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RADIO'S PREMIER MANAGEMENT & MARKETING MAGAZINE™

STEVE HEGWOOD IS ON TOP OF THE WORLD

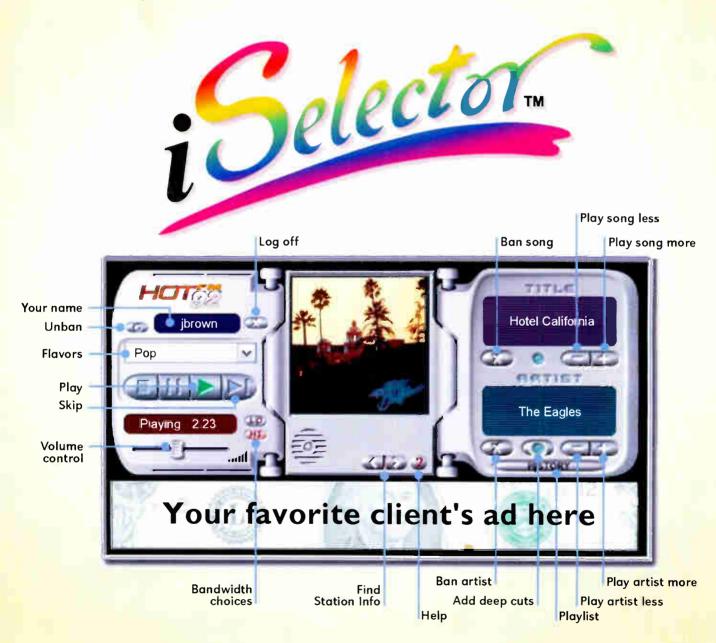
THE NEW ABCS OF EEO

THE 30 MOST INFLUENTIAL AFRICAN-AMERICANS IN RADIO

IN SEARCH OF A'
"BETTER REALITY"

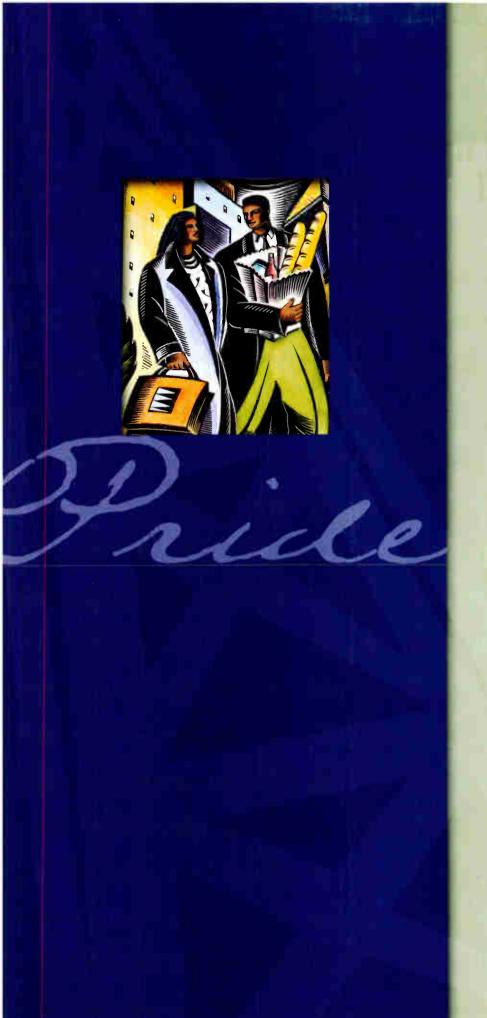


i·Se·lect·or (i sə-lek'tər), n. 1. a fully branded Internet player for radio stations in the United States. 2. listeners can customize the station's format. 3. a way for stations to get back on the web legally and economically. Synonym: VALUE ADDED









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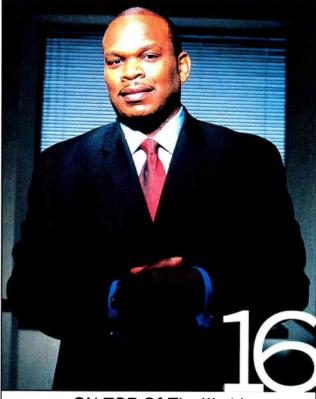
the number of useable ideas in Radio Ink to date

Coming Next Issue Top Radio Engineers Pre-NAB Exhibitors Guide

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ON TOP Of The World

Steve Hegwood founded On Top Communications while he was working for Radio One. His new company finally became so successful that he had to quit his "day job." That company name means what it says Cover and interview photographs by Chad Dowling, Alexandria, VA.

EOITOR-IN-CHIEF

reed@radwink.com

ASSISTANT EDITOR

manycrawley@radioink.com

NEWS EDITOR

mike@radioink.com

CREATIVE DIRECTOR
Jim Nic holas iimnicholas@radinink.com

VP/OPERATIONS Tom E mo

tomelmo@radioink.com

OIRECTOR OF SALES Lois Ann Chooljian

800-610-5771 lois@radinink.com

VP/NATIONAL SALES Chuck Renwick ch

ES 8D0-442-1345 chuckrenwick@radioink.com

MARKETING MANAGER Addiann Braiker 877 -685-3583 adriann@radivink.com

CUSTOMER SERVICE 800-610-5771

CONTRIBUTING WRITERS

LOWNINGUTHER WRITERS
Lee Abrams, Rhidy Bosley, Jim Boyle, Julie Lomax
Brauff, Curt Brown, Bill Burton, Holland Cooke,
Bob Davis, Lindsay Wood Davis, Danny Fletcher,
Dave Gford, Boi Jenkins, Frank Kutbertis, Philip J.
Lewhelle Ph. D. Par L. Lunds, Sean Luce, Jehn Lund,
Harvey Mackay, 3ig Vike McDaniel, Kipper McGeChuck Mefford, Bill Moyes, Bob Ottaway, Lisa
Patera, Jack Rattigan, Al Ries, Wafter Sabo,
Ed Shane, Jim Taszarek, Jack Tout, Bill Troy,
Roy Williams, Tom Zarack

STACOMUNE = PUBLISHING, INC =

CHAIRMAN/PUBLISHER
B. Eric Rhoads, CRMC/CRSM

PRESIDENT Ivan Braike

CONTROLLER Lisa Gill accounting@radioink.orm

WEBMASTER Jenny Burzek jenny@radioink.com

ivan@radioink.com

Garvey Schubert & Barer

STAFF PHOTOGRAPHER Bruce "Flash" Cooley WASHINGTON, D.C. COURSEL John Wells King

EXECUTIVE EDITOR EMERITUSALOS ANGELES Dwight Case

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

RADIO Editarial Offices: 224 Datura Street

224 Datura Street • Suite 1015 West Palm Beach, FL 33401

PHDNE 561-655-8778 • FAX 561-655-6164 E-MAIL: comments@radioink.com

Classifieds/Yellow Ink™ PHONE 877-685-3583

Subscription Information/Advertising

PHONE 800-610-5771 • FAX 561-655-6164



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CONTINUE TO
MOTIVATE ALL OF US.

The On Top Communications Staff

From Our Chairman

Can Your Station Pull A Crowd?

By B. Eric Rhoads, CEO & Publisher he crowds are so thick you cannot walk. Outside the building, people stand in line for blocks in the freezing temperatures, waiting to enter. Television trucks are parked outside as Radio and television stations throughout the market cover the event. Every major city official and all the town VIPs are present.

It sounds like a Radio promotion director's dream come true — an event so huge that it draws the entire community and crosses format barriers. However, this was not a Radio station promotion; it was a funeral. Though it sounds like a scene from the gates of Graceland when Elvis passed away, this was not the funeral of a rock star, a movie star or former president. This was the funeral of Mike Oatman, a man who spent his life in Radio.

I did not know Mike Oatman all that well, but I knew a lot about him. One thing I know is that, when Mike and his partner, Mike Lynch, sold Empire Broadcasting in 1999, 200 of their employees shared in \$33 million of the sale money.

Another thing I know is that Mike Oatman was a legend in Wichita and in all the places he had stations, because he made it his personal mission to help the community, the advertisers and the listeners. In many ways, Mike was a model of what a local broadcaster should be. The crowds and local television coverage of his funeral show the power of Radio in the local community. To honor him, the community came to give Mike a grand send-off.

What about you and your station? Radio is the most powerful medium on earth. Your presence in your community can use that power for good or for evil. If you died today, what would they say about your impact on the community? Would people show up in respect for how you helped them, or would the funeral parlor be empty because all you did was take-take? Were you there to play the hits and take everything you could from the market? Or were you willing to put the interests of the community first, knowing that, from time to time, you might not win as big financially?

Radio stations that are an integral part of their communities are always the big winners. If your community, your advertisers and your listeners always see you making more than an effort — always putting the community first - the rewards will be there. Though Mike Oatman made millions, he voluntarily enriched his employees because they made him rich. He didn't offer stock options. After selling the stations, he just showed up with checks because he thought that was the right thing to do.

My guess is that the millions he made had a lot to do with the tens of millions he gave to the community in airtime, exposure and fund-raisers. He probably made the retailers in the market rich, too, and they returned the favor.

Wouldn't it be great if there were lines of people wanting to honor you because you made your station such an important part of the community, because you were generous with your time and your air time, and because you made it your goal to give more than expected to those who supported you financially? Even corporately owned, you can be wildly successful and still make this happen in your community. It's never too late to start.



To reach me, write: RADIO INK, B. Eric Rhoads, CEO/Publisher, 224 Datura Street, Suite 1015, West Palm Beach, FL 33401 Phone: 561-655-8778 Fax: 561-655-6164 E-mail: Eric@radioink.com



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PEOPLE IN INK



IT'S NOT THE ACADEMY THIS TIME: Radio Ink Chairman/CEO Eric Rhoads (I) presents the Executive of the Year award to Cumulus Media's Lew Dickey during recent festivities at RAB.



LOVE THOSE CARS:
Showcasing the relationship between cars and Radio, 20 Portland stations jointly kicked off the Portland International Auto Show with a preview developed by the Portland Area Radio Council. The stations displayed their vividly painted station vehicles, street teams distributed Auto Show discount tickets and food coupons from McDonald's, and broadcasts invited listeners to the Auto Show. Show attendance rose 21 percent.



DON'T IGNORE 'TWEEN' AUDIENCE

Arbitron measures listening levels for persons 12+, so most "tweens" (people under age 13) often are considered of little importance when programming a Radio station, even one that targets a teen audience. There are two reasons why Radio stations that program to 12- to 24-year-olds might want to take this demo cell more seriously.

First, this is the source for the future teen audience. TSL numbers show that listener levels are declining. Reasons for this drop have yet to be determined, but one cause suggested by focus groups is that today's consumers have a number of "personal media" devices offering entertainment, and Radio increasingly must compete in that mix. Attracting the "tween" audience instills in their minds that Radio is still a viable medium, given so many choices.

Spending potential is another reason to target "tweens." According to American Demographics, they control \$10 billion in direct spending. Add another \$176 billion in parental spending on their "tweens" and it's evident that these young people present a tremendous sales and marketing opportunity.

Source: Roper ASW, 12/19/02, from www.rab.com

Demo Snapshot: Why Gen-Xers Buy

Members of Generation X — described as those men and women born between 1965 and 1976 — currently control some \$730 billion in spending. Their average household income is almost \$50,000, and nearly half own their homes. Some additional facts:

» Generation X men and women account for 22 percent of participation in the nation's labor force, compared to baby boomers at 49 percent of the U.S. labor force.

» Gen Xers are the best educated generation; 28.8 percent hold a bachelor's degree or more.

»The average number of people in Generation X households is 2.9, while the average number of wage earners is 1.5.

» More than half (51 percent) of Gen Xers consider themselves to be whitecollar workers.

Source: Radio Advertising Bureau

Broadband Usage Jumped In 2002

Development and deployment of broadband connectivity is increasingly rapidly, according to Nielsen Net Ratings. In fact, 33.6 million accessed the Internet via broadcand connection users in 2002, a 59 percent increase over 2001. The number of people who used narrowband (dial-up) connections dropped 10 percent to 74.4 million,

As a result of their faster connections, broadband users spend more time online per month (17.3 hours) than narrowband users (less than 10 hours). Broadband users also visit 15 more sites and view more than 1,300 pages per month, twice what the narrowband user "surfs." Interestingly, broadband usage has increased fastest among older Internet users; 78 percent of Internet "surfers" aged 55-64 use a broadband connection, vs. 75 of those 50-54 and 67 percent of those 65-69.



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It Is Not Just An Honor To Congratulate Our Own KJLH General Manager, But It Is Equally As Wonderful To Congratulate A Magnificent Human Being -Her Person Is Far And Few Between -Deservant, Yes, You Are!

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The Wizard of Ads

QUICKREAD >> Why are we learning how to fight and trick our customers, instead of how to make Radio perform better for them? >> What's the secret to selling agencies? How do I get them to buy my station? >> The secret is to recognize that they have a system for buying that supercedes your system for selling >> You must do all you can to understand and accommodate that system. >> The less a media buyer trusts you, the less they're going to tell you. >> You must quilt thinking of agencies as 'obstacles to be overcome.'

Selling To Agencies Is Easy

By Roy H. Williams

ou're teaching a Radio sales seminar, and 500 hands are raised. You point to one at random, and the sales rep beneath it asks, "What's the secret to selling agencies? How do I get them to buy my station?"

You answer without hesitation: "The secret to selling agencies is to recognize that they have a system for buying that supercedes your system for selling. You must do all you can to understand and accommodate that system. You must quit thinking of agencies as 'obstacles to be overcome.'

Having foolishly shared this truth with a roomful of Radio reps, it's now time to run for your life.

Media buyers often wonder if Radio sellers are required to listen to a speech from management every morning:

"A Radio station is a selling organization no different from those teams of dynamic individuals who sell pots and pans door-to-door. To be winners, we must be persistent, tenacious and tough. We must see Radio as the answer to every question and never take 'no' for an answer. We must overcome every objection with memorized responses and listen to find the buyer's hot button. And when we've found it, we must seize control of the conversation and lead that prospect to 'yes.'"

But media buyers aren't nearly as stupid as you've been led to believe. They know exactly what you're doing when you try to lead the conversation by asking a series of loaded questions designed to 'trap' them into buying your station. That's when they quit telling you the

truth. Ever wonder why media buyers often don't seem to make sense? It's because they don't have the interest or the energy to engage in meaningless debate with you. If you don't know where they stand, then you can't fume and fuss at them. So let's go back to the beginning:

- 1. Every media buyer has a system for buying. Whether or not media buyers care about the things you believe they should care about is immaterial. Will you get in step with their system and sell to them 'their way,' or will you go sell someone else 'your way'?
- 2. The less a media buyer trusts you, the less they're going to tell you. When dealing with Radio reps, most buyers feel like the accused on a witness stand answering the questions of a prosecuting attorney: "Everything you say can and will be used against you." Now be honest. In the past, most of your listening has been for clues on how to beat them at their own game, right? Vulnerability is a two-way street. If you are not open and honest, you can be sure that they won't be, either.
- 3. Until you are willing to admit that a competitor's package might be a better value than your own, you will never be completely trusted. I know it sounds like a harsh accusation, but some Radio people seem to be highly

trained in the fine art of self-delusion and denial. Regardless of how much sense it might make for the buyer to buy another station, these sales reps and managers will instantly fly into a defensive huff when they aren't on the buy. Take a hint: The more you deepen the adversarial relationship, the harder most buyers will work to avoid you.

In the 1970s and '80s, motivational speakers filled auditoriums with sales reps hungry for "pumping up." One day when management sent me to one of these sessions, where everyone was required to wear a badge listing their name and their employer, I noticed that the room was overflowing with every flavor of multilevel marketing con from cosmetics to water filters, a wide variety of real estate people and time-share professionals, a plethora of mobile-home and vinyl-siding salesmen. The rest of us were Radio reps.

That was the day I first asked myself, "Why are all the Radio folks here? People who deliver a good product and take care of their customers don't usually have to get themselves 'pumped up.' Why are we learning how to fight and trick our customers, instead of how to make Radio perform better for them?"

It's a question I'm still asking.

Roy H. Williams, president of Wizard of Ads Inc., may be reached at Roy@WizardofAds.com.

We Salute All The Radio One Executives For Their Recognition As "Most Influential African-Americans In Radio."

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Giff On Sales

QUICKREAD >> Investors believe that the best-run broadcast companies must be those companies with the highest share prices. >> Stock analysts advise their clients to buy, sell, or hold, but they are the most uninformed people on Wall Street. >> Some companies are better than other companies, and some leaders are better than their counterparts. >> Because you are so much closer to the street than stock analysts are, maybe you are better qualified to evaluate the true value of broadcast stocks. >> Publicly owned or not, there is more to a broadcast company than a financial statement.

The Case For A Stock Analyst Teach-In'

By Dave "Giff" Gifford

n tracking the daily up-and-down
movements of broadcast stocks, I
have come to the conclusion that
stock analysts are the most uninformed
people on Wall Street.

Face it: Some companies are better than other companies — just as some Radio and TV stations are better than other Radio and TV stations, right? And can we also agree that some presidents and CEOs, group and regional managers, market managers, directors of sales and salespeople are, company by company and market by market, better than their counterparts? Further, no single company employs the best of the best!

Nonetheless, one would have to postulate that investors believe that the best-run broadcast companies must be those companies with the highest share prices.

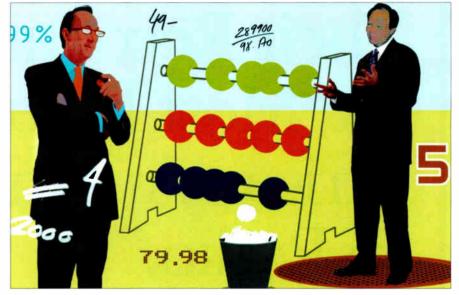
I don't believe that! And, truth be told, I doubt seriously if the people who run those companies believe it.

"But, Giff, that's what the share prices of each of those stocks would seem to indicate. And after all, those share prices are based primarily on the financial performance of those companies."

As interpreted by whom? By stock analysts, that's who! Stock analysts, whose track record for accuracy (they rarely agree with each other) rivals that of what, the validity of a flawed Arbitron book?

Shortly after Steve Jobs moved into the big chair at Apple, I bought in at \$17 and change, and sold it a year or so later for \$144. Pardon me while I take a bow. The point is that, on any given day between the day I bought and sold that stock, no single stock analyst had a clue as to Apple's true value.

And what is Apple's true value today? On January 20, when its stock was trading at \$14.10 (only 74¢ above its 52-week low), Wall Street Journal writer Lee Gomes concluded that "something seems to be stirring here" after Apple announced it is



getting into the software business. Now what is Apple's stock worth?

More to the point, what will it be worth a year from now? Do you honestly think a single stock analyst on Wall Street can answer that question?

TO THE POINT:

In evaluating broadcast stocks, stock analysts study the appropriate indices, talk to and make judgments about a company's management, weight the importance of each company's vertical and horizontal growth trend through acquisitions and diversification, and advise their clients to buy, sell, or hold.

Now, let's hypothesize. Imagine what the share value of broadcast stocks might be if stock analysts altered their usual investigative methodology by actually taking a look under the hood of these shiny, critical-mass models they rank so highly. Analysts might actually learn how some of these companies operate on a day-to-day basis, market by market. This is especially important when

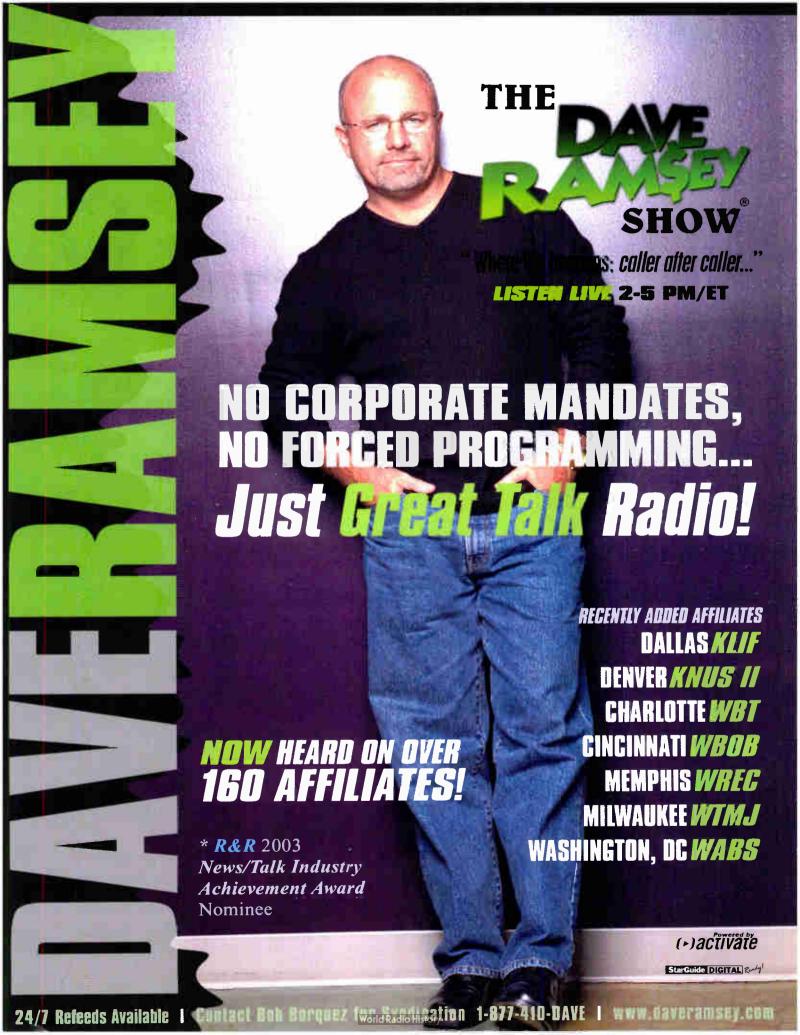
you consider the absence of certain companies that deserve to be on any investor's "Broadcast Top 10" list primarily because of the mathematical probability of their eventual success (as a consequence of doing things "right" under the hood).

BOTTOM LINE:

Given that some companies are managed better than other companies — and because you are so much closer to the street than stock analysts are — maybe you, rather than analysts, are better qualified to evaluate the true value of broadcast stocks. What do stock analysts know about how well managed, or badly managed, the publicly traded company's stations are in your market? Riiiiiiiiight!

Publicly owned or not, there is more to a broadcast company than a financial statement. Much more!

Dave Gifford is president of Dave Gifford International and founder of The Graduate School For Sales Management. He may be reached at 505-989-7007 or by e-mail at giff@talkgiff.com



The New ABCs Of EEO

By John Wells King

The FCC's new EEO rule goes into effect March 10, 2003. Like previous versions of the rule, it requires broadcasters to engage in positive outreach in recruitment for full-time positions. The FCC is still studying the impact of the new rule on part-timers.

Under the outreach requirements, employers must 1) Provide broad notice of employment opportunities; 2) Regularly engage in a specified number of longer-term recruitment initiatives; and 3) Keep detailed records on such efforts. These activities are essentially what the Commission prescribed as "Option A" in the former EEO rule adopted in 2000.

The new rule outlines 16 types of recruitment initiatives for broadcasters to fold into outreach programs such as job fairs, training programs and scholarships. Four programs must be accomplished every two years.

A couple of new twists embellish the exemption picture for small stations. As before, employment units with less than five full-time employees are exempt from all outreach and recordkeeping obligations. Additionally, owners holding a 20-percent or greater voting interest in a licensee will not be regarded as "employees" for EEO purposes — unless a single owner has more than 50-percent voting control, in which case he or she will be the only one not regarded as an "employee."

Recruitment initiatives are reduced from four to two in a two-year period, for a broadcast unit with five to 10 full-time employees, or one that is located in a "smaller market" (licensed to a community located in a county that is outside all metropolitan areas, or located in a metropolitan area that has a population of fewer than 250,000 persons).

For brokered stations, the licensee and broker each report and keep records of their own employees.

Employers are required to place records of outreach efforts in the local public file and post them on their website each year on the anniversary of the filing of their license renewal application.

Public file reports must be sent to the FCC with station license renewal applications, which begin this June. License mid-term reports must be filed beginning in 2007.

The Commission expects to have in place a new annual employment report form, FCC Form 395-B, by the September 30 filing date. The Commission says employment data will be used only to compile trend reports and to report to Congress, not to determine compliance with the EEO rule by any reporting entity.

Recordkeeping under the new rule is detailed, specific and complex. A vague or generalized narrative will not pass the test. Count on rigorous FCC enforcement of the recordkeeping requirements, and substantial fines for incomplete records. Familiarize yourself with the details by contacting your communications counsel or by visiting the FCC's website at www.fcc.gov/mb/policy/eeo/.

The time to implement is now!

John Wells King is an owner of Garvey Schubert Barer, Washington, D.C., and counsel to *Radio Ink*. He can be reached at 202-965-7880 or by e-mail at jking@gsblaw.com.

ARMY NATIONAL GUARD PROMOTES DIVERSITY THROUGH HOMETOWN USA CAREER FAIRS

The advertising branch of the Army National Guard (ARNG) has developed a step-by-step guide to assist broadcasters in their efforts to successfully plan and produce diversity career fairs. These Hometown USA Career Fairs will combine the resources of the ARNG and local stations toward the common goal of recruiting talented individuals who reflect the diversity of each community. College stations can partner with the local Army National Guard armory to produce successful career fairs for graduating students. The ARNG may provide the armory hall, tables and chairs, manpower and other facilities and equipment free of charge.

This free kit provides information to help stations plan and implement career fairs tailored to the market size and needs of each community. The kit consists of a manual, a two-year calendar, ruler, daily-planner pages and a promotional video. The video highlights the manual and gives an overview of the program.

To receive your free Hometown USA Career Fair Kit and/or the spots, contact your local State Marketing NCO. Ordering the kit does not obligate your station to participate in a Career Fair.

BCS PROVIDES FULL EEO RECRUITMENT SERVICES

Stations that truly are committed to identifying and hiring minority job applicants no longer must go through what many broadcasters considered a burdensome, painful EEO recruitment process. In fact, the FCC has identified in its EEO rulemaking that stations may use third-party vendors to help in their outreach to recruit applicants for full-time positions.

One of these third-party vendors is Broadcast Compliance Services, which managing member Chip Weinman says is "as close to turnkey compliance for the recruitment portion of the outreach portion as you can get." Through an extensive database, Weinman explains, BCS provides all the job dissemination notices a station needs to achieve maximum outreach, driving out a station's listing to proven resources and providing the software online to track and report everything that the FCC requires.

"If the FCC says you have to keep a list of who you sent it to, we have that," Weinman says. "If they say you have to post it in your public file, we have that. If you're not sure whether you have enough resources, we'll provide you with more resources than you ever saw before. Plus, if the Commission changes its requirements, we'll provide the data in the form that they want."

For more information, visit www.bcs-ok.com, or contact Chip Weinman at 866-227-4336.

OPEN A DOOR TO OPPORTUNITY, WITH THE HOMETOWN USA CAREER FAIR!

The Hometown USA Career Fair is a unique recruiting festival that brings together the resources of the Army National Guard, State Broadcasters Associations, local businesses and community leaders to create a truly exciting, one-of-a-kind event.

HOMETOWN **S** CAREER FAIR

The word is out! The Army National Guard and State Broadcasters Associations across the country have partnered to create the Hometown USA Career Fair, a one-of-a-kind recruiting festival designed to help people plan for their future and have fun doing it.

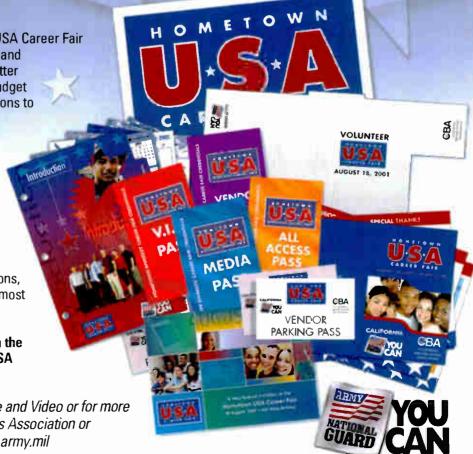
Now, thanks to our step-by-step Hometown USA Career Fair Resource Guide and Video, you can organize and produce your own spectacular event. No matter where you're located, no matter what your budget is, you can follow these step-by-step instructions to create your own successful career fair.

The Hometown USA Career Fair is the latest and greatest way to meet your recruitment needs while building stronger ties with your local community.

By combining the resources of the Army National Guard, including local armories and exciting military equipment, with the media prowess of the State Broadcasters Associations, the Hometown USA Career Fair is simply the most spectacular recruitment event in the country.

Opportunity is knocking, and it's time to open the door. It's time to host your own Hometown USA Career Fair!

To get your free Career Fair Resource Guide and Video or for more information contact your State Broadcasters Association or MSG Thomas Holley at thomas.holley@ngb.army.mil



STEVE HEGWOOD ONLONG ON

It was just three months ago — December 6, 2002 — that On Top Communications closed on its acquisition of KNOU-FM in New Orleans from JP Broadcasting. At the same time, On Top also completed a \$20-million recapitalization that, according to founder and CEO Steve Hegwood, gives the company "the resources to realize our goal of creating dominant Urban format clusters in our markets." The addition of the New Orleans property has helped On Top increase its visibility and presence within the industry, but Hegwood says he is fully cognizant that a lot of hard work lies ahead. "Hopefully within the next few years, we can look back and say, 'We're On Top; we have been funded properly again and again," he comments. "When I started with Radio One, they had eight stations; currently they have 65. That's encouraging."

Hegwood founded On Top Communications in 1998 to acquire and operate FM and AM Radio stations in the south-eastern region of the U.S. At the time, he was vice president of programming at Radio One, responsible not only for programming the company's growing portfolio of stations, but also for assisting in identifying which stations — and markets — were suitable for Radio One's rapid growth strategy. During that period of growth, Hegwood seriously began to consider owning and operating his own stations. In 1997, he approached Radio One President/CEO **Alfred Liggins** about his entrepreneurial dream.

"I started very small, with an opportunity to purchase WRXZ in Albany, Georgia," Hegwood recalls. "By using bonus money and the assistance of personal friends and family, we put together enough money for a deposit on the station, and we began operating it in April 1998. It was a Rock station that had a 0 share, so we flipped it to an Urban/Hip-Hop format, and it debuted with an 11 share. It was very good success for the station." At that time, Hegwood was going to his Radio One office during the week and flying to Georgia on weekends. "I spent time there with managers, programmers, other staff members and clients; then I would fly back Sunday night or early Monday morning to my 'real job' at Radio One."

The following year brought an opportunity to buy WRJH in Jackson, MS; and by June 2000, Hegwood had two stations demanding his attention. » 18

cover interview cover interview

track to exceed our expectations in New Orleans.

How do you position your station or stations so they stand out from the pack?

Overall, we have our mission and our strategy, and we hold fast to it. We know we can't be all things to all people, so in most of our markets, we have individual properties that are targeted to the 18-34 demo. On Top's strategy is to understand our target audience and superserve that audience through programming. We also must express, explain and deliver that audience to our advertisers. When you think about it, it's critical that we understand who is an On Top listener. It doesn't make sense to try to sell advertising to someone who does not desire to have our audience frequent their establishment. So we try to pair our audience with advertisers where there's a perfect match, like with Best Buy, McDonald's, Coke or a local nightclub —

that's where our listeners spend their disposable income.

Do you program your Urban format differently by the markets you're in, or do you maintain a similar programming approach at all your stations?

There's a little difference, given that Jackson and Albany are further south than Norfolk, and New Orleans has its own brand of music. For the most part, however, I've always thought that the hits are the hits — so we play the hits. Our target demo in every market is 18-34. We're able to do extremely well 18-49 in each of our markets because of how well we do 18-34. The days of old, when stations were able to dominate 12-54, are over.

What's your business strategy? What do you look for when you assess a market or a specific property to acquire?

On Top's strategy is to dominate the southeastern U.S., which we think is underserved

by Urban Radio. Looking at the distribution of African-Americans through the Southeast, we feel there's an opportunity for us to grow in this area. That has been our pitch to advertisers and potential investors, and we'll hold fast to that. First and foremost, we'd like to create some cluster opportunities in our current markets and then expand into additional markets. Should any opportunity become available, we will certainly look at it, and there are some opportunities that we are looking at now.

Has the FCC been effective in promoting diversity in the marketplace? Should that be the Commission's role?

The way the Commission would evaluate minority ownership is different from how I would look at it. There may be more minority-owned Radio stations today, but I'm sure there are fewer minority owners. Also, the bigger problem for me as a minority owner is not the availability

of stations, but the availability of capital. There could be 200 stations available today, but without the capital, other minority-owned broadcasters and I could not afford to bid or participate in the opportunity to purchase those Radio stations

How tight is funding today?

Funding is extremely tight. The scandal on Wall Street, the dot-com bust and a lot of other challenges have caused the industry to slow down and take a hard look at what they invest in. At the "Power of Urban Radio" panel last month, Jeff Smulyan said that it's easier for his company to get funding than it is for On Top, but it is easier for Clear Channel than Emmis. The bigger you are, the more proven you are, and the more people will take chances on you. It's just like anything else in life. But to get there, you have to be given the opportunity to prove yourself, and On Top is in that >> 22

Congratulations from your friends at for truly realizing the AfricanAmerican dream.

cover interview

"It was getting pretty challenging for me to fly around the country and operate the Radio One stations, while trying to gain some traction in our markets," Hegwood says. "So I told Alfred that I wanted to resign that October to operate On Top Communications full time. He and Cathy Hughes were very complimentary and asked me to stay on to the end of the year, which I did. Right before the end of the year, Alfred asked me to stay on till March. During this period, Radio One closed on stations in Detroit, Richmond and Cleveland — and then we went through the Clear Channel spinoffs, so we were able to pick up 'The Beat' in Los Angeles."

Hegwood left Radio One in March 2001 and focused full-time on On Top. "I was introduced to my chief financial officer, Lenny Rayford, through a mutual acquaintance, and he's become as integral to the success of On Top as I am," he says.

"Lenny and I spent many hours going through my strategy for the company, putting together a business plan, which we took on the road for a road show from New York to L.A. We met with a number of institutional investors, and Lenny was very successful in securing financing for us."That financing led to additional acquisitions; at latest count, On Top's current portfolio includes seven stations in four markets, including two LMA agreements. These stations include Urban Contemporary-formatted FM Radio stations in New Orleans (KNOU at 104.5), Norfolk-Hampton Roads, VA (WWHV at 102.1), Jackson, MS (WRJH-FM at 97.7) and Albany, GA (WRXZ/WFFM at 106.1 and 105.7).

INK: I have to ask: How did the name On Top Communications come about? Hegwood: I always believe in planting the seed for what you want to do and then growing from that perspective. Everyone wants to be at the top of their industry: Michael Jordan wants to be the top basketball player; Oprah Winfrey wants to be the queen of talk. My goal is for our stations to be on top of the ratings in our markets and to be on top of our revenue. It's a mission statement for our company.

What do you see as your greatest challenge in operating as a small player in a world of such giants as Clear Channel and Cumulus?

The most challenging thing for On Top is having the resources. Since we were undercapitalized in our initial debut, we haven't been able to do the things we need to do to be competitive in our markets. And I'm not just talking about having a full-fledged marketing campaign. I'm talking about having a digital music system, or the proper phones for the sales department to make sales calls, or being able to hire qualified

salespeople. One advantage I have over most start-up operators is that I've had the opportunity to work in larger markets and smaller markets. I understand where On Top's opportunities are — and I utilize those to be able to build a company.

Have you been able to compete effectively as a single player in markets where other groups own five or six stations?

We've been very fortunate in being able to do so. WRXZ Albany currently ranks number three in the market 12+, number two 18-34, and number three 18-49. In Jackson, we rank number five 12-plus, number two 18-34, and number four 18-49. My level of programming has transcended to those stations, and we have systems set up with all of our program directors; they must work within those guidelines. We firmly believe that the ratings eventually will come in Norfolk, and the ratings are already on >> 20

Barker Capital Salutes Steve Hegwood and the rest of the On Top Communications Team.





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THE INVESTORS OF ON TOP COMMUNICATIONS ARE PROUD TO CONGRATULATE

STEVE HEGWOOD

ON ALL OF HIS ACCOMPLISHMENTS
AND ON HIS SELECTION AS ONE OF
THE 30 MOST INFLUENTIAL
AFRICAN-AMERICANS IN RADIO.



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Smith Whiley & Company

Broadcast Capital, Inc.

Milestone Growth Fund

Community Development Ventures, Inc.

(a group of venture capital funds supporting ethnic minority entrepreneurs)

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proving stage. Hopefully within the next few years, we can look back and say, "We're On Top; we have been funded properly again and again." When I started with Radio One, they had eight stations; currently they have 65. That's encouraging.

Is Radio serving local communities and individuals the best it can?

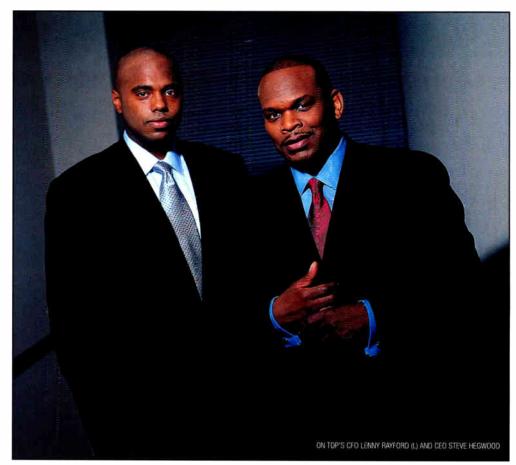
I will be very candid and tell you that Radio is not serving the local community as well as it has in the past. Because of consolidation, the Radio business is very Wall Street-driven. I remember growing up in Milwaukee, and the DJs would be in the community day after day after day. Decisions were made by community uproar, and programming decisions would be made by what the community wanted. Now, if an operator wants to do something, it is done without as much input from the community.

In what ways could Radio provide greater outreach for people?

One thing we really try to stress at On Top is that we want our stations heavily involved in the community. We want to make sure that our announcers and our managers are always involved. I'm always on a panel or at some community event or at some church; and so are our program directors, sales managers and general managers. They're all out there, meeting people, pressing the flesh, and getting to know the people in the community.

There's been a lot of criticism lately that Radio programming is too bland and that everyone's playing the same short list of records. What's your take?

The hits are the hits. I can't help it that Ja Rule, 50 Cent, Ashanti, and P Diddy are the hottest artists. Should I play obscure records just because I want to be different? If you play obscure, unfamiliar records too frequently on your Radio station, the listeners will find the hits on your competitor's. That means



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that a) you will not have the ratings you desire, and b) you will not be able to create the revenue your station has been projected to create. To those people who say, "Radio is not as creative as it used to be," I ask, "What are we supposed to play?" Most successful stations have some form of music research, and they're not just picking records for the sake of playing them over and

over.These records are obviously the best-tested records on those stations. There is room for specialty shows, but the only way you win is by playing the hits.

Let's shift gears a bit. To what degree is there still a divide in this country when it comes to racial diversity and opportunity?

There definitely is a racial divide in this country. It is very, very difficult for African-Americans to achieve any level of success other than sports, and even if we're successful in sports, we're criticized.

I've watched many successful African-Americans succeed before me, and the only thing I keep in mind is that I have faith in God. That's what drives nie. I can't allow any race of any person to slow me down, so I don't get caught up in that. But I have faced challenges by being an African-American. I am very sure that African-Americans must work extremely hard to prove that they are as good as or as qualified as they say they are. Even after a success, they are still challenged constantly.

Is there anything the FCC can do to ease this divide and provide greater ownership opportunities?

The FCC can't go to Clear Channel and take back 100 stations. What is done has already been done. And they can't go and create another 200 stations to give opportunities to minorities and women. So I don't know where the opportunities come from. Maybe it's through television or cable or newspaper. I don't have the answer to that, but I know that nothing will stop Steve Hegwood and On Top Communications, short of a national disaster.

As an African-American male who grew up in Milwaukee, a market that's 18-percent black, I knew I had to be as good as or better than anyone I competed against. That is something that comes from within. I don't look at OnTop as a small, black, minority-owned company. I look at it as a company that competes with Clear Channel, Cumulus, Inner City, and whoever else has an Urban-formatted station in the market. I don't look at it as "we can't be as good because we're minority-owned." We have to be as good or better because we're minority-owned.

That said, where do you find a solution?

The best thing to do, moving forward, would be to give minorities and women the opportunity to gain capital, to build a business, to compete with larger corporations. That would be my greatest request from Congress and from the financial industry. Let's say you have the opportunity to buy a Radio station or a newspaper — what do you use as capital to pay for it?

What are the keys to providing strong business leadership? What leadership qualities do you look for in your people?

I'm self-motivated, and I look for individuals who also are self-motivated — or individuals who would like the opportunity to build something and be a part of something great. My greatest reward in this business was to have been a part of Radio One's growth and success. It was truly rewarding to sit back and say, "Wow!" To this day, I'm extremely proud of what Cathy Hughes, Alfred Liggins, Scott Royster, Mary

Catherine Sneed and the rest of us were able to do. So I look for individuals who would like to be a part of something growing, something successful. I also look for people who understand that every single day I have a mission, and I have to accomplish the goal. My recommendation to all of our managers when we recruit people is to look at where they've been, and where they want to go.

How important is mentoring in today's competitive business climate? Is there as much "give-back" as there should be?

There are a number of people who do give back. I will give anything that's in my brain to anyone who works with us. My way of looking at it is this: The more I teach other individuals, the more it makes my job easier at On Top. If I can teach someone else how to do something, it educates them on how to be more diverse at what they do. One thing I dislike about Radio now is that people who get in it are one-track. When I got into

Radio in the early 1980s, you did everything. But younger people want immediate gratification. They say, "I want to be Tom Joyner or Doug Banks or Howard Stern." The fact is that these guys did everything in Radio to get where they are, so I like to preach to younger people to understand the entire business. I tell them I understood the sales side, growing up as a programmer, and I understood the engineering side. I can tell you when a station sounds bad or if it is distorted or if a commercial is out of phase. There are PDs now who have no idea what I'm talking about.

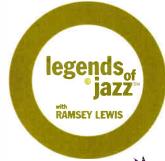
Has it been difficult to prove that someone who came out of programming has the wherewithal to put together and run a successful broadcast company?

Although I was vice president of programming for Radio One, I did understand the other side. I spent six years understanding sales and the financial side of this business, and » 24

United Stations Salutes Radio Ink's 30 Most Influential African-Americans in Radio











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why you make acquisitions. I was on a number of trips with Alfred when we would look at potential acquisitions, trying to determine which stations we should acquire. We went into a market, heard the station, and did the back-of-the-envelope figuring: the potential share and revenue for the station, and how much we could pay for it. I think that it's because I was in programming that I also understood why we did what we did — why we acquired the stations we acquired.

So it's because you were a programmer that you have a specific set of skills that gives you insight into growing a station's revenue?

My biggest asset was that I understand how to program a Radio station and how to get a share. You can have great ratings and no revenue or great revenue and no ratings — I've seen it both ways. But it's bad to have no ratings and no revenue. My biggest challenges have been learning and continuing to learn

the entire financial side of the business, and then putting together a strong management team in each of our markets to generate the revenue we want.

Has the fast-track process of consolidation hurt the people aspect of the business?

Actually, consolidation has afforded us the opportunity to hire very qualified people. Tom Kennedy is our general manager at KNOU in New Orleans. Carolynn Jones is our GSM, and Lamonda Williams is our PD. John Tyler, who worked at Gannett and Cumulus, is our GM of WWHV in Norfolk, and he has done an exceptional job with virtually no ratings.

We average a 1.5 share of the market, but we made our budget last year. Overall, when you look at the available pool, if you understand where your company is and what you're looking for, you decide whether an individual fits the company. Whether a person is a jock, a program director or a

business manager, if they expect us to be Clear Channel next week, they're in the wrong company. We have growing pains; we have the challenges that go along with that. We're a small, minority-owned company that is growing. We watch every penny that's spent.

What's your overall business strategy that has allowed you to come into a market and achieve strong success in the ratings—and in revenue?

I can't give away any of our secrets, but I can tell you that we are very focused on everything that happens on the Radio station. We sell virtually everything: the Top 8 at 8 countdown, special concerts, special appearances to qualify for tickets, music mix shows — whatever there is. We also look at OnTop's success as being able to secure the "low-hanging fruit," and our ratings allow us to achieve our national revenue.

Where do you see growth in Urban Radio?

The biggest growth for Urban Radio is gospel. It's here to stay, and it is the next wave — what everybody will switch to. It's an efficient format to debut in a market with a large African-American audience.

What's the greatest challenge in keeping Radio fresh?

There are a number of things Radio can do to stay fresh - not just freshening your promo or your imaging sweepers, but also doing things in the community. Let me give you an example: The Norfolk region is known as Seven Cities, and we're taking our popular afternoon-drive personality on a tour of the region. It's called the Hercules Hot Seven Cities Tour, and every Friday, he'll broadcast live from a different community. You have to stay in tune to what's happening in your community. They want to see you. They want to touch you. They want to hug you.

Congratulations, Steve Hegwood You are "The Phenomenal Man"

You've heard of the "Phenomenal Woman." Well, Steve is the "Phenomenal Man."

Let me say that many people wonder where Steve's secret lies. He's not cute or built to suit a fashion model's size... But when I start to tell them of all the good Steve has done in the radio industry, they truly open their eyes... I say, it's in the reach of his arms, the span of his hips, The stride of his step and the curl of his lips... Steve is brilliant, talented, dedicated, fabulous,

A radio visionary, and...yes, a genius...

He is a man Phenomenally, Phenomenal man, that's Steve.

Steve walks into a room, just as cool as can be...

I say, it's the sun in his smile, the fire in his eyes, the flash of his teeth and the joy in his feet...

Now you understand just why Steve's head's not bowed.

He doesn't shout or jump about or have to talk real loud... When you see Steve passing, it just makes you proud

'Cause Steve is a man Phenomenally,

Phenomenal man, that's Steve

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What do you see as Radio's greatest competitor, and is the industry prepared to meet that challenge?

Radio's greatest challenge is the Internet. If you're able to download music legally or illegally, you're able to get it and utilize it in many ways. This is one reason that we in Radio must become better programmers. We have to create innovative programming for listeners so they're excited by the compelling programming.

I'm a big fan of MTV and BET; they do a great job of preplanning what happens, and we in Radio must get better at doing that. This means that, if there's something coming up, you're able to plan for it, to have a special prepared, rather than waiting for something to happen and then scrambling to put something together.

Steve Hegwood: Off The Top

What leisure activities do you enjoy? Attending Washington Wizards games and listening to Radio stations as I travel the country. Also, I enjoy watching BET and MTV.

What books do you recommend? Who Moved My Cneese? and the Holy Bible

What books are on your night stand right now? The Bible, Understanding Broadcast, Cable Finance, Fortune, Vibe, Source

Who are your mentors or role models? Former Green Bay Packer/Hall of Famer/President of All-Pro Broadcasting Willie Davis; Lowry Mays; Cathy Hughes; Opran Winfrey

If you had 30 minutes to talk to one person, whom would that be? Bill Gates

Whose phone calls do you always return? Those of my investors, board members and potential investors

If you could go back in time, where/when would you go? To live in Atlanta in 1995: Atlanta is an incredible city.

To whom did you listen on the Radio when you were growing up? OC White/Larry O'Jay on WAWA in Milwaukee; Tom Joyner on WJPC in Chicago; Doug Banks/Marco Spoon on WBNX in Chicago

What did you want to be when you grew up? CEO of a broadcasting company

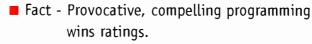
What is your favorite Radio format? Urban-Hip-Hop and R&B "for life" and CHR

What's your #1 "guilty pleasure" website? Eviplist.com, 100,000watts.com, BET.com, NBA.com, BDS.com, Broadcast Urban.com, VARTV.com

What has been your most unattainable goal? To balance work and personal life

Of what achievement are you most proud? To have been a part of the Radio One success and to have created On Top Communications LLC





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The 30 Most Influential AfricanAmericans In Radio

As the Federal Communications Commission contemplates revising its media ownership rules, debate still rages about the degree to which deregulation and the rapid-fire, consequent consolidation have changed the Radio industry. Some individuals, both inside and outside the Radio industry, insist that consolidation has severely limited minorityownership opportunities. The challenges of minority ownership cannot necessarily be laid at the Commission's feet, as many broadcasters suggest that the availability of capital - not stations - is the greatest roadblock to post-consolidation minority ownership.

This year, as Radio Ink began to compile its list of the 30 Most Influential African-Americans in Radio, we looked in part at the opportunities — or lack thereof — that minorities have, both in ownership and career advancement. "There are fewer owners due to a variety of reasons ranging from cost to competition,"

says Karen Slade, vice president/general manager at KJLH Los Angeles. "Many independent operators have sold out, and those that remain have consolidated jobs into group, regional and national positions. The demands are much higher on fewer and fewer people, and it's very difficult to work your way through the corporate maze to get to the top."

"Consolidation has provided some incredible opportunities for advancement, but not enough opportunities for minority ownership," observes Clear Channel VP/Director of Urban Radio Doc Wynter. "However, given the current economic climate, I doubt minority ownership would be much better off without consolidation. We shouldn't need the government to tell us this is the right thing to do. It's every company's responsibility."

"The focus should be on changing the way financial institutions and big money investors give African-Americans, women, and other minorities the chance to access the necessary resources to explore ownership," says Clear Channel-Memphis Regional VP/Market Manager Bruce Demps.

It was within this climate of debate that Radio Ink began this year's list. To initiate the process, we invited our African-American Radio Advisory Board to help us identify those 30 men and women they view as the "most influential" in Radio. We then looked at each individual on their lists, narrowing the list to the 30 you will see on the following pages. Finally, we in-

vited a select group of individuals to help us "rank" the names
— always a difficult task.

There are some new names on this year's list, just as there are some people whose faces are noticeably absent. All in all, we feel that our African-American Radio Advisory Board has performed an exemplary job of identifying those men and women who are most deserving to be on this list. If you agree, they deserve 100 percent of the credit. On the other hand, if we missed someone, Radio Ink accepts all responsibility.

Special Recognition

Sherman Kizart, Vice President/Director of Urban Radio, Interep Once again, Radio Ink wishes to extend its sincere thanks and appreciation to Interep's Sherman Kizart. Without his assistance as chairman of our African-American Advisory Board, as well as his tireless efforts to promote the power of Urban Radio, Radio Ink would not be able to produce this annual issue of the Most Influential African-Americans in Radio. Kizart's counsel, leadership and insight continue to be of great value not only to Radio Ink but also to minority broadcasters and the entire Urban Radio community. Thank you, Sherman, for your ongoing commitment to promoting a greater understanding of the issues facing all minorities throughout the Radio industry.



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To Showcase Urban Radio's Impact on the \$646 Billion African-American Marketplace Multi-cultural Marketing Experts, Nation's Top Marketers, Urban Media Leaders Converge to Raise Awareness – and Raise Ad Revenue – for Urban Radio.



Panel — The Power of Urban Radio-A CEO/COO Perspective — Sherman Kizart, Interep; Ralph Guild, Interep; Steve Hegwood, On Top Communications; Mary Catherine Sneed, Radio One; George Pine, ABC Radio Sales; Kay Olin, Interep; Charles Warfield, ICBC Broadcast Holdings, Inc., Jeff Smulyan, Emmis Communications; Lew Dickey, Jr., Cumulus Media



Panel — Achieving Successful Market Segmentation with Urban Radio's Format Appeal — Walt Love, Excelsior Radio Networks, Moderator; Tony Brown, WVEE, Connie Flint, WPZE, Jerry "Smokin B," WHTA



Former Mayor of Atlanta, Bill Campbell

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Format Diversity. Cultural Relevance.

Audience Buying Power of \$646 Billion, and Growing...

URBAN RADIO. We get it.



Panel — The Value of the African-American Market: A Marketer's Perspective — Hussein Warmack, Coca-Cola Classic; Gwen Kelly, America Family Insurance; Tanya M. Diggs, Gateway; Leisa Byars, Ford Motor Company; Spencer Gillette, Blimpies



Panel — Blending Strategy with Creativity: An Ad Agency Perspective — Moderator, Al Anderson, Anderson Communications, Robert Saltzman, RES Ventures, Deborah Gray Young, E. Morris Communications, Howard Robertson, Trust Marketing; Kendra Hatcher, Starcom Advertising; Ella Britton, Burrell Communications



Panel — Urban Radio: The Medium to Reach African-Americans — Ken Smikle, Target Market News, Moderator; Clyde Allen, Allen & Partners; Julian Davis, Arbitron; Hugh Brown, The Media Audit

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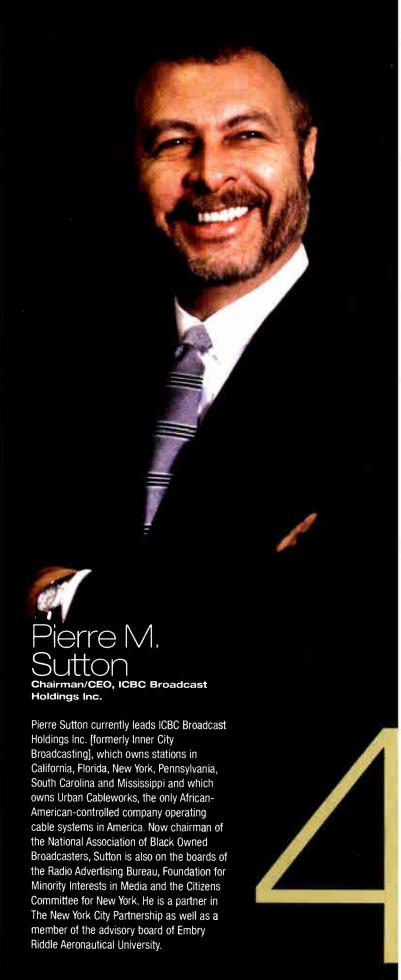
As always, we serve our multi-cultural radio station clients best by exceeding the goals of our joint customers – advertisers and their agencies.



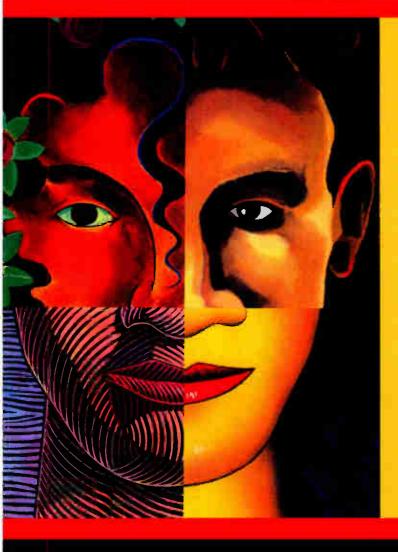


As founder of the Tom Joyner Foundation, BlackAmericaWeb.com, and host of the nationally syndicated *Tom Joyner Morning Show*, Joyner is considered one of the most influential, inspirational and dynamic personalities in Radio. He was named "2002 Person of the Year" by *Savoy* magazine, and has taken an active role in getting African-Americans to vote by requiring proof of voter registration as a condition of admission to his city-to-city "sky show." He and members of his crew also have prompted major companies to stop discriminating against African-Americans and Hispanics in advertising, and he's working with the U.S. Department of Health and Human Services to raise health awareness among African-Americans.

A graduate of Tuskegee University, Joyner began his broadcasting career at WRMA in Montgomery, AL. He subsequently moved on to WLOK Memphis, KWK St. Louis, KKDA Dallas, and four stations in the Chicago market. He earned national recognition in the 1980s, when he flew on a daily basis between his morning-show gig at KKDA and his afternoon-drive position at WGCI Chicago. He earned not only 7 million frequent flyer miles, but also the name "Fly Jock" and a following that today has become arguably the largest audience of any Urban Radio host.







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special feature



President/COO, ICBC Broadcast Holdings Inc

Because of lingering misperceptions about African-American and other minority audiences, Warfield says it is critical to meet these challenges head-on. "Because we represent minority communities, we have the opportunity to sit in front of the people who are making these decisions for the wrong reasons," he says. "We have the opportunity to explain to them why they're wrong and to educate them about the shortcomings in their reasoning. We get to correct the misperceptions and the falsehoods they have assumed about our community." Warfield says these are the unique challenges that give him passion to come in to work every day. "That's part of what we look for in people to work at our Radio stations," he explains. "It doesn't matter what color they are - what matters is whether they have the passion to fight those battles, the passion to go out and represent the communities we serve."



Prior to being named to his current position in December 2002, Mayo had been president of media consulting firm Mayomedia since 1995. Before that, he was president of Broadcasting Partners, a 12-station publicly traded company with properties in New York, Dallas, Detroit, Chicago and Charlotte. A veteran programmer, Mayo also served as PD at WRKS New York, WGCI Chicago, WMAK Nashville, WRAP Norfolk, and KALO Little Rock. In 1995, he received the Entrepreneur of the Year award from the National Black Programmers Coalition.





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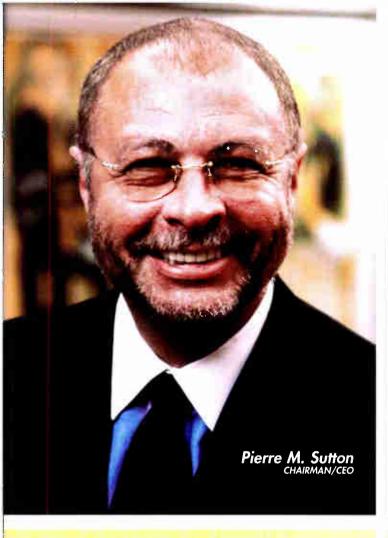
WWDM-FM & WMFX-FM & WARQ-FM & WOIC-AM/COLUMBIA, SC

WSRF-AM/FORT LAUDERDALE

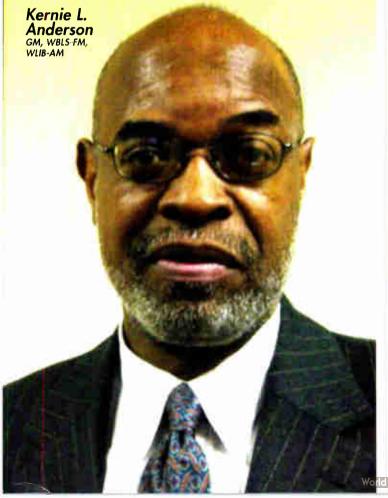
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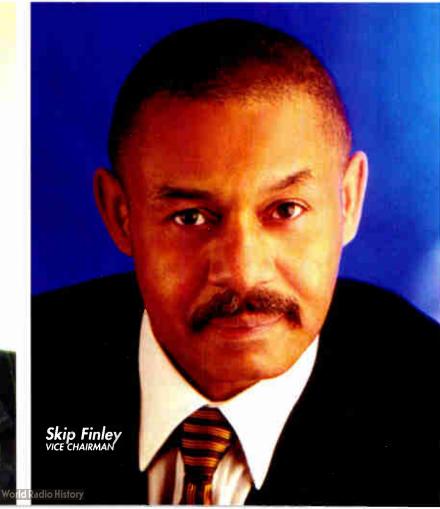
WHAT-AM/PHILADELPHIA,PA

WURP-AM/PITTSBURGH,PA

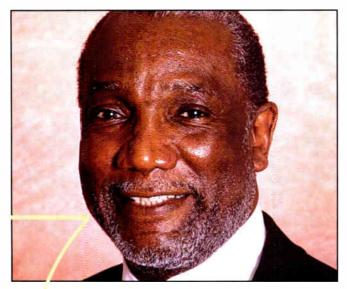








special feature



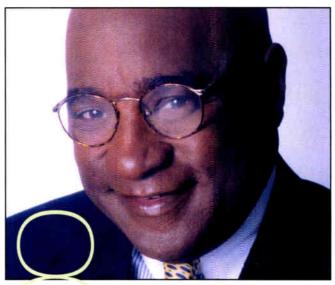
Earnest James VP/GM, KFRC/KKWV/KYCY San Francisco

James says that the key to being a successful manager of multiple Radio stations is to "identify, hire and retain excellent people, giving them the responsibility for managing the portion of the enterprise that is their area of expertise. You must have great sales leaders, great program directors, great engineers and great business managers. Then you must not be afraid to let those people do their jobs to the best of their ability." Prior to assuming his position as VP/GM of Infinity-San Francisco, James was VP/market manager for seven Clear Channel properties in New Orleans.



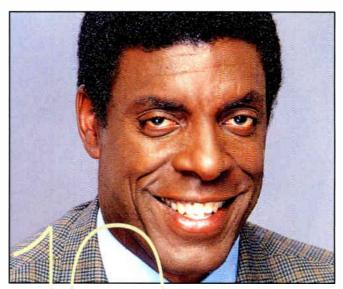
Sydney Small Chairman, Access.1 Communications Corp.

In 1973, Small co-founded Unity Broadcasting Network and National Black Network, and later partnered with the Sheridan Broadcasting Network to form American Urban Radio Networks. Currently, he is chairman of Access.1 Communications — the successor to Unity Broadcasting — which owns Radio stations in Texas, New York and Louisiana, as well as SupeRadio and a 49-percent interest in AURN. He also is chairman of Urban Communicators PCS, and a board member and past president of the National Association of Black Owned Broadcasters.



Mary Dyson President/GM, WGCI-AM/FM, WVAZ-FM Chicago

During Dyson's long Radio career, he says he has been privileged to have hired and worked with such noted Chicago Radio personalities as Steve Harvey, Crazy Howard McGee, Herb Kent, Tom Joyner and Doug Banks. He considered his parents, who both worked in Radio, to be his primary and most influential mentors. Dyson began his Radio career at WJPC in Chicago in 1968 and has made that his home market ever since.



Darry Brown
Executive VP/GM, ABC Radio Networks

A 20-plus year veteran of ABC Radio, Darryl Brown is responsible for ABC Radio Networks' overall operations, including affiliate relations, Urban programming, 24-hour formats, marketing, research and human resources. "Over the past two decades, I have watched ABC Radio evolve from an allnews service to a diversified program provider offering ESPN Radio, Tom Joyner, Doug Banks and Radio Disney," he says. "We have the strongest brands in sports, news, Urban format and programming for children."



Quetzal/JPMorgan Partners

We Salute the Following Executives of Our Portfolio Companies For Their Recognition as the Most Influential African-Americans in Radio

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Radio One, Inc.

Archway Broadcasting Group, LLC.

Pierre Sutton

Cathy Hughes

Al Vicente

Skip Finley

Alfred Liggins

Charles Warfield

Wayne Brown

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special feature



Michael Carter
President/GM,
Carter Broadcast Group Inc.

Growing up in the family Radio business, Carter made his on-air debut at age 8. As an adult, he worked for several years as the vice president of Carter Broadcast

Group, and his grandfather named him president in 1987. Carter has been consistently active in the community, and he is on the boards of the Urban League, Swope Parkway Health Center, the YMCA, the American Red Cross, the Negro League Baseball Museum, and many others. He is also vice president of the National Association of Black Owned Broadcasters. Carter Broadcast Group Inc. was inducted into the Mid-America Education Hall of Fame in 2000 for its countless work in the community.



Al Vicente
President/CEO, Archway Broadcasting
Group LLC

An immigrant from the Cape Verde Islands in West Africa, Alcides Vicente began his broadcasting career after graduating from New Mexico State University. He got his start in ethnic block programming on WICE Providence, and later served as general

manager with several Radio companies. He founded Archway Broadcasting Group in 2002 with funding and partnering with Quetzal/JPMorgan Partners. Today, the company owns or is contracted to purchase 13 stations.



Steve | CEO/President, On Top Communications

"There definitely is a racial divide in this country," says Hegwood, who founded On Top Communications in 1998. "It is very difficult for African-Americans to achieve

any level of success other than sports — and even if we're successful in sports, we're criticized. I've watched many African-Americans succeed before me, and the only thing I keep in mind is that I have faith in God. That's what drives me. I can't allow any race of any person slow me down, so I don't get caught up in that myself."



E.J. "Jay"
Williams
President, American Urban Radio
Networks

Williams is responsible for sales, marketing, advertising, program development, promotion, public relations, research, strategic planning, new ventures and cor-

porate development. Before joining AURN, he was chairman/CEO of Strategic Communications Group, where he founded a marketing and management consulting firm for broadcasting, media, film and corporate clients. Williams was an architect of the merger that created AURN.



Wayne K Brown VP/GM Radio One Atlanta; Regional Manager, Raleigh, N.C./Charlotte, N.C.

Wayne Brown is a native of Washington, DC, and a graduate of Syracuse University's Newhouse School of Communications. He joined Radio One in

2000 as vice president and regional manager of the company's Charlotte, Raleigh/Durham, and Atlanta properties. In this position, he oversees operations of the three markets and also assumes the responsibilities of VP/GM for the Atlanta stations, supervising the day-to-day operations of WHAT-FM, WJZZ-FM, WPZE-FM and WAMJ-FM.



Chesley MaddoxDorsey President/COO, Access.1 Communications Corp.

As president/C00 at Access.1
Communications Corp., Maddox-Dorsey oversees operations of the company's

Radio stations and Radio network properties. Prior to joining the firm, she was senior vice president in the investment banking division of Brenner Securities, where she was responsible for the media and entertainment practice of the firm. In this capacity, she worked on mergers, acquisitions, and capital for the firm's media and entertainment clients.



Clear Channel Radio/St. Louis; Regional VP/MO, KS, IL

"I don't believe minority ownership has anything to do with 'employment opportunities,' because those companies that are minority-owned have few minorities as general managers and senior managers," says Clear. "Obviously, minority ownership

does not equate to an increase in employment opportunities for minorities." He says that minorities should take the initiative and "do a better job of identifying potential managers, mentoring those people and recommending them to our owners. That would silence the comment, 'We can't find any.'"

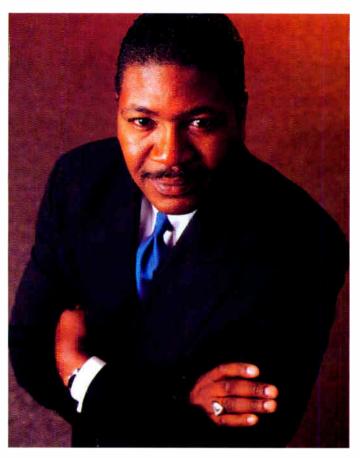


Kernie
Anderson
Station Manager, WBLS-FM, WLIB-AM,
New York

With nearly 40 years' experience in Radio, Anderson says he has seen and done it all, from being a messenger and porter to his current position. Two words that best

describe Anderson's dedication to Radio are "service" and "leadership." Always inspiring his employees to "play above the rim," he has worked hard to build not only a strong margin, but also a solid community presence. "Good public service is good business," he says.

Congratulations to Michael Carter



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special feature



Bruce
Demps
Regional VP/Market Manager,
Clear Channel Radio-Memphis

Prior to consolidation, there were a lot fewer African-Americans who were given the chance to run non-Urban properties, says Demps. "The evidence shows there

are a lot more African-Americans running Country, Rock and News/Talk stations today than there were before consolidation, and that wouldn't have happened if deregulation hadn't created an environment that was conducive to it." Furthermore, Demps says that the FCC should not be actively involved in promoting minority ownership. Instead, he explains, "The focus should be on changing the way financial institutions and big money investors give African-Americans, women, and other minorities the chance to access the necessary resources to explore ownership."



Zemira Jones President/GM, ABC Radio Chicago

Jones oversees News/Talk 890 WLS and 94.7 "The Zone" WZZN-FM. In addition to these management duties, he also introduced two new format concepts to the market: ESPN Radio 1000, the flagship station for ESPN's latest network brand extension, and Radio Disney 1300 AM. Jones is

an active community member, serving on the boards of the Illinois Broadcasters Association, Chicagoland Chamber of Commerce, Streetwise Newspaper, Volunteers of America of Illinois, and the Associated Press Advisory Board. He also mentors young people and students who are new to the business of broadcasting.



Rick Caffey
Sr.VP/Market Manager, Infinity Allanta
Radio Group

Prior to joining WAOK and WVEE, Caffey was station manager of WALR and general manager of the Atlanta Urban Radio Alliance. He has extensive experience in Urban Radio, having run the No. 1 and No. 2 stations in Memphis, WHRK and WDIA for

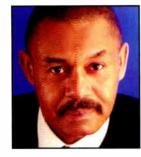
U.S. Radio. He previously was general sales manager for Bonneville's WTMX-FM in Chicago.



DOUG BANKS
Syndicated Personality,
ABC Radio Networks

Born in Philadelphia and reared in Detroit, Banks began his Radio career in high school as an on-air personality for the school's Radio station. Local station WDRQ took note of his talent and hired him as a temporary late-night weekend disc jockey.

After graduation, KDAY Los Angeles made him an offer Banks didn't refuse. He subsequently moved to Chicago, Las Vegas, San Francisco and back to Chicago. Eventually, ABC syndicated *The Doug Banks Show*.



Skip Finley
Vice Chairman, ICBC Broadcast Holdings, Inc.

"Consolidation is a historic event, not just a state of mind — and based on that, ownership opportunity now is probably greater," says Skip Finley, who was named to his current position in January. "Consolidation helped prove Radio to be a stable business with high margins, and that

has made financing and investment more attractive than in years past. I think better business conditions provide more opportunity for employment." Finley says the FCC abdicated its rulemaking role some time ago, beginning with de:egulation and ending with consolidation. "In that regard, I very much support portions of Senator McCain's ownership initiatives," he says.



Jim Winston Executive Director, NABOB

Winston is executive director and general counsel of the National Association of Black Owned Broadcasters Inc. and a partner in the Washington, D.C. law firm of Rubin, Winston, Diercks, Harris & Cooke L.L.P. Prior to joining NABOB in 1982, Winston served in several positions in pri-

vate law firms and corporations; and from 1978 to 1980, he was a legal assistant to FCC Commissioner Robert E. Lee.



Karen Slade VP/GM, KJLH, Inglewood, CA

Slade says media ownership and employment opportunities have worsened in the wake of consolidation. "There are fewer owners due to a variety of reasons, ranging from cost to competition," she says. "Many independent operators have sold out, and those who remain have consoli-

dated jobs into group, regional and national positions. The demands are much higher on fewer and fewer people, and it's very difficult to work your way through the corporate maze to get to the top."



DOC Wynter VP/Director of Urban Radle,

"Consolidation has provided some incredible opportunities for advancement, but not enough opportunities for minority ownership," says Wynter. "However, given the

current economic climate, I doubt minority ownership would be much better off without consolidation." Still, he says, "We shouldn't need the government to tell us this is the right thing to do. It's every company's responsibility. We're making great strides in this area in Clear Channel, and our Minority Mentoring Program is the kind of program that endeavors to prepare broadcasters for the heights they aspire to reach. If that includes ownership, then they'll be ready when the opportunity presents itself."



A veritable pioneer in the Radio broadcasting industry, Kidd's developmental work with the nation's first station to broadcast the Black Adult Contemporary music format has earned him respect among his peers. Possessed of an entrepreneurial mind, Kidd and his wife, Jennifer, also share the helm of TJ Communications Inc., a business they formed nearly 10 years ago.



During her 22-year Radio career, Armstead has worked as an account executive, local sales manager, national sales manager, as well as a sales and marketing consultant for US Radio's KDIA Oakland. She currently oversees Clear Channel's four FM properties in Norfolk, VA, and is credited with introducing Smooth Jazz to the market — vaulting that station to the top spot in the lucrative 25-54 demo.

Special Recognition

FCC Chairman Michael Powell

While it could be (and has been) debated whether Federal Communications Commission Chairman Michael Powell should be included as one of this year's 30 Most Influential African-Americans in Radio, Radio Ink decided to preserve that list as one that recognizes Radio broadcasters in the truest sense. Certainly, as the top regulator in Washington, Powell probably wields more power and has more influence than any other individual in the Radio industry. His true sphere of influence, however, extends well beyond the Radio industry, and that far-reaching scope - as well as the political nature of the job itself - has led Radio Ink's editorial advisory board to identify 30 other men and women who have made a career of Radio. Still, Powell's position at the FCC cannot be ignored, and we believe that any recognition of the most influential African-Americans in Radio would not be complete without special mention of FCC Chairman Michael Powell.

Walt Love

Syndicated On-Air Personality/Producer, Excelsior Radio Networks

With more than 30 years in the business, Walt "Baby" Love has made a name for himself as one of the most talented and respected broadcasters in urban Radio. A three-time nominee to the Radio Hall of Fame, Love — in partnership with Excelsior Radio Network — currently syndicates four Radio shows, including *The Countdown With Walt "Baby" Love*. He has received the Hal Jackson Award for Excellence as well as Impact's Salute To Excellence African-American Man of the Year award.

Abe Thompson,

Thompson, a Chicago native, is considered one of the Radio industry's most successful broadcasters. He began his career in sales in 1975 at WVON Chicago, later moving to WGCl and making that station one of the top billing properties in the market. With his wife, Launa, he moved to Detroit and turned WRIF into a Detroit powerhouse, only to return two years later to Chicago to manage WVAZ. Thompson is a board member of the Illinois Broadcasters Association and author of a new book, *My Thoughts, Your Book, Our Journal.*



Congratulations Abe!

(We suppose this means more hugs all around?)



Federated Media South Bend

Point-Counterpoint

LEONARD KAHN & ROBERT STRUBLE

Deployment of HD Radio

By Reed Bunzel, Editor-In-Chief

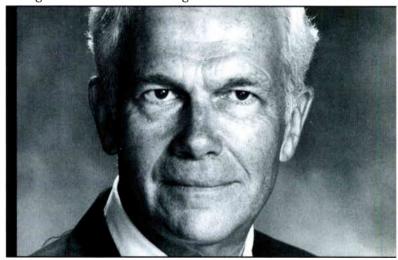
In the early days of the development of digital audio broadcasting, In-Band, On-Channel (IBOC) advocates were adamant that the Radio industry should not repeat the debacle of AM stereo. Indeed, one of the primary objectives was to ensure that any IBOC system was as thoroughly researched and tested as possible, so that the FCC could establish a single standard, rather than leave the decision to the same "marketplace factors" that many critics claim caused AM stereo never to catch on. That IBOC system, developed by iBiquity and approved last fall by the FCC, is on track for rapid adoption throughout the industry.

"This is the most thoroughly tested system in U.S. Radio broadcasting history," said iBiquity Chairman/CEO **Robert Struble** in a Radio Ink interview last September. "We know it works everywhere. It works in the concrete jungle of New York and the hills of San Francisco and the swamps of Florida and everywhere between." Struble explained that, after full FCC adoption, the cycle of full transition to digital IBOC Radio would take approximately 12 years, during which time individual broadcasters could elect to convert to IBOC — or not.

The prospect of that shift is frightening to some folks, especially **Leonard Kahn**. You remember him: He's the founder of Kahn Communications, and many Radio broadcasters (rightly or wrongly) blame him for killing any chance of achieving widespread deployment of AM stereo technology. He's not the only IBOC detractor: A number of broadcasters have balked at the prospect of having to pay tens of thousands of dollars for new technology and licensing fees to shift to iBiquity's HD Radio IBOC signal. To that

end — and also in the interest of his company, which manufactures AM stereo transmitters — Kahn recently filed a petition asking the FCC to take another look at the process it used to approve iBiquity's IBOC technology, as well as the technology itself.

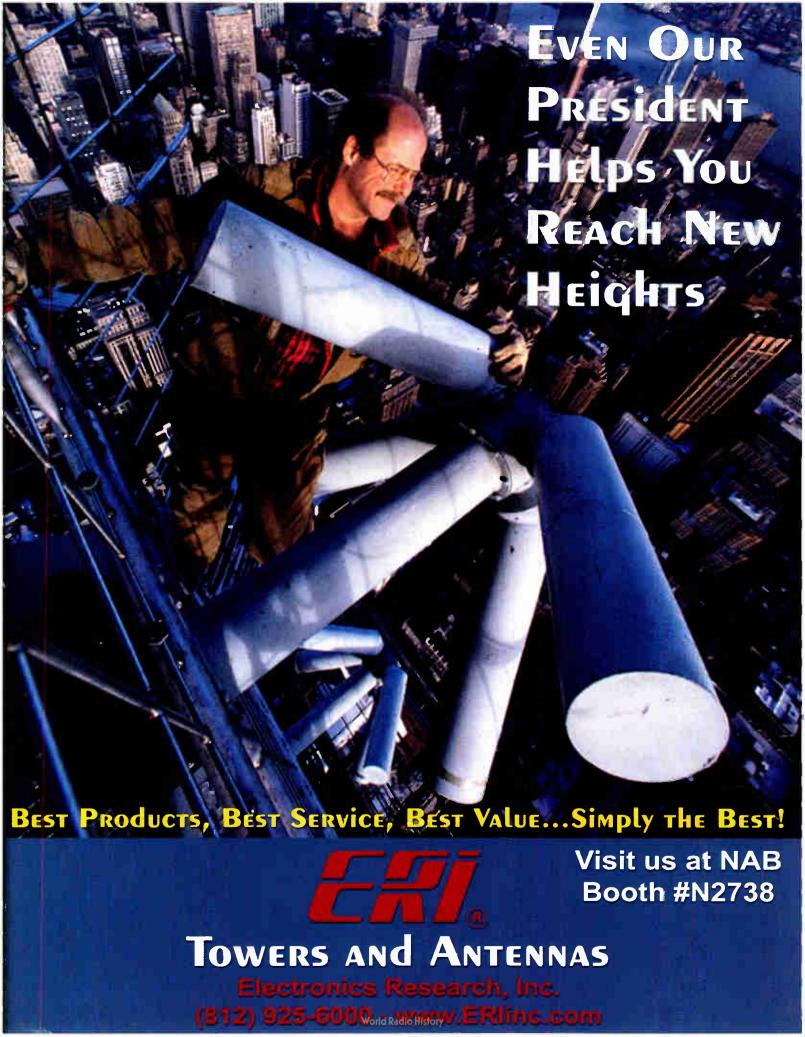
Radio Ink invited Kahn and Struble to discuss the issues of IBOC, the FCC approval process, and the technological "soundness" of digital audio.



LEONARD KAHN, PRESIDENT, KAHN COMMUNICATIONS

"A number of broadcasters are frightened by all of this," begins Kahn, who concedes that, as a manufacturer of AM stereo broadcasting equipment, he's concerned about what HD Radio will do to his business. "This process has been moved through the FCC at the most

incredible speed I've ever seen. It took all of eight months on the AM side of the equation to get this approved, and having worked on new technology before the Commission over the years, I believe eight years would be a reasonable period." Kahn says that the process was hastened by interests of the corporations and organizations that have been pushing the » 44



Point-Counterpoint

adoption of In Band, On Channel DAB since it was first conceived more than a decade ago.

An outspoken critic of digital broadcasting, Kahn is a little gun-shy about voicing his opinion in the press. To that end, he prefers to quote from the eight-page Petition for Rulemaking Request he recently submitted to the FCC.

"The petitioner respectfully requests the Commission to initiate a rulemaking proceeding and also initiate a notice of inquiry," Kahn says. "The main purpose of such proceedings are 1) Revise the procedure for evaluating new technology; 2) Using the revised evaluation procedure, reinvestigate the technical basis the Commission used to support its MM99325 order, as said order is based on flawed advice that violates the very essence of viable broadcasting. In order to avoid irreparable harm to the public while these proceedings are being conducted, the petitioner respectfully requests the Commission to stay its MM99325 order in its entirety."

Kahn says that his main argument, again quoting from the brief, is that "in its starkest terms the MM99325 rulemaking can dramatically alter AM and FM Radio as we know it, converting a service that almost every single American uses every day of the year to a new form of unproven technologies whose AM version only works during daylight hours, and occupies 1-1/2 times the current bandwidth.

"Furthermore, it is a major step in...a plan to fully digitalize Radio broadcasting, which will render obsolete every single Radio receiver owned by the public, and require their replacement with more-expensive Radios. In addition, the final plan, and even the interim plan, requires massive equipment and license expenditures by AM and FM participating stations. These huge costs, as well as a dramatic increase in interference, may force many independent rural stations out of business."



Kahn is amazed that the FCC approved a DAB plan that would result in the obsolescence of every analog Radio in the U.S.: "There's 800 million Radios out there," he says. "Can you imagine what the public reaction will be? It's just incredible to me."

Kahn says that the National Radio Systems Committee (NRSC) has stated that stereo is the main feature of AM DAB, but argues that "the FCC can revitalize AM with stereo in 24 hours without DAB, and do it night and day." In fact, Kahn says, "in the very first paragraph of the report's conclusion, [the NRSC] claims that 'digital AM...offers a chance to revitalize AM broadcasting, offering near-FM quality stereo reception.' But the FCC has reports from stations in every major market... that Kahn Communications sideband stereo provides full signal coverage day and night."

The concept of "digital" also is overblown, Kahn continues. "The term 'digital' has been used so badly to confuse the public," he says. "It does not mean high fidelity, and it does not mean good quality. It has nothing to do with those things. It does one thing: It reduces noise of signals that are already in a good signal-to-noise ratio. You poke one bit below it and you get nothing — total loss of signal. That doesn't make any sense in broadcasting when you have to deal with tremendous variations."

ROBERT STRUBLE, CHAIRMAN/CEO, IBIQUITY

"We did our petition for rulemaking 4 1/2 years ago," Struble says. "The Commission put out the Notice of Proposed Rulemaking in 2000. That's a call for anyone to say whatever they want; it's a matter of public record. The NRSC process was totally open and public. All the test results we submitted to the NRSC, and then the NRSC evaluation of those results was public process. Every step of the way, there were calls for public comments"

Still, petitions like Kahn's are part of the process, Struble continues. "Anyone can ask the FCC to change what they said in their rule; it's still a public and open process. But our analysis indicates there isn't anything particularly new in his concerns that haven't already been tested, answered and documented."

Unlike Kahn, who claims that the FCC's approval process was too short, Struble maintains that it wasn't quick enough. "This is now the most thoroughly tested system in U.S. broadcasting history," he observes. "There's been much more testing and documentation than was done on digital television, and it's all been public." He concedes that the submission of test results may have taken somewhere around eight months, "but the system has been under

development for years, and the testing has been going on for years. The AM system was fully documented way back in 1998, when we did the initial filing, so we don't believe there was a rush either on AM or FM."

There's no question that engineering a viable IBOC system for AM always has been a much greater challenge than developing one for FM, and Struble insists that iBiquity and other proponents have spent considerable time working on it because it's critical to IBOC's success. "It's an important part of Radio, and we're committed to make sure we have something that helps AM broadcasters into the digital world," says Struble, acknowledging that the FCC currently has approved daytime-only AM. "The next steps - and we're working with the NAB on this — is to do a lot more testing at night to try to analyze exactly what potential impact the introduction of HD Radio at night would have on the existing analog band." That testing was done through the summer and the fall of last year, and Struble says iBiquity currently is assembling that report, which it soon will send to the NAB and the FCC.

Is digital an "overblown" concept, as Leonard Kahn maintains? "There are people who say they'd rather buy a wax album than a CD," Struble says. "They're the ones who will prefer analog, and they're going to exist in a digital world. But it's really just a small percentage of the population." Struble cites numerous consumer studies that have compared analog audio to digital, with the results pointing to "an overwhelming belief that digital is better than analog."

Additionally, analog Radio could have trouble surviving in a digital world, as young "early adopters" set the tone of new consumer electronics. "Everything else in the world is already digital," Struble explains. "And if we're going to keep this great medium relevant to that group, eight years won't cut it."





Harris offers one of the world's first commercial IBOC DAB exciters, DEXSTAR. Industry insiders know that Harris is responsible for most of the innovation in radio transmission products for the last 35 years. So it should be no surprise,

that Harris is also the leader in IBOC DAB products. The DEXSTAR IBOC exciter is designed by Harris engineering, built to exacting standards in the world's largest broadcast transmitter-manufacturing facility and backed by a service department, recognized the world over for quality and commitment. If you're looking for a digital broadcast solution, from beginning to end, that offers the most advanced performance and reliability, stop searching. X marks the spot for Extreme Digital from Harris.

next level solutions

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DOS CHECKLIST

By Diane Holl

- 1. Think about the future what might be coming next all the time.
- Make sure your team managers are communicating, cooperating and collaborating with each other daily.
- 3. Have systems in place for everything (even vacation schedules).
- 4. Keep your team playing in the game, and enjoy the game or get out.
- 5. Keep your eyes wide open to changes in the market.
- 6. Focus your team leaders to find and hire the best talent possible and overhire. Always be prepared to lose your best.
- 7. Make sure a plan is in place for managing the inventory and that someone is accountable for each of the station's inventory and its pricing.
- 8. Make sure team leaders are doing one-on-ones with the reps and are spending time with them in the field.
- Do account reviews; you can't expect what you don't inspect.
- 10. See your clients, spend time with your leaders and reps of the team, and have fun!

Diane Holt, group director of sales for Infinity-Houston, was one of this year's Radio Wayne Award finalists.

TAKE CARE OF LONG-TIME CLIENTS

Finding new prospects often is a top priority with salespeople, but it's important to make sure that long-time clients receive ongoing TLC. Here are three steps from Dartnell's Sales Leader that can help you nurture your customer relationships:

- » Survey your clients. In person or on the phone, ask if they will answer a few questions to help you better understand their needs. This is a more personal survey approach than a mailed form. It also gives you a system by which you can measure changes in their needs and preferences.
- » Keep clients in the loop. A personalized newsletter will make your long-time customers feel valued. Add a personal note to your station's newsletter or brochure. If your station doesn't have a newsletter, create your own.
- » Make solving client problems a priority. To make your response even more impressive and effective when a client files a complaint, take the complaint to someone at a higher level in your company — and make sure it is acted upon. Source: Dartnell's Sales Leader. 2/4/03

Ask For Referrals On Every Call

e work way too hard in Radio, making 20 prospect calls a day to secure just four appointments — a typical, industry-wide 20-percent closing ratio. That's a tough way to make a living. To make your life a little easier — and more profitable — here is a solid technique to help you increase your business 15 percent over the next 90 days. It's designed to help you ask for referrals on every call you make, and it will change the way you sell (and increase your closing ratio two-fold).

THE REFERRAL FOUNDATION

The best prospects are the clients with whom you already have dealt. Second-best are those referred to you by a prospect who has said, "No." Third-best are those referred to you by another trusted professional or friend.

A satisfied client can give you three to four good, qualified leads — if you just ask. When you make a closing presentation and somebody declines, do you really think they want to tell you that? In some cases, there are conditions that they cannot fulfill in your closing presentation. Just remember: If they were not interested, they probably would not have had you make your presentation. This is a great time to ask for a referral, since most people would like to help if you ask. Third-party referrals are strong since, in most cases, they come from people who can attest to your credibility and business savvy even though they might not have personally used your station before. They might be a community leader or have another strong community affiliation. Ask them for referrals, and then use those referrals.

THREE STEPS TO 15 PERCENT

Most sales reps don't ask for referrals because, according to them, they forget. Some don't ask because they have never been taught to do it. Some don't ask because they don't feel right asking a client, as they also would have to ask that dreaded question, "Is it working?" Unfortunately, most Radio reps don't believe in their own product's effectiveness.

The following three-step process won't help you improve your memory skills, and if you don't believe in your own product, nothing can help you. Thus, we'll deal with the "never-been-taught" element.

STEP #1: Describe a typical listener. Start with, "Would you do me a big favor"? (Most customers will say, "Yes"). Next, say, "Typically, our listeners are [for example] between the ages of 35-54, female, household income \$50K plus, some college...).

STEP #2: Have them imagine faces. If you ask clients, "Is there anybody you know who might be interested in...," they will have to think of everyone they ever met. Instead, have them visualize specific people they know. Jeanette Rader, senior account manager at WVFJ in Atlanta, asks them: "Who is your financial planner?" "Who works on your car?" "Do you trust him or her? Do you think they would be the right type of client to serve our listeners, as you are?" In other words, as Rader says, "Each of your clients gets their kids' teeth cleaned, each has a financial planner, and each knows other business owners in categories related to their own business."

STEP #3: State a success story and wait for the response. Ask: "Who do you know that might like to hear about what we did at Jim Miller Ford, where we moved an incremental 20 cars over the past weekend"? Now, wait for the answer. The longer they ponder, the better are the chances that they will think of someone.

Over the past three years in seminars, I've challenged more than 10,000 sales reps to ask for referrals as outlined above, and I have received numerous e-mails from reps who say their business went up by more than 15 percent. Hopefully, you'll try to prove me right, instead of wrong, and build your business like never before — working smarter, not harder.

Sean Luce, the head national instructor for the Luce Performance Group, can be reached at 281-496-6340 or www.luceperformancegroup.com.

LEAD WITH ATTITUDE

By Art Volpe

- 1. Attitude is everything, so be positive.
- Plan your work, work your plan, decide upon your goals, make a list, and make a decision.
- 3. Take action: Move left, move right, but for heaven's sake, just move.
- Be persistent and work hard. As Gary Player said, "Funny the harder I work, the luckier I get."
- Be different. Be an innovator, and find solutions in and out of the box.
- Be frank, and communicate effectively. Communicate your thoughts and ideas so that others will understand and work with you.
- Be honest. Outside of telling your children that Santa is real, never ever lie.
- Listen. We have one mouth and two ears. There is a reason for that.
- Lead from the front. Never ask anyone to do something you would not jump at the chance to do.
- 10. Always do what's right not what is fair. Unfortunately, leadership comes with a burden of responsibility. We may not be able always to be fair. However, we can always do what is right.

Art Volpe, director of sales at Entercom-Kansas City, was one of this year's Radio Wayne Award finalists.

SET GOALS, ESTABLISH VISION

By Dan Barron

- Find out goals and expectations yours and your department's.
- Establish a "vision" for the department.
- 3. Inform your sales managers of "the vision."
- Discover the strengths and weaknesses of people that report to you.
- 5. Help others enjoy what they do, and encourage them to show it.
- Surround yourself with quality people.
- 7. Reach out to those you respect and seek their advice.
- 8. Enjoy what you do and show it.
- Seek out ways to educate yourself: reading, seminars and discussions.

Dan Barron, director of sales for Memphis Radio group, was one of this year's Radio Wayne Award winners.

In Search Of A "Better Reality"

Part 2: How To Write A Great Radio Spot [Part 1 - 2/17/03]

henandoah, Pennsylvania. It was the middle of the Great Depression. My grandfather — Ike Orkin — owned the only gasoline station on the tiny town's main street. Two gas pumps sat on cracked sidewalks; anthracite coal tunnels were deep underground. Inside his store were auto parts and tires. Behind a small glass cage, Ike repaired clocks and watches, a family trade brought from Russia in the late 1800s.

As he sat behind his glass watch-repair cage, I was 7 years old, and I was playing a few feet away. The back was off a pocket watch. Ike observed it, then pressed the watch to his ear. Suddenly, a man with a pistol walked in and announced, "This is a stickup!"

My grandfather didn't look up. "Not now. I'm listening to a watch," he said.

"This is a stickup!" The man repeated.

Watch still pressed to his ear, in a steady but quiet voice, Ike said, "Not now I'm listening." From a few feet away, I could hear the watch ticking.

The robber shrugged his shoulders, pocketed the pistol and walked out of the store.

I told you that the Radio Ranch approach to creating spots was not so much about technique but something more basically human. That's not to say there aren't a series of steps. There are, but they're absurdly simple, and they all cohere to one activity — you guessed it, listening — not only to your own life memories but also to lives and objects around the clock.

Listening requires that we connect with ourselves, others and things. Once having done that, you're on your way to creating great Radio spots. Does that idea put you off? Then you're not ready. Failure to listen causes unhappy marriages, unhappy children, unhappy customers and bad Radio spots.

HERE ARE THE STEPS:

1.RESEARCHTHE CLIENT. Use their newspaper ads, and visit their place of business as a potential buyer. Observe the customers. Check the Internet, and use Arbitron/Scarborough data if you have it. Learning the facts of the business will get you in the door with an evident heads-up on the product or service, but it alone will rarely contribute to creating a great Radio spot. Tick-tock...

2. DETERMINE THE BETTER REALITY of the

product or service, and ask questions that move clients to tell honest accounts of why they chose the business or their greatest rewards from being in the business. (Recall that problem of the railroads? They thought they were in the railroad business when, in fact, they were in the transportation business).

3. LISTEN TO YOUR OWN MEMORIES AND EXPERIENCES, recent and long ago, that relate your own life to the better reality you have uncovered in Step 2. It's there, I promise, and it doesn't have to be a knockout experience — just human.

4. THE EXPERIENCE — TOLD AS A STORY JUST AS I TOLD YOU ONE IN THE OPENING — BECOMES THE SPRINGBOARD FOR A GREAT RADIO SPOT. Don't get fancy or clever. Whether it's funny or sad, tell it as you would tell a friend. Because you were born with imagination as original equipment, you'll automatically connect the memory to the better reality of the client's product or service. Trust that you'll see a natural connection. When the spot is produced, drop any "announcer" voices and let the story be told as naturally and conversationally as possible.

What about an example? I have given you the easy steps. I don't want you to write out of my memories, using my imagination. I want you to use yours. If you listen and focus on the better reality, you can do it.

Still listening?

Write to dick@Radio-ranch.com and, if you're among the first five people to give me your spot result from applying the steps, I'll reply with comments. If you're stuck, send me the four steps you obtained, and I'll make suggestions. If you're not among the first five to write me, I'll offer options for getting some mentoring.

Without using your name or the client's name (unless you give me permission), I will also publish this column as a PDF file, with the described steps to creating a spot, at www.Radioranch.com. I'll publish how well you listened. Tick, tock...

NAB Hall of Famer Dick Orkin, co-founder of the Radio Ranch in Hollywood, CA, produces award-winning Radio advertising campaigns. He may be reached at 323-462-4966 or e-mail dick@Radio-ranch.com.

Confessions Of A Cluster Manager OR HOW DEAD DOCTORS

OR HOW *DEAD DOCTORS* MADE MONEY FOR MY AM

By Ed Ryan

When I came on board as general manager of Sabre Communications' five-station cluster in Corning-Elmira, NY, in December 2001, the need to increase billing and cash flow was of paramount importance. Within my first week, I barely knew our programming line-up, yet it became painfully obvious that our AM station was receiving less attention, lower numbers and lower billing — not necessarily in that order — than our big-billing FM properties.

Even though our AM numbers don't always reflect it, we know that our AM has listeners, because whenever Paul Harvey for some reason does not air, the listeners light up the phones. It's a very vocal and involved audience.

One day during the 3 p.m. hour, our phones rang off the hook. Our 3-4 p.m. syndicated show, Dead Doctors Don't Lie, had been experiencing technical difficulties. The listeners were furious that the show was not on the air. Because I was new to the cluster, however, I had never heard of the show, and we were running it instead of the last hour of the great Sean Hannity. How could this be?

As I thought about it, I decided the show wouldn't be on our air for long, and I immediately started the process of removing it from the station. After all, it didn't sound as polished as some of the big network shows, the technical quality was less than perfect, and I believed there was no way the program would increase ratings. Plus, the show was promoting multi-level marketing (MLM) — the host was pushing vitamins and minerals! All in all, it was ripe pickings for a new manager who wanted to show he wasn't afraid to make change!

The deeper I probed, however, the more I learned that pulling Dead Doctors Don't Lie would be a big mistake. I found that it was one of the major income sources for our AM station. This health program, touting multi-level-marketing, was making the station a lot of money. The more I learned, the more I liked it. All we had to do was air the

show for five hours a week, and we generated revenue. We didn't have to take phone calls or sell MLM products. We didn't even have to pay a sales commission for the revenue generated. It was, as they say, "pure profit."



The Dead Doctors program accounts for 20 percent of gross monthly revenue for KAGC-AM in Bryan-College Station, TX, according to owner Bob Bell.

[Above with wife/business partner, Judy Bell]

STACKING UP THE STATS

When I bothered to learn about the program, I found that we were cashing checks for nearly \$2,000 a month. Keep in mind that this was for one hour a day, five days a week in market number 213. That was a lot of money for us — more than any inventory would generate in one hour a day. Once I realized this unique revenue stream was a gold mine for the station, I did everything possible to support the program. We ran spots outside the show,

24 hours a day on our AM station. We ran spots in unused inventory on our FM stations. We encouraged the local business builders (distributors) to conduct seminars, which we promoted. After all, the more they made, the more we made. Currently, the Radio station checks have almost doubled to nearly \$4,000 a month. As we continue to add business builders at WWLZ, we should be able to generate \$10,000 a month.

We aren't the only cluster

that's having success with this program. Bob Bell, owner of KAGC-AM, a 500-watt daytimer in Bryan-College Station, TX, has been running Dead Doctors since 1998. He says the program now accounts for 20 percent of the station's gross monthly revenue. Bell says any GM looking for nontraditional Radio revenue — where the station listeners, instead of the retail advertisers, pay for the air time — should consider carrying the program.

"We've added listeners and

rying the show for five years. General Manager Mark DePrez says he starting running the show because "it had much greater potential than 'per inquiry' or any other unsold inventory opportunity." He reports that his monthly checks are now up to \$5,000. "Stations have nothing to lose but unsold time," he notes. "This is also low maintenance. Just run the show. Find an independent distributor for order fulfillment and for managing your downline."

John Dille's legendary WOWO-AM generates \$5,000 per month with this show, according to General Manager Mark DePrez. [at right]

revenue for KAGC with minimal downside," he says. "The revenue is generated by a network marketing plan, and our monthly income has grown to a level that exceeds what we would charge a retail advertiser to do a remote broadcast or infomercial during that time period. Everything depends on how much the station is committed to making the program successful."

Bell says that because of the listeners' interest in the program he had to allocate an area for a store to carry some of the nutritional items discussed on the show. "It now takes a full-time person to handle the business generated from the show. Other Radio stations probably would not have to do this, but it is what has happened to us."

In Fort Wayne, IN, John Dille's WOWO-AM has been car-

Do The Math ...

Let The Doctor Do The Work For You

Adding Dead Doctor Do The Work For You

Michael Zwerowner of KSCOa Santa Cruz, CA,
s5,000 per month

S5,000 ner month

\$5,000 per month X X

15 Radio Stations 100 Stations

\$900,000 Of New Revenue Per Year

their arthritis was nearly cured after taking the products for several months. Local doctors have called our morning show, trying to discredit Wallach by calling him a quack. Wallach doesn't need to defend himself. The listeners do it for him, claiming that traditional doctors are only trying to make their next Mercedes

\$6,000,000

Per Year

Of New Revenue

Every 30 days, KSCO in Santa Cruz cashes checks between \$15,000 and \$18,000, according to station owner Michael Zwerling.

To date, about 75 stations carry the program and support it strongly enough to generate meaningful revenue. That number is expected to grow as the show becomes more widely known in the industry. In most cases, this will not be a show that increases ratings alone. It's a program that, in its entirety, is intended to generate revenue; and it takes six months for the groundswell to begin after the show launches. Of course, the more a station promotes it, the sooner the revenue comes.

THE STATION'S SLANT

In the Elmira-Corning market, we found that hundreds of the show's listeners were attending seminars sponsored by the show's host, Dr. Joel Wallach, and making claims that they were leading healthier lives, that they were losing weight, and that payment. All this makes good entertainment.

There is no cap on how much we can make (and that is the bottom line). Remember, there are no salespeople to hire, so there is no cost of sales. There is no fee for the program. It's very controversial (note the name), which produces great Talk Radio. It's very little work for a very big reward — all bottom-line revenue.

If this story appears a little one sided, it is - because the Dead Doctors Don't Lie hour seems to be the only successful MLM program we've found for Radio. This is a logical answer for AM stations that have to scrape to get by. It's not only for AM Talk stations, either, as this program can be dropped into a nostalgia station or several other formats. Though it may not be a perfect format fit, it will generate revenue. In fact, stations not successful with the program are those that don't promote the program or run it in fringe times. Still, stations in the top 20 markets — even a weak AM station — could run it during fringe hours and generate an extra quarter million in revenues. The key is promotion.

A warning to GMs: Program directors who grew up in the old school of Radio will hate the program, while PDs who are involved in increasing revenue and cash flow will "get it." Putting on this program is a decision best made by the general manager. Ed Ryan is general manager of five Elmira/Coming, NY stations now owned by Backyard Broadcasting (formerly owned by Sabre Communications). He was editor of Radio Ink from 1997 to 2000. Reach him at 239-225-7376. Dead Doctors Don't Lie is available in syndication from MLM Radio Networks. Call 866-225-0515, or visit www.MLMRadio.com.

Michael Zwerling, owner of KSCO-AM in Santa Cruz, CA, has been carrying the Dead Doctors program for six years — and his patience has paid off. Monthly checks generated from the program now average \$15,000 to \$18,000. Zwerling says the program will work in any market when broadcast at a

consistent time on a station that has a decent signal and an audience of sufficient size. "People in our area tend to be particularly receptive to alternative health information and products," he observes. "The program is targeted to baby boomers and seniors who want to live long, healthy lives. Can you think of a fastergrowing demographic anywhere?"

WWW.RADIOINK.COM | FOR SUBSCRIPTIONS, CALL 1-800-610-5771



Management

MANAGE TO INSPIRE

By Millard "Jim" Watkins

- 1. Lead by example.
- 2. Recognize good work, not achievements.
- 3. Inspire people to achieve
- 4. Be specific, clear and concise in your
- 5. Be honest; your word is your bond.
- 6. Know every job you manage and the talents required to fill those needs.
- 7. Don't be afraid to be human, and treat your people with respect.
- 8. Be demanding or consistent, supportive and fair.
- 9. Change is constant. Don't be afraid to try new, unorthodox methods
- 10. Remember: It is always "us" and "we," never "I" and "me."

Jim Watkins is general manager of Howard University's WHUR-FM Washington and one of this year's Radio Wayne Award finalists.

LOOK FOR RFVFNUFMAX

The new RevenueMax software system, developed by AgentSmith, is designed to help media companies maximize advertising revenues by optimizing ad inventory pricing and increasing sales productivity. Rolled out initially for television stations but coming to Radio later this year, RevenueMax electronically links all functions of the sales process that currently operate independently. This eliminates the need to manually enter historical or pending business data. All RevenueMax components are automatically kept in sync with the station's flow of advertising traffic.

"We built these systems not specifically for TV, but for all media," says David Lalich, president of AgentSmith. "We've built an interface into a media outlet's traffic system, so our applications are kept in sync with the current status of sales for the station. They can analyze on a daily basis the status of current business on inventory - how much has been sold, what average rates have been paid, what advertisers are paying how much money. We link their historical information so they immediately can see a client's history of advertising. By using our electronic sales proposal and packaging system - all the things in the pending business pipeline - we immediately incorporate (into the analysis part of the application) the pending impact on inventory and pricing."

For more information, call 410-727-6855.

Use The Web To Build Clients' Value

By Gregory P. Smith

he American dream is alive and well, but most small businesses are unprepared. Most fail to stand out from the pack — they have no strategy, no marketing plan, no service plan, just dreams and energy. Unfortunately, the American dream and energy are not enough for today's business landscape.

You cannot just throw up a business sign and expect customers to start throwing money at you. All those "depots" and big retail boxes will always have lower prices. The next several years will be a battleground with few winners. It will be a time of intense competition, and the winners will be the ones who know exactly what they are doing.

According to Jill Griffin, author of the business bestseller Customer Loyalty: How To Earn It, How To Keep It, the Internet has changed the customer's perception of responsiveness. More and more, customers expect 'round-the-clock customer service. People now arrive at websites time-starved and eager to locate answers. Technology tools such as customer self-service, e-mail management, and live chat and web callback are proving increasingly critical in addressing the demanding customer's responsiveness needs.

To deal effectively with the complexities of today's online world, here are some suggestions that your salespeople can pass to their clients who want results for their advertising investment:

» DEFINE VALUE. Understanding how your customers define value is the critical first step to successfully driving loyalty. Most companies are completely in the dark about what drives loyalty for their customers. Is it price? Is it service? Is it a unique product? What?

» CREATE AN EXPERIENCE FOR YOUR CUSTOMERS. If your prices cannot compete with your competition, you must provide something different — otherwise your customers will go somewhere else. Provide extras such as smiles, coffee or tea service, using customers' first names, gift-wrapping, and birthday and anniversary cards.

All these little things add up to big profits and loyal customers. I recently stayed at the Four Seasons Hotel in Philadelphia. When entering the restaurant, the greeter asked for my name. After that, every server addressed me as "Mr. Smith." It made me feel special, so chunking out \$60 for dinner did not make me feel so bad.

» PROVIDE MULTI-CHANNEL VALUE FOR **CUSTOMERS.** New research confirms that customers who engage a firm through multiple channels (web, store, call center, etc.) exhibit greater loyalty and, in turn, spend more and buy more than single-channel customers. Note: This assumes that the customer gets the same consistent service whether coming into the store, logging onto the website, or calling the service center. Sadly, for most companies, the customer-service experience varies greatly by channel.

» USE E-MAIL MARKETING. Just about everyone in the United States has an e-mail address. Provide a designated place in your business and on your forms, registers, and websites for people to give you their e-mail address. Make sure you have their permission to e-mail information to them. Begin sending an e-mail notification, newsletter or sales notice one or two times a month; and always allow people the option to remove themselves from the list.

» PUT A SHOPPING CART ON YOUR WEBSITE. Online sales are growing at a dramatic pace. According to Jupiter Research's forecast, the U.S holiday season saw some \$13.2 billion in purchases online, a 17-percent growth over last year. This sales increase comes from people who want to save time, followed closely by those who wish to avoid the crowded stores, and the ability to shop outside of store hours. Make an audit of the services and products you can offer online. You can download a simple and effective shopping-cart system for a 30-day free trial by going to http://www.ChartCourse.com

Greg Smith is a nationally recognized speaker, author, and business-performance consultant. He can be reached at 770-860-9464.

Money & Finance

Money Talks

"A lot of people are buying some beaten-up names, thinking we're close to the bottom."

Kevin McCloskey, Federated Investors

"History suggests that the current sluggish, recession-like environment is ideal for smaller capitalization companies. Since 1946, smaller cap stocks have led the way out of recession with average one-year returns of 37.8 percent versus average one-year returns for large capitalization stocks of 23 percent."

- statement from Ryan Beck & Co.

"The mission of the SEC and my duty as SEC chairman is very clear: We will hold accountable all those who have violated the public trust. We will demand responsible corporate governance throughout the business and financial world."

--- William Donaldson, SEC chairman

"Increasing oil prices will dampen economic activity. If prices were to hold steady at current levels, first quarter discretionary outlays would be curbed by about \$30 billion, knocking more than a percentage point off first-quarter consumption."

— Bob DiClemente, Salomon Smith Barney

"We need some sort of closure. The economy is on a decent up trend. The market can anticipate a pick-up in corporate spending with cost cutting, but in the middle of this is a big roadblock. No one can picture a post-lraq world."

Bryan Piskorowski, Prudential Securities

"War concerns are looming. We're just kind of waiting to see what happens in the next couple of days. Iraq is still a concern. The economic numbers are a little better, but we're seeing some of the numbers getting hurt by the rising oil prices."

— Takako Ideta, Daiwa Securities

Archway Targets Stations In Southeast

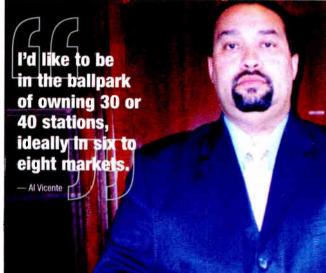
By Reed Bunzel, Editor-In Chief

It's been a busy year for Al Vicente, founder and president/CEO of Archway Broadcasting Group. In less than 12 months, the company has lined up funding from Quetzal/JP Morgan and has purchased — or has contracted to own — 13 Radio stations in North Carolina, Georgia and Arkansas.

"Our platform was to acquire stations in the Southeast. anywhere within a 2-hour drive or plane ride from our corporate headquarters in Atlanta," Vicente says. "Quetzal already had a line on the Greenville-Jacksonville and Columbus, GA properties; and the Little Rock stations we found through a broker. We liked Little Rock because it was a capital city that was market size 84, while the Greenville-Jacksonville market is size 85. Columbus was smaller - market size 174 — but it fit within the platform of what we're looking for."

An immigrant from the Cape Verde Islands in West Africa, Vicente began his broadcasting career after graduating from New Mexico State University. He returned to Providence, RI, where he got his start in ethnic block programming on WICE-AM. After stints with Knight Quality Stations and Pamal Broadcasting, he founded Archway in July last year.

Vicente says Archway is actively looking for stations where the company can be one of the top three clusters in the market. "We look for critical mass in terms of having enough stations to be able to make a go of it in that market, and then we look for cash flowing opportunities," he explains. Archway currently competes against Clear Channel



in both Little Rock and Columbus, but Vicente says he's not preoccupied with the competition. "We're not concerned with who the competitors are, because we know that most of them will be bigger than we are," he explains "Instead, we look at the Miller Kaplan reports to see how healthy the market is. We look for concentration of who's taking out the dollars, and what dollars are available."

Additionally, Archway tries to identify markets where it can pick up complete clusters, but thus far the company has had to combine smaller groups of stations in several markets. "In both Greenville and Little Rock we had to deal with two separate owners to get the cluster that we have," Vicente notes. "In fact, Columbus is the only market where we picked up four stations from one ownership."

Scarcity of stations has created a seller's market. "The pricing is over-inflated," Vicente observes. "You look at what you're willing to pay as a multiple, what's fundable, and what you can do with it in two or three years in

terms of bringing it within line. The only thing that worked in our favor last year was that everyone was coming off a pretty terrible year in 2001. Even so, the expectation from the seller's point of view is that there are enough buyers out there, so they can hold onto considerably high prices."

Archway was launched with a three-year business plan to aggressively identify and acquire stations. "We're looking to continue acquiring additional strategic properties, but now that we own some stations, we're also concentrating on operating them," Vicente says. "I'd like to be in the ballpark of owning 30 or 40 stations, ideally in six to eight markets, depending on what the clusters look like."

While Archway currently is funded completely by Quetzal/JP Morgan, Vicente acknowledges that, at some point, he wants to expand, looking at either equity or principal financing to continue growing. "The Quetzal Fund was good for the start-up," he says, "but in order to grow, we'll have to look beyond that."

(-BIRMINGHAM:

By Reed Bunzel, Editor-In-Chief

It was during the summer of 2000 that Cox-Birmingham General Manager (now Vice President/Market Manager) David DuBose and Chief Engineer Scott Tanner began planning a new facility in order to relocate the company's Urban-oriented stations under one roof. Du-Bose brought in architect Peter Bloomfield and his team to assess space needs and design potential, and eventually to create the plans for what was to become a centerpiece of Cox' Birmingham operations.

"It was a miserable and muggy late-summer day, and I remember thinking that Radio must be very successful in Birmingham, as it was just about too hot to do anything else," Bloomfield recalls. Despite the humidity, however, the management-architecture team developed a careful analysis of space needs that enabled Cox to review various real estate and design options, build a project budget, and set a build-out timetable.

Meanwhile, the team identified an appropriate location for the new facility on the 10th floor of an office building in downtown Birmingham. "The floor was configured in a manner that allowed us to INK: Why didn't you use the building adapt the initial space diagram into a plan that worked for the entire staff," Bloomfield says. "We also were stations are housed? able to develop a schedule that meshed well with the completion of their old lease."

During the ensuing eight months, Cox and company completed the design work, lined up contractors, and began construction on the 17,000-squarefoot build-out. The following summer, Cox's Urban properties in the market — WBHK, WBHJ, WAGG, and WRJF — moved into their new studios and flipped the switch.



Radio Ink recently spoke with DuBose to learn more about the development process, and why this project now is considered one of "the best facilities in Radio."

you already own, where your other three

DD: When Cox purchased the Urban properties here in Birmingham, the company made a commitment to the African-American leadership to keep the stations downtown. That is where most of our listeners live and work, and it is important for those listeners to access the Radio station — not just to pick up prizes but to be on our talk shows, visit the DJs, and so forth.

Describe the location of the facility.

We're on one floor - the 10th and top floor — in a building called the Medical Forum Complex. We have between 16,000 and 17,000 square usable feet, and we have about 50 fulltime employees here. We have a sweeping view over downtown Birmingham and the I-59 /I-20 corridor, which goes right through the center of the city. Our news and traffic people can look out the window at the cars backed

up on I-20 eastbound Atlanta, and they talk about it on the air.

Tell us a bit about the physical layout.

We designed this facility so the technical areas are at the far end of the floor, facing south and overlooking Birmingham. We have a center area that is our conference room, and a big hall that I call the "spine of the building," which joins the technical areas to the middle offices and all the way up to the sales area. Technical is keyed off from the other areas, so people who need to be in one of the studios or control rooms or newsrooms can access only that area. It keeps the salespeople from standing in the control room and saying, "Why haven't you done my spot for my client?'

The control rooms overlook the city. The first one for WAGG. the gospel station, overlooks Birmingham and has glass that looks

into the next control room, which is for WBHK, our Urban Adult station. The WBHK control room has glass on three sides — one overlooking the city, one overlooking the corridor, and one looking into the newsroom. The newsroom has glass on three sides, so the news people can see into the WBHK control room. into the WBHJ control room, and ultimately all the way down to WAGG.

What was the thinking behind this design?

We do a lot of community breaking news, and we have three full-time news people at this facility. Because our stations are the voice for the African-American community here, we thought it was important to put news in the center of the control rooms so they could see one another. They have a big bank of TV monitors so our people can monitor breaking events, which paid big dividends on 9/11. Our newscaster was actually reading the news during the Tom Joyner morning show on one of our stations, and he looked up just when the plane

Cox Facility Suppliers Boards/consoles: Remote equipment: Comrex, Marti Telephone hybrid: Telos Speakers: Pannowy Cabinetry-Wheatstone

Wheatstone D5000, AudioArts R60 Mackie, Pacific (Radio Mixer)

Microphones: Neuman 103

Transmitter: Harris HT-20, Harris HT-10, Harris HT-35, Harris SX 5, Broadcast Electronics FM

Antenna: Dielectric TAV 8, ERI Director of Engineering: Scott Tanner

Architect:

Peter Bloomfield & **Associates**

hit the World Trade Center. He was able to announce on the air, "An airplane just hit the World Trade Center — we don't know why, but we'll have more details in a couple minutes." We were able to bring up satellite feeds by router into that room so the newscaster could watch all the monitors at one time. We have phone banks, so we can take listener calls across all four stations simultaneously; and we can segment coverage to individual stations if we need to do that.

How long did the project take?

It took about one year. Because we had to remain on the air through the whole process,

we couldn't sign off; and we didn't have a lot of equipment that we could move at our old facility. We were in a position to hire a company to build out studios, with significant help from our engineers, and then we removed what little equipment we needed from the old facility. We sold off the spare equipment and donated some office furniture to a youth work program here in Birmingham. We walked in to all-new furniture. All we had to do was turn off the switch from the old plant and turn on the new one.

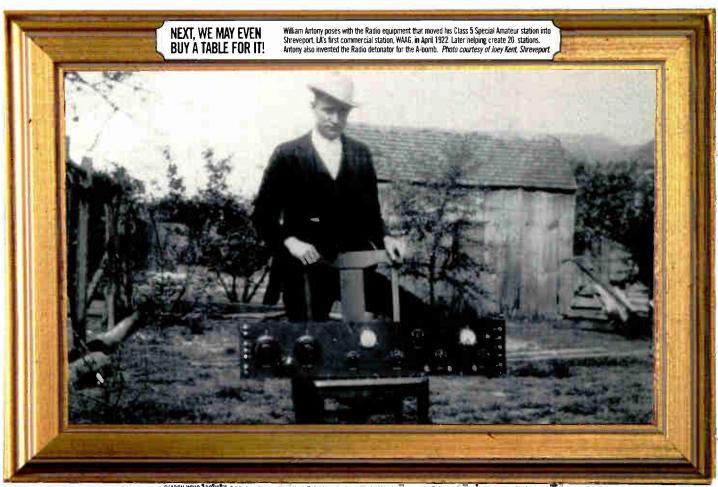
Have you considered bringing your other three stations into this facility?

We could put the other stations on the same floor, across the elevator lobby from us. That way we could combine the news departments - suddenly, we'd

go from three in each building to six in one place. We could pool our resources, so we could eliminate some areas of duplication. Also, we'd have more esprit de corps if we were all in the same building. Now we get together just for meetings and Christmas parties.

What sort of community reaction have you had since you moved into your new facility?

The African-American leadership embraces this project as a symbol of the stations' success and Cox' commitment to the Birmingham African-American community. It really is Radio at its finest. The flexibility of the facility allows us to give back to the community. Cox is one of the few companies that would allow us to make that kind of investment, to have this kind of facility available.



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