

# Carolina BUSINESS & FINA

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## Interstate Banking Almost A Reality

By Ed Lowe

After years of careful planning for growth and a summer and fall of intensive legislative pursuit of their goal, Carolina's advocates of interstate banking on a regional basis have won more than they have lost.

In December, the Southeast's largest banks stood within a few steps of that goal. They continue to plan. They devise alternatives. Structurally and financially, they are ready to step beyond state borders.

But in the war of the stripes, there are battles yet to be fought before branches of Southeastern banks dot the

landscape. And like over-trained military regiments whose units jump at the sound of a snapping twig or a glimpsed night shadow, these mighty financial fortresses are still looking nervously over their corporate shoulders.

Names such as CitiCorp, Supreme Court, SunTrust, St. Germain, Conover, and Federal Reserve evoke a reflexive twitch from banking executives in much the same manner Old West sheriffs must have unconsciously shifted their gunleather when someone mentioned the James gang.

At the publication's press deadline, the first financial slice to drop was the

U.S. Supreme Court's pending decision on whether or not to hear an appeals-case lawsuit by CitiCorp, in its dual attempt to break into New England regional interstate banking while insinuating itself across a national banking market.

The Court may announce its decision at any day, any hour. Banker's eyes are scanning newspaper headlines, the Dow Jones PR wire, and pondering street rumors flourishing; if the Court hears CitiCorp's case, months of delay might follow. If the Court rejects hear-

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## Building A Business On Bluegrass

By Arthur Menius

Meet Lawson Warren, entrepreneur. With partner Ron Reuhl he has created the Linear Group. Based in Asheville, the two-year-old firm produces *Fire on the Mountain* for the cable television Nashville Network and *The Liberty Flyer*, an hour-long weekly syndicated radio series, which debuted on 72 stations the first weekend in January.

Warren, 30, and his company are indicative of the rebirth of venture capitalism. The business climate of the mid-1980s has once again made it possible for a person with dreams, plans and ability to find backers for new enterprises. The increased availability of funding for innovative projects is essential to revitalizing business activity,

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—Lawson Warren

especially away from the established financial centers.

"I believe in the American dream and all that entails," Warren, a Gastonia native, said. "Since I was 20 I've had my own dream, giving the American people high-quality, fulfilling, yet fun entertainment."

He has built systematically toward

that goal—building and operating the college radio station for UNC-Asheville, producing local programming for Cablevision of Asheville, and, with Reuhl, creating an unprecedented Media Documentation Program for the North Carolina Department of Cultural Resources.

"I'm thankful every day for the opportunity I've been granted," continued Warren. "We have the right people, the right product and at just the right moment. I feel a certain synchronicity is at work for me."

The Linear Group's opportunity is to dominate the 40-year-old, but utterly disorganized, bluegrass music industry.

Despite its lack of any central direction, the acoustic country business is not

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## Coins A Good Investment

# A Business In Bluegrass

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small. According to the Kentucky Bluegrass Music Center, fans spend — on bluegrass tickets, recordings and paraphenalia — \$7.5 million during 1983 in nine midwestern states alone.

Bluegrass Unlimited editor Peter V. Kuykendall reported that some 2 million people attend the 700-plus bluegrass festivals held each summer.

Warren's outfit aims for what broadcasters call a niche, a market that serves the needs of several million viewers, rather than targeting the mass market dominated by the networks.

"The networks went for the lowest common denominator," observed Nashville Network architect Elmer Alley. "Cable channels are specializing television. Viewers are looking for alternatives to what they had as a steady diet."

With a national forum on both radio and TV for what they term the heart of country music, the Linear Group thinks its niche is ripe for expansion.

"This music has entertained Americans for 200 years. I think it's inherent in all of us," Reuhl asserted. "Many of us in the generation that grew up with rock 'n' roll are looking for music better suited to our needs as adults. I believe lots of us will turn to American acoustic music."

Furthermore, Warren noted, "Our success with *Fire on the Mountain* has proven to us that mainstream country fans would watch a bluegrass show. *The Liberty Flyer* will bring the very best of this music to that audience."

In assessing their market the Linear Group commissioned a survey of 2,100 bluegrass festival attendees. The results demonstrated that a bluegrass fan was almost twice as likely to fall within the 25-to-54-year-old category than the average American, much better educated than the population as a whole and becoming increasing urban.

That 25 to 54 group is the target audience for *The Liberty Flyer*.

The task of reaching those people began in the fall of 1982 when Reuhl and Warren produced a pilot for the Nashville Network on a very thin shoestring.

*Fire on the Mountain* debuted with the network in March, 1983 and assumed a spot atop the cable service's ratings in June, 1984. TNN recently renewed the half-hour bluegrass series for 26 further episodes to be aired through February, 1986.

Although the company made some initial tapings for *The Liberty Flyer* in October 1983, the bulk of the work did not

begin until last spring.

"We've done it all since May— recording, postproduction, signing up stations, approaching investors and sponsors, starting the publicity campaign, producing promo spots, everything," Warren recounted.

In surveying the bluegrass field Warren found that poor recording and production values, infighting among artists and promoters, and virtually nonexistent marketing, promotion and distribution had created a strong negative stereotype of the music as commercial property.

While that provided the entrepreneurial opportunity and challenge, it made marketing *The Liberty Flyer* a real stable cleaning.

"We found that bluegrass couldn't be given away on commercial country radio as a viable sound. We had the best proposal, concept and presentation, the best radio show, ever designed in this music, and we had to fight program directors all over America to get 72 stations," Warren said with a sigh. "We achieved our goal, but it was the hardest thing I ever had to do."

Those 72 stations, in 34 states and representing an aggregate market of over 36 million people, resulted from an initial mailing of a tastefully eye-catching package with cassette tape, proposal and contract to 400 country radio stations.

During the summer and fall the '85 Liberty Tour, a publicist's dream featuring series regulars and special guests, will visit those communities where *The Liberty Flyer* is aired in a concert series.

If organizing that barnstorming marathon, handling the unpredictable details of syndicating a weekly radio show nationwide and recording new episodes of both radio and television series were not enough, Warren and his associates busily are establishing a distribution system to fill the need for bluegrass recordings and peripheral merchandise that his two-pronged media thrust will create.

It means long hours and sleepless nights, but it's American business at its boldest and most creative level. It involves a subtle dream, head-end investment in return for long-term steadily accelerating gain and more risk than conservative financiers are willing to run.

That's where venture capitalism takes over, allowing vigorous, resourceful businessmen to explore the untapped areas of the American business landscape. □