

INSIDE RADIO®

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“Personalities INSIDE RADIO”

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SYNDICATION CONNOISSEUR POINTED IN THE RIGHT DIRECTION

by Mike Kinoshian, Special Features Editor

Rhode Island's second-largest daily publication is the campus tabloid of the Ivy League institution that produced, among others, veteran Talk host Larry Elder and ESPN's ("back, back, back") Chris Berman. Fervent hope of one particular circa 1991 Brown University History major was to become Editor-in-Chief of that school's paper, "The Brown Daily Herald." Unable to attain the nod, his attention turned to the Providence school's Class B FM outlet.

What Brown Did For Him

Modestly conceding he wouldn't make a great living as a journalist, he accepted an invitation to become WBRU's Business Manager and consequently kick-started what has eventuated as an absolutely luminous industry career. "I enjoy programming, the entrepreneurial spirit and community involvement," remarks Compass Media Networks Founder Peter Kosann. "I felt [radio] was an industry that could make a difference. You don't wake up everyday [just] to sell widgets."

It was as a Brown undergrad when Kosann eagerly familiarized himself with and devoured trade publications, searching for industry names he could emulate. "When I graduated [in 1992], my mission was to get access to capital [so I could] buy radio stations as quickly as humanly possible," he candidly recounts. "[In addition], I concluded I had to become a General Manager. The fastest way to do that was to get into sales."

Regrettably no station in his native New York City would hire him, however he would land a Hartford AE position at venerable WTIC AM & FM. "It was comical to tell my parents I was working with people [with names] like 'Joe Mama' and 'Learjet,'" comments Kosann who remained with the perennially potent combo for six months. "The woman I worked for [there, Fran Sharp] later hired me when Mike Bloomberg bought WNEW-AM, New York [and flipped it to Bloomberg Business WBBR]. Several traditional salespeople with agency relationships were brought in to sell [but] couldn't be monetized because [WBBR] never had great ratings."

Merely 21 years old at the time, a nonetheless tremendously aggressive and focused Kosann called on bankers, brokers and direct-to-response advertisers. "I'd wheel and deal to close business which likely caught Mike's attention," he recounts. "Before I knew

it, he wanted to take his financial news content and syndicate it to traditional media. From 1992-2000, I basically ran Mike's worldwide business development for media."

That meant Kosann crisscrossed America attempting to convince station managers to take bits, pieces and parts of WBBR's programming. "Our business model ultimately was financial business updates and we did the same for television," he explains. "We syndicated content on the web and launched a 30-minute television news show."

Purposefully associating himself with (other) intelligent and dynamic people Kosann reasons, "Your career is a reflection of the choices you make. I always felt I had to outwork everyone at Bloomberg. Mike would get to the office at 7am [so] I made sure I was there [ten minutes earlier]. As a young executive, I learned sales skills that would get me into doors that perhaps I didn't deserve to get into. I figured out a variety of clever ways to get meetings with very high-level executives. You had to [know] how to network and develop good phone skills."

By the time Kosann departed Bloomberg in 2000, he was leading a 35-person team which was spread out in seven countries. "Our whole business was syndicating content to media outlets," he points out. "Since media wasn't going to be Mike Bloomberg's main business and he wasn't going to adopt me, I felt it was time to do something else media-related."

Unusual Turn Of Events

Prospects of owning stations were completely unrealistic since valuations had gone sky-high but Kosann was introduced to Joel Hollander, who in 2000, brought him to Westwood One. "I initially joined the network to run affiliate sales," he points out. "Joel was very supportive of me. In seven years, I ran ad sales and became President/Sales for both the network and traffic business which at the time was the country's largest single sales job."

Adeptly overseeing 350 salespeople and approximately \$600 million in sales Kosann was elevated to Westwood One's Co-COO and three years ago (January 2006) became CEO although he notes, "I couldn't get the board of directors on the same page with me in terms of vision for the company so I opted to leave. I

had a one-year non-compete in syndication [for 2008] and joined a good friend of mine, Jeff Warshaw, at Connoisseur [as COO]. I very much enjoyed being with him the past year. There were a bunch of syndication trends that I could take advantage of so I decided to start my own company.”

Not only is that entity (Compass Media) fundamentally the next logical step for Kosann, given his background, but he’s also jumping into the skirmish when operators and some syndicators are cash-strapped. “More than ever, station executives are looking for cost-effective opportunities to get programming - it’s just undeniable,” he asserts. “Day-parts and entire radio stations you never thought would be syndicated are [going in that direction]. There will be more syndicated morning shows, which is very unusual.”

Optimistic that Compass Media will be substantially more than a boutique operation Kosann realizes it is incumbent upon him to super-serve clients as he builds the nascent company into a quality performer. “I wanted something [in the name Compass] that was bigger [than I am],” he points out. “You can pick something that’s a derivative of your name or try to [select] a name that indicates larger things.”

More and more facilities are becoming receptive to syndicated product and Kosann stresses compelling content capable of generating ratings is what’s required of his new endeavor. “It can’t be ‘me-too,’” he emphasizes. “There’s certainly a big trend of syndication potentially growing fairly exponentially over the next five years. It’s almost like television to a point where we’ll see many more spoken-word [programs] and syndicated scenarios.”

Dancing With The Stars

Presently in the entrepreneurship stage where he can’t overstate his appreciation, Kosann diplomatically remarks, “It’s ultimately you when it’s your blood in the bricks. There’s no other way to dance around that. Every aspect of the business I’m building is a reflection of my ability to convince program suppliers, advertisers and affiliates to work with me. If people don’t believe I can outwork the next guy or come up with clever marketing strategies to help them grow distribution or ad sales, people won’t deal with me.”

Considerable consolidation has occurred among syndication players in the last several years and Kosann remarks Premiere,

Citadel Media (formerly ABC Radio Networks), Westwood One and Dial Global “control 90%” of the space. “Most organizations can’t put fresh capital or fresh resources into talent development,” he comments. “For the most part Compass isn’t looking to take [someone in a middle market] with no distribution from ground zero all the way up.”

Conscientious conservative-skewed talent Lars Larson has the distinction of being Compass Media’s first traditional long-form talk show. “His website is good – it’s going to be great; his marketing is good – it’s going to get better; and his ad sales efforts are going to be more focused,” Kosann emphatically promises of his fellow Westwood One alum. “There’s no reason why he can’t be on 300 stations.”

Basically in self-syndication for several years, the four-member morning drive “Free Beer & Hot Wings” ensemble is in 18 markets. “Nassau Broadcasting, Regent and Maverick Media put them on a couple of their stations,” notes Kosann who also represents Mike Lee’s Download HD/FX production service and just inked Ron Insana to do a twice daily business feature. “[In markets where ‘Free Beer & Hot Wings’ are on a competitive signal], they do very well from a ratings perspective and have been [called] a younger version of Bob & Tom. They’re on five hours a day and are very client-focused.”

Some could argue talent development is at an all-time low whereas few would debate research and marketing are clearly in that dubious category. “Stations are searching for cost-effective solutions that give them unique selling points,” Kosann stresses. “In some situations, air personalities are frustrated and despondent.”

Batter Up

Distribution and programming are Kosann’s current focal points yet he has an eye on evolving Compass Media into a full-service network. “My phone has been ringing from everyone and [his and her] mother who wants to have a syndicated show,” he jokes. “I have to be fairly discriminating in terms of who I’m going to work with. I have about ten projects in mind for people I’m talking to [but] sometimes timing might not be [favorable]. Talk radio has a tremendous amount of shows but I don’t think all of them are very good.”

Something else far from palatable is the economy, yet a

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philosophical Kosann concerns himself with only those matters within his control. "You can always worry about the 'motion of the ocean' but there are really only a few waves you have to focus on," he recommends. "The horrific challenge we are in essentially cuts down all silly barriers and impediments to business. Everyone is forced to think logically and practically about their business. At the moment, the economy is so bad that even the best of the best is re-thinking [things]. You must be respectful of the fact though that everyone is overworked and under tremendous pressure. You will only get a handful of at-bats because time has become a precious commodity."

Clearly competitive, Kosann doesn't at all seem vindictive though in facing off against his former employer. "It was a very demanding culture [but] 95% of my time [at Westwood One] was just phenomenal," he assuredly comments. "It was disappointing that I wasn't able to lead it during better times and that so many fundamental issues hit the core DNA of that company within months of my becoming CEO. Several of my lieutenants are now gone from there but I still know many [other Westwood One employees]."

Sharp Colleagues

Burden of delivering results was taken very seriously by Kosann who remembers moments in his career when anything less than a double-digit increase was absolutely unacceptable but as he states, "We're in an era where everything is deflating. I never felt more pressure than my own expectations."

Few others are intimately aware of the syndication business' nuanced nooks and crannies as Kosann and now that he's back in the game, he's reminded that he has "cleared shows; sold advertising time; and dealt with every possible program ranging from Charles Osgood to BET to the NFL to MTV. I'd like to think people [see me] as being smart, clever and fair."

There isn't a top-level executive this student of the industry hasn't scrutinized. "I have tremendous respect for anyone who has gone through the process of putting [his or her] rear-end on the line to raise capital to be an entrepreneur or an executive who runs something," Kosann declares. "Fran Sharp hired me at WTIC/Hartford and brought me to New York to work for Bloomberg. I haven't spoken to Mike Bloomberg very much since I left a decade ago but always watched his commitment to people and understood how much of a hard-worker he was. Joel Hollander had the best imaginable people skills [while] Jeff Warshaw's financial acumen in terms of running stations is probably second to none; he's also a sweetheart of a person."

In the early-1990s, Dial Global Co-CEO David Landau was Bloomberg's ad sales rep and Kosann notes, "I've always admired and appreciated his friendship and guidance. He's a visionary in the syndication business and sets the bar high for others to follow."

Such mutual esteem undoubtedly played a role in the Compass-Dial Global NFL/NCAA partnership in which the former has acquired

a slate of pro and college games to be broadcast this fall with the latter handling sales and marketing.

Hard choices have needed to be made by Kosann and he rarely selects the easy path. "I initially pushed to run network sales at Westwood One which took me into boiling hot water," he recounts. "I pushed to be President/Sales which at the time was a demanding job. When the opportunity to become CEO was available, I pushed for that. I chose without regret and was willing to leap without a net. People who mean something to me are [those who] were in the trenches and supportive of me."

The decision to depart Westwood One was anything but uncomplicated and Kosann jests, "After I left, Time Warner did not call me up to be its CEO. I had to have faith in [myself] that leaving was okay because I felt I could steward a better course. I'd like to think I haven't hit the prime of my career yet. As a result, I have fairly high hopes for what we're up to. I'd tend to think we'd have a portfolio of [at least] 11-15 shows and programs at some point. That's my guess but it's not necessarily the quantity but the quality. I have to do right by everyone who's with me."

Whale Of A Good Time

As hectic as his work life is, Kosann's time at home is equally frenetic as he and his (Medical Doctor) wife are the parents of four sons, including ten-year-old twins; a five-year-old; and a ten-month-old.

An annual summer tradition in Hartford would find the NHL's now defunct Hartford Whalers (since relocated as the Carolina Hurricanes) playing WTIC staffers in a charity softball game.

Following the contest, youngsters would come up to Kosann and other WTIC employees to ask for their autographs. "I said I didn't play for the Whalers [but the kids] didn't seem to care," he explains. "They just cared about the fact I worked for WTIC. The broadcasting business is still very germane and that's what attracted me to it. I like the idea that the industry is 'bigger than you.' There's something noble about being in this profession."



WHO: Peter Kosann
WHAT: Founder/President
WHERE: Compass Media Networks
WHEN: Since January 2009

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