

# Norm Pattiz & Westwood One: Advancing The Frontier Of National Radio

BY MORT KAMINS



Not much has gone wrong for Norm Pattiz since he founded Westwood One in 1974 as a one-man band fueled mostly by energy and *chutzpah*. Today, after December 1985's purchase of the

52-year old Mutual Broadcasting System, Pattiz helms a Westwood One which, in terms of gross revenues and commercial time for sale, is the second-largest – and fastest growing – radio network in the country.

Even before acquiring Mutual, Westwood One had carved out a singular niche in the radio business. Known for years as the nation's leading producer and distributor of nationally sponsored radio programs – dominating the rock concert and youth-oriented formats – Pattiz admits that much of the financial and advertising communities still viewed the company as "an eclectic boutique operation with a small cultish following. By acquiring Mutual we catapulted ourselves in a single move to probably the key player in the network radio business."

The scruffy new kid on the block who had to fight for acceptance in the radio community is all grown up. Westwood One now does business with more than 250 national advertisers including 24 of the Top 25. And, during spring '86, Pattiz found himself basking in the "totally unexpected" pleasure of being named *Radio Executive Of The Year* by the *Gallagher Report*, a respected trade magazine. Pattiz and Westwood One have clearly come a long way; no one – not even the supremely confident Pattiz – would have dared predict such a future when he began Westwood One.

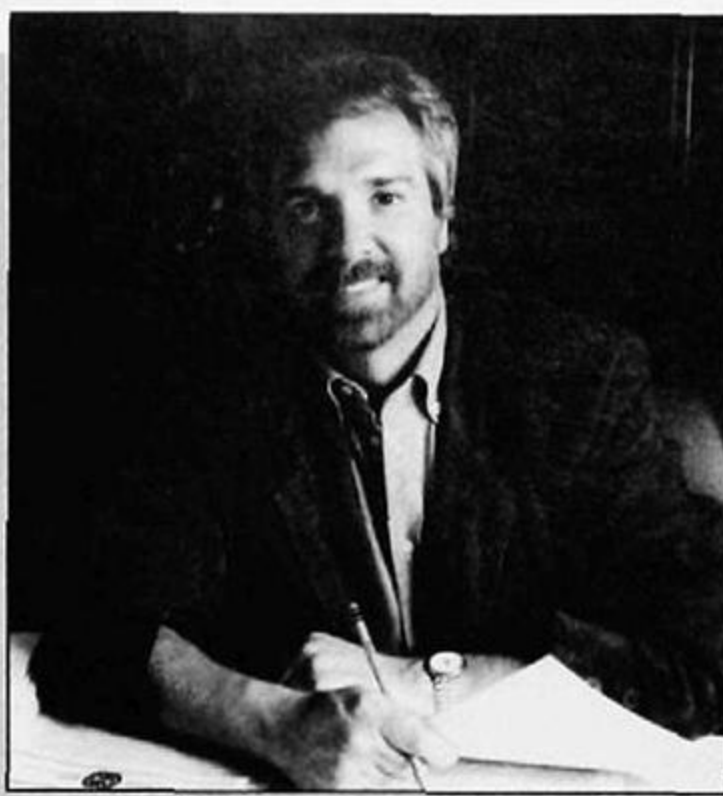
In 1974, Pattiz was sales manager at KCOP-TV, an independent station in Los Angeles, with vague ambitions of one day managing a TV station. "Starting my own business had never even crossed my mind," he now recalls. Then, out of the blue, a pink slip arrived. He was being replaced by the station manager's little brother.

Pattiz found himself with \$10,000 in the bank, a working wife, no job and no plans. Fate surely lurked in the shadows, though, because one day he and a friend were listening to L.A. radio station KGFJ's 52-hour salute to Motown Records, and Pattiz began wondering whether radio shows like that were ever syndicated nationally as TV shows were – bartered to local stations in exchange for approximately 60% of the advertising time, which the syndicator then could sell to national advertisers.

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Driven by "a sort of fear, not knowing what else I would do," Pattiz started talking to people in the radio business and found barter almost non-existent. "What little syndication there was in radio was mostly for cash and it was all perceived as totally flaky by advertisers, ad agencies and radio stations. It was mostly moonlighting disc jockeys, production guys, station managers – people who could put together a good-

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Norm Pattiz, Westwood One Inc. founder and chairman, and CEO of the Westwood One Radio Networks and the Mutual Broadcasting System.

sounding radio show but didn't have the foggiest notion of how to deal with a national advertiser or how to market the program. That's what I brought to the mix."

Pattiz had little money but he knew he "didn't want this to be a business out of my bedroom," so he incorporated, sublet a Wilshire Boulevard office in the Westside Los Angeles suburb of Westwood (hence the corporate name), and bought some tony stationery. He lined up a deal with Motown and KGFJ to produce a 24-hour *Sound Of Motown* program, convinced three national advertisers to sponsor it, then launched a year-long effort to barter his show across the country.

Right away, he found that if he was going to climb the ladder of success, he'd first have to build the ladder himself. "Radio stations wouldn't take my calls, wouldn't return them," he remembers. "But I learned that if I called 50 times and they didn't take my call, on the 51st time they might and if they did they might take the program."

The *Sound Of Motown* brought Westwood One more than \$100,000 in revenues, not enough to pay Pattiz a salary but enough to keep the fledgling company going. Adding more programs – short-form interview shows, Dr. Demento's inspired insanity – Pattiz used the perceived flakiness of the syndication business to his advantage. "Westwood One had to

establish credibility and we did it by out-detailing the competition. We came in more 'buttoned-up.' Even when previous syndicators had put a program together and got advertisers to buy, the advertisers often didn't know if the program had even been aired. Stations didn't always live up to their contracts, or you couldn't prove they had. I found they will live up to their commitments if you tell them what they're to do and keep reminding them of it. That's the mundane, boring part of the business, but it's absolutely essential."

It's obvious that Westwood One is doing it right; the company's growth has been little short of phenomenal. Once housed in that tiny Wilshire Boulevard office, the company now owns and occupies a 7,600 square-foot building in Culver City where its production facilities are located and a 14,000 square-foot building nearby housing its executive, sales and marketing offices. It also leases offices around the country and in London, England.

Pattiz is convinced that Westwood One will continue its rapid growth. "The network radio business is growing by leaps and bounds, and we intend to capture a growing share of an already expanding market," he says. "TV costs are way up while network viewing levels are down. Advertisers know we'll deliver large, demographically specific audiences. One of the key reasons network radio is growing is what we've brought to it. When we first started, entertainment-based special programming hardly existed. Today it's an \$80 million business and we bring to the party maybe 50% of that. A large part of network radio's growth has come from the segment in which we're clearly the dominant player."

Much of Westwood One's success, Pattiz believes, lies in its superior ability to make the "right marriage of program and advertiser." And that, in turn, results from the decision several years ago to make Westwood One a totally vertically integrated network. "With the exception of news and some sports, most radio networks buy entertainment from outside producers. We don't. We create, produce, send out to stations, sell time to advertisers, send out proof-of-performance affidavits to stations. In many cases we have a much



Pattiz, Bob Dylan and Tom Petty—True Confessions at the press conference announcing Westwood One's exclusive tour sponsorship.

closer relationship to advertisers, because it starts with the creative process. Many times there's joint creative input between the client, the agency and Westwood One – to our advantage."

Westwood One can operate this way because a few years ago it built production facilities at its headquarters. It no longer had to rent someone else's studio. The

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