

## Have You Hugged Your Radio Broker Lately?

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I am not sure who needs the hug more. Is it the station owner who is living through some very difficult operating times coupled with declining station cash flow multiple valuations and a historic credit crunch?

Or is it the broker, who in the face of this formidable marketplace is nonetheless putting forth great effort (at least, I am) to work in the best interests of his clients, whether they are buying or selling?

I can't speak as an owner, but I can as a broker.

I have been brokering radio and TV stations for almost 25 years now so I guess nothing should surprise me. And yet, I am constantly dismayed (which can sometimes be helped by a good hug, depending on who is the hugger and who is the hugee) at how I am sometimes treated by potential buyers when I have a station to sell.

My first challenge, if the person I am calling isn't currently available, is getting a timely call back. Since I work for Media Services Group, the nation's largest media brokerage firm, this usually isn't a problem. But when it does happen, it is very frustrating. Please understand that I am not trying to sell a time share condo in Florida, a 1998 Oldsmobile with low mileage, or a Vegematic. I am calling because I have a station which is available for purchase AND as a result of a significant amount of initial research (which helps me to work efficiently), I believe it may be attractive to this particular owner.

I need to work efficiently since a broker's time is his most valuable commodity. Unlike lawyers, accountants and other professionals, I don't get paid by the hour. I get paid only if I am successful in closing a sale. I usually spend a significant amount of time compiling a list of prospective purchasers which improves my productivity. I can't afford to waste time, for example, by calling a group owner in Alaska about a station I have for sale in North Carolina.

Certainly, these are troubled times in our industry. The potential buyer I am trying to contact might be a broadcast owner who may barely be surviving himself. The next to last call they want to take is from someone trying to sell them something. (The last call would be their senior lender about to foreclose on their loan.) But the information I have to tell them could be very valuable to them

even if buying is the furthest thing in their mind. It could give them an idea of the market asking price on a station which could be a comparable value to their station....sort of a free mini- appraisal. Or I might be able to provide insight into the current state of that owner's market since I have the ability to talk with many owners in a particular market.

Occasionally I may never get a call back from a particular potential buyer. But when I finally talk to someone on my list, I try to be as professional as I can possibly be in describing the opportunity. And yet if you could listen in on these calls, you would be shocked at the response I sometimes get: Hysterical Laughter. Dead Silence. I even had someone hang up the phone on me in mid-sentence. (Being human, I can only take so much and I had to call him back to find out what planet he was raised on!!)

Now I know what you're thinking, phoning someone is so twentieth century: use E-mail instead.

I have found E-mail to be excellent for certain tasks in brokering stations, but introducing a potential buyer to a deal is not one of them. I can send out a descriptive memorandum about a deal via E-mail, but I won't do it until I know it is something the potential buyer would like to see. Besides, I still believe that I have an ability to describe the opportunity in such a way as to entice a buyer to at least look at this station.

So if you see me at the next NAB Convention, don't feel obligated to give me a hug. But if you get a call from me, you don't have to answer the phone with the phrase that pays, but please do answer.

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