

# Seven Questions with George Reed

By [dseyler](#) on Aug, 6 2013 with [Comments 2](#)



## Personal information

Current company: Media Services Group (also Monticello Media, with six radio stations in Charlottesville, VA, and USAntenna, with towers in GA, AL, and SC)

Position: Managing Director

Location: Ponte Vedra, FL

Place of Birth: Heidelberg, Germany (no, I don't speak German)

Date of Birth: 10/20/55

Spouse/Kid/Personal info: Married to Loree. Three daughters, Cara, Megan and Shannon. Loree works with me at MSG. Cara is married with two sons. Megan is in the ad agency business in CT, and Shannon is starting her junior year at Clemson.

College: My college attendance followed my radio career around, so I attended several. I finally graduated from Mercer University, then got an MBA from Georgia State University.

Favorite band or artist: Jimmy Buffett, but my musical tastes run from Compay Segundo to Sting to anything country.

Favorite movies: Wall Street, Blazing Saddles, Senna.

Favorite books: Atlas Shrugged. Holy Bible. Don Quixote de la Mancha.

Sports Team Preferences: I am a Formula One racing fanatic. Favorite team: Ferrari

Hobbies/Passions: Driving really fast on race tracks. Also playing guitar (not very well), boating on the ICW, and trying to become fluent in Spanish.

Causes/Charities: Methodists United in Prayer. I work with the Methodist Church in Cuba coordinating the sister churches in Jacksonville and Havana. I have been fortunate to travel to Cuba six times, getting to know many wonderful people there.

## Questions:

### 1. How did you get started in the business?

I started in high school (Tell City, IN) when Jim Brewer (Brewer Broadcasting) gave me a part-time on-air gig filling in for guys on vacation. I certainly didn't have the talent to warrant the job, but I was the only other person in town who had a "3rd 'Phone with Broadcast Endorsement" license who didn't already have a job there. I later moved across the river (literally) and worked for Bud Walters (Cromwell Group). He explained that if I really wanted a career in broadcasting, it would have to be in sales. And so it was. I later sold time in Owensboro, KY, Winter Haven, FL, Orlando, and Atlanta.

## **2. What are the prospects for radio trading looking ahead, and in particular?**

After the three-plus year recessionary drought, where very little trading occurred, things have certainly picked up. Things started picking up steam in 2011 and have continued to improve, albeit slowly and at lower multiples/prices. We expect 2013 to be a good year. The spread between the seller's expectations and what the buyers will pay has narrowed. The banks are creeping back into the business, and with small deals, seller financing has become the means to get deals done.

## **3. What are the prospects for station trading on the TV side, considering in part the upcoming incentive auctions?**

TV is exploding. It seems that Sinclair is announcing a huge deal each week. The television broadcasters seem to have all concluded at once that scale counts, so everyone is looking to get bigger or to get out. The incentive auction has lifted prices in the top 35 or so DMA's, though the rising tide is lifting all of the boats. The icing on the cake is the rapidly increasing retrans revenue.

## **4. What is the current state of financing in the broadcast sphere, particularly for mid-range and smaller deals?**

Small deals have always been tough to finance, and they still are. Seller financing has come back into vogue after a prolonged absence. Bankable deals can probably borrow 3x to 4x Broadcast Cash Flow. You can still count the lenders on two hands, but it was only a few years ago when you could count them on no hands. GE resumed their cocktail party at the NAB Show this year, so things must be getting better. Private equity has also returned to the playing field.

## **5. How important are associated digital assets in today's broadcast trading environment?**

The revenue numbers are still small, but the growth is not. In time, digital revenue (and its associated growth) will likely carry more weight in the station pricing models.

## **6. Is there anything that Congress or the FCC can do to make it easier for broadcasters to operate successfully?**

I applaud the move to relax cross-ownership, but basically it is a decade too late. If the FCC would change the subcaps rule, it would make a difference (allowing AM and FM stations to be treated the same for purposes of the station count under the local ownership rules). With the world-changing impact of the Internet, most of our current rules and regulations simply make no sense.

## **7. What do we need to be doing as an industry to rekindle the business?**

We need to get the "kids" back. Radio used to be the place to work, the place where you could have fun and make a good living. Now, the young people all want to work for Google or Facebook. Look around the stations; you see a bunch of gray-haired folks (like myself). We need some youthful energy and ideas. We need to develop our digital products. We need to start hiring some millennials. Soon.

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**About The Author:** Editor-in-Chief Dave Seyler has spent the past 20 years with RBR-TVBR. He joined the company in 1992 after breaking into the broadcast trades with Broadcasting and Cable. He provides coverage of Washington, station transactions, general statistical reports and just about any other topic. He is learning to dodge hurricanes as the editor in residence at RBR-TVBR's Outer Banks NC news bureau.