

## **Executive Bio: Bill Hearn**

Most dictionaries define the word legacy as something that is handed down from one generation to another. But most of us know the most enduring legacies are the ones that are not merely inherited, but cherished, protected and enhanced by those who claim its birthright.

For Bill Hearn, President and Chief Executive Officer of EMI Christian Music Group, the challenge was clear: to both preserve and grow a music company successful enough as an independent business to be purchased by the third largest music company in the world. The task may have been inherited, but its success had to be earned. And earn it he has, as well as the respect of his peers and the music industry at large, growing the business from an annual \$30 million in sales in 1992 to over \$100 million in 2004.

Hearn grew up working at Sparrow Records, the label founded by his father, Billy Ray Hearn. "Honestly, I didn't have a grand vision. I've always done what the company needed me to do next. When I was in the warehouse and my Dad needed someone to do publicity, I moved up and did publicity, then I called radio stations, then I got into marketing. I can't claim to be a great architect of how this got to be a \$100 million business, only that I've been faithful to serve the needs of the company and our artists first. Hearn says he credits much of his approach to his early environment.

"I grew up around artists. They were in my home and in my life, and I grew up in an environment that loved and understood the desires and needs and vision of artists. When you structure your company around the needs of the artists, I think you will have a better sense of where you need to go as a company and as an industry, because that's what we're here to do, to serve artists."

Bill took the helm as President of Sparrow Records in 1991, and though his father's long term goal was to retire and see his son become the company's second CEO, Billy Ray Hearn underwent emergency heart surgery in 1995, necessitating a semi-retirement for the Christian music pioneer, as well as the need for Bill to fill his shoes much sooner than expected. "In January, 1996 Jim Fifield then-CEO of EMI Music chose me to head up what is now called EMI Christian Music Group." As Bill explains it, his vision for the company and short-term goals when he stepped into his new role were little more than "survival."

Bill Hearn has not only served the needs of his company, but has been a vital and important contributor to the needs of the gospel music industry at large. Just prior to assuming the role of CEO from his father, Hearn worked to make sure that gospel music was recognized through Soundscan, the sales tracking system that, up until 1995, did not record music sales from Christian retail stores. He also initiated the highly successful WOW series of multi-artist compilations—in conjunction with Word Entertainment and Provident Music Group—which has sold over 18 million units since July of 1995. In addition, Bill is on the boards of the Christian Music Trade Association, The Sparrow Foundation, and Gospel Music Trust Fund, and is post-Chair of the Nashville Board for

the T.J. Martell Foundation and past National Trustee and Nashville board member of The Recording Academy (NARAS).

Under Hearn's leadership, EMI Christian Music Group today includes the Sparrow, Forefront, sixstepsrecords and EMI Gospel labels, in addition to joint ventures with Gotee Records and Tooth & Nail/BEC Recordings. In addition to its owned and joint venture labels, EMI CMG Distribution distributes third party music and video product, and has been the market leader since 1995. As a result, the company enjoys a 38% market share in the Christian retail music market and its artists are regularly popping up on the mainstream charts as well. EMI CMG Publishing is also the world's leading full-service Christian Music publishing company and represents more than 250 writers and 35,000 songs.

EMI CMG has achieved success maintaining its vision to impact popular culture with quality and culturally relevant music from a biblical worldview, appealing to both faith-based and mainstream audiences. This strategy serves artists and writers whose focus is on the Church/Christian subculture like Jeremy Camp, Chris Tomlin, Steven Curtis Chapman, Nichole Nordeman, Smokie Norful and others, as well as those artists whose main goal is to appeal to a broader more mainstream audience like RelientK, TobyMac, Switchfoot, The Almost and others.

Some key examples of mainstream successes include Switchfoot, the double platinum certified group co-signed with Columbia Records; Stacie Orrico, whose last record featured two Top 5 pop hits, heavy video rotation on MTV's "TRL" and sold 2 million copies worldwide (700,000 of which were in Japan) in partnership with another EMI label, Virgin Records. RelientK, now affiliated with EMI's Capitol Records label, showed impressive numbers early – they debuted at #15 on the Billboard album chart; sold more than 235k in its first 10 weeks. In all of these cases, EMI CMG labels were the original labels for these artists.

"The challenge today—with the economy uncertain, music being stolen on the internet and sales of physical CDs declining—is how to keep a well-run and successful company profitable while restructuring the business based on the new economic realities of the industry at this time." Hearn has always had a keen sense for new opportunity.

"I am 110% committed to growing the category of Christian music worldwide in all markets, and I believe it has tremendous spiritual and business potential."

To take advantage of today's new opportunities, Hearn has also moved EMI CMG aggressively on the digital front, making more than 1,500 full albums, 17,000 individual songs and 500 ring tones available for sale via a wide range of digital and mobile service providers. Thanks to his focus on this important piece of the market, CMG's digital sales has grown to 15% of total revenue in 2006.

Ultimately, Bill Hearn accredits much of the company's continued success to the philosophy of artist development and good business. "When you look back, our success is

about the legacy my father gave me to always focus on relationships. He taught me as a businessman how to understand and work with creative people, serve their needs and still make a profitable business out of it."