

DALE MORRIS

We'll Manage Just Fine

One superstar client is enough to cement the career, legacy and fortune of any artist manager. Dale Morris has had two: Alabama and Kenny Chesney. The dean of Nashville artist managers and one of the most successful artist managers in any genre, Morris recently sold his company to Irving Azoff's Front Line Management, but continues to run his operation. He's also launched his own imprints, DMP (which stands for Dale Morris Productions) and Treehouse, home to Blaine Larsen. Country Aircheck spoke with Morris about his long career, the changing nature of management and the future of the record business.

CA: Let's begin by combining a little of your history over the last 40 years with the evolution of management – perhaps beginning with your first client, Billy "Crash" Craddock.

DM: I was head of promotion for independent country label Cartwheel Records and began managing Crash on the side in 1969. About three years later we opened the booking side of the business and hired Al Embry to handle that. Back then, a couple blocks along 16th Avenue was the music business. There was really no business plan to the business at the time. You made a record, and if the artist got a hit you could book him. That was pretty much management.

So it was quite a leap for the industry and the business when Alabama hit in the early '80s.

There had been nothing in our business like Alabama. Nobody in town was really interested in Alabama in the beginning. I took them, and I didn't know it at the time, but I was the last stop. "My Home's In Alabama" was on MDJ Records and had charted. Then RCA got involved and took it to No. 17. But nobody knew what to do with them. And, of course, I didn't, either. I was learning again.

But it was a total impact record, and our company was booking and managing – the whole thing, just like we're doing now. As they were hitting, we hired Barbara Hardin to just work on booking Alabama. Later we hired Keith Fowler to promote all of our Alabama dates.

We started booking dates on Alabama at \$500 to \$1,500. And then they started getting hot, and we started booking fair dates for \$5,000. Boy, then they zipped – they were really just going straight up. Heading toward the end of the buying time of the fair seasons, I was having offers for \$35,000. I'd sold most of the dates at \$5,000, so I decided to sell the rest of the dates at \$5,000, rather than \$35,000, and not go back and re-negotiate any contracts. So we did that, but told each promoter, "OK, this year, it's on me. Next year, it's on you." That wound up being probably one of the smartest things we'd ever done as far as bonding with the buying public. The next year, Alabama's prices went from \$5,000 to \$50,000-a-night guarantee, plus \$15,000 a night for production, against 90% of the gross. (Laughs) Nobody had ever heard of that at that time. *[In such arrangements, the artist is paid a percentage of ticket sales or a guaranteed amount, whichever is larger.]* And it worked great for everybody. Nobody lost a dime on Alabama. If we went out and [the promoter] could show us they didn't make their part, we took care of them. That was the management style and the way we started with Alabama.

And then on to Kenny ...

Kenny started out opening for Alabama, Confederate Railroad, George Strait, Tim McGraw and others. He was growing and learning from them all, and was about six years getting off the ground. We'd have a few little hit records, but none that really amounted to anything. But as he started really showing [potential], we decided to put Kenny out there

headlining, going to the B markets where there'd be maybe 5,000 to 6,000 tickets we needed to sell. We knew the markets where we could do that. Then we'd sell as many as we could to the fair buyers. With the ones that we didn't want to gamble on, we got Louis Messina to take him out to the buildings, and we'd do a 90/10 with him. Kenny's dates were always sold out back then, and [outside promoters] really couldn't buy any.

We did that for two or three years, and things started really going his way. Along the way he turned his love for the sun and the sea into a lifestyle that connected hugely with his fans, and that helped take us into the biggest venues and even to stadiums.

But what you see is we took the model of managing and booking we developed with Crash right through Alabama and then into Kenny. As the needs of our artists have grown, we grew by adding people with particular areas of expertise, so we've slowly gotten bigger and better at the business end.

For instance, we brought in Clint Higham as Kenny's manager early on to work with him, and they grew up in this business together. As things grew, we brought in Louis Messina as one of the building blocks for Kenny's career. More recently, we brought Marc Oswald in to work with Gretchen Wilson and Big & Rich to help develop and grow them as artists. And the evolution has continued in this ever-changing part of this business with Irving bringing us into the Front Line family.

Why is having both management and booking under one umbrella such a successful strategy for you?

When you have both management and booking, you can plow money back into your business and the artist. When you just have one, the money is eaten up by overhead – unless you get lucky and get an Alabama or a Kenny Chesney, and there aren't a lot of those in the world.

And, when you have all of it under one roof, you don't have to go through an agency, who goes to the artist, who goes back to the agency and then comes back to management, and then goes through an attorney or road manager, who thinks he is the manager.

Doing everything in one place just helps get things done. Even though Kenny isn't doing a full tour in 2010, 2011 is *done*. And that's because Kenny says I'll work X-many dates, Louis says okay, I have these venues, they run them by Clint and we all look at them to make sure they make sense with regards to where we've toured in previous years.

We have been using and refining the same model we've used through the years. Now, it's just on steroids.

As long as you brought up Kenny and 2011, are stadiums on the docket for him then?

Of course! Why wouldn't we? He's the longest-running stadium act there's ever been. That's some of our best real estate.

What's the most significant change in that 40-year span?

There is a total world of difference. The money is just so huge, it's really about business when you're getting out there now. Back when we were doing it with Crash and the early part of Alabama, we were just doing what we loved to do and figuring out a way to make a little money at it. Back then, if you got a hit with a record label, boy, they were there for you in any way they could be. Today, with the financial things the way they are, it's getting tougher and tougher. And with radio, things are getting either tougher and tougher or weirder and weirder – I don't know exactly which it is! (Laughs) But it's still the greatest game in the world, and I love it today as much as I ever did. And no matter what happens, when we finally figure out what the future holds for the structure of record labels, management companies, booking agents, production companies and everything, it's going to be a better business than it ever was before. That's because it's bigger, it's worldwide and more people want to be involved.

How has the manager-artist relationship changed over the years? Does a manager have to relate to the artist differently?

I relate to them the same way I always have. I really feel for each one of these artists and really want to see them make it. We have a better blueprint for success today, but paying attention to the artist, making them feel secure and making sure they *know* that you're there for them are still the biggest things you can give the artist, whether 40 years ago or today.

What about the manager-to-label relationship?

For me and us personally, that hasn't changed a lot. But again, I guess you'd say that between Alabama and Kenny, we've got some 30 years of really heavyweight stuff to deal with. So maybe my side of the field would not be the same as that of a lot, or most, of the other managers.

True, but you have some younger acts under management now. And, 360 deals seem to be the new business model under which many new acts are being signed.

We haven't had to do one of those 360s with anyone we manage. That's because the management is 20% and the bookings are 10%. So that's 30% right there. And then the label wants their part of it. And I don't blame them, but there's just not enough to spread around there. That's the reason that the big flip of the coin right now is, "What is a record label? What are the companies?" See, what we are now is what a record label needs. And then they *can* be the 360 because they do come up with the management, the booking and all of this stuff. But for them to get 360 and [if] they don't come up with that, then there's no margin in there for that.

What do you mean, that what you're doing now is what labels need?

Take our company, for instance. We book, we manage, we promote, we own the production. Everything that an artist needs, we do it, except for being the label. If a label wants a 360 deal and wants to extract

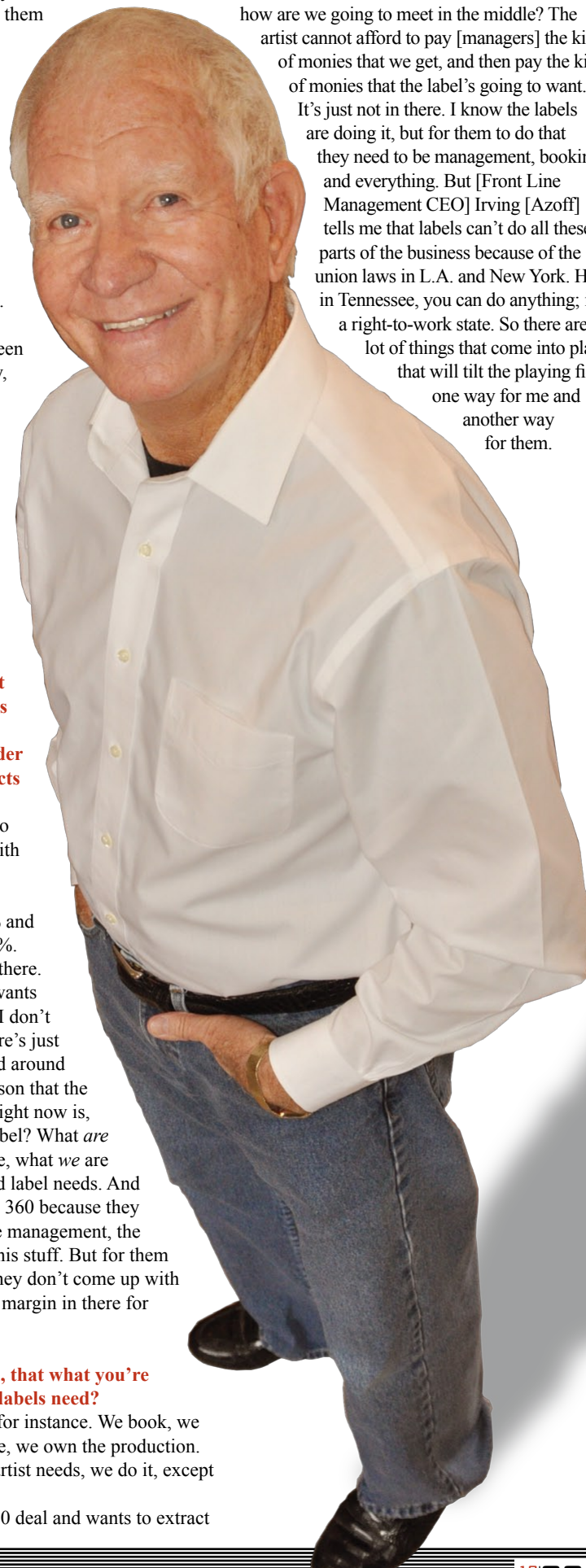
that kind of percentages from the artist, they're going to have to get in the business of doing all the things we already do. In the past, an artist would get a 15% deal, and that's pretty good. So the labels have made an 85% deal. But now that things are changing and we don't happen to have any product that people today have to hold in their hand, the business is changing again. And I'm lovin' it because there's no telling what's going to shake out on the other end of this. To me, that's what keeps our business exciting.

What's your best guess about what might shake out of the other end?

Management companies are going to have a good shot at being labels. I look at it a lot like the way the movie business has gone. The big movie houses today are not the ones that put the money in and pay for the movies and all that. Normally, it's investors. They'll come up with their \$100 million or whatever, and the movie companies may be in there brokering it. But that may be where our business is going.

Back to the earlier point, is it almost easier for you to add the record component to what you already have in place than it is for labels to add all of those things that your company is?

It would be a lot simpler. If labels could still go out there and sell albums, we wouldn't have a problem. But today we're back in the singles business, whether we want to admit it or not. And labels can't afford to do what they do in a singles business. If the album business is not there, then how are we going to meet in the middle? The artist cannot afford to pay [managers] the kind of monies that we get, and then pay the kind of monies that the label's going to want. It's just not in there. I know the labels are doing it, but for them to do that they need to be management, booking and everything. But [Front Line Management CEO] Irving [Azoff] tells me that labels can't do all these parts of the business because of the union laws in L.A. and New York. Here in Tennessee, you can do anything; it's a right-to-work state. So there are a lot of things that come into play that will tilt the playing field one way for me and another way for them.



Can this new management company-as-label model you're talking about work for superstars and new artists? Or only superstars?

It can work for both – if you get out there and get hit records. But the way the game is being played right now, you can't afford to break a new artist and bring in the kind of monies that you need compared to what it costs to break them. If you're doing it independently, and the people you are paying to do it are getting paid like it was back in the heyday for the labels, there's no way that the math works. But for people like us, if we put maybe a half-dozen promotion people on what we're doing here – people who come in and work just like a regular job – then *that* may be where this next thing is heading.

So in the next three-five years, will more management companies have labels or will labels have management/booking companies?

I think it's going to be a combination. And then there's going to be a third option where things are going to be opened up for investors to look at.

You mean projects? Or artists?

Both. Let's say that three years from now we've got Kenny Chesney and he's not signed

to a label. Now, this is just speculation. We look around and decide that maybe we want to make a 12-cut project and any record label will have a shot to bid on it. Or maybe it's the album, plus a certain number of dates for that year, and we would put it on sale for \$50 million or \$100 million. Now who's going to be the buyer? That opens things up for investors who own casinos or other kinds of investors to get a shot at it. I think this is where things are going.

What are your plans going forward for DMP and Treehouse? I'm hearing rumors that you might even have a third imprint. Yeah. (Laughs)

Sounds like you're in the record business to me!

What it is right now is about survival of a particular artist. The ones we may be talking about [are] something that the major labels are not interested in. And if they are, it's at that 360 [level]. With Blaine, we're trying to keep him there with radio and everything, [hoping] we can get maybe some magic. Once we get that magic, then there are opportunities along the way to bring Blaine along. But if we don't

do that, Blaine is not going to be able to make it because we haven't had the kind of bites we want from the [labels].

So you're saying that when you believe in an artist ...

We've got to get him heard some way. And we don't have the answer. But that's what we're doing; we're trying to find it.

Front Line Management has bought a number of management firms lately, including several in Nashville, and yours among them. How is that changing the business? And, what does it mean?

What Irving's doing going forward means more than what it does presently or in the past. Being in business with Irving now, and with all businesses partnering with Front Line and Ticketmaster, affords somebody from Nashville the opportunity to be able to do things that they may not [otherwise] be able to do, *if* you have that kind of artist. It just opens up worlds of opportunities when you've got something that the people really want.

The hardest part of our business – where most of the money is spent – is on the artists that don't really make “the big time.” It's going

to be interesting to see how much is going to be invested in new artists and how long people will hang on to see if they can *make* that big time. It costs a lot of money to have a No. 1 record. And even though you are having some No. 1 records, you are never going to make that back on most of these artists.

So, has this entire industry come down to a gamble on an artist hitting the big time because the price of poker is so high?

That is what carries our business. And costs are unbelievably high. I would have never in my life thought I would see what's going on here in country music today.

Going on in terms of ... ?

Of the high stakes. And I love it.

Just the costs? Are we talking radio and retail?

I'm talking everything. I'm talking about what it costs to get in the game, to play the game, and then what the rewards are if you win the game.

Perhaps because of your background in promotion you've always been pretty close to radio, airplay and the records. What are your thoughts on the way you work today with Country radio? And what are your thoughts on the way Country radio's working today?

Working with Country radio is one of the most important things that an artist can do, and it's also one of the most important things that managers need to promote. If you've got an artist that works with radio, then you're going to do pretty good if you keep cutting the right records.

I don't think that radio today has the passion for music that it's had in the past. Like everything, it's big business; the stakes are huge. Still, artists need to work and promote radio, and the management company does, too. I know my partners [Morris Management Group EVP] Clint [Higham] and Marc Oswald are involved 24/7 in coming up with new ways to get something promoted that gets radio involved. It's just what you've got to do.

The scale is bigger today, but it seems as if we have come back full circle to the Crash Craddock days of “get a record on the radio and book shows.”

Yeah. In other genres, radio is not as important for touring. But in country, we have to have hit record after hit record to go out and tour the way we do. On the pop and the rock side, artists don't need the heavy airplay as much to tour. Kids are so savvy that they know about artists they like long before they get on radio. My grandsons have iPods full of people I've never heard, and they're buying them. They're out looking for their concerts. In country, we're still holding on to the same old model.

It sounds like it takes more of a team than ever before to keep your fingers on everything.

It does. That's what Clint and Marc do – the technology and all that – because man, I don't even have email. But I do stay in touch with everybody I want to. All of them are my partners. Clint, Marc and Irving, Louis Messina, also. He does all of our dates on Kenny Chesney, and he's our partner. And we still do a lot of stuff with Sony/Nashville Chairman Joe Galante. My relationship with Joe, I think, is as good or better than it's ever been. It's just that we're having to do business a little different. It's different for him and for me.

Has selling your management business to Front Line changed your business at all?

No. The only thing it did is that I got to make a little money (laughs), but we just have more muscle. And Irving does not interfere. That's what I figured would happen because you get mandates to do this or that. But we never hear that.

Business is tougher than ever and more expensive. You've been at this awhile. What still drives you to want to do this?

I'd rather do this than not do it. Everybody needs a reason, and everybody needs something to look forward to every day when they get up. And this is what I do. And I still love it.

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WE'RE BACK IN THE SINGLES BUSINESS, WHETHER WE WANT TO ADMIT IT OR NOT. AND LABELS CAN'T AFFORD TO DO WHAT THEY DO IN A SINGLES BUSINESS.



Middle Man: Morris flanked by office displays of Alabama and Kenny Chesney memorabilia, and holding a photo from his days working with Billy “Crash” Craddock.