

RIDE THE WAVE OF CHANGE

Clear Channel President Randy Michaels insists that your success or failure in radio depends on your attitude

▶ What's the one thing that will guarantee your failure in the radio business? According to Clear Channel President Randy Michaels, it's the refusal to accept change. Michaels' ability to go with the flow and his foresight are two tools he has used to excel in an industry that is in perpetual motion.

In his keynote talk at R&R Convention '99 Michaels encouraged those in the industry to rise to the challenge of change and quit whining. We present the text of those remarks below. The wave of change is upon us, who's ready to surf?

Everybody is talking about change — mostly from the standpoint that it sucks and that radio used to be great. Get a job on the air, they deliver free pizzas, groupies call, give away money, talk on the phone, talk up intros, tell your PD you got big job offers. Now it's all changed. They've got computers, consolidation ... it's bad, everything's bad.

On that note, I thought I would talk a little about change and why this amount of change feels so uncomfortable. I'm willing to bet that it's more uncomfortable for me than any of you, because most people in this room have lives. I don't have a life. I don't have kids, I have no idea who's on the starting lineup for the Reds. I know nothing about sports.

Where you have trivial information about your families and your hobbies stored, for me it is all radio. That has been my focus, and now it's all changing.

Things that I thought I knew how to do as well as anyone aren't even the right things to do anymore, and that sucks. I collect old radios. My favorite airchecks are still the old Top 40 airchecks from the '50s and '60s. My favorite music is still the same old R&B and classic country and old Top 40, but you can't make a living puking and hitting the post anymore. So, time to change.

I look out my window at the Ohio River and watch these barges the size of two football fields loaded with coal being guided down the river by one little tugboat. I asked one of the tugboat drivers, "How does that little boat control all those barges?" You see, you have to push the barge where it wants to go. In other words, you only have so much control.

At the end of the day the standard of living in this country is rising in direct proportion to the efficiencies we are creating. You have the same thing going on in the broadcast business. Once you could only own seven stations, now you can own as many as you want.

I'm embarrassed to tell you that I am emotional about change sometimes. I miss some of the stations that used to be around very much. When I was a kid, I was always

asleep in school on Monday, because back in the '60s most stations went off the air on Sunday night to do transmitter maintenance. Just a few stayed on, and they tended to be the Top 40 stations. WSAI and WDRC in Hartford were the only two stations that stayed on all night. They were both on 1360. One would fade in, and then the other would fade in. Sometimes you could hear them both. It was like listening to two stations at once, and for some reason I thought that was great. Those stations were my best friends.

I got a job at WKRQ then. It was some heavy, hippy-dippy album station. Their slogan was, "From your friends at the wireless. Listen, we think we found you." I didn't want to kill WSAI, I really didn't. I could see that these big AM radio stations were going to get totally screwed, and I felt bad about it. I didn't want to be part of it. But then you think it through and realize that someone's going to do it. Why stay with the Jeff Beck and the Mahavishnu Orchestra format? Is that really going to be what works? No.

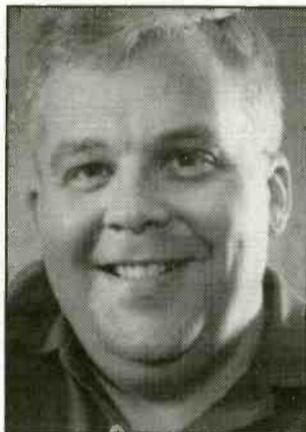
Well, now we have hundreds, on our way to thousands, of stations. There are parts of it I don't like. I used to know everybody in the company. I used to know their wives and their girlfriends. I used to know who they were. I don't like the fact that I really can't even get to know everyone we have on the air. It's a company now that is not just a large broadcast company, but one of the largest companies in America, a \$23 billion corporation.

You have to realize that, to cope with fundamental change, we have to get past some of the programming, some of the program recognition, that has gone into

our brain since we were learning to recognize faces and numbers and letters. Some of the things you know are wrong. You have to overcome your patterns. When the smiling face spits at you, it is uncomfortable.

You walk around these conventions, and there is a lot of negativity. There is no talent development anymore, everything is on the computer, it's all coming on the satellite. Where do you think the next crop of real talent is going to come from? They are being pennywise and pound foolish. Everyone says, "Yeah, I'm up for change — unless it's about me." I'm getting that reaction now from some of the Clear Channel stations. We rolled out this programming system, and they all said, "Oh, man, that programming thing is great, but why would you have them come to my market?" Everything is great here? Have you seen the rating book? "Oh, yeah, but we got that all figured out." We have to overcome the patterns that are in our brains to take advantage of the opportunity that exists.

In 1955, in almost every market in this country, the No. 1 station was 1,000 watts or less. All the big stations still had radio experts who were used to bringing in networks, scheduling the orchestras, putting the live dramas on, and



Randy Michaels



RADIO SALES



the comedies. The thought that some asshole with two turntables and a couple of cowbells playing records would get higher ratings was unbelievable to them. When Todd Storz took KOWH/Omaha to a 60 share, it was 500 watts in daytime only. His second station, TIX/New Orleans, achieved a 70 share with 250 watts on 1450. KLIF in Dallas was a 1,000-watt daytimer when it became No. 1.

Disc jockey was not a complimentary term. A broadcaster, a radio professional, a performer knew how to play an instrument, how to act and how to announce

TO COPE WITH FUNDAMENTAL CHANGE, WE HAVE TO GET PAST SOME OF THE PROGRAMMING, SOME OF THE PROGRAM RECOGNITION, THAT HAS GONE INTO OUR BRAIN SINCE WE WERE LEARNING TO RECOGNIZE FACES AND NUMBERS AND LETTERS.

before a microphone. He wasn't some ass telling jokes and ramping records and sitting between the tables, spinning the labels and serving up the cream of the pop crop in the groovy platter chatter. People really thought that was third-rate — and it took over.

When you look at FM, the people who gave away their FM licenses in the '60s were right for 15 years. But even the people who held onto them, none of them could make the mental change. None of them could see it. I was 23 when I got to program an FM station. To me, it seemed obvious.

But the experts, the people who had the right pattern recognition for the 1960s, couldn't imagine anyone would ever take 93 KHJ and stick it at 101.1. They couldn't imagine putting WLS or WABC on FM. They all had FMs, but none of them did it. Somebody else kicked their asses. KIIS had to kick KHJ's ass. KIIS put KHJ and 10Q out of business. Why the hell didn't those morons put it on their FM? You can look back now and see it. You know why? Because they were walking around conventions saying, "Man, music on FM. Kids don't have it in the car; they're never going to listen to that. Old people listen to FM. Kids aren't ever going to listen to FM."

What is wrong with those people? Were they stupid,

CONTINUED ON PAGE 52