

Raycom Survives, Thrives In Troubled Times

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Over the past several months, while several college sports syndicators fell off the vine in an industry shakedown, Charlotte-based Raycom Sports has not only grown — it has exploded.

The company, best known in this area as the syndicator for ACC basketball, has emerged from troubled times for college sports and television as the largest college syndicator in the country, company officials say.

Rick and Dee Ray, husband and wife, began the business seven years ago. They had \$5,000 in the bank and the television rights to a little-known Alaskan basketball tournament.

This coming sports year, Raycom will

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televise ACC basketball, Southwest Conference football and basketball, Big Eight football and basketball, the Kickoff Classic and Liberty Bowl, Miami (Fla.) football, Pacific Coast Athletic Association basketball and Metro Conference basketball.

In 60 days, Raycom has gone from 15 to 35 employees. The company has moved from a 2,800-square-foot office at South-

Park to a 14,000-square-foot building downtown. The Rays bought the building and will lease half to a law firm until the space is needed for expansion.

In recent months, sales offices have been added in Dallas, Los Angeles and New York. In 1983 the company billed advertisers for \$10 million. Rick Ray said this year that figure will be nearly \$40 million.

"You're seeing a lot of compression in the industry," said Ray, 36, a former operations manager for a Charlotte television station. "For a good while it was expanding... everybody wanted to be on TV. People thought it (televising sports) was a bottomless well."

"They overestimated what kind of audience there was for some of these events," he said. "Some promised tremendous money for rights, and when it came time to pay they didn't have the money."

The floodgates were opened last year when the U.S. Supreme Court voided the NCAA's exclusive television rights for college football, calling it a pact in restraint of trade. That court action allowed colleges and conferences to make their own deals, and many did.

Some overanxious syndicators paid large sums for rights and then were unable to find advertisers or stations to carry the telecasts.

Among the syndicators to fail were New York-based Katz and Maryland-based Metro Sports, which had ACC basketball television rights in the 1981-1982 season. In some

cases, the colleges and conferences involved were never paid the full amount of their rights fees.

→ Ken Haines, vice president of Raycom, said Los Angeles-based Lorimar Productions is the only syndicator of any size left, other than Raycom. Lorimar, which also produces such television shows as "Dallas," does Southeastern Conference basketball and Big Ten and Pac-10 basketball.

Some conferences, like the Big East in basketball, syndicate their own games. Other companies are in the business on a smaller scale, like Charlotte-based Jefferson Teleproductions, which handles ACC football, and the production end of the league's basketball.

What Raycom does is buy the rights, line up advertisers, and produce the games through leased production facilities. Then the company either sells the product to the stations or buys the air time, establishing what Ray said is really a regional television network.

Ray attributed part of his survival and success to the fact Raycom held the line and didn't expand in 1982 after seeing signs that national advertisers, led by the big beer companies, were going to cut back on ad budgets.

And over the years, he said, Raycom established a reputation as a reliable business partner at a time when some companies were defaulting on rights payments.

"Every business relationship is a partnership," said Ray. "It's got to be a fair deal and everybody has to come out ahead."

Ray said his company has made its share of mistakes along the way. At the top of the list was an experiment called Season Ticket. The plan was to offer viewers the chance to buy the right to watch ACC basketball games in addition to the 38 normally broadcast during the season.

A hitch developed when ESPN showed those games in other areas of the country, while viewers in the ACC area were asked to pay. Several lawsuits followed and Raycom eventually dropped the whole idea.

"We spent \$50,000 on research," Ray said. "Obviously we asked the wrong questions."

While there have been failures and cutbacks, Ray said he doesn't think the market is oversaturated if the product is right.

"Nobody talks about a saturation of 'Dynasty' programs," said Ray.

While getting started, the Rays once got down to \$16.40 in available cash. Asked if he ever anticipated being this successful, Ray said: "Sure. We planned it that way."

"You have to think positive," he said. "You don't have to have a lot of money or intelligence. If you have a plan, that's all it takes."