it's my opinion that that condition doesn't have to exist in order for success to occur - that you can break foreign artists without having to rely on U.S. success first."

"... we can sell more of an artist's product than historically was considered a good result . . ."

"I think the other thing to recognize is this: Part of the success story is that three years ago, typically a record company felt that it was doing quite well if it took an artist and achieved sales of 100,000 LPs. That's still a credible result, but part of my encouragement of attitude was not only can we break artists in Canada without relying on the U.S., but also we can sell more of an artist's product than perhaps historically was considered a good result - that if you reach 50,000 sales on an artist's album, then let's now go for 100,000 and if you reach 100,000 let's go for 150,000 and so on, until the market tells you that there's no one else out there who wants to buy it sufficiently to keep a marketing or sales effort going on the album. If you couple that with the attitude of breaking new artists, it perhaps explains why we've taken Toto to over 300,000, Rex Smith to over 200,000, Cheap Trick to over a half million. The sales results on these artists are coming from the stimulation of our sales force coupled with what the marketing department is doing to help create markets, along with this encouragement of an attitude that we can break new artists, we can sell more than we have in the past, and we don't stop when we reach a certain figure." And while everybody reads about the Meat Loafs and Billy Joels, few realize the company's sales and marketing successes with such acts as Willie Nelson and Earth, Wind & Fire, both now platinum artists in Canada, but artists who developed a little more slowly. Other developing artists, such as Steve Forbert or the acts on the Stiff label, are showing steady but not spectacular market growth from album to album, and are very likely candidates to break like Cheap Trick (third album) or Nick Lowe (second album). "The attitude that is encouraged here, in working with and developing new artists, is to develop the same attitude as with the superstars - keep pushing to expand the market, keep pushing to sell more to that market."

Of course, Gosewich is quick to admit the company does have its share of failures, too - artists and records on which the market simply refuses to become stimulated. But with a good share of successes, and an understanding as a business of not only when to invest money but when to stop investing money, CBS has proven itself

capable of generating respectable profits at the end of the year.

"... internal problems are 'happy problems', because they're related to our tremendous growth. . ."

And CBS has been a very successful company in all its areas over the past two years, and indeed previously. Gosewich is aware of the nation's current economic problems, as well as recent financial difficulties in the American record business. He notes, "God knows, we have a lot of problems to deal with, internally, economically and within the industry itself. In terms of our own internal problems, one could say they're 'happy problems', because they're all problems related to our tremendous growth. But they're all problems that are solvable - that's the other encouraging thing. We can't very well solve the economic problems of Canada, but I am of the belief that 1980 can be a very good year."

Gosewich's major concern is that the industry could, by fearing the worst, operate too conservatively and create a self-fulfilling prophesy. "You've got to be conservative all the time, but balance that conservatism with the recognition that there's good opportunity out there to satisfy a market that wants to buy records and tapes by artists whose music is acceptable to them."

"There's no doubt about it that in 1980, there will be a greater onus of responsibility on efforts to try to improve efficiency within each company, because there are certain things that are beyond any company management's control - the cost of materials is a good example. You have to try to deal with that as best you can. Anything in the area of cost increases outside of your control causes you to have to try to become even more efficient within the things that you can control. I think that situation will exist in 1980. It's got nothing to do with the market losing interest in music - it's a business problem that has to be dealt with."

So Gosewich terms himself "conservatively optimistic - conservative in the sense of looking for ways and means to be more efficient in operations, optimistic in the sense that I see increased sales expectations for 1980 in all of our divisions."

TERRY LYND

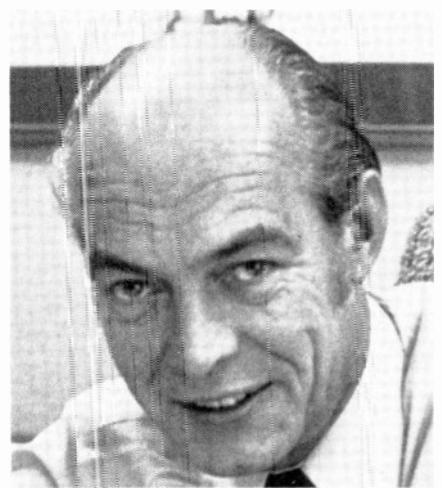
"... It's appropriate to recognize the expansion of CBS. . ."

Music industry veteran Terry Lynd, President of CBS Records Canada, is specifically overseeing the manufacturing side of the company, the pressing operation, as well as the sub-distribution areas, which are rack jobber ARS Records and retail chain A&A Records & Tapes. The vice presidents of those three divisions report to him.

Lynd notes, "At this point in time, our 25th anniversary, it's particularly appropriate to recognize the expansion of CBS within the total industry. We're totally involved in the industry, and my own area breaks down into two broad concepts today. First is the manufacture of product for the industry. We manufacture product

for ourselves, of course, but we also manufacture for other major labels who are valued customers of ours."

"Second, as part of the total thrust within the industry, we are heavily involved in the distribution of product to the market, whether we're talking about accounts that are racked for national chains or retail stores. Those two main divisions who are



Terry Lynd
President, CBS Records, Canada

handling the sub-distribution of product to the consumer, namely ARS and A&A, are each headed by competent men. Jacques Gagne is Vice President and General Manager of ARS, and Dick Moody is Vice President and General Manager of A&A. Both of these men are totally dedicated to supplying product on a timely basis and serving the final customer. They are both a part of the distribution network we're setting up across Canada. Today, ARS has branches in Vancouver, Calgary, Winnipeg, Toronto, Montreal, Halifax and St. John's, and A&A has distribution centres in Calgary, Toronto and Montreal."

Lynd goes on to further point out, "In the province of Newfoundland, which has historically lived with unemployment in excess of 20% annually, the buying power of the population within the province in terms of records is exciting. And Newfoundland is no exception to the rule for any other province in Canada. I'm very confident of the future, too."

"... We have some great people, and they're really rising to the occasion . . ."

The current industry growth and the ability to deliver the record to the consumer is particularly exciting for Lynd. "Today, through ARS, tremendous strides are being made in converting racked department stores into smaller scale retail stores. This involves the necessary media advertising, whether it's radio or print, totally supported by displays in the departments. There's an absolute need for these national chain record departments to have releases on a timely basis so that they're no longer looked on as second cousins as an outlet for product which the customer wants. Tremendous strides have been made in that direction." The department chains and stores are becoming more excited about

their own record departments, Lynd adds, "and these departments can be profit makers and traffic generators.

"At the same time, retail stores must be properly stocked, and they must have knowledgeable people there to provide service. I'm pleased with and proud of the professionalism that has been exhibited in the recent marketing campaigns developed by A&A Records. The professional quality of the radio spots, and the timely and unique advertising in print are achieving the desired results. We have some great people, and they're really rising to the occasion."

A&A now comprises 44 stores from Halifax to Vancouver, and is continuing to grow with at least six new stores per year, but on a very selective basis. "The sheer number of stores opened in any one year is not the success factor of a retail chain. It's part of the combination, but the big secret is proper location." A&A stores are basically in choice mall and major downtown locations

"... I will tell you in all modesty it's the finest pressing plant in North America..."

Lynd's other area of direct responsibility is the large CBS pressing plant, located at national headquarters in Toronto. The pressing operation is one of the largest, busiest and most prestigious record and tape manufacturing operations on the continent, and in fact, Lynd notes, "I will look you right in the eye and tell you in all modesty it's the finest pressing plant in North America." The CBS plant has the largest manufacturing capacity in the country, Lynd adds, "and a lot of that capacity is due to efficiency.

"We are on an expansion program," Lynd continues, "and we're constructing additional facilities in the coming year. We hope to break ground within a few weeks. Like our competitors in the custom pressing business, we are growing. We feel this is a real indicator of our faith in the total Canadian economy. We've had tremendous success in the production of what I will call deluxe quality records, and we produce today a very fine classical recording for one of our valued customers. I have some great hopes for the future that we will be able to expand the manufacture of classical records in Canada."

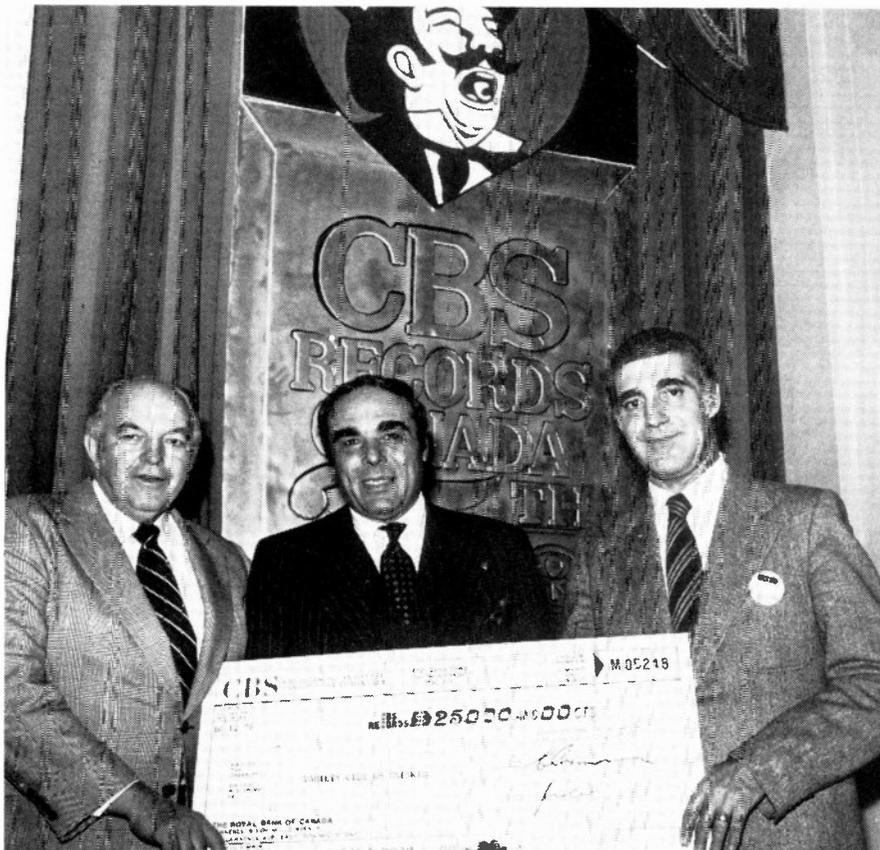
The expansion of CBS' manufacturing capacity, in fact, has already begun, with the addition of a number of new presses already in operation. With the record industry caught short of plants this year, and in the midst of a pre-Christmas pressing crisis, the expansion at CBS has gone to some ends to alleviate the tightness. "It's been an unprecedented demand," Lynd agrees. "We're working seven days a week, and I wish the Lord could provide another day. We just can't produce enough records to satisfy the demand, but I assure you we're trying our best. Raw press parts were delivered to this facility in early September, and all of them were up and running before the end of the month. And they're producing beautiful records. So you know how dedicated and capable our people are."

The CBS plant is a complete manufacturing facility. It includes a lacquering operation, full matrixing capacity for metal parts, tape production for duplicating both eight-track and cassette configurations, and of course, the seven and twelve inch record presses. Apart from the expansion of disc pressing, Lynd points out, "Our tape operation is expanding rapidly in terms of equipment and production capability on a daily basis."

"... it's been an exciting thing to see the growth and development of the company..."

As president of the country's largest record company, Lynd is very happy with CBS' efforts and commitment through the years in support of domestic talent. "We've always been dedicated to furthering Canadian artists. We have assumed a leadership position in recording Canadian

Variety Club pays tribute to CBS Records, Canada



Reg Bouvard, Chief Barker, Tent 28, Variety Club of Ontario (l) accepts CBS cheque in the amount of \$25,000 from Dick Asher (centre) and Arnold Gosewich.

Variety Clubs of America (Tent 28 - Toronto), October 28, 1979, paid tribute to CBS Records of Canada on the advent of the firm's 25th anniversary. The setting was the ballroom of Toronto's Royal York Hotel, a Canadian institution itself celebrating its 50th Anniversary.

The CBS Canadian organization took full advantage of the tribute to line up an exciting round of events to keep the luncheon on a party level. The CBS executive jet provided the means to transport head office VIP's to the luncheon where they were seated at the head table. These included Dick Asher, Deputy President, CBS Records Group; Alan Davis, President, CBS International; Morley Safer from CBS-TV's 60 Minutes; CBS recording artist Jane Olivor; and Gary Sandy, star of the CBS sitcom, WKRP Cincinnati.

CBS Records Canada executives seated at the head table were Arnold Gosewich, Chairman; Terry Lynd, President; Jack Robertson, Vice President; and a very

special guest, Bob Pampe, first General Manager of Columbia Records of Canada (1954-1968).

Head table guests also included civic dignitaries and officers of Tent 28 as well as opera singers Maureen Forrester and Johana Meier and True North recording artist Murray McLauchlan. Musical entertainment was provided by classical guitarist Liona Boyd.

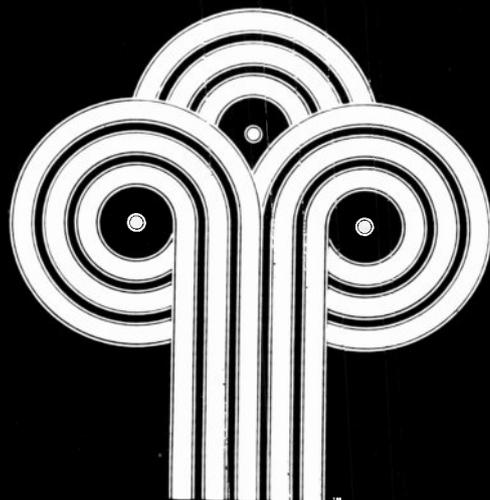
Morley Safer, a Canadian and a member of the popular four-man news team featured weekly on CBS-TV's 60 Minutes, was honoured by CBS Records Canada with a specially-struck gold award. The award was presented by one of Safer's early Canadian news compatriots, Knowlton Nash of CBC-TV's The National.

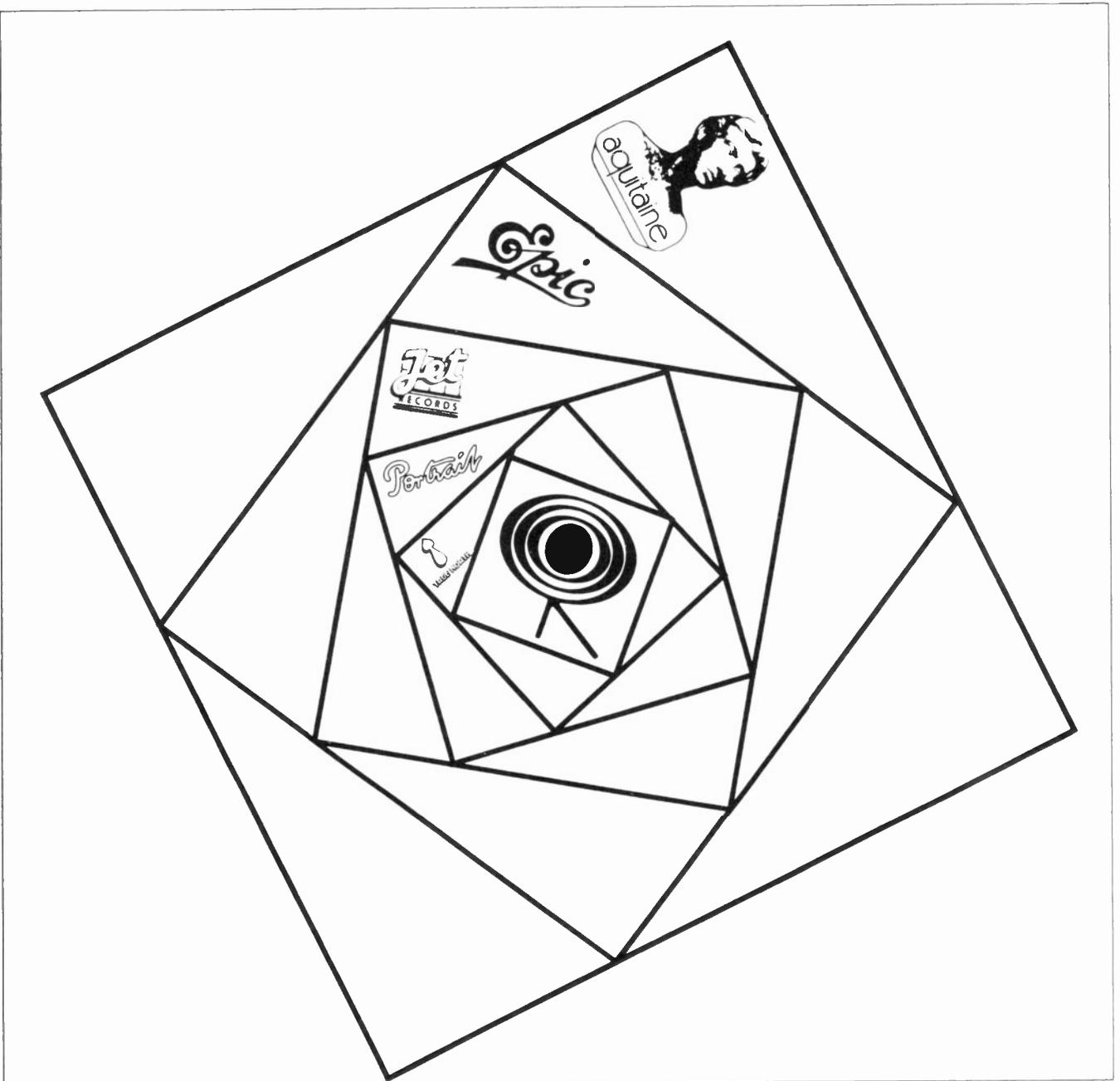
Highlight of the luncheon was the presentation of a \$25,000 cheque to Variety Club of Ontario (Tent 28). The Presentation was made by Dick Asher and Arnold Gosewich and accepted by Tent 28's Chief Barker Reg Bovard.



Congratulations on your 25th Anniversary,
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From **KEYSOR POLYMERS, LTD.**

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artists and we have always thrown the total weight of our promotion sales and distribution team behind those artists. It's exciting." Lynd is, of course, equally enthusiastic about the unquestioned success of the CBS international roster. "You have to realize the total dedication of our people to music and the delivery of that merchandise to the market."

Throughout the growth of CBS Records and particularly in Lynd's areas of ARS, A&A and the CBS plant, all indications are of a favourable and confident outlook towards the future. "We have in excess of 1,200 employees in Canada today, and it's been an exciting thing to see the growth and development of the total company and its operations."

JACK ROBERTSON

"... Corporate administration is a fairly good description of what I do. . ."

As Executive Vice President, CBS veteran Jack Robertson is involved at any given time with just about every facet of the CBS operation. In addition, three of the company's departments, Special Products, Direct Marketing and Music Publishing (April/Blackwood Music) report directly to him.

Robertson has been with CBS Canada for more than 22 years, joining in April of 1957, 2½ years after the company opened its Canadian offices. At the time, Robertson recalls, CBS was located in the back of Quality Records' warehouse, and Quality were just hiring the young man, George Struth, who would become their current president.

Robertson began in inventory and pro-



Attending the January 1960 official opening of the Canadian Head Office of CBS Records Canada (l to r) the then Mayor of Toronto Nathan Phillips and Mrs. Phillips, Goddard Lieberman, President, CBS Records and the late Percy Faith.

duction control, leaving a position as a branch accountant for a small finance company. He remembers the early CBS product being pressed by Quality, and notes, "They were always a super company to work with, and it wasn't long before CBS contributed a majority of their pressings." Robertson was involved in ensuring the amounts of product available remained in line, and he dealt with CBS' independent distributors across the country. "I was the supply line to the independent distributors," he recalls, "and I had to produce product in anticipation of the usage of finished goods." In fact, Robertson remembers when at one point, the com-

pany had separate distributors for Columbia and Epic product, and he had to pay two calls in each market to separate wholesalers.

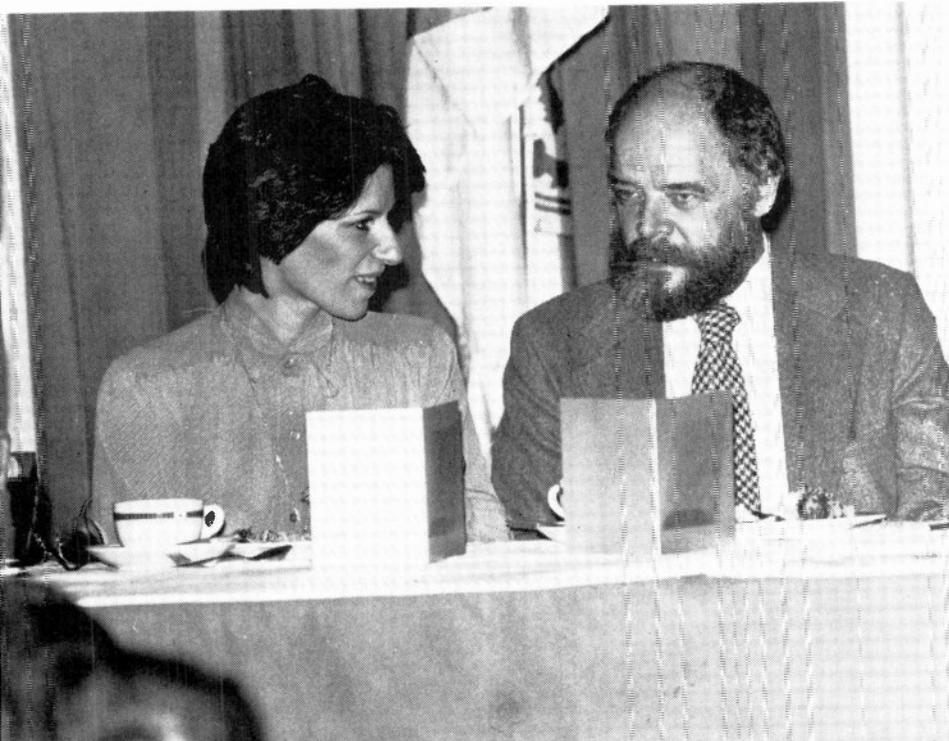
In 1958, when CBS decided to distribute its own product, and moved to its own headquarters shortly after, Robertson was involved in establishing the branch operations, starting in Toronto and Montreal. He became heavily involved in their planning and operation, and at the beginning of 1960 was named National Sales & Distribution Manager. At one early point, Columbia Records of Canada and Columbia Records Distributors Canada were separate corporate entities, and Robertson was General Manager for the sales and distribution company.

All of that was during the tenure of CBS' first Managing Director, Bob Pampe, who retired in 1968. Robertson had worked directly for Fred Wilmot, Vice President of Sales & Distribution, who replaced Pampe. At that time, Robertson was put in charge of sales and marketing, and the company grew steadily.

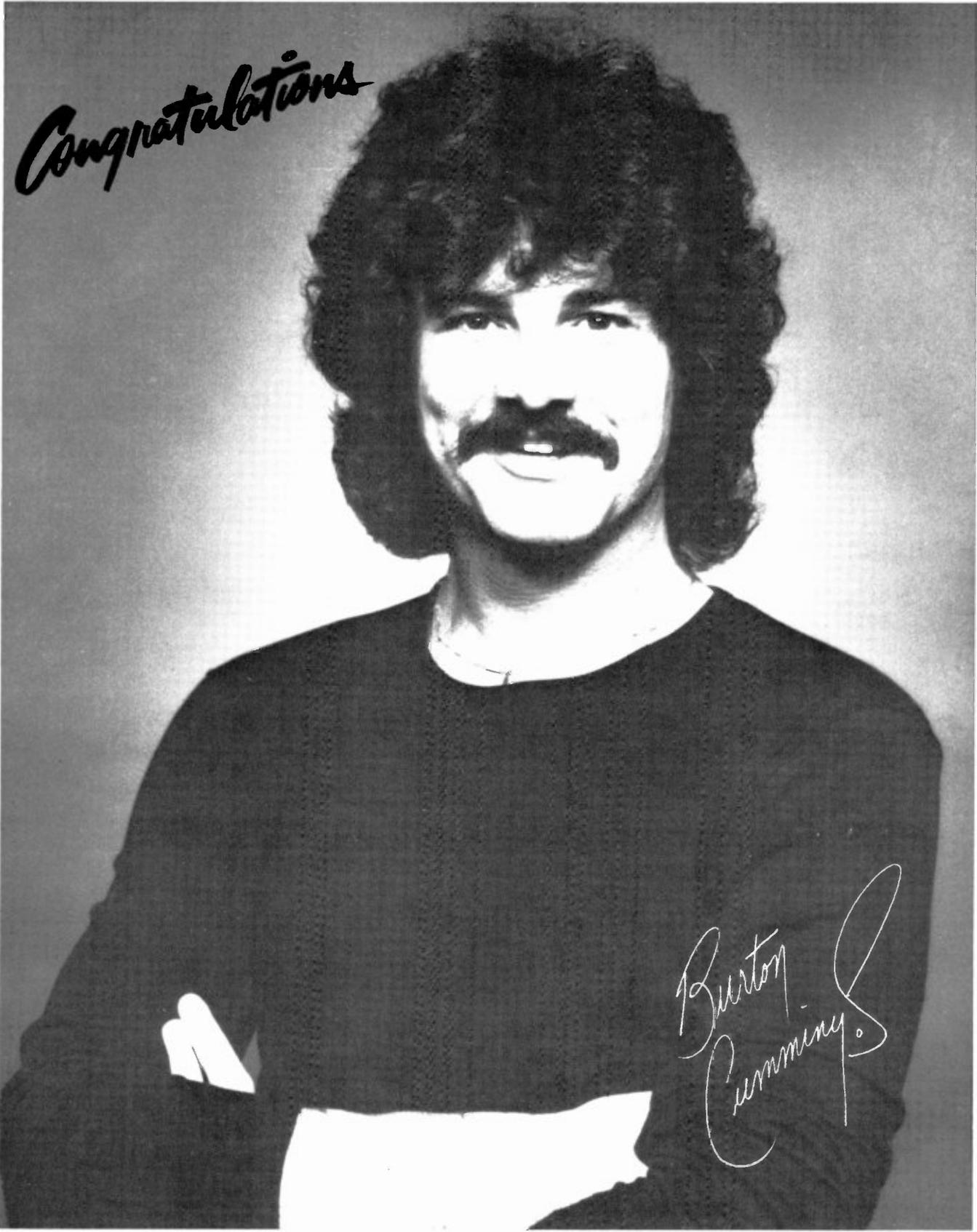
Under Wilmot's guidance, CBS had bought out Al Records Supply (now ARS), a major rack jobber, and the large A&A store in downtown Toronto, now flagship for a large retail chain. Then, in July of 1973, Wilmot died suddenly and was replaced by Managing Director Terry Lynd. Lynd was instrumental in the growth of both ARS and A&A into companies among the leaders in their fields, and Lynd continues as President of CBS to oversee both operations with Arnold Gosewich coming in two years ago as Chairman and Chief Executive Officer. Robertson notes of Gosewich, "When he came to the company, we were really beginning to explode. He has greatly enlarged and developed a really strong and sophisticated marketing division."

"... CBS is very much larger than it ever was before, and there isn't a great deal of corporate staff. . ."

Meanwhile, in 1971, Robertson became



Alan Davis, President CBS International, chats with Columbia recording artist Jane Olivior.



Congratulations

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Executive Vice President under Wilmot and has been retained in that position since that time in '71, he continued to handle marketing and sales. Under Lynd, his role changed to include assistance to the president in corporate administration. When Gosewich joined the company, Robertson's role changed again. He maintains direct involvement in Special Projects, Direct Marketing and Publishing, and also serves the company in a general administration sense. He notes, "CBS is very much larger than it ever was before, and there isn't a great deal of corporate staff. There are vice presidents in every division, and some major divisions, like marketing and sales, report directly to Arnold. With the president reporting to him on institutional matters - finance, manufacturing and the two outside activities,



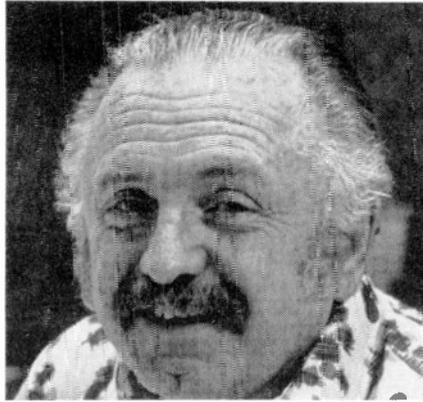
Jack Robertson
Executive Vice President



Glen Lane
Vice President, Personnel

plus Shorewood Packaging, which is a partnership, Arnold does not have a big corporate staff. I see myself as providing to him the service that's often needed, which provides divisional vice presidents the ability to run the divisions without the interruption of major developments."

For example, Robertson is heavily involved in the current expansion of CBS facilities, largely an increase in the manufacturing division. It is a major, multi-million dollar move. Robertson notes, "We can't afford to take the Vice President of Manufacturing, whose facilities are to be



Charlie Camilleri
Director of Artist Relations

expanded, off the essential primary job of running the factory efficiently and profitably, and devote all his time to the addition."

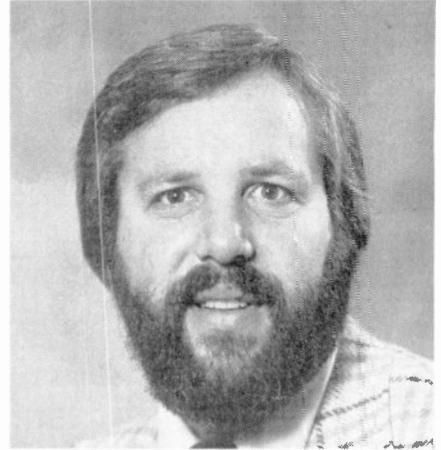
So Robertson is basically masterminding and administering the expansion, working closely with manufacturing head Martin Keyes and other divisions effected, but freeing them to continue to handle their immediate concerns.

In his various functions, Robertson reports to Arnold Gosewich. "Corporate administration is a fairly good description of what I have to do," he notes, "as well as handling the three departments. I've been with CBS in many of its diversified activities, and have a strong familiarity with its procedures, policies, activities and history. If I am assigned to any major function, it's not altogether alien to me, and I can associate well with a divisional manager or vice president on behalf of Arnold in the best interests of the company."

Robertson discusses the three departments which he oversees "They report directly to me because each of them is not large enough of itself to comprise a division headed up by a vice president. They contribute a great deal to the company, but they're not of a large staff nature."



Bill Bouvette
Director of Sales, Western Region



Len Friedman
Director, CBS Direct Marketing

"CBS' Direct Marketing is a new venture by the company. It's only a year old. It is the compilation of packages put together with the explicit intention of directing them to the consumer through the broadcast media, mostly television. It's not mail order - it's a retail package exclusive to CBS Direct Marketing advertised in campaigns by CDM them-



A very special guest seated at the Variety Club tribute to CBS Records Canada, Mr. Bob Pampe (l) first General Manager of Columbia Records, Canada with Jack Robertson.



Top to Bottom, Left to Right:
 Bobby Vinton, Boston. Joe Dassin, Kansas,
 Neil Diamond, Billy Joel, Heart.

Top to Bottom, Left to Right: Murray Mc
 Toto, Chea



Top to Bottom, Left to Right:
Charlie Rich, Bruce Springsteen,
Johnny Nash, Boz Scaggs,
Barbra Streisand,
Santana, Lulu, Ted Nugent.

chlan, Chicago, Santana, Eddie Money,
rick.

selves either regionally, provincially or nationally. They compete on the most visible of the media with advertising directed mainly at dense urban areas, introduced region by region - occasionally nationally, but usually rolled out across the country."

CDM was started only a year ago Robertson notes, "Our releases are a two-record set of Engelbert Humperdinck, a two-record set of Kristofferson, and a two-record set, about to be released of Andy Williams. As you can see, each is a concept album of an artist who's had a broad appeal but is not necessarily in the mainstream of contemporary pop music. They've got a projected history of strong appeal for a considerable number of people who are, in all likelihood, going to be attracted through television, as has been demonstrated by the other direct marketing companies."

Robertson notes CDM is not planning on getting into the field of compilation hit packages. However, the fourth release will be a catalogue disco set which evolved out of the rich CBS catalogue in disco and the company's capacity to do direct marketing. Furthermore, Toronto-based Concert Productions International will be promoting a national disco dance championship tying in with the album.

"There's nothing particularly complex about the new department," Robertson notes. "It's simply a determined effort on our part to do justice to some of the better, bigger, broader appeal artists who are perhaps not making top 20 hit records today, but who have a good strong history and have sustained a strong catalogue at CBS.

We are going through the media to get to the consumer, because these consumers are not always in the habit of going into record stores. We have a catalogue of eminently eligible artists whose product and recordings we can compile. We can produce excellent commercials, sometimes with the participation of the artists themselves, and we can sell through a good Canadian distribution system without going through all the regular channels of all the stores, because not everybody wants to carry T.V. product."

Special Products - premiums, incentives and licensing for direct marketers.

Another area under Robertson's supervision is CBS Special Products.

One of Special Products' main functions is licensing catalogue music to direct marketing companies such as TeeVee, K-Tel and Ahead Music for inclusion on TV marketing and other packages. In order for recordings to be used in these compilation and single artist sets, the owner of the recording must authorize its use. If the owner is CBS, it is the Special Products department who are responsible for licensing the recordings.

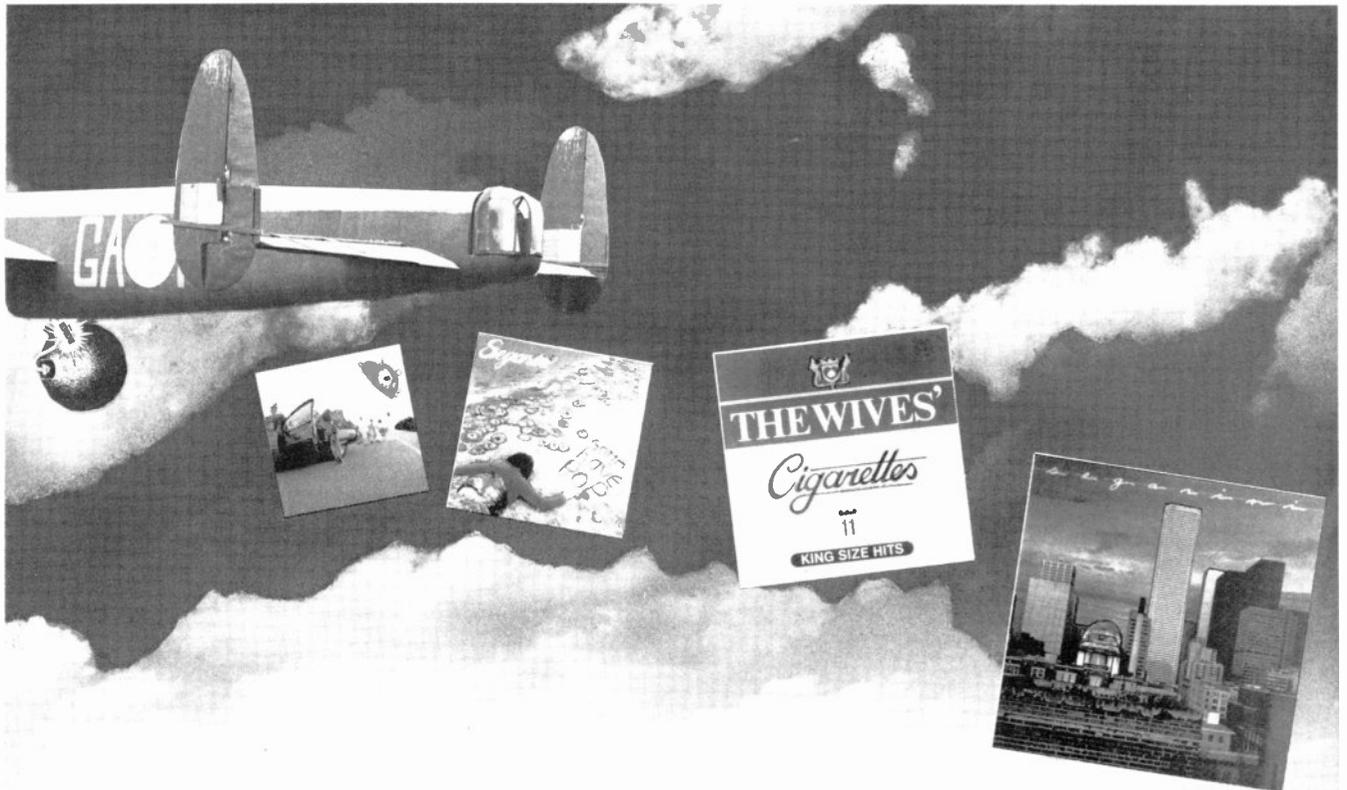
But Special Products serves a number of other functions at CBS as well. Among them are the production of special recorded packages for use as premiums and incentives. The premiums, Robertson notes, "have an appeal to companies who sell products not normally associated with the music industry." For instance, a company selling furniture, sound systems or any other pro-

duct might acquire a special premium from CBS to give away, perhaps with the purchase of a particular model or item. Robertson adds, "It's something that we create on a custom basis for that explicit wholesaler or manufacturer who believes that as an appeal to his potential buyer, a free album or a free multiple album set would be an incentive to buy. It can be anything, even sending in a label or a number of labels from some product to get a free album."

"... We will give them a record that no one has ever had before. . ."

CBS customise as much as possible on premiums. "When we go to a prospective user of a premium, we will give them a record that no one has ever had before. It may be a recording of light classics or of country music." It would be of previously recorded material, and most often from name artists with major appeal. "We've got the vast CBS catalogue from which to choose, and limitless compilations to provide." Robertson concludes.

Incentives would be purchased similarly from Special Products, but in this case, it might well be used by a company to reward their staff, notably sales personnel, for their efforts. The salesmen earn prize points or award points, and those points can be translated into gifts, or incentives. "They may have a prize catalogue," Robertson notes, "and the salesmen may be trying to accumulate points for something and be left with a number of points. We have a very good,



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FROM THE COMPANY THAT'S BEEN AROUND FOR 25 MINUTES

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on Columbia
long playing
records!



Madame Butterfly

FOR AS LITTLE AS \$9.95 this high fidelity, inexpensive Columbia Player Attachment adapts your present radio, phonograph or television set so you can enjoy the convenience, beauty, and economy of Columbia LP Records. (You continue using your present conventional records on your regular turntable.) Ask your record dealer to demonstrate. If you're buying a new radio, phonograph . . . be sure it plays both LP and conventional records.

UP TO 50 MINUTES OF MUSIC PER RECORD!

ASK your dealer . . . the Columbia long playing featuring both Long Playing Records and the convenient Trench Microgroove record for shorter classics and popular hits. Here are a few outstanding favorites you'll enjoy.

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Complete. One-Act Opera by Giacomo Puccini. METROPOLITAN OPERA ASSOCIATION PRODUCTION. Featuring Richard Tucker, Joan Sutherland, John McCormack and other distinguished artists with Metropolitan Orchestra and Chorus. Columbia Masterworks Edition. Columbia Masterworks Records, ME 4001. Only \$9.95.

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Gaité Parisienne

Two Records. Conducted by SYLVAN MILSOM. Columbia Masterworks Edition. Columbia Masterworks Records, ME 4002. Only \$9.95.

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MARY MCGRAW in "I'VE BEEN A GOOD GIRL" with William C. Gillette, Robert R. Taylor, and other distinguished artists with Metropolitan Orchestra and Chorus. Columbia Masterworks Edition. Columbia Masterworks Records, ME 4003. Only \$9.95.

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LEONARD BERNSTEIN conducting. Columbia Masterworks Edition. Columbia Masterworks Records, ME 4006. Only \$9.95.

SALOME

Richard Strauss's opera. Conducted by Leopold Stokowski. Columbia Masterworks Edition. Columbia Masterworks Records, ME 4007. Only \$9.95.

Don't miss the fun of The latest pop hits too!

Beat Frank Sinatra, Dora Shore, Frankie Carter, Doris Day . . . all the top artists of today, store and radio on conventional Columbia 10-inch 78 rpm shellac records and 7-inch microgroove long.

Because you prefer uninterrupted music . . .

COLUMBIA LP RECORDS

are the outstanding leader in record sales today!

An advertisement from the mid-fifties promoting Columbia's invention of the 33 1/3 long playing album.

Twenty Five
Silver Years

Packed With Gold and Platinum

Congratulations
CBS Records Canada



YORKVILLE ADVERTISING INC.
YORKVILLE ADVERTISING WEST INC.

appealing and sometimes, a low point-priced incentive record." The incentive may be either a special compilation or a catalogue selection, but likely not a new release.

The Special Products department is also involved in compiling and determining special concept products with Reader's Digest and other mail order companies with access to consumers not normally seen as record buyers. "These people can pick up, say, a \$25 buy which might be a six-or nine-record set of the music that appeals to them, like the Big Band era. They come out as a Reader's Digest exclusive, compiled and produced for Reader's Digest by CBS Special Products.

"The CBS Special Products department does a considerable amount of business," Robertson concludes, "based on the fact that it can both complement the activity of the regular record distribution business and also find brand new markets that are not normally in the mainstream of record buying."

April/Blackwood Music - the publishing division of CBS

The other department reporting to Robertson is the publishing arm, April/Blackwood Music, headed by Wayne Patton. April Music is affiliated with CAPAC, Blackwood with P.R.O. Canada. Patton is Director of



Wayne Patton
Director of Publishing

Music Publishing, and Robertson, to whom Patton reports, remains actively involved in the field. He notes, "It has developed very strongly, especially in recent years, and most especially this year.

"The music publishing business," Robertson continues, "is really not an activity of our recording company. It's got an approach to the use of its copyrights whereby it really doesn't favour one record company over another. We have songs that are very strong from very easily recognizable songs by the likes of Billy Joel to less well-known composers, but it is as valuable to April/Blackwood to have an Anne Murray record our songs as it would be to have an Andy Williams. To April/Blackwood, a record company is a record company.

"We have many different avenues. We are able to exploit the kind of compositions and songs which are not always evident on best selling records. The owner of a copyright is paid for its use whether it's for a re-



Morley Safer, of CBS-TV's 60 Minutes, accepts Variety Club special cane from Tent 28's Chief Barker Reg Bouvaird. Safer was also honoured with a CBS gold award.

ording purpose and the sale of a recording or for public entertainment through broadcast for gain." This includes radio broadcast even on records that aren't big sellers. Robertson notes, "CFRB Toronto has the biggest audience in the country. It may not have the audience that buys a great deal of records per capita, but it exposes an enormous number of copyrights. They may not even appear on trade charts, but they still get a great deal of programming."

April/Blackwood goes beyond the writer of songs as well "We endeavour to sign up writers who are not only capable of good material for recordings, but also of producing the kind of things that are unceremoniously called jingles." Successful jingles, whether newly created or derived from previously written songs, can generate tremendous revenue to the composer through repeated radio and TV broadcast in a wide variety of markets."

... There are a great number of avenues for exploiting and generating revenue for authors and composers. . . .

"There are a great number of avenues for exploiting and generating revenue for authors and composers, including sheet music," Robertson continues. "There are still a great many people who want to take a Billy Joel's Just The Way You Are and play it. Everyone wanted to do that song."

All told, with general corporate responsibilities to the company in addition to his three own departments of concern, life for Robertson at CBS remains very busy. "Those are the three departments that report directly to me," he concludes, "because they don't comprise a great number of people spread across the country. But they're very important, and they generate a lot of revenue. And they're very interesting."

STAN KULIN

... I'm enjoying the job because it gets me into all sorts of areas. . . ."

Music industry veteran Stan Kulin has recently joined CBS Records as Vice President of the more or less all-encompassing



Stan Kulin
Vice President, Business Development

department of Business Development. Kulin describes the territory as meaning "really everything - anything that we feel can help CBS do more business. I'm kind of enjoying the job because it gets me into all sorts of areas."

Kulin, through his illustrious music industry career, is well experienced to deal with all sorts of areas. He has been in the record business for 26 years. He came to CBS last year from a stint as President of United Artists Records of Canada, a

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CBS Records Canada Ltd.
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Thanks for letting us
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1954 — 1979



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ROYAL BANK



A portion of the more than 600 invited guests and Variety Club (Tent 28) members who packed the ballroom of the Royal York Hotel in Toronto to pay tribute to CBS Records Canada on the occasion of the 25th Anniversary of the major Canadian record manufacturer.

position he held until the company was bought by and incorporated into Capitol-EMI. Kulin had spent 18 years with RCA prior to joining U.A., and then headed up U.A. for seven years before moving to CBS. He is also a former president of the Canadian Recording Industry Association (CRIA), an acknowledged expert in all aspects of the business.

Specifically, Kulin is concentrating on new projects from CBS, "to take advantage of the great facilities we have here, whether they be manufacturing, sales, marketing, distribution, or whatever." Very often, an idea for a new project will come through Kulin's office, to be channeled downwards. Sometimes, the idea will originate from Kulin himself. "I like to think of myself as a catalyst, getting things going in certain areas.

"As an example," Kulin notes, "should CBS decide to issue some of their recordings perhaps for audiophiles, using special mastering techniques, or should we be getting into digital recordings, or should we be getting into the blank tape business? These are just examples of the sorts of things that would come through me. Once the idea is either given to me or comes from

me, I check with the various people involved, get input from the various operating divisions, and we decide as a team whether we should or shouldn't proceed, or perhaps we should put it on the back burner. I would be given the task of putting it together, working out the details, costs, etc. We're also in the retail and rack business and there are other products that we may be considering distributing as part of that end of our business. It certainly is a very broad spectrum of things I can get involved with."

Among the functions Kulin's business development department has been involved in are the important buy-sell relationships CBS has entered into with such labels as Attic and Unison Records. It is a new form of distribution situation for CBS wherein the company buys finished product from the independent label and simply acts as the distribution function for that label. CBS also offers its marketing skills and energies as a service to the labels. "We would provide input," Kulin explains. "The final marketing and promotion decisions would be made by the other party." Thus, the label maintains control of its destiny.

The buy-sell relationship also offers

the labels an additional asset, that of CBS' manufacturing system. "From their viewpoint, this is very important," Kulin notes, "because there is a problem with facilities in this country right now. They also don't have to get into the heavy investment of warehousing. We do this for them.

"To carry it one step further," Kulin continues, "we've used this same approach to get our feet wet in the children's record business. We've just completed a deal with Matrix Productions for the rights to the two Mr. Dressup albums. This will get us into children's records, an area we understand is becoming very viable in this country. That's another area of business development. They're areas that CBS Canada is getting into."

In fact, Kulin even became involved in the manufacturing end last spring. "It was a question of trying to match in the long term what we thought our production needs would be versus the capacity we had to produce. As part of that, we came out with what became known as the early fall program. We went out last May with key catalogue and booked orders for shipment in September and October." By producing early and warehousing the catalogue

product, CBS gained a head start on fall catalogue sales, with other labels suffering in the manufacturing crunch from being unable to press enough catalogue material. "The idea worked, although not perfectly. We learned a lot, and we hope to do it again next year and knock out some of the problems we had this year. Basically, I would shudder to think what the situation would be this year if we hadn't done that!" Several other labels followed CBS' lead, and Kulin is hopeful the workload can be spread more evenly next year through the year and among the manufacturers, alleviating some of this year's industry-wide problems.

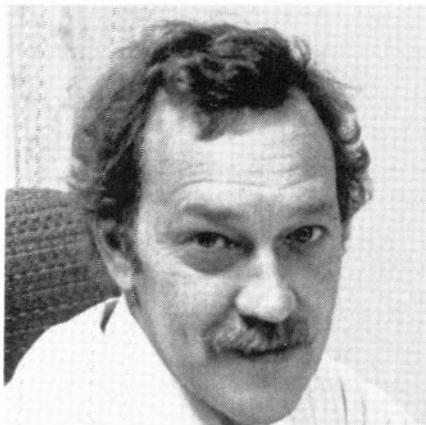
Another of Kulin's functions at CBS, making use of his overall business experience, is that of general troubleshooter in any areas in which things need to be changed or paid closer attention to. In that role, Kulin will go into an area where changes are being made and help conduct those changes, freeing the staff in those areas to concentrate on the day-to-day functions of the company which must be maintained while the changes are being made. "I'll draft up a proposal. Then all the people involved will provide their input, make suggestions and so on, and the finalized policy will come out. And if there are problems in some area I'll get involved and become sort of the catalyst to get them resolved."

FRED RICH

"... We see continued growth over the next five years. . ."

Fred Rich, Vice President of Finance, is a veteran of the CBS team. An accountant from De Havilland Aircraft with no previous music industry experience, he came to CBS in 1960 and stayed for eight years. He then left the company for five years, and returned in 1973, moving to ARS Records,

the company's rack jobber operation. Half a year later, he returned to the main office in his present capacity.



Fred Rich
Vice President, Finance

Rich's position is a key one in the CBS structure. He is responsible for the company's vast financial resources, for being involved in investment and cost decisions in all areas of the company's operations. One of his main duties is to profit plan. "We do a five-year profit forecast," he explains, "which we update each year."

"... The computer is a tremendous hedge. It boosts the efficiency of the entire operation. . ."

Rich's other major responsibility at CBS is a heavy involvement with the company's large computer system. CBS uses a very sophisticated EDP operation which places at the fingertips of those with access terminals very thorough information including orders, inventory, accounts payable and receivable, personnel info, costs and prices, and so on. In fact, CBS uses the system to determine not only how many of each disc and tape have been produced and sold,

but also where the orders are, and even if they are currently being transported. Manufacturing can use the system as a guide in determining how many of what to press, particularly on catalogue items. Distribution can use it in filling orders, and of course, Rich uses it constantly in financial matters.

"CBS has always had some sort of computerization," Rich recalls. "Going back to the early sixties, we had unit record equipment. We progressed in the mid-sixties to what they call second generation computers, and 3 1/2 years ago, we replaced all of our hardware with computers capable of handling on-line processing."

"We're on the very latest concept," Rich continues, "which is known as 'data base'. This is the collection of data which you can randomly access through CRT's, or terminals. Many people can access the computer at the same time."

"The main corporate objective in having the computer installed," explains Rich, "was to improve customer service, which is basically our order entry system. We can input customer orders on-line, producing a shipping document almost instantly, hand it into the warehouse and have them processing the order five minutes later. We can get pretty fast turnaround. We've come a long way with our computer applications, and we want to go a lot farther. There's lots of room for development, and it's a tremendous hedge against inflation. It boosts the efficiency of the entire operation."

"... You'd have to look pretty hard to find another business that had as many complexities as the music business. . ."

Coming from outside the music field, Rich notes how different the record business is from other industries. "It's a very dynamic business. It changes every day. It's a fast moving business." Picture what the auto industry would be like with many different models every week, with plants manufacturing not only their own models but those of their competitors as well, and even licensing for the production of foreign models. "You'd have to look pretty hard to find another business that had as many complexities as the music business does. It does look really simple on the surface - what's the big deal in pressing a record - but from a financial viewpoint, it does require a tremendous understanding of the music business as far as forecasting goes. It's very difficult to get by on the traditional forecasting methods that accountants would use. You need the insight into the music business."

Rich has to be involved with everyone from marketing to manufacturing to the rack and retail divisions. "It takes a lot of research to make sure you have got the resources for the future."

CBS is the leader or among the leaders in each field of the industry. Its plant is among the country's largest and most successful. ARS is one of the country's leading rackers, A&A among the largest retail chains. Shorewood Packaging, an autonomous company in which CBS is involved, is Canada's leading jacket manu-



Columbia House, Scarborough, Ontario

facturer. And as a marketing and distribution company for its own records, CBS has an enviable track record for breaking and maintaining top artists and hit records.

"And it's been more than steady growth," Rich adds. "It's been accelerating growth, at least since 1973, since I've been here. We're very fortunate so far to enjoy sufficient increase in volume to absorb inflationary costs without having to pass them on to the consumer. There have been very few price changes on albums since 1973. This year is posing to be a problem. Our volume is staying up there, but the inflation is right across the board, in every area of cost - who knows how much longer we can keep prices down?"

"... we see continued growth over the next five years..."

Still, Rich notes, CBS continues to be in an even stronger position than it was in previously. "As far as our long range forecasting goes, we see continued growth over the next five years - maybe not at the same acceleration we've enjoyed over the last four or five years, but the growth will still be there, and that's unit growth, discounting the inflation and pricing. I believe that the industry will have a steady unit growth, and I fully believe that CBS will enjoy a participation in that growth plus an increase in market share." And coming from the company's head of finance, it's a pretty good bet.

JEAN DESJARDINS

"... What we did was create a module in Montreal..."

Jean Desjardins moved to CBS headquarters in Toronto from Montreal almost two years ago to assume the newly created role of Vice-President of Marketing. Desjardins is a veteran of 14 years in the record business. His first 11 years were spent with RCA in their Montreal operation, moving up from junior salesman through various sales and marketing positions, ending up as branch



Johnny Desjardins
Vice President, Marketing



Bill Bannon
Director of Marketing, Columbia

director before moving to CBS as Director of CBS Disques, the company's Montreal operation.

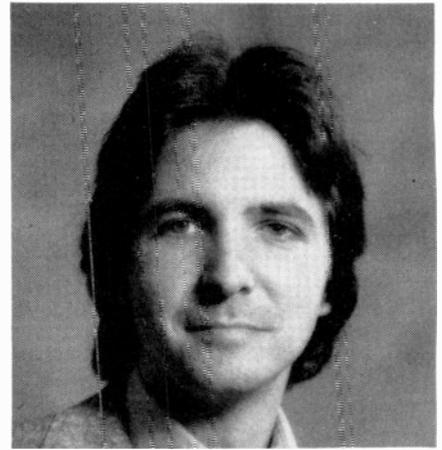
The formation of a marketing division at CBS actually evolved out of a test situation Desjardins headed up in Montreal. "What we did was create a module in Montreal with product management, press and promotion, and we tested it out for about six months. When we saw it was working well, we adopted the same formula here in Toronto and started that system, which is the system we presently employ."

Desjardins describes the CBS marketing system. "It's a parallel system to what the CBS company in the States has. The first step was to split up our own promotion division - we really split the company down the middle. We took the Columbia product, and the product under E.P.A. - Epic, Portrait and associated labels, and assigned them to separate promotion representatives. That gave us a little bit of competition between our own promotion people and also worked out well at radio. The promotion people could then concentrate and be more effective because they were working fewer artists."

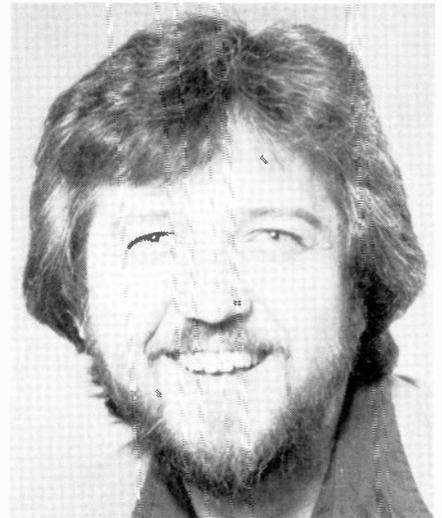
"We then employed the same philosophy for the marketing group. Bill Bannon is the Director of the Columbia marketing



Liz Braun
National Manager, Press/Publicity



Terry McGee - Director Artist
Development, Press and Publicity



Graham Powers
Director of Marketing, E.P.A.

team who handles the Columbia label itself as well as True North, Aquitaine and Unison. His counterpart, Graham Powers, handles the affairs of Marketing for the E.P.A. label group which encompasses Epic Records, Stiff Records, Philadelphia International, Bomb Records, Magnet as well as Attic."

"Reporting to the label heads are the National Promotion Managers as well as the Product Managers. Brad Weir and Graham Thorpe are the National Promotion/Senior Product Managers for the E.P.A. and Columbia labels respectively; they handle the ongoing affairs of marketing concepts for their assigned artists as well as giving national direction to their regional promotion Managers. John Bennett and Bob Muir are Product Managers reporting to the label heads for the Columbia and E.P.A. labels, respectively. Our other Product Manager is Lisette Rochon who works out of our Montreal office and handles the marketing concepts for all locally signed CBS Disques artists as well as some international artists."

Desjardins continues, "Terry McGee is our Director of Artist Development and National Press & Publicity who works with artists in as much as incoming tours,

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negotiations with their managers in cases where subsidies are required and also sets up live broadcast recordings of concerts, especially in the Toronto market. Working for Terry is the Manager of National Press & Publicity, Liz Braun, who is mainly responsible for getting maximum editorial coverage for all artists under both label groups.

"We, at CBS, enjoy the flexibility of having our own Creative Services Department. This department does our radio bookings plus the creativity behind the radio spots and television commercials, when required. They also create approximately 90% of all p.o.p. materials which are used in our merchandising campaigns as well as developing concepts and creating artwork for Canadian recordings. We can, therefore, physically handle all the elements of marketing and merchandising, basically, under one roof."

Other functions reporting to Desjardins include the Quebec operation, CBS Disques, which is headed by Branch Director Bill Rotari and also includes Product Manager Rochon, Press & Publicity Officer Lorraine Cordeau and a Promotion Representative, Michel Lefebvre. Desjardins notes that "With the amount of marketing activity which is going on at CBS, the need for strong communication is vital. We have marketing and sales meetings every week



Bill Rotari
Director of CBS Disques

to basically review the plans and concepts as well as priorities that we are working on so that this information can then be generated to our six branches. Our area Marketing Managers ensure that the marketing strategies are implemented at the field level. They also supervise our seven Display Reps across the country."

CBS does virtually everything involved in making and selling records.

Under its total auspices, in fact, CBS does virtually everything involved in making and selling records, from signing the artists, finding and publishing the songs, to pressing the product, designing and manufacturing the jackets, to selling the record at distribution, wholesale and retail levels and thoroughly promoting it with advertising and marketing at the radio, TV and print levels. It's a complete pyramid operation.

Needless to say, a paramount consideration of the CBS marketing division is the knowledge of what product will be released. It is the marketing squad who determines



A&A's major retail store in downtown Toronto

releases through CRU-CBS Records U.S. The Canadian A&R division decides on all domestic releases and international releases other than from the States. They communicate this release information quickly to the marketing department, enabling them to set up their strategies as quickly as possible.

Desjardins' marketing division works very closely with the CBS sales division, headed by Bert Dunsenith, VP of Sales. "What we try to do in marketing," Desjardins notes, "is create the demand. The sales people make sure that product is there, because there's nothing more frustrating to a customer than seeing something advertised, going into a store and finding they don't have it. You lose the impact. So we work very closely. All marketing strategies and marketing plans are counter-approved by the sales department. They are given targets and objectives. At least we know for whatever money we spend, that we will be supported in the field."

The sales department, in turn, offers feedback to Desjardins' marketing team as to what is happening in the field, and the team might adjust its strategies to boost a weak area or increase activity in a strong area. "That's where our Product Managers come in," Desjardins notes. "The Product

Manager is the keeper of all information on his assigned artists. He will check with our local marketing people at the branches on product movement and make recommendations to buy air time and newspaper ads.

Records don't break nationally; they break regionally.

"Molly Hatchet is a perfect example. It's breaking in the West. We brought the band to perform in Vancouver, Calgary and Edmonton. Records don't break nationally; they break regionally. Flash & The Pan broke in Ottawa. We supported the Ottawa market.

"Our Product Managers have what they call an artist profile file on each artist. All activities are documented. When the new album is released, they listen to the music and look at the file to find the key markets and how they broke. The product managers have to stay in tune to what is happening. So far, it's been working out really well. The pace is frantic, but these are real record people. It's in their blood, and they really go for it.

"We're very much in tune to what is happening on the street. Our Product Managers make the recommendations to

each department based on feedback."

Desjardins continues, "The Product Managers relate closely to their artists. As an example, Bob Muir is very strong with new wave product, so he's handling the entire Stiff label in Canada for us.

" . . . we want to take the new and developing artists and make them into superstars . . . "

"That's our philosophy. It takes a combination of things to really break an artist. We spend a lot of time, money and energy in that area because we want to ensure that we will have those super acts in the future. That's the whole key to the business. We need good promotion and good radio. After we get radio, we try to secure more and more interest in the artist by the means of press and publicity, radio spots, back-up

newspaper ads and tours. We try to make that whole wheel turn."

"And it works. It worked out for Eddie Money - first country to go gold, Cheap Trick - first to go gold, and now Live At Budokan has reached five times platinum. That group was broken by belief, because the Canadian people at Epic love the group. We brought them in three times before they were any kind of stars. Meat Loaf is our best example - one million units in Canada because the Sales and marketing Departments really believed in the entire project.

"That's how it works. We really try to break the new artists. However, we don't neglect our established artists either."

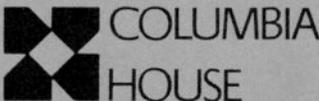
Desjardins discusses the relationship between marketing and sales. "I guess you could refer to the old push-pull system. We create the demand and our sales force

ensures that product is in the stores. That's the way the Cheap Tricks and Eddie Moneys and Costellos and all those acts got started."

The keynote for marketing is one of constantly striving to move the artists' sales one step higher. Nick Lowe, for instance, moved a respectable 10,000 units of his first album, Pure Pop. Now, the new album, with a hit single, has sold in excess of 75,000 units. We are basically a marketing company. We try to make it easy for our accounts to sell product. Everything we do is based on that theory.

"I guess there is a considerable amount of luck involved in the record business and what we try to do with our marketing strategies is to maximize the chances of success. We have a lot of good music people at CBS and the future looks most promising!"

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BERT DUNSEITH

" . . . Our primary concern is to break new artists. . . "

A.V. (Bert) Dunseith is a long-time veteran of 18 1/2 years with CBS. He came to the company from a position in the Sherman's retail chain in Montreal, starting out with CBS as a junior salesman in Montreal. In 1968 he moved across the country to Vancouver as branch manager, and three years later, arrived at headquarters in Toronto as Director of Distribution.



Bert Dunseith
Vice President, Sales

Now Vice President of Sales, Dunseith is responsible for overseeing the entire selling operation, from national staff to the branch managers to the field sales force. Until recently, the branch managers reported directly to Dunseith, but he has recently appointed Don Oates as Director of Sales. The branch managers report to Oates, who in turn reports to Dunseith.

The CBS sales force is a substantial one. "We have three branches as such, stock carrying branches, in Montreal, Calgary and Toronto. Toronto is the national service centre. There are sales offices in Vancouver, in Winnipeg and in Moncton.

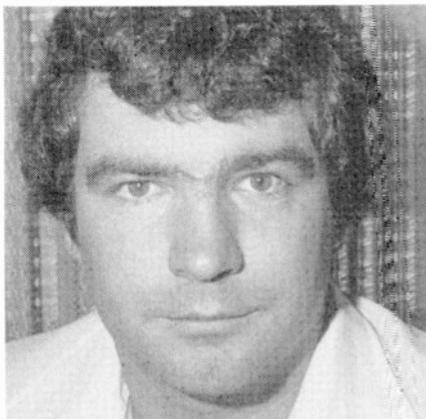
"In Vancouver, we have a staff of two sales, two promo, a branch manager, an

inventory clerk and a display rep. In Calgary, we have a full operation of warehouse people. There are two sales, two promo and a marketing manager. In Winnipeg, which is one of our smaller operations, we have a branch manager who also operates



Don Oates
Director of National Sales

as a salesman, an inventory specialist and a secretary. The operation in Moncton is about the same size as Winnipeg, with the manager doing the actual selling. In Toronto and in Montreal, we have a full operation, with four or five people in sales and two or three in promotion."



Jeff Newfield
Sales Manager, Winnipeg

The Toronto branch operation is separated from national headquarters. It has its own Director of Ontario Sales, Gary Newman, to whom the regional sales force reports. The Toronto branch now has its own offices and warehousing in a separate location in North Toronto. Until earlier this year, it was located at headquarters, and the move served both to emphasize the separate identity of the Ontario operation and to free space at headquarters for other expanding divisions.

The keynote - marketing & sales in co-ordination

The keynote of the considerable success of Dunseith's sales division lies in the close co-ordination of the division with the CBS marketing force under VP Jean Desjardins. "Actually," notes Dunseith, "the marketing division as such is relatively new to CBS.

Johnny took the operation over a year and a half ago. It's working very well. I would have to say that through the marketing, we have been fortunate in breaking very many acts that as a sales division alone, we may not have had time to get - Flash &



Gary Newman
Director of Sales, Ontario Branch

The Pan, which is now a platinum record, all the artists on Stiff Records - there's only so much a group of people can do, and the people in sales are oriented to sales. We don't have the time or the creative ability to create staged marketing plans. They can come up with something they believe in, come to me and say, 'We'd like to build a plan around this,' and we'd coordinated the sales effort that way."

On the other hand, Dunseith continues, "I can go to them and say, 'Look, we've got a lot of this record out in the street and

I'm not getting the reaction I should get from it. Can you build a marketing plan?' It works both ways." And CBS sells a lot of records through marketing, possibly more than anyone else in the country.

Dunseith's direct responsibility is to get the records into the stores and out to the consumer. "There's two ways to get to the consumer," he notes, "through the people in the marketing area or just through a massive sales attempt at up-front features and so on. Again, it works two ways. The more product I put into a store, the more likely I am to have a marketing plan built around it. Many releases come out, like a Cheap Trick or Chicago, where the initial reaction is very strong from our customers. But then you've got to carry it to the street, either through radio airplay, which is marketing's promo area, or through a marketing plan, with posters and so on, to advise the consumer that the record is now available."

Particularly where a marketing plan is based on merchandising, sales must work in close contact with marketing. The product must be moving toward the stores before the displays come in. Therein lies the key to a good sales effort at CBS. Dunseith's staff have to sell their customers on the product, and place it into the stores while the displays and other marketing tools are coming, so that the demand created by merchandising will be met, and not overmatched, by sales.

Getting all-important front rack space is also a joint sales and marketing venture. "It depends on marketing, through the display people going out as merchandisers, and my ability, through my sales people, to get enough product in there to warrant front rack space. It's a selling job."



Head Office of ARS, Scarborough, Ontario

MARTIN KEYES

"... We've got a lot of pride in our operation..."

Heading up the plant operation is Martin Keyes, Vice President of Manufacturing. Keyes is a veteran of over 11 years with CBS, predating the plant's eight years of operation. He began in inventory control and distribution, and moved to his current position five years ago.

When the plant began pressing records eight years ago (CBS had already been manufacturing tapes for a number of months), there were 24 presses. There are now 40 in operation, including eight brand

new machines, with an additional eight being readied as part of the company's overall expansion next year. The new presses were installed in September to combat an intensive industry-wide demand for product in the fall season.

The CBS presses are convertible between seven-inch and twelve-inch, depending on the plant's workload. "Most other operations have a press for seven-inch and a press for twelve-inch."

Keyes is quick to credit his people with making the plant great. "We've got a lot of pride in our operation," he notes. "I think it's reflected in the quality of our product. That goes from purchasing vinyl in the U.S. which we feel is the very best vinyl available anywhere, to spending extra money in quality checks in our matrix department, our press room, and in our inspection de-

partment. The product which we put out, I feel, is certainly second to none.

"One of the other nice things about our facility," Keyes continues, "is that we also have a very good reputation for our service. At this time of year, everybody suffers



Martin Keyes
Vice President, Manufacturing

along those lines, but I think, on an ongoing basis, we're a very reliable company from both the label's point of view and our service to outside customers for whom we work. The pride in our plant is reflected in our people, as well as showing in our product. Of our eight years experience in the pressing facility, and a little longer in tapes, our staff is such that our turnover is extremely low. It not only would compare probably better than any other record manufacturer that I know of, but would probably rate with any manufacturing company of our size, regardless of their type of business. I would say that 50% of our staff in manufacturing now have more than five years of experience. The number of people we have associated with the plant is about 350."

CBS began manufacturing tapes just over eight years ago. Keyes recalls the physical growth of CBS, from its beginnings as a manufacturing operation. "We've had two expansions since the building was first occupied. One was an addition to the warehouse, and then the plant expansion." Within the plant, the operation began with 24 presses, and moved gradually up to 32 between 1975 and 1977, with CBS most recently adding the eight new presses. The new presses, in fact, were all added and put into full operation within a few weeks in September.

The tape plant will be a large operation. Although tape capacity varies with the size of tape and the number of tapes that can be produced from a 'pancake', Keyes estimates the CBS tape capacity at over 30,000 per day, a figure which would translate to over 7½ million a year. The record capacity, presuming heavy volume and a constant backlog, would be well over 30 million per year.

Looking after their needs for the next ten years.

And with a confidence of expected increase in the volume of business over the future, CBS is embarking on a major expansion of its total facilities, with particular emphasis

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on the plant. The company is expanding its building and reorganizing its existing space, largely to cope with increasing demand at the manufacturing level. "We will be increasing our press room capability by over 100%. We're going to have room for another 50 presses. Initially, there are eight more presses to be set up as soon as the building is completed. Other areas will be expanded, but the main thrust of it will be to house more presses and look after our needs for the next ten years."

In addition to pressing, matrixing and tape duplicating facilities, CBS has in its plant a lacquering channel, which makes the lacquer disc from the master tape. "Having our own channel is very unique in a manufacturing facility," Keyes explains. CBS is the only plant in Canada with its own cutting room.

"I think it's a tremendous advantage for the facility to have a lacquer cutting channel in-house," Keyes emphasizes. "It gives you a terrific turnover and the ability to go back and re-cut parts if there are problems with them." CBS doesn't have to wait a few days for a replacement if a lacquer or metal master is defective. "It gives you more flexibility."

". . . The name of the game is to look after the product required by the street as quickly as possible. . ."

"The name of the game in our business is to look after the product required by the street as quickly as possible. A lot of the activity that we go through is geared to that."

Of course, CBS can't afford to let speed interfere with quality. "There's a constant quality check on the product," notes Keyes, "right from the 'mother' stage (metal positives are played right through). Every new release is checked 100%, and after every third stamper off that, it's re-checked. Then the new pressing is checked off the press, and there's a constant monitoring from every spindle, which represents 100 records. There's a spot check on that, at the crossovers, introduction, the terminal and in the music. There's a heavy visual quality check done by our people, and the press operators themselves are responsible for their product, so they are constantly monitoring it as well. We want to make sure there are no scratches, scuffs, staining, label or centering problems."

CBS is doing everything they can to counter rising prices.

Like the other plants in Canada, CBS is busy trying to meet the huge demands of an excessively active fall season. Fall is always busy, but with one less plant this year than usual. Keyes notes a trend over the past few years of a busier summer, which somewhat balances out the year. "You're under the most pressure going into the fall period, but there aren't the peaks and valleys that used to be there. There are some, but they've rounded out quite a bit. There's more pre-planning. We at CBS began planning our fall requirements on catalogue as early as the spring, and some of the others did so as well."

The other main concern in pressing is that of spiralling costs, particularly on petroleum from which vinyl, magnetic tape and tape cartridges are all based. Keyes agrees that it's very difficult trying to hold down the cost to the consumer. "Although we've been able to offset some of the material costs through higher productivity, more efficiency in our operations and better buying of materials, vinyl is a key ingredient that we require, and we're subjected to the same impact as any other user of oil-based products. It's something that we're chained to, and I think it's something that the consumer realizes the manufacturer has very little control over." CBS is apparently, doing everything they can to counter rising prices to keep their own prices down as long as possible.

ARS RECORDS

One of the leading rack jobbing operations in Canada

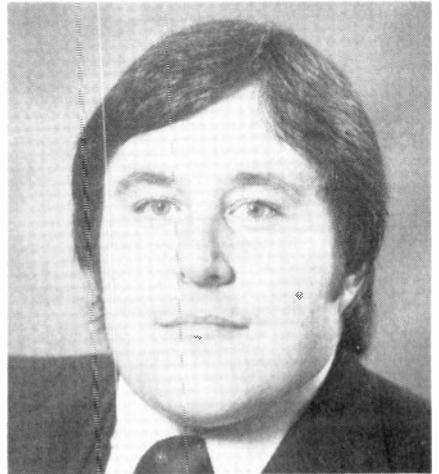
ARS Records Canada, a division of CBS Records, is one of the leading, if not the largest, rack jobbing operations in Canada. The company, originally called All Records Supply Co., has been part of the CBS family since 1971. Now ARS has seven branches throughout the country, in St. John's, Nfld., Halifax, Montreal, Toronto,



Jacques Gagne - Vice President and General Manager, ARS

Winnipeg, Calgary and Vancouver, and they've also just opened a sales office in Saskatoon. Their major customers are Sears, Woolco, Woolworth, Miracle Mart, K-Mart, Kresge's, McLeods, Stedman's and Gamble, as well as some Robert Simpson stores in the East. Of those, ARS supplies Miracle Mart exclusively, and deals with the other accounts, which also include other department and independent stores, on a market-by-market basis. The total number of department stores currently serviced by ARS is about 300, with an additional 400-odd variety stores and a number of independents, mostly in the Maritimes. ARS also has a few chain accounts, notably Kelly's stores in the East and a few in Ontario.

The basic function of the rack jobber is more than simply providing a go-between used by the distributors to get the product into the stores. The rack jobber must be a music marketing expert, providing the right numbers of the right titles to the clients, many of whom are record departments in general department stores. Since most of the clients are concerned with a wide variety of other than record products, they usually lack the expertise needed to properly stock the record racks. In addition, the risk is on the shoulders of the racker, since he gets back anything that doesn't sell, yet he can only return a certain percentage of unsold goods to the distributors. Still, ARS does work closely with its clients, particularly the independent stores, who like to be quick to react on new record releases.



Jerry Wipf
Vice President, Marketing, ARS

ARS is the only rack jobber in Canada with seven branch offices. In fact, it is the only racker located in Newfoundland. Its staff, which totals about 200 people is available right across the country to offer direct and immediate personal help to their clients. From national headquarters in Toronto, ARS is run by Jacques Gagne, Vice President and General Manager, who reports directly to CBS President Terry Lynd. The company's key staff includes Jerry Wipf, Vice President of Marketing; VP of Operations Ron Irwin; Controller Jim Chong; National Inventory Manager Isobel Chadwick; and National Advertising Manager Gisele Cline. In addition, each branch office has a branch manager, buyer, sales manager, supervisors and sales reps. "We also employ many part-time ladies to do sales in smaller communities," notes Gagne. "For example, we have a woman in Prince Albert, Sask. We have four stores there; Woolco, Sears, Eaton's and Woolworth. The Sears and Woolworth are small racks, so she works three days a week, does the Woolco and Eaton's on Monday and Tuesday, and the Sears and Woolworth on Wednesday." There are about 40 part-timers located throughout the country.

ARS are also using more and more students in their warehouses, on week-ends and at night. The company has warehouse facilities at all seven branches, with Saskatoon stocked jointly by Winnipeg and

Calgary. The students man the warehouses according to the amount of work available. They are usually recruited from local high schools. "We started the system last year in Toronto," Gagne notes, "and now we're using it more and more in Calgary. They like to work. They're available whenever we need them. They're good workers, most of them."

The company moves a staggering amount of product over the years, including albums, singles, eight-tracks and cassettes, including a particularly solid business in singles in Quebec. But the goal is not only to ship out product. "What we're trying to achieve more than anything else," emphasizes Gagne, "is to give good service to our customers, to be very quick with our new releases, to have them in the stores so that we can compete with the major chains, to have some decent monthly promotions that are up to date in product, to be competitive, price-wise, as much as possible with everybody else, and to have some good looking record departments when you walk into department stores. One area where the record companies are working more and more with us is in putting up nice displays in department stores."

As the record business in department stores continues to grow and become more profitable, the record departments are becoming more and more important to the stores. ARS are now sitting down with some of the stores to discuss increasing the size of the record department within the store, moving it to a higher-traffic area, and moves that are generally designed to enhance business both for the rack jobber and the store itself. "This is one area where in certain cases, our people are involved in the decisions. We try as much as possible to get wall space, for instance, so that we can put up posters. We deal with just about everyone in the business. The approach varies, naturally, but overall I would say that department stores today are more interested in records, more than they have been in the last 20 years."

ARS are definitely looking to expand. The opening of the Saskatoon sales office is an indication of the company's desire to further increase sales in Canada's growing record markets, and Gagne notes the office will continue to expand as well, ultimately handling its own advertising and other functions. "We're looking to any expansion that makes sense," he notes. "Since 1973, we've taken over the Maritimes - it used to be another independently owned company, Crawford Music. At one time, we were in Ontario, Quebec, the Prairies and B.C. Now we have Winnipeg and the two Maritime branches."

Sales and profits have continued to increase more or less regularly over the years, and Gagne is confident they will continue to do so. "I think the record business in this country is going to be solid. It won't be as flamboyant as it was, say two years ago. It's not showing the same amount of growth this year, but there's new product, new artists and sounds coming out all the time. You look at some of the new artists that came out over the last year, and you know the record business is not dying."

A&A RECORDS & TAPES

Major chain grows from single store

The name of A&A Records & Tapes, one of Canada's major retail chains, has been associated with that of CBS Records for eight years, since 1971. At that time, A&A was a single large store located in downtown Toronto, a privately owned regular fixture in the city since the mid-forties. CBS purchased the store, and using it as a flagship, has built around it a large retail chain spanning the country and ready to total 44 stores by the end of the year.

This growth has been steady and solid. Dick Moody, Vice President and General Manager of A&A, notes, "We've opened



Dick Moody - Vice President & General Manager, A&A Records & Tapes

ten new stores this year." Like most of the other stores in the chain, Moody adds, "They're all in regional shopping centres, and they're pretty well all in major cities."

To make the chain successful, a team of several hundred people man A&A's head office and the individual stores, all but five of which are franchises. Heading up the organization is Moody, who reports directly to CBS President Terry Lynd. Working closely with Moody is Peter Parrish, Director of Marketing and Sales, who oversees all marketing, advertising and buying on a national basis. The company's Director of Retail Development, Peter Miles, handles the chain's leasing, site selection and franchising. A&A's National Advertising Manager is Saul Podemski. The chain also has an in-house creative department, which handles all the artwork for A&A's newspaper and print ads, with the company's radio advertising done by an agency, Dick & Labrie.

Other key national staffers at A&A include National Construction Manager Andy Irwin, who looks after design and the physical construction of the stores, and Norman Miller, National Classical Marketing Manager, who looks after all classical music matters and reports to Parrish. Moody is planning to add further national staff in the new year.

A&A handle their own buying from the distributors, rather than working

through a rack jobber or independent supply company. Assisting in the buying around the country are regional managers Sid Richdale in the Maritimes, Richard Belec in Quebec, Steve Tennant in Ontario, Mehdi Somani in Calgary and Tom Radcliffe in Vancouver. Each of them oversees a regional office, with product service through distribution centres in Calgary and Toronto, as well as amalgamated A&A-ARS warehousing in the Maritimes and Montreal.

In addition to the original owned store in downtown Toronto, A&A itself owns major downtown stores in Vancouver, Edmonton and Montreal, as well as a new store, Zounds, in Scarborough, Ontario. The Zounds store is a new concept in Canada. "It's a test store, a free-standing supermarket type of operation, and depending on how well it does, we intend to expand that as well." Moody describes the outlet. "It's a large store in the suburbs, as opposed to downtown. It's something that's been done in the States rather extensively, and we're trying it up here. So far, it's been very successful." Basically, the idea is to generate a downtown-like business intensity in a suburban store by stocking a very large variety of titles in a large location carefully designed with a strictly record buying atmosphere in mind. "It has a very large inventory and a very wide selection of records and tapes - you're physically limited in a mall store in terms of how much product you can put in."

In tough economic times, with limited amounts of leisure dollars, the health of the record business will depend on the retailer's ability to capture those dollars not only from other record stores, but also from other leisure businesses. Zounds is built to do just that. "That's really what we're looking for," explains Moody. "We want to get the dollars that aren't going into the record business now. And it's a very exciting design concept. It's got a very expensive sound system. We've got a six-foot video screen. It's about an 8,000 square foot store. We're trying to make it an event to go and shop at Zounds. It's open til 10:00 Monday through Thursday and midnight Friday and Saturday."

A&A has shown steady growth since the original one store acquisition by CBS, and the chain is planning on continuing its growth pattern over the foreseeable future. When Moody joined the chain in October 1976, there were only 28 stores. Now, he notes, "We're looking to open a minimum of six stores a year over the next five years." Nor will the chain be just choosing haphazardly. Opening a new store requires a major investment, with no guarantee of making a profit. Choosing and designing the store takes a lot of planning, and several of next year's new locations have already been chosen. "In fact," Moody points out, "we're working right now on 1981 and even the odd 1982 project."

And so A&A looks optimistically towards the future. "We're having a good year," Moody stresses. "Our sales are up and we're happy with what's happening. And I really don't see it changing."

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