

A&M Nashville A Victim Of Country Label Growth

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NASHVILLE—The first casualty of the recent rapid proliferation of new labels here is A&M Records Nashville, which ceased operations and closed its doors Sept. 4.

Top executives of other labels based here caution that the closure should not be viewed as a sign of bad times for the country music business. Rather, they cite a shallow executive pool, growing competition, and the high cost of doing business in any musical genre as possible reasons for the decision.

A&M Nashville pointed to the first explanation in announcing the closure. Citing an inability to find effective leadership for the fledgling Nashville operation, Al Cafaro, chairman of parent company A&M Records, issued a short statement that noted the increased level of competition in the field.

"Without strong creative leadership, the level of investment needed to be competitive in today's crowded country music marketplace made no sense," the statement said. "Continuing the

search, treading water so to speak, would be a disservice to the artists on the label and would imperil the success of current projects, such as Toby Keith. They will be better serviced by [Mercury Nashville president] Luke Lewis and his team."

Lewis says that Mercury, which, like A&M, is part of the PolyGram family, will initially "ensure that Keith maintains the momentum generated by his latest album, 'Blue Moon,' and current single, 'A Woman's Touch.' We will then assess the entire roster and make our decision regarding each individual act, based on what's best for all involved."

Other artists affected include Chely Wright, Mark Luna, 4Runner, Davis Daniel, and the Moffats. Nineteen A&M staff workers lost their jobs in the closing.

A&M Nashville had a short, hesitant history. It has been without a leader since Harold Shedd resigned in May. The company was formed in 1994 as Polydor Nashville, with Shedd as president. It became A&M Nashville in March of this year, and the No. 2 man at the label, VP/GM Steve Miller, left, to be followed by Shedd in May.

A&M Nashville's only significant chart success has been with Keith, whose single "A Woman's Touch" is No. 18 on the Billboard Hot Country Singles & Tracks chart. His album "Blue Moon" is No. 37 on the Top Country Albums chart.

Other label executives in Nashville say that the small executive talent pool in the city was the dominant factor in the label's move to shut down, downplaying recent articles in the consumer press that paint a bleak future for the country music industry. Citing figures that show a 10% drop in country sales for the first six months of this year over the same period last year and a decline in country radio listenership, some

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observers predict hard times ahead.

Warner/Reprise executive VP/GM (U.S.) Eddie Reeves says, "The talent pool has gotten shallow. If someone said to me, 'Eddie, go start a new record company and get me six great promotion people and [don't] hire them from other labels,' I don't know that they're out there. I think we've grown so fast that the talent pool has become shallow. If somebody said, 'Go find an executive who has the ability to come run a Nashville record division, someone available and willing to do it for a reasonable price,' I don't know [that I could]. I would probably agree with A&M that there weren't obvious choices, but I would disagree with them that there are no choices here."

Sony Nashville executive VP/GM Allen Butler says, "This does not necessarily have that much to do with Nashville or country music. As a format and as a genre of music, I think we need to make it perfectly clear that maybe the parent company is having such huge problems that they couldn't afford staying in business here. The cost of business has gone up dramati-

cally. It costs us the same thing it costs the New York and Los Angeles labels."

Butler also points out that the established labels here, such as Sony, RCA, and MCA, have a huge advantage over newcomers. "We have 30 years of catalog in our vault that we can sell every day, day in and day out," he says. "We can repackage it 100 different ways to sell the same thing over and over. So we have an automatic income-generating vehicle. A&M Nashville, or whoever comes in here, doesn't have that catalog."

Butler cites another problem with start-ups. "If you look at A&M's roster, they tried to start a record company with a great artist, Toby Keith, as their headline act, but if you look around, you see that the competition has a lot of platinum-level artists as their headline artists. It's easier to start a company and cover your overhead—if you don't have any catalog—with a multiplatinum artist than with a gold or platinum artist. The things that fuel a record label are multiplatinum and platinum acts and a big catalog."