

tional costs. Promotions, said Ferguson, are being designed to work for both the station and the advertiser. "In the past, they were very client driven," he said.

Group W's Harris perhaps best characterized the next year's outlook when he told his staff two weeks ago that 1988 will be a time for "renewal." Said Harris: "Although we did better as a company than in 1986, we didn't reach the [sales] goals we set for ourselves in 1987 and that can slow you down when planning for 1988...So we decided to get a running start up the mountain by setting some tough objectives for next year. And we are determined to make those objectives."

## California station sale challenged

The FCC will decide whether a financially troubled AM-FM combination in northern California can be sold following allegations of an unauthorized transfer of the stations' broadcast licenses to a major creditor. The case, which FCC officials say may be a first for the agency, involves KVEC(AM) San Luis Obispo and KPGA(FM) Pismo Beach.

In a petition challenging the license transfer to U.S. Media, two former executives of Five Cities Broadcasting Inc., owner of KVEC and KPGA, claimed that Coast Savings and Loan Assn. of Los Angeles has run the stations since Five Cities defaulted on a \$1.2 million loan more than a year ago. In a petition filed with the FCC, James Sweida, former general manager of the stations, and Dan Armstrong, former program manager, contended that the state-licensed savings institution forced Five Cities to bring in a consultant to make all financial decisions, an assertion the financial institution disputes.

Although Sweida and Armstrong were dismissed in January, each man retains a minority interest with 15% of the non-voting stock in Five Cities and could be liable for outstanding debts.

Under the proposed sale, the stations pass from Five Cities to a Coast subsidiary, CF Communications Inc. and then to U.S. Media. In their filing, Sweida and Armstrong alleged that Coast will reap the benefits while other smaller creditors will be left in the cold.

Sweida said that he and Armstrong made an earlier bid to purchase the stations from Five Cities president and primary owner Michael Nigris Jr., but all prospective buyers except U.S. Media were excluded. Coast officials declined to comment and Nigris could not be reached.

However, in an FCC filing responding to the charges, Coast maintained that its role was "simply to protect its interests" and that it has not interfered with the stations' operations.

# Riding Gain

## Success stories

In a year that has seen the unveiling of several specialized, 24-hour satellite-delivered radio formats, including the launch of new age/light jazz music ("The Wave") and home shopping services, comes yet another fulltime program operation, SuccessNet.

The bartered network will provide listeners with segments of information culled from tapes of leading "success motivators" in America, said veteran broadcaster Earl Nightingale, chairman of the new venture. (Nightingale is best

sales based upon zip code results. "There will be one SuccessNet affiliate per ADI market," Sauro said. SuccessNet will originate from Phoenix.

## Network radio sales up

The network radio business, which had been in the doldrums since the summer, regained some of its form in October with sales posting a 2% gain over October 1986 to \$36,756,291. That's according to the Radio Network Association, which relies on financial data collected each month from network companies by the accounting firm of Ernst & Whinney. Year-to-date, however, network billings continue to be off, with January through October advertising expenditures down 3% over the same period a year ago to \$309,818,432.

## RAB's management agenda

The Radio Advertising Bureau said it has signed several management experts and motivational consultants to appear at its eight annual Managing Sales Conference (MSC), slated for Jan. 23-26 at Atlanta's Hyatt Regency hotel.

Leading the list of speakers are Herb Cohen, author of the book, "You Can Negotiate Anything," who will conduct a three-hour workshop on "selling techniques"; Kelsey Tyson, a management trainer, and Andrew Goodman, president and general manager of the American Comedy Network, who will give a keynote address entitled "How To Create Effective Local Radio Commercials." Other speakers include Gordon Williams, ABC Radio Network's economic correspondent; Pat Pearson, sales motivational speaker and author of "You Deserve The Sale: the Business of Success"; Dr. Steven Permut, a marketing professor at Yale University, and Dr. Roger Blackwell, a demographer at Ohio State University.

The three-day event, which has been titled "Team Radio '88: The New Ball Game," is being limited to 1,500 station and sales managers from RAB member stations. "Our theme is to train and inspire radio's front-line sales trainers and managers to cope with a changing marketplace, a changing economy and an evolving radio industry," said Ralph (Toney) Brooks, president of the new Denver-based company, Radio One, and this year's MSC chairman.

## Newsmaking news

Donald Regan, former White House chief of staff and treasury secretary, has signed with Westwood One to deliver a series of 90-second political and economic commentaries each weekday over the NBC Radio Network, which is owned by Westwood. *The Donald Regan Report* will originate from the Washington studios of Mutual Broadcasting, another Westwood subsidiary. The show is scheduled to begin Tuesday, Dec. 1.



Nightingale

known for his daily, five-minute commentary, *Our Changing World*, distributed by his Chicago-based audio publishing and syndication firm, Nightingale-Conant Corp.)

SuccessNet, scheduled to be launched via Satcom I-R on April 15, is designed for AM stations looking for an alternative format to help "stem the loss of listeners to the FM band," said William Sauro, SuccessNet president, who is also head of Creative Advertising Co., Phoenix. Nine minutes per hour of advertising time will be retained by the network while affiliate stations receive 11 minutes for local sale.

"No field of multimedia publishing [audio cassettes, books, etc.] has grown in the last decade like motivation," said Sauro. "These motivational products range in price from a few dollars to hundreds of dollars. However, there is no place for interested buyers to sample these products," he said. "SuccessNet will give listeners a chance to sample them."

Interspersed among the excerpts of motivational tapes, SuccessNet will offer two talk information program designs, one featuring "testimony vignettes of successful everyday people" and the other an overnight live call-in talk show, said Sauro.

The network will also engage in direct-response selling of motivational products through an 800 toll-free number, with affiliates receiving a 10% commission on