

SCOTT BORCHETTA JIMMY HARNEN

The Republic For Which They Stand

Capitol/Nashville Sr. VP/Promotion Jimmy Harnen watched his promotion crew place second in label chart share each of the last three years. Earning that elusive Label of the Year title almost became a personal obsession over that time, and at midpoint 2009, Capitol led all Nashville labels in chart share. That potential achievement made Harnen's decision to suddenly depart for a mysterious new post with Scott Borchetta and the Big Machine/Valory Music Co. team all the more intriguing.

Wild speculation about the nature of the new job preceded the June 1 announcement of a joint venture with Monte Lipman's New York-based Republic Records. The new Republic/Nashville label, with Borchetta as CEO and Harnen as President, will join Big Machine and Valory when the companies move into the former Oasis Center next door to their current offices. Country Aircheck sat down with the two executives in the original compound for an exclusive first interview about their history together, the way their new venture is being assembled and their plans for the future of country music.

CA: So, do either of you guys read the newspapers? We're in a worldwide recession, the music business is in the tank for a variety of reasons, and you guys think it's a good idea to start a new label!

SB: C'mon, Lon, you asked me this question five years ago! But I think it's a timely question because it's still valid. The music doesn't stop, and the music business doesn't stop. I think we've proved so far – in what we've done, what we continue to do and what we look to do – that this is still a very viable business. We just have to continue to understand how to monetize it. This is also about the opportunity to work with Jimmy again.

When we wrote about the launch of Valory, you said you needed a second label because you had so much music you needed to get out. So why a third?

SB: Because for our strategy, we've proved that one team, with a hyper-focus on a small number of acts, is bringing the desired results. It's still about getting to these next things that we want to sign. It's to build another branding team with this other great music that's right out there under our nose.

JH: Change presents opportunity, and there's a lot of stuff going on right now that the next generation of executives can really capitalize on. Someone told me that more successful businesses and millionaires come out of recessions and depressions than at any other time in American history. So I think this is a time when you dive in and just go at it.

SB: As others are receding, we are strategically marching forward. If they're going to retreat and leave this land open, then we're going to take it.

In our Dec. '07 interview, Scott, you said Big Machine was in "very beautiful black" in its first year. Some might say, however, that at this point you haven't broken anybody new since Taylor. So, again, why the need for a new label?

SB: Look at where Jack Ingram is now from where he was three-and-a-half years ago. He has a national career. And we're in the Jack Ingram business, not just in the Jack Ingram record business. So on several levels, Jack Ingram has broken through. Jimmy Wayne is a work in progress that is working. And with what we're doing digitally with him and the way we're building his touring career, that is working. With Jewel, that record actually did very well, and it introduced her to a brand-new audience. We're getting ready to do a second record. As far as the new things, we're not going to be stale. We're going to keep taking quality at-bats. And to give quality at-bats, we need a quality team.

What can you do with a third that you couldn't do with two?

SB: Taylor takes up a lot of air at Big Machine. There's no room for error. The last thing I need to do with the Big Machine team is to

take their eye off the ball. You're not going to see – and this goes back to our very first conversation about Big Machine – more than three to five artists on that label. We need to make sure that second, third and fourth positions earn it. We've had some turnover now with that roster. Now, with Valory, look at what Reba's doing. This is the first time Reba's been the No. 1 artist at a label. During her entire career at MCA, she was in the shadow of George Strait. Well, look what happens when you give her 100%. You haven't even seen what's going to happen. The things that we'll be doing are going to blow you away. But that's because I have a whole team absolutely, 100% focused on Reba McEntire.

And that doesn't take anything away from Jimmy Wayne, where he is in his build; they don't compete with each other. It doesn't take anything away from Justin Moore. So it's very balanced. We're probably going to sign an act we saw earlier today. But if I didn't have Jimmy and this opportunity, it might be 18 months before we could get there. And I never liked that situation of falling in love with something, having a great record – and then having to wait to get it out there.

What will be Monte's level of involvement?

SB: Monte's wanted a greater presence in Nashville for quite awhile. He originally brought Pat Green to Universal South, and has always loved country music. Republic, which was Gene Autry's label, is a name Monte actually purchased. He'll be checking in, but he's not running it. We are.

How did this partnership with Republic and Monte come about?

SB: Monte and Republic/New York are our pop partners for Taylor Swift. So our relationship, in a working manner with Monte, started almost two years ago with "Teardrops On My Guitar." And Monte and I have known each other for about 15 years. He was a promotion guy, so the three of us really have a lot in common, though ironically, he hasn't ever met Jimmy. The relationship grew to the point of, "How can we do more business with you?" And in the same space, "Are you interested in selling?" I said, "No, I'm not."

Were you even tempted?

SB: The number wasn't big enough. (Laughs) You can't be tempted unless the number's a

lot bigger. So then it became a question of whether we could do more business together. I personally don't need more on my plate. So I looked at it as, "Who could I get? Who would want to do this? Who's ready to do this? Who do I know that I could bring in and trust and have a similar A&R vision and a similar future vision?" And there was one guy. So if this one guy wasn't available, we probably don't do

this. I've been trying to get Jimmy back since he left DreamWorks. I talked to him about Big Machine from the beginning, so we've always been brothers from a distance.

JH: He was the first guy to call me when Refugee Management broke up and I was out of work – even way back then. He was at UMG, and asked me to work the Sugarland project.

Are there any Big Machine/Valory partners that are part of this?

SB: This will look a little bit different than the Big Machine and Valory relationship. This isn't adding another promotion department and using all of our backroom. I'm the CEO for Republic/Nashville. Jimmy is the President. We will have some coordination with A&R and marketing, but we will be utilizing publicity, creative services, A&R admin, royalty accounting, etc. through Universal. We're going to have the best of both worlds. We have the heart of an independent – it's still an independent – and the power of the big machines, so to speak.

What is Republic/Nashville responsible for?

SB: Promotion, A&R and some shared marketing. Kelly Rich, our VP/Sales & Marketing, will oversee that because even though we have fewer accounts, it's still a specialty. You still have to know the country plays, and Kelly has the playbook.

What is the A&R process? Will Monte be signing some people that he gives to you guys? What kind of input will you have on what he signs, or does he have carte blanche?

SB: If we don't love it, we don't sign it. Will they present opportunities to us? Yeah. But it's not, "Here's a record. Put it out." They're buying into our vision. I expect they will call Jimmy or me and say, "Hey, check this out."

How will you decide which acts are signed to which labels?

SB: Republic is going to be geared a little bit more aggressive and a little bit younger. So when we look across the platform of the three labels, we'll ask where an artist best fits. If there's something I love and Jimmy's not into it, then we won't put it on Republic.

Will you have your own A&R person or staff?

JH: We're going to share [Big Machine/Valory VP A&R] Allison Jones. And Scott's doing it, and I will, too. I always say, "Everybody is an A&R person."

SB: If you go back to how Big Machine started, I was the A&R person. So the head of A&R is sitting right here. Either Jimmy or I will be the head, with Allison. We hear different things, too. So it's almost adding to our A&R repertoire of understanding hits because one person never gets all of them. So with Allison and Jimmy, I think we've tripled our A&R prowess, I really do.

JH: Scott and I grew up listening to a lot of the same music, but I think we liked different bands. So we balance each other really well.

SB: I credit Jimmy with helping me develop the blueprint for Taylor with what we did at DreamWorks with Jessica Andrews. We all were aware of LeAnn Rimes, obviously. And Jessica was arguably the next one in line. Jimmy continually put that youth thing in



my face with, “Man, look at what happened when we did this high school promotion in Roanoke.” By the time we got to Taylor, our experience working with Jessica helped me.

You said Republic would be aggressive and young. What’s the vision?

SB: It doesn’t mean we’re going to sign embryos. Anytime you have a movement the size of Taylor Swift, there’s a reciprocal wave that goes through music. We saw it with all the different incarnations of the last 15 or 20 years. And even with what Big & Rich did with MuzikMafia. Taylor’s the next MuzikMafia, if you will. So you’ve got a lot of young talent – male, female, bands – coming to town. We just saw something right before this meeting that blew us away. It has youth to it, but absolutely, it’s dead on for the format.

JH: The idea is to be young at heart, too, not just youthful. A lot of people who are 60 are young at heart, and they like to hear music that reflects that.

SB: Jimmy once said, “Nobody likes to think they’re old.”

When did you get into this mix, Jimmy, and how did Scott approach you?

JH: My Capitol contract was going to be up at the end of June. I wasn’t looking, but Scott and I are friends and always talking music. We share a common vision. It’s funny because when I was a regional for Scott, I

nervous as shit. I don’t even know what I said, but I think I did all the corniest, stupidest lines, and he walked away.

SB: It couldn’t have been that bad because I obviously offered you a job.

When Scott first approached you for this job, were you in right away?

JH: We had dinner. I don’t even remember how we got to it, but Scott mentioned the new label, and I told him I was interested. It was always my goal to be the president of a record company. Most kids grew up following Mickey Mantle and other baseball players. I read the *Yellow Pages of Rock* and watched Mo Ostin and Ahmet Ertegun. I was like a moth to flame. I just couldn’t say no. When I told Mike Dungan, he said, “How can I stop you? I had my shot. This is your shot.”

SB: There always were a handful of people I wanted to be part of this family, maybe somewhat selfishly. Jimmy was absolutely one of those people, and I’m so proud to be able to give Jimmy the shot. It’s a shot that I had no problem creating for myself, which is something I’m very proud of. But I’m equally as proud to be able to help the people in this building with *their* dreams.

JH: There was kind of an emotional moment on the phone where he said, “I want this to be the best experience of your life.” That was just really cool to hear.

a really charming, father-like way of coaching people to the next level. He had bumper stickers made that read, “Do the right thing.” I brought one with me because I think that’s really important. He always does the right thing. And Scott’s the same way. I’ve been blessed to work with, I think, two of the best in town. They’re very different, and yet, in many ways, they’re very much the same. They’re both real musical, and I’m impressed with that.

And what will you stay away from?

JH: I’ve seen people who motivate with fear, and I think that’s awful. A nervous golfer standing over the ball on the first tee is going to slice. If you’re relaxed, you’re going to crush it down the middle. You have to provide that comfortable atmosphere, and you’ve got to coach people. The whole fear, intimidation and yelling thing – I think that’s really counterproductive.

Have any artists been signed?

SB: The first act on the label is called Fast Ryde.

Is that their name, or is that your name?

SB: Ironically, their name! Isn’t that perfect?

JH: That never hit me until right now!

SB: As Jimmy and I were finalizing this conversation, I sent him an email, and said, “I have something you have *got* to hear.” He came over to my house, I put their CD in and we both sat on the floor amazed.

What’s the working structure between you two?

SB: It’s really a partnership. The day-to-day is going to be Jimmy. I’ll be involved with the big-picture elements and to be there when he gets into situations and places where he needs some experience and assistance. But I don’t look at Jimmy as working for me, I see him as working with me.

In 2007, you said, “I look around and see major labels trying to figure out how to get smaller. It’s up to me and my executive team to make sure we stay small.” How does this new label fit in with that philosophy?

SB: This is a continuation of us staying small. As crazy as it sounds, it fits in perfectly. Because Big Machine isn’t overflowing – it’s still this small little combat unit, as Valory is, as Republic shall be. So we don’t have 15 people in marketing or nine people in online. We’re still very small. And we have the heart of an indie. Our overhead is still remarkably small for the number of artists and releases we have.

JH: One label can only work so many records. It gets to the point where you’re so diffused that you never sleep. So it’s staying small by going a little wider.

You both relish that underdog mentality to motivate people -- “Us against the world.” Scott, when Valory launched you said, “We’re going to continue this same underdog mentality of being giant-slayers.” Well, at some point, you’re becoming the giant. How do you keep that underdog spirit?

SB: Even in the heyday at MCA, I always kept that team fighting like we were No. 2, like Avis: “We try harder.” The moment that you think you’ve cleared the mountain, and there’s not another mountain, that is the beginning of the end, as far as momentum goes. Keith Richards has this great quote: “I wish I could just keep the band on the road because we keep getting better.” That’s how I’ve always felt. There are moments where you lift your head up, but more often than not, keep your head down.

JH: Clive Davis said that every day he went into work, he thought he was going to get fired. And that was after some 60 great years of being in the record business. Being hungry just becomes part of who you are. Some people have it, and some folks don’t.

You talked earlier about not being in the Jack Ingram record business, but that you are in the Jack Ingram business. So what are the deal structures for artists?

SB: Big Machine may have been one of the first Nashville labels to really partner with our artists. If you look across the whole platform, everybody’s partnering in different elements of potential income. It has evolved, and this is evolving as well. We participate in a lot of areas, but we also try to make sure that it’s not just a financial participation. If we take on a piece of management or something like that, we spend a lot of time with the strategic management vision for what the artist should be. The more we get into this, you’re going to see our company look as much like a management company as Red Light or what Irving Azoff was doing pre-Ticketmaster. What can you do for your artist? Do you have the services to make them a big star in every world where they want to be a big star? Do you have anything to add?

What’s your biggest emotion with this new adventure? What excites you in your own private moments thinking about this?

JH: Being closer to the music. I’ll always be a promotion guy; everybody in life is a promotion person. But we had a moment before you got here where we saw a trio that was just frickin’ great. To watch that and know that I could be part of developing and marketing that, taking it out and blowing it up, there’s no better feeling. **CAC**



IT WAS ALWAYS MY GOAL TO BE THE PRESIDENT OF A RECORD COMPANY. MOST KIDS GREW UP FOLLOWING MICKEY MANTLE. I WATCHED MO OSTIN AND AHMET ERTEGUN. —JIMMY HARNEN

wondered why he was in the office so late all the time. I can’t count how many times I called him from Capitol saying, “Okay, I get it. I know why you’re working so late.” So we talked many times over the years, and I think it was just a natural progression of an ongoing conversation.

What attributes does Jimmy have that will make him a good label president?

SB: Vision. And he’s very methodical in getting to success – identifying success and working backwards from there. Back in our DreamWorks days, Jimmy would ask the question, “How do I become a leader?” Not only did we have these discussions, but he also went to school and got another degree. He studied, read and put it into practice. I watched how he did it at Capitol. He’s been a great student ever since we met.

Jimmy, you went from artist to trade magazine sales rep at Gavin to record promotion, then management, then back to promotion again ...

JH: Scott actually offered me a job when I was at *Gavin*. He was at MCA and was going to bump Royce Risser up from secondary, and I was going to get the job. Then Scott got fired.

SB: That’s right.

JH: When I came to town, I asked everybody who the best promotion man in town was. And they all said Scott. I literally became a stalker. I actually walked up to him at an MCA party,

What makes you think you’re ready to head a label?

JH: I have trained for this position all my life, and have had the good fortune of seeing this business from many sides: songwriter, artist, musician, producer, manager, regional, national and senior VP of promotion. I was also the promotion director for a radio station in my hometown called Rebel Radio 102, in 1990. I know what it’s like from a personal standpoint to be signed, to be dropped, to have success, to lose success.

SB: What Jimmy just said is really critical because he can explain to an artist, from an artist’s perspective, what the business is, what it means, and what all these hours can become, what the return on investment can be. You have a different level of understanding and communication with your artist.

You’ve worked for several different label presidents. What will you incorporate from each, and what will you try to leave behind?

JH: Mike Dungan really is a great human being. When he hired me, I said, “People like him are in short supply in this world.” And when I left, I said the same thing. He’s a great leader, a great friend and a good coach. He has a great ability to put the right people on the bus, let them get in the right seat and let them go. During my entire time at Capitol, I don’t think he walked in one time and corrected the way we were doing something. And yet the entire time I was there, he coached me. He has

JH: It’s gigantic. It’s fresh, it’s young ... young at heart.

Who are they? Where are they from?

JH: Two guys from Nashville.

SB: James Harrison and Jody Stevens. Jody is the son of Jeff Stevens, who produces Luke Bryan. Steve Bogard is producing. We’ve actually teased a couple of our radio friends with it and we’re going to come screaming. It’s exciting.

When will the single be out?

JH: Early June.

SB: We’re hoping for June.

Scott has built the Big Machine and Valory promotion teams in his image. What is your vision, Jimmy, for the Republic/Nashville promotion team?

JH: I think it’s the same thing. Up at dawn, go to bed real late. Capitol was in a No. 1 battle between Keith Urban and Big Machine’s Taylor Swift not long ago. At 12:01am, Scott sent me an email that said, “Next time, let’s try not to go after the same week.” And, of course, I was there to receive it in real time just as he was sending it.

What kind of staff are you going to look for?

JH: Desk pounders. Apes. People who want to fight like apes. It’s about refusing to lose, and always getting to yes. The artists deserve nothing less.