



NECESSITY is the mother of **RE-INVENTION**

A Proposal for the Re-Invention of Radio

Reinvention is a necessity for traditional media companies to survive in the digital world.

Two media consultants, McVay New Media's Daniel Anstandig and Geller Media International's Valerie Geller teamed together to offer a practical vision for the radio station of the not-too-distant future. Change is not a four letter word. This is the time for us to embrace change, restructure our strategy and staff, and prepare for a prosperous future...

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FOREWORD

by Michael A. McVay, President of McVay Media:

Several years ago, you couldn't attend a broadcast convention without hearing "the paradigm has shifted" ... most of us didn't even begin to know what a paradigm was let alone figure out what its shifting meant to our worlds. New media, more outlets for entertainment and services, expanding workdays, history making politics and a tough economy have all changed the world in which we live. The paradigm is non-existent. If you're looking at the future of your business and you're planning "evolution" ... then you're about to be surpassed by your competitors. Evolution isn't fast enough for the accelerating world in which we live. Change is the only option. Those who fear change are experiencing a normal feeling. The normal attitude in business is "I'm going to make these moves and then make my best move last." You have no time for that. Make your best move first.

Ever hear the expression "The only person who likes change is a wet baby?" Well like it or not, we're in the full throws of major change. First, it was consolidation, then the technological shift... now the "right sizing" and globalization of our financial market, which is forcing us to navigate through a brave new economic world. Many executives would suggest that the wet baby's situation is more comfortable.

No new technology will ever diminish the value of a one-on-one connection, which is radio's hallmark. New technology can only enhance one-on-one communication, and radio (and radio's best communicators) can be an integral part of the media-future. This is the time for the radio industry to adapt.

RE-INVENTION

The beauty of radio's current situation is that we are no longer imprisoned by the traditional-black-box-receiver-with-an-antenna. Now, there are multiple ways for our listeners to connect with us and each other. Our listeners just want meaningful content and connection. They don't necessarily care if it comes out of the AM/FM radio, computer, phone, or even the fillings in their teeth.

We are judged on the emotional-meaning to our audience—not the device that delivers the message. The content matters most—not the form. That means that radio can still be one of the most powerful methods to reach an audience. Valerie Geller even points out that according to FEMA (US Federal Emergency Management Services), next to bottled water, a flashlight, and candles, a battery-operated radio is the number one essential item advised for a household emergency kit.

That said, our intention is not to defend the current approach of the industry—but rather to invite radio to a prosperous and exciting future. In these leaner times, broadcasters are working hard to create, sell, and produce relevant and compelling radio in spite of the constraints. What follows is our sensible vision for radio's future. Radio stations need to transition from the "tall tower business" to the "content business," and this is our proposal for the restructuring of radio organizations to accomplish success.

"Work smarter, not harder" sounds great, but how?

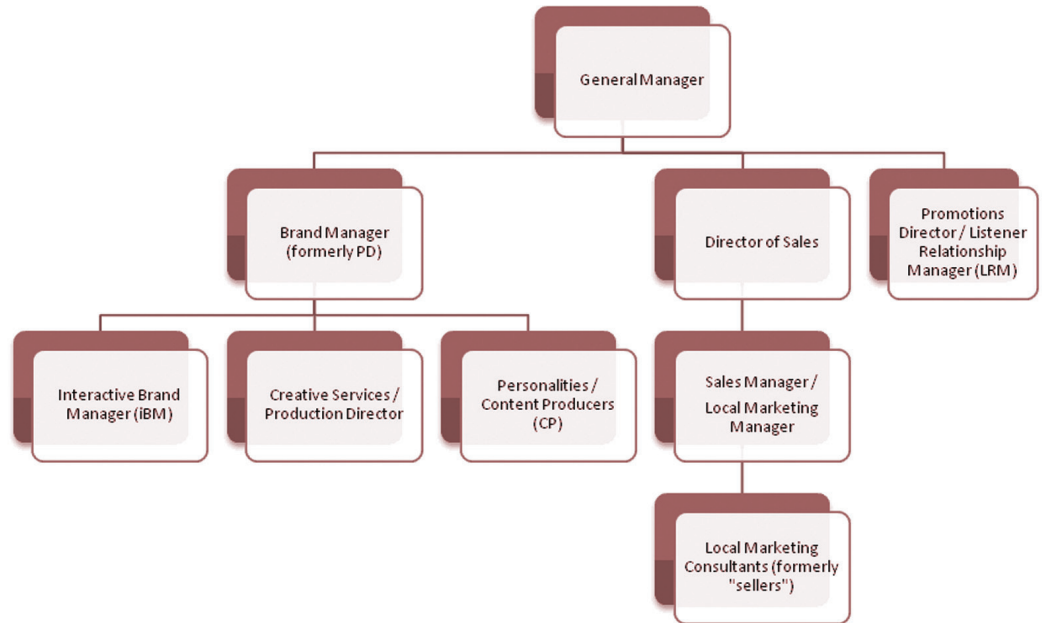
Over the next few years, working at a radio station can be fun, but your job might not be or look anything like it does today. Restructuring is not an option; it is a necessary access-ramp to a successful future. Stations, cut to the bone, are doing more with less. People are adapting and learning to work outside specific job descriptions and are understanding that to "keep the gig," let alone thrive, they must be flexible enough to roll with the changes and become more versatile.

REDEFINING ROLES: THE STATION'S LEADERS

In our new reality, the roles of General Manager, Program Director, News Director, Sales Manager Promotions/Marketing Director, On-Air Personalities, even the engineering staff, are all changing. Job descriptions need to be updated for 2009. It's time to renovate our approach to sales, along with more meaningful interaction with our two most important constituents, our audience and our advertisers.

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THE NEW RADIO STATION ORGANIZATIONAL CHART:



Here is one potential scenario to help you rethink the structure of your radio station and redefine the specific roles and titles of those creating, selling, marketing and managing your product, and content.

The Refined Role of the General Manager

Visionary, Diplomat, and Mentor are words that could be used to describe valuable qualities of people in this important leadership role. We believe that the new job description for the General Manager position should include:

- This person should be strongly connected to the community, and subsequently, should aim to hire people who have an interest in connecting with the community. Most importantly, anyone in this position should have enthusiasm and commitment to hiring people smarter than themselves.
- Ability to set realistic goals and set measuring sticks/benchmarks for audience and revenue performance.
- The General Manager should have a thorough understanding of the company's assets (and how to manage the inventory on each):

RE-INVENTION

- Local Brand
 - Broadcast Signal
 - Website
 - Internet-Radio / Stream
 - Database / Direct Relationships with Audience
- Audit the quality of the radio stations assets on a regular basis.
- Motivate team and compensate them on meaningful performance. Incentivize your team.
- Ability to “dream” about the possibilities of the future.
- Broadened understanding of the market and “competition” including the local online market and internet-radio competitors. (Pureplay internet companies now have local sales teams in many of the top fifty markets, who challenge radio for advertising market share).
- Understand the new economics of the radio business:
- CPM, CPC, and other online ad currency
- The relationship between the station’s Average Unit Rate and Online Rates
- Appreciate transparency, and know that your audience and promotional partners deserve (and will pursue) the highest integrity.
- Know when to ask for help. Hire consultants and advisors who can help you to stay keenly aware of the business environment and new opportunities.

The Refined Role of the Program Director... now the “Brand Manager”

This role is no longer about managing the 24-hour programming schedule on an AM/FM audio channel. Instead, this position is responsible for managing all manifestations of the brand, which is why we are suggesting that the position is renamed “Brand Manager” or “Content Manager.” This is a more dynamic position than ever—requiring outstanding multitasking and the ability to inspire a team.

Success in this position will entail:

- Active involvement in the design and review of all manifestations of the brand.

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- Thorough understanding of the company's assets:
 - Local Brand
 - Broadcast Signal
 - Website
 - Internet-Radio / Stream
 - Database / Direct Relationships with Audience

...and the ability to produce relevant content that informs, entertains, inspires, and connects. Monitor the on-air and online audio streams, and act as the quality-control leader.

- This position holds the overall responsibility for the planning and execution of external marketing and promotion.

- Understanding of online marketing and analytics/metrics.

- Accountability for the product, including but not limited to, brand parameters / brand mapping, news coverage, and local outreach, and quality of interaction between brand and consumers.

- Team leadership: Take the time to hire the right people, then convey your vision for success, regardless of the platform.

- Pursue intimate connectedness with the target audience (within the parameters of the law).

- Create a vision for how your product is used (and can be used) by the audience, as well as how sponsors and promotional partners can use the product.

- Understand mobile marketing and text messaging initiatives, and how to utilize them to grow audience and create new revenue opportunities.

- Hire creative and smart people, and find ways to support their efforts.

- This person should have BASIC HTML skills, and an understanding of technology. We are not suggesting that this position requires a computer programmer. However, a basic understanding of technology can empower a more dynamic vision for how the brand can move-and-grow in the digital space.

The Refined Role of the Promotions Director... Now "Promotions / Listener Relationship Manager"

This position is not just about managing contests and contestants. This position must evolve into that of a "Listener Relationship Manager"—someone inside the company with the responsibility of communicating with individual listeners and incentivizing them to participate in our brands. This requires:

RE-INVENTION

- Thorough understanding of how audience is measured on-air (Arbitron), online (analytics/metrics), mobile, etc. This person should also understand how to cultivate new audience.
- Vision for translating promotions and programming tactics across multiple platforms. For instance, when you design a promotion for broadcast—what is the interactive element?
- Ensure that every listener receives a kind reply within 24 hours of e-mailing, calling, or texting the company. This doesn't mean that every response is initiated from this position—although this person will likely carry a significant amount of the conversations with the audience. More importantly, it means that this person is responsible for installing systems and remaining accountable for the staff's timely communication.
- Utilize social networks like Facebook and MySpace to enhance traffic and search engine rankings for station's online properties.
- Maintain the company's Facebook profile, and supervise personalities' involvement with Twitter, Facebook, and other social networks.
- Become an excellent communicator with the sales department and programming department.
- Bring a vigorous willingness to work hard, passion for getting the job done, and commitment to having fun. It is possible to do all of those simultaneously!

A New Position: Interactive Brand Manager / IBM

Think of this as “Production Director 2.0”

This is a position we have inaugurated at a number of our client stations, typically named the “iPD” or Interactive Program Director. This person is responsible for the day-to-day installation and upkeep of the company's interactive/digital assets, including:

- Daily monitoring and maintenance of cluster station websites.
- Manage web site ad inventory and listener e-mail databases.
- Update web site content daily to increase traffic/usability.
- Enter and maintain web-based advertising orders and insure they are presented according to client agreements.

RE-INVENTION

- Monitor and report web site metrics to the management team, and modify content to maximize visitor traffic and interaction.
- Monitor your typical visitor's experience by evaluating cluster web site response time and diagnosing / correcting issues.
- Always bring new ideas to the management team related to increasing traffic and maximizing sales.
- Work cooperatively with Traffic/Billing coordinators, Program Directors, and Sales Managers to insure accurate billing of clients and resolve billing issues.
- Work with Promotions Director / Listener Relationship Manager to update social networks and maintain frequent (and meaningful) communication with the audience.
- Manage gateway, banner, and streaming ads and promo inventory for cluster stations.
- Ability to edit and encode audio/video spots for streaming media. This requires proficiency in Cool Edit Pro, Adobe Audition, Windows Media Encoder, Flash/Swish, etc.
- Knowledge of web development technologies (HTML, DHTML, ASP, Java, Flash, Swish, SQL Server, PHP, etc.)
- Ability to multitask, prioritize time-intensive tasks according to business impact, and stay focused on key initiatives.

Personalities (now also Content Producers)

Personalities are now using much more than a microphone to communicate. Personalities are now empowered with new ways to reach the audience—including blogs, twitter accounts, text messaging, and streaming audio/video.

We must trust and empower these important people in our organization to do what they do best—attract audiences. It is ironic that some radio stations will trust their personalities to take over 50,000-watt-government-licensed radio stations as OPERATORS for several hours—but don't permit them to have their own Facebook accounts.

In the age of technology, it is impossible to monitor and manage every single communication that your "air staff" will share with the outside world. Times like this call upon managers to train their staff, share a vision and mission for the brand, and trust their

RE-INVENTION

team to bring the brand to life. Hire adults. Trust until proven untrustworthy.

The job description for any Personality / Content Producer will evolve to include:

- Produce content daily for each of the station's platforms:
 - Local Brand
 - Broadcast Signal
 - Website
 - Internet-Radio / Stream
 - Database / Direct Relationships with Audience
- Understand mechanics of cross-promotion and how to build audience and time-spent-with-brand on each of the above-listed platforms.
- Monitor other media, and spend time being creative! You are a valuable voice in the community. Use it.
- Manage a Twitter account and blog, and update them twice per day.
- Become an advocate for the sales staff and local business.
- Ask this question: What can I do to make someone's life better today in my audience? How can I be of service? Then, find an answer for this question every day.
- Embrace your privilege to serve. Carpe diem.

Sales Manager (...or "Local Marketing Manager")

The title "SALES MANAGER" is all about us and not about our customer. Our sponsor doesn't care that we made a sale. They care that their product is effectively marketed. As such, we suggest that you consider renaming the Sales Manager position as Local Marketing Manager. Stop schlepping spots. Successful Sales Managers of the future will be acting as local marketing consultants, creating multimedia marketing solutions for our clients. Refined responsibilities include:

- Responsible for all sales activities relating to each platform / media asset:
 - Local Brand
 - Broadcast Signal
 - Website
 - Internet-Radio / Stream
 - Database / Direct Relationships with Audience

RE-INVENTION

- Manage website and ad inventory in accordance with standards set by General Manager.
- Approve all sales, and look for ways to extend the sponsor's reach in relevant ways within the brand's capabilities.
- Lead sales staff training and continuing education, creating a culture of LOCAL MARKETING CONSULTANTS instead of "radio sellers." Ask for help when you need it, and reach out to experts beyond the company's walls.
- Become an outgoing networker and leader, helping to bridge the community of local businesses together with the community of connected consumers.
- Understand the new economics of the radio business:
 - CPM, CPC, and other online ad currency
 - Interactive Ad Products: Ad Pre-rolls, Banners, Keywords, Search, PPC, and Sponsored Listings.
 - The relationship between the station's Average Unit Rate and Online Rates
- Work with the Brand Management team and General Manager to generate new sales opportunities that leverage the brand and create audience and revenue opportunities.
- Knowledge of current interactive ad standards. Willingness to ask for help from expert sources—and eagerness to stay apprised of trends and market opportunities.
- Have humility. And don't be reluctant or afraid to hire people smarter than you.

Outsourcing?

Outsourcing is one answer for many stations. And not just network programming – made to sound local.

It is now common to outsource services radio stations once taken for granted as onsite.

For example, for many stations, on-site engineers—you know, the "guy" with the tools and wires in the office at the end of the hall? That's now a luxury, and it's becoming a thing of the past.

Engineering at many companies is now fully outsourced—or outsourced part of the time. Much like small town or rural hospitals, that are understaffed, but able to offer expert medical care and diagnosis by "remote" or video examinations, rather than on-

RE-INVENTION

site medical experts, we're beginning to see engineering at a lot of stations starting to look a lot like those "rural hospitals." That may be part of the radio station of the future. Though a full time Interactive Brand Manager (or webmaster) is mandatory and should be available 24/7.

While we've long seen local imaging, outsourced to outside independent companies, if a full-time production director/creative/ position is cut at a station, outsourcing may be a possible alternative here as well – cut costs yet still get the job done. We know of one former Production Director and DJ, who is now a stay-at-home-mom, working from her home studio to write copy and produce spots for more than 30 stations in her region!

Breaking News – Maybe now it's Everybody's "Job."

Who's in charge of the news? How will local stations handle it when there's a breaking news story? Listeners need the information, and with local news departments cut to the bone, what happens when there's a traffic disaster, flood, earthquake, tornado, hurricane, toxic spill, or other tragic accident? These events can affect the lives or safety of your audience. What's the plan? Right now many stations are ill equipped to accommodate breaking news.

Since local radio is responsible for serving the public and keeping our listeners safe from harm, (it's part of the public service commitment to keep a license....) now EVERYONE at the stations has got to get on board in the event of a breaking news story. Get everyone trained to gather and deliver news, verify facts, and check information. The future will be: "all hands-on-deck" rather than the traditional news director with his or her full reporting staff doing the job. Every one of your content producers or personalities should understand how to report the news.

Twitter is already beginning to play a role in breaking news. When verified and found credible, leads on changing stories are available and instantly deliverable and everyone from the sales team to the front desk receptionist (if we still have them) to the engineering staff may have to get on board during a crisis and help report the "news."

Remember that Creativity Costs Nothing

When there's little money around, this "blank canvas" can become a place where creativity can thrive. Creativity costs nothing. And now is the time to explore new ideas, risk taking and experiment. And it's already beginning to happen.

RE-INVENTION

Remember that Confusion, Overwhelm, and Pessimism Costs Everything

Confusion, overwhelm, and pessimism only suck your energy and attention away, so that you can't possibly see the forest for the trees.

Have fun. Put this saying on a note card, and look at it every day: "I have no value in confusion."

There is no sense sitting confused or pessimistic about the future. Get creative, smile, and have fun. You are in the midst of our industry's reinvention.

Why not enjoy it and become a leader in the transformation?

This is going to be fun.

We would love to collaborate with you and hear your opinions!

Please share your feedback with us at Valerie@gellermedia.com and Daniel@mcvaymedia.com.



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