

INSIDE RADIO®

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“Personalities INSIDE RADIO”

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VELOCITY-ENABLED END GAME CAVEAT

by Mike Kinoshian, Special Features Editor

Whether ambitious or otherwise, risk-taking (understandably) isn't exactly proliferating in this fragile economic climate.

Nevertheless “know when to hold them and when to fold them” from Kenny Rogers’ “The Gambler” subtly yet palpably lingers in the background when considering one particular highly-personable and gifted executive.

Few would quarrel that Renda Broadcasting occupies a prominent position on a list of top-notch radio groups.

Absent perhaps of the glitz some mega-entities boast, family-run Renda performs well and is held in high esteem among its employees.

An item about one of its senior-level managers departing to debut his own enterprise generates noteworthy interest although the truly attention-grabbing nugget is the executive's last name, “Renda.”

Let's not mince words: It's downright gutsy for someone to leave any relatively secure management position.

Isolated radio history precedents aside, group owners aren't generally in the habit of bouncing their own offspring from a General Manager's chair.

To Protect & Grow

Such an uncomfortable scenario won't have to befall [Tony Renda Jr.](#), since the General Manager of Renda's Fort Myers facilities resigned early last month to unveil Velocity Radio Management. “Over the last ten years, the expense side has been beaten down,” he remarks. “My fear is banks will own many radio stations [but] if stations were really well-run they could still make their payments.”

Frequently invoking his new venture's catchphrase “protect and grow the value of radio stations,” Renda elevates all levels of an operation, including management services. “Many people think ‘consultant’ is a dirty word,” he acknowledges. “I don't want to consult as much as introduce management systems and structure. I've created procedures for ways to do trade; cost-of-sale reports; and how to handle NTR and event revenue.”

Simultaneous with these components being funneled into a station, its management is introduced to how a facility should be run with maximum efficiency. “It absolutely includes looking at cost-cutting and expenses,” Renda concedes “but the majority of what I've found in discussions with my clients is we are not maximizing our revenue.”

This wasn't a spur-of-the moment career decision for Renda who thoroughly examined the efficiency with which his family's business operates. “Perhaps [Renda Broadcasting] employees aren't just blowing smoke when they tell us this is a great company,” he states. “Maybe what we're doing is right, smart and good.”

The younger Renda had a random discussion with his father long ago that formulating something like Velocity Radio Management would be cogent. “I always wanted to eventually do something on my own [but] I asked for his advice first,” recalls Tony Jr., who developed a business plan earlier this year and brought it to his dad. “We discussed it and not until I thought it had legs and the business plan made sense did I act on it.”

Fishing Lesson

More than slightly peculiar is discussing a job change when your boss is also your dad however the senior Renda, not surprisingly, proved himself to be fair. “I'm quite certain he recognizes I'm his son first and one of his General Managers second,” the younger Renda remarks. “This is a very amicable separation. It was scary having that first discussion and it was also scary leaving the nest.”

Southwest Florida is taking an economic beating however many advised Tony Renda Jr. to simply wait it out, which was tempting but he elaborates, “There are deeper things such as challenging and believing [in oneself]. I feel I have skills and have had plenty of opportunities to try new things on my own. I thought this one was worth it. It was the right time and I see the business opportunity in it. I don't know where this industry is going [but] I want to make sure I control my own destiny.”

Out-of-the box, Velocity Radio Management consisted solely of Renda who's since been inundated with resumes so it won't be a one-man operation very much longer. “A group of leaders will descend on radio stations and turn them around immediately,” he promises. “I intend to have about ten [employees in five

different positions], including a CFO who can turn around a whole business department in 24 hours. I want to have a Chief Revenue Officer who will install our systems and execute [them] perfectly. I'm going to have master programming and engineering liaisons. This will be a handful of the most elite people in the industry."

Likening his Pittsburgh-based operation to how Interstate Hotels operates Marriott units nationwide, Renda states, "They take over the hotel using the same people who are there. They bring in their systems and make the hotel run much more efficiently. That's a similar model to what I have."

Two Velocity Radio Management clients - including one turnaround situation - were signed before Renda officially departed RBC. "Stations [in the turnaround] have great ratings but revenue needs some work," Renda points out. "I installed all the systems and looked for a General Sales Manager to take over. The goal isn't to feed them fish but to teach everyone [how] to fish and then constantly monitor things. I see myself on the phone with a client almost on a daily basis talking about various reports and trends."

Hot-lanta-Featured Wish List

Home of the NFL Super Bowl Champion Steelers and Stanley Cup winning Penguins, Pittsburgh is where 37-year-old Renda spent the first 18 years of his life; the senior Renda's radio operation started in the mid-1970s with an East McKeesport, PA standalone. "It was just about the worst possible place you could write a story," the younger Renda confides. "Pittsburgh was having major problems with the steel industry and [my father] was in the part of the city that was all about [that industry]. He was at ground zero of a real tough economic time."

On top of that, the elder Renda bought an AM when he could have purchased an FM for one-third to one-half the price. "Through that, I saw my father struggle, fight and come home late every night for 11 years. He had to succeed - there was no [other] option for him."

That's how Tony Jr. learned about radio and explains his idea of the medium was that one needed to go out and hustle. "You

have to make sure the station is profitable and [that] you pay the bank. Those were some tough years for my dad and for us as a family. As a kid though, I always enjoyed going to my father's radio station. It was great to [witness] your dad as the boss. Seeing other people have respect for him was neat."

It wasn't until 1984 though that Renda acquired what is now Adult Contemporary "Wish" (WSHH/Pittsburgh). "The reason [Renda Broadcasting] is such a success is because my father had to literally fight to survive in those days," Tony Jr. remarks. "It trained him to be a good business person. He was always one step ahead of things. He's a hard-working guy who sought opportunity and is an amazing success. His parents came from Italy - he went into the Marine Corps so he could go to college."

Another of the veritable small army of potent radio stalwarts to come out of Syracuse University, Tony Jr. listened to a multitude of great nighttime talk show hosts including the legendary Bruce Williams. "My friends probably thought I was weird but I was very much into that," notes Renda who became Sales Manager and later Vice President of Business for Syracuse University's WJPZ. "That had a profound effect on my love for radio. Going to 'Z-89' was the perfect laboratory. I'd skip class to organize the sales staff. I loved the people and was genuinely happy to work there. It was my first true experience of being my own boss at a radio station and I loved it."

Instead of gallivanting to Panama City, FL with his buddies during spring break, Renda diligently interviewed at Katz and Interop. "I was coming from the sales side and was comfortable in the 'all sales all the time' environment," he states. "I wanted to go to New York or Atlanta - [the latter] was hot because the Olympics were coming there. I interviewed in both places and got a few offers."

Stop The Bleeding

The Big Apple won out and that's where Renda would stay for the next five years. "I went into the Katz training program in the late-1990s and things didn't get much better than that," he proclaims. "Internet money was everywhere. There were plenty of opportunities around to jump ship but none of them seemed right to me. I remember sitting in my New York cube and hearing

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my dad say that if I wanted to grow in Renda Broadcasting, I needed to be on the station side.”

Sensing his father’s organization had a national sales weakness the holder of a University of Pittsburgh MBA suggested the company’s National Sales Managers be consolidated into one place.

Several RBC stations were brought over to the Katz side of the table and Tony Jr. served as Renda Broadcasting’s Director/ National Sales. “If an avail came up, they would talk to me – I was right down the hall and on the same computer system. It was great.”

In the early-2000s, Tony Jr. transferred from New York City to become General Sales Manager of an unsettling turnaround situation at Renda Broadcasting’s Jacksonville cluster. “The stations had kick-ass ratings but the revenue wasn’t where it should have been,” he explains. “It was an education for the sales staff as well as for me. I lived in a hotel for a year. I worked during the day and created spreadsheets on my computer at night. There were no specific procedures – we were just ‘doing’ things. I had to author a lot of what we were doing and that’s kind of where Velocity came from.”

Resignation of the company’s Pittsburgh General Manager created the occasion for Tony Jr. to relocate to his Steel City birthplace and essentially install systems he had worked on in Jacksonville. “I tried to make all operations as smooth as possible,” he comments. “After several years in Pittsburgh, the same thing happened in [Fort Myers]. I just went where the bleeding was and fixed it.”

In light of the excruciating ways in which stations are watching every penny in unprecedented fashion, it would seem an inopportune time to kick-start a business where you’re asking vigilant operators for money. “Like radio advertising, this is an investment,” counters Renda who views his new business as a fair option for many managers. “You don’t advertise to lose money or to break even. My father couldn’t have grown his company from one 5,000-watt day-timer into 25 stations without giving clients a return-on-investment. I’m going to help save radio stations. When someone takes over ownership of a living, breathing station, they absolutely need to have it run correctly. I’m here to help them run it more efficiently.”

Energized By Flying Solo

Optimistic about the state of the economy over the next nine-12 months as it relates to radio, Renda differentiates our medium from newspapers. “Theirs is a damaged business model,” he opines. “It costs \$1.10 to make \$1. Even in this banged up economy, radio is still a very profitable endeavor [although] I am very nervous about our initial reaction to the web and how we could embrace it even more.”

Rep firm energy – or perhaps more precisely lack thereof - wasn’t nearly the same as what Renda experienced inside a radio station and he admits he already is nostalgic for it. “I also miss working with my dad who has a wealth of knowledge,” he declares. “Sure, I can pick up the phone and call but [it’s not the same as] getting advice handed to you on a daily basis. I loved the creative and clever ways we found to market and advertise ourselves.”

Being a hard-nosed individual is a major reason why the elder Renda accomplished what he has. “He said it wouldn’t be easy for me [to be part of Renda Broadcasting and he warned me] it would actually be [harder than that of a non-family member]. We threw an insane amount to the bottom line yet I’ve been put through the wringer on P&L calls. My dad was pretty tough on me [but] I know why.”

Unbuckling the safety harness from Renda Broadcasting to formulate Velocity Radio Management isn’t something Tony Jr. had to do – it’s what this pilot elected to do. “This is scarier than my [first solo flight but] it’s also very invigorating,” he emphasizes. “When you are the boss’ son, there’s a part of you that has [self-doubt]. There are many things you can’t buy yourself out of – you just have to do them. You have to dig deep within your gut and figure out how you are going to get out of it. My girlfriend [Helen] has been the most supportive person in the world.”

Immense off-the-chart satisfaction came in a recent bank transaction. “Depositing the first check from my first client is the proudest moment I’ve had,” a stable yet emotional Tony Jr. declares. “Velocity is not only the default, de facto management company for operating the most profitable radio stations, we are helping stations change from towers to brands. We’re stuck on dial positions and we must get the hell away from that. It’s been a great ride at Renda Broadcasting and I’m happy to move on to this next chapter.”



WHO: Tony Renda, Jr.
WHAT: Chief Executive Officer
WHERE: Velocity Radio Management
WHEN: Since May 2009