## Letters From Leaders



Life doesn't just go up, up and up. We all have to confront and deal with adversity at different times in our life. Determination to get through it is very important as is belief that you will get through it.

I faced my toughest challenge in my life when both my parents passed away, within a year of each other, when I was 18. I had to leave my home in Brooklyn during my sophomore year at N.Y.U and go to live with my sister, her husband and their one-year-old daughter in Bayside, Queens. Because of them and an active support group of friends at N.Y.U – where I became President of the college's Student Council – I didn't face my loneliness and feelings of being an "orphan" until I was living alone at Harvard Law School a few years later.

Given I had a lifetime aggregate sum of \$4,000 to my name, I was dependent on a full tuition scholarship which I would lose if I didn't maintain at least a "B" average. With no one from my support group present to help me get through this period of deep anxiety, I turned to the law school's psychiatrist for a year to help get me through this dark transitional period. During this time, I learned a critical life lesson: it is certainly no sign of weakness to get professional help when needed.

My next major life turning point occurred in the year 1960. I was an associate at the law firm of Rosenman, Colin, Petschek and Freund servicing clients such as CBS, CBS founder William Paley and other major corporations. I was married with a one-year-old son. I had no hope of ever having a wealthy client the firm would be willing to represent, but out of the blue I got a lucky break that changed the rest of my life.

A lawyer, formerly with the Rosenman firm, was at the time General Attorney for Columbia Records (a Rosenman firm client). He was looking for someone to replace him since he was being promoted to head up Columbia Records International. His number-two attorney was not qualified to assume the number-one role. After asking around the Rosenman firm, which was doing quite a bit of work on behalf of Columbia Artist Management Inc. (CAMI), he was eventually directed to me.

## What a break!

I went into the office to ask the advice of Ralph Colin, the senior partner who represented CBS. He advised me against taking the position. He said: "look at you with your khaki pants and tweed jacket, having gone to gentile Harvard Law School. You'd be eaten up by the Broadway record business with their gold chains and jive talk. It's no place for you."

But Ralph Colin didn't know of my melting pot Brooklyn roots. And my mother had given me the best advice I ever received from anyone. She loved that I was an "A" student, but she didn't want me to be an ivory tower "A" student. "Get into the streets," she said, "and make friends with all those that you play stickball and punchball with where all religions and colors are represented." I did that for all my years before Harvard. I could deal with all types of music men.

I took the job and never looked back.

To be a leader, you've got to trust your instincts. It was 1967. I was at the Monterey Pop Festival. Yes, I was head of Columbia Records, but I never, ever thought I'd be part of the creative team. That was for A&R, not me. But I found myself in the middle of a revolution – a cultural, social and, most importantly, musical revolution. Appearing was the amplification of the electric guitar. Jimi Hendrix, Mike Bloomfield, and Janis Joplin in Big Brother and the Holding Company. This was my epiphany. I personally had to sign Janis and Big Brother. I did that and also signed Mike Bloomfield's Electric Flag and then in the next four years, Blood Sweat & Tears, Chicago, Santana, Aerosmith and Earth Wind & Fire. I did each, overcoming self-doubt, trusting my instincts and when each came through, finally admitted to myself that I might have a natural gift I never would have known I had were it not for the music that had proceeded to take over my life.

Being a leader means you might have to overcome personal trials of character to prove your trustworthiness. At the height of my success – having taken Columbia from the #3 label (to RCA and Capitol Records) to the #1 label — the company discovered an employee fraudulently writing checks at the business' expense. I obviously fired him, but to get a lower criminal sentence, he went to the U.S. Attorney in New Jersey and claimed he would help them find payola that existed in the record business which included Columbia Records. Heading CBS at the time was a new president of barely six months. He was 37 years old. This was CBS, the owner of the invaluable FCC network broadcast license. The CBS lawyers advised him to separate the company from the record division and I was summarily fired. I had to remain silent during the year and a half U.S Attorney investigation. And then came the vindication! CBS apologized and even gave me \$1,000,000 for future mail order rights to my new company's music. Obviously, I was happy to get the vindication, but the headlines are never anywhere as big as when there's a hint of scandal. And I had to start all over again.

I was determined that Arista be the top competitor to Columbia, Warner Brothers, Capitol and RCA. So, I honed a different skill. Leaders have to be resourceful and try new things. I could no longer depend on the discovery of rock artists to be a major label. New wave artists didn't go multiplatinum. One needs hit single after hit single to sell one, two or three million albums. I studied hit songs and strived tirelessly to hone my ears in that direction. It worked! I found hit songs for Barry Manilow, Melissa Manchester, Dionne Warwick, Aretha Franklin and, of course, Whitney Houston. Arista became a major label. And then when rhythm and blues changed, I changed with it. Leaders have to be in front of major changes, not behind them. I brought to my team outside expert players and funded label deals with LA Reid and Babyface for LaFace Records and Sean "Puffy" Combs for Bad Boy Records. Hip Hop was coming and I wanted to be right there with it.

And then at the height of Arista's biggest success, combining Whitney's "My Love Is Your Love" album and my reuniting with Carlos Santana for "Supernatural" and its all-time high eight Grammys and 26 million worldwide album sales, I would be challenged and tested again. Arista's parent company, the German media conglomerate Bertelsmann, didn't like that my equity compensation agreement was earning me around \$25,000,000 a year. Arista and I were on fire and generating hundreds of millions of dollars in annual record sales for Bertelsmann. They didn't want to lose me, but they didn't want to pay me the compensation I was earning.

Shockingly, I was asked to leave Arista. National headlines graphically covered this emphasizing Arista artists' anguish. But I kept my cool. Leaders have to expect the unexpected. Was there pain? Hell, yes. But you've got to rebound. You've got to be resilient. And since they didn't want to lose me, I demanded and received \$150,000,000 to start a new label (J Records). The previous biggest new label ever begun was Interscope Records at \$32,000,000. Per the agreement, J Records was to receive from Arista five Platinum artists and five brand new artists who had never previously released an album – among them Alicia Keys. I was not about to start a new company from scratch. I wanted to be, right from the beginning, a major label. Lastly, I asked for the right to hire for J Records any Arista Records executive with a condition that I don't offer any greater compensation than he or she was currently earning. I was to ask for the 18 top executives of Arista, its president, 2 executive vice-presidents, the A&R staff, and the top promotion and marketing staffs. In the most gratifying career achievement of my life, 18 out of 18 came to J.

Was I a demanding leader? Yes. But I was fair and they believed in me. My team all had families, but they believed in J's future creative excellence. J would make new discoveries and attract available major stars who still had a future. And all this came to pass! The brand new Alicia Keys exploded. J attracted Luther Vandross, Busta Rhymes and Rod Stewart whose five volume Great American Songbook became a global phenomenon. J would break Maroon 5 as well as every early American Idol winner. The success was so overwhelming and the remnant of Arista's bottom line so depressed that - just three years later – Bertelsmann gave Arista back to me and also put me in charge of RCA and the enormously successful Jive Records.

The good guys won. Hallelujah!

Leadership is complicated, vexing, and challenging. But if you master the principles, it can be rewarding, exciting, and ever so fulfilling.

1: Allarra

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