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A&M Records Closes Urban Unit; Music: Resources shifted to Perspective Records, a joint-venture label with R&B producers Jam and Lewis.

BYLINE: CHUCK PHILIPS and HEIDI SIEGMUND; SPECIAL TO THE TIMES

In a move that caught the music industry by surprise, A&M Records on Thursday shut down its urban music division and shifted those resources to Perspective Records, the Hollywood firm's budding joint-venture label with Grammy-winning R&B producers Jimmy Jam and Terry Lewis.

The shake-up—which sources said will result in the loss of six jobs and the paring of about five urban acts from the roster—is A&M's solution to the firm's lackluster sales in the urban market since Janet Jackson departed in 1991 for Virgin Records.

Al Cafaro, president and CEO of A&M, refused to discuss specifics of the roster cuts but said he expects the multimillion-dollar reorganization to bolster his label's presence on the R&B charts.

"The urban business is extremely important to A&M," Cafaro said Thursday. "I decided it was time to maximize our resources and put those resources in the hands of one remarkable team that I believe will put us in the forefront."

Jam and Lewis, whose production work for Janet Jackson and others have helped sell more than 40 million albums over the past decade, launched Perspective Records with PolyGram-owned A&M in 1991. Under the new arrangement, the Minneapolis-based duo will serve as executive producers on future recordings by CeCe Peniston, Barry White, For Real and other A&M urban artists to be released on Perspective.

The reorganization raises the profile and broadens the power base of Perspective President Sharon Heyward, who will receive an immediate influx of cash to beef up her company's promotion, marketing and publicity departments. A&M will underwrite the restructuring plan with funds saved in closing its in-house division.

While industry insiders voiced concern about a possible precedent being set by A&M closing its urban division, most agreed that the firm's expanded commitment to Perspective was a positive move.

"It's the music that pulls the train in this business, and I think Perspective will prove to be a tremendous source of repertoire for black artists for A&M," said Sylvia Rhone, chief executive officer of

rival Warner Music's EastWest Records. "Sharon Heyward is a great executive. She knows what she's doing."

PolyGram--a subsidiary of Philips, the Dutch electronics company--also owns Motown, Island, Mercury, Vertigo, Polydor, London and Fontana Records. It purchased A&M in 1989 from label founders Herb Alpert and Jerry Moss for \$500 million.

GRAPHIC:

PHOTO: Top, Al Cafaro, president of A&M Records, Perspective Records President Sharon Heyward; seated, R&B producers Jimmy Jam, left, and Terry Lewis.

DESCRIPTORS:

A & M RECORDS; PERSPECTIVE RECORDS

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