

Cannell's goal is to buy one station a year in large to medium-size markets, possibly reaching the regulatory cap of 12 stations. The first purchase was Pappas Telecasting's UHF Fox Broadcasting Co. affiliate WHNS of Greenville, S.C., market number 35, which Dubelko says is the smallest the company will go. The second station was independent WUAB in Cleveland, bought from Gaylord Broadcasting Co. Dubelko says the company is now looking for a third station, but doesn't have any tempting candidates in view.

While Cannell is merely having a hard time finding the right buys in TV stations, his efforts to break into network sitcom production have so far been futile. Network programming executives admit Cannell can have an immediate audience with virtually anyone to pitch an hour show, but they say he has to get at the end of the line when it comes to half hours. Sitcoms require a different set of skills, the executives say—skills that Cannell and his writers have yet to demonstrate. And Cannell, whose fiscal approach matches his conservative Republican leanings, has refused to pay either the multimillion-dollar sums required to land top sitcom writing talent or the packaging fees demanded by some agents as the price for landing their writer-producer clients. "He hasn't really come up with the players the networks are willing to bet on," says Warren Littlefield, NBC Entertainment executive vice president for prime-time programs. "With hours," says Cannell, "literally, we can almost go anywhere we want." But with half-hour shows, "we have to



basically kick that door down." Adds Roth: "It's schizophrenic. In the half-hour area . . . we have to grovel with everybody else."

Dubelko lays the failure at the feet of the company's historic refusal to pay talent-agent packaging fees—a percentage of the budget of each episode—with the result that agents decline to make their clients available. It "has effectively kept us out of the half-hour business," says Dubelko. "Today it's effectively the price of admission."

So Cannell has quietly given in to the agents—to a limited degree—with a compromise strategy also aimed at broadening the audiences drawn by his shows. His company has recently entered a two-year deal with the writer-producers Eve Brandstein (*Homerroom*) and Anne Beatts (*Square Pegs*, *Saturday Night Live*), whose past shows had the appeal to kids and women that Cannell seeks, but neither of whom has recently had a hit. Their first project for Cannell was a sitcom done from the perspective of two 13-year-old girls. "The amount of money being spent these days to bring in top talent is so out of the realm of reason that we do not engage in that game," says Roth. "We try to get the best up-and-coming talent, or the best talent that has run into a string of bad luck."

It was Cannell's predilection for pursuing alternative strategies that also led him into TeleVentures. Tired of paying typical fees of 35 percent to the distributors of his hits, in 1987 Cannell

21 Jump Street is the new breed of Cannell show, spiced with young-adult appeal.

Cannell's Vertical Hold

THE CANNELL STUDIOS

Stephen J. Cannell, Chairman and CEO
Michael Dubelko, President

Stephen J. Cannell Productions

(Program development and production; merchandising)
Peter Roth, President
Currently* in production: 21 Jump St. (Fox); Hunter (NBC); Wiseguy (CBS); Booker (Fox).

TeleVentures

(TV programming syndication; partnership of The Cannell Studios and Tri-Star)
Patrick Kenney, President
Inventory includes: All Cannell TV shows going into syndication after February 1987: Hunter ‡ (131 episodes), 21 Jump Street ‡ (83 episodes), Wiseguy ‡ (66 episodes); Tri-Star feature films; and My Two Dads and Hardball from Tri-Star TV.

Cannell Communications Inc.

(TV station ownership and operation)
William Schwartz, CEO and President
Properties: WHNS, Greenville, S.C.; WUAB #, Cleveland.

North Shore Studios Ltd.

Television program production facilities in North Vancouver, B.C., Canada, including seven soundstages and 100,000 square feet of office space.

Other Properties

Cannell Films of Canada Ltd. (Canadian TV program production arm)
Image Point Productions Inc. (production of national TV commercials)
Cinecal (studio and filmmaking equipment rental)
Owned programming (distributed through other syndicators): The A-Team, 98 episodes, MCA; Riptide, 58 episodes, Columbia Pictures Television; Hardcastle & McCormick, 67 episodes, Columbia Pictures Television.

Notes:

*As of February 1990.

‡Number of episodes expected by end of 1989-90 season.

#Purchase pending.

had his lawyer, Hollywood power broker Ken Ziffren, set up TeleVentures, a conduit for distributing his shows. The other two TeleVentures partners were the Ziffren clients Tri-Star and Witt-Thomas-Harris. But in December 1987, Tri-Star merged with Columbia, which took over Tri-Star's television production arm and distribution of the shows it would produce. So now, the only new properties TeleVentures will get from Tri-Star are its movies. And in late 1988 Witt-Thomas-Harris, primarily a half-hour comedy shop (*Golden Girls*, *Empty Nest*), pulled out of TeleVentures to align itself with Disney. "Today," says Dubelko, "it's not what it started out to be." So now Cannell is considering leaving TeleVentures and perhaps either bringing distribution completely in-house or forming a new company with another partner. TeleVentures president Patrick Kenney says the distributor's current staff will become a part of whatever entity may succeed it, but declines to elaborate.

Another uncertainty in Cannell's future is the possible abolishment of the financial interest and syndication rule restricting the ability of broadcast networks to own the shows they air. "If the networks decide they want to be vertically integrated," says Cannell, "then we either work for them or we don't work."

With the large production deficits now typical on shows, "companies like this will not be producing for the networks unless they are willing to sell the back end . . . and then you become a salaried employee." On the other hand, he says, "I will hopefully be smart enough to find some other way to produce software. There may be some creative deal-making that will allow me to continue."

Those who do business with Cannell say they expect him and Dubelko to come up with imaginative ways of coping with their continually evolving industry in the 1990s. "All times are uncertain," Cannell has said. "If you're going to be a player, you're going to have to be quick on your feet." ●