



## Big Machine: The First 10 Years Label founder Scott Borchetta on meeting Taylor Swift at 14, the fight against free and remaining 'bold and disruptive'

BY CHRIS WILLMAN

# T

THE BIG MACHINE LABEL GROUP RECENTLY started a new imprint called Nash Icon for the veteran artists on its roster. But those two words are an equally fitting description of founder Scott Borchetta's status in his adopted hometown of Nashville. The Southern California native's reputation would be set if all he had done was discover Taylor Swift. But in the 10 years since he founded Big Machine, he has gone on to become a major force

throughout the entire music industry, breaking acts like Florida Georgia Line, Zac Brown Band, Brantley Gilbert and The Band Perry, bringing in such heavy hitters as Tim McGraw and Reba McEntire, advocating aggressively for artists' rights and becoming a mentor on *American Idol* along the way.

It's a long way for a scrappy label that nearly went out of business just a few weeks into its existence. After getting his start at, of all places, Mary Tyler Moore's MTM imprint, Borchetta had two major gigs fall through in Nashville — first, when he was let go from his head of promotion job at MCA Nashville in the late 1990s (purportedly for his desire to blur the job-role lines and get involved in other departments), then, after he got a more encompassing role at DreamWorks Universal, seeing that entire label come to a halt. From

the moment he founded Big Machine in 2005, though, he was in control of his own destiny.

A decade on from the label's modest start, and with Big Machine boasting 93 employees, a roster of 44 artists and a label group that includes Dot, Nash Icon, Republic Nashville and Valory, *Billboard* sat down with the president/CEO (and 90 percent owner) of the biggest little indie in Nashville history for a look back — and ahead.

**You have said that you called the label Big Machine as a "middle finger" to the record business. Is that the real reason you chose that name?**

You want to come up with something you think will cut through. Auto racing has been a big part of my life since I was very young. When the car feels right, it's like, "We've got a big machine." Plus, it's the name of a song by Velvet Revolver. I remember telling Taylor [Swift] the name because she made the commitment to sign with us before we even had one. So when I was looking at the final list of ideas, I thought, "We're anything but a big machine, but if we just announce ourselves as one, it's bold and it's disruptive and it doesn't sound corporate." The rock 'n' roll of it was, "We'll just flip off corporate, right in the face, and declare ourselves a big machine."

**Did you ever harbor the slightest reservation about Swift's potential?**

I never doubted that she would be successful. I felt we could compete because her *being* is substantial. Even her [first promotional] package was impressive — now, it's not hard to put together an attractive-looking promo package, but there were enough interesting things that it was raising its hand to me. And when I met her, I was just smitten. She was a fascinating person, even at 14 years old. She had such an amazing desire for people to like her and get to know her, and she has found a way to engage anybody whom she wants to, whether it's the immediate fan or the biggest stars in the world.

**Did you feel like an outsider at the start?**

I don't know that I was ever conscious of [thinking], "Let's be outsiders." It was more, "That pisses me off and I don't want to do it that way." I've always questioned authority, not in a sarcastic way, but [more like], "What were you thinking there? Help me to understand and I'll learn something" — or "That was just a bad idea." So it was the dogged determination to continue to figure that out every day. And I'm as doggedly determined today, even more so than I was 10 years ago.

**What's a contemporary example of that?**

How in the world can there not be performance rights in the United States of

America? That's bullshit, so we didn't wait for anybody. It's like, "Let's start asking questions. Let's see if anybody else is aligned with us. Let's not just accept that this is a status quo."

**Changing the rights landscape has been a passion for you, from forging new agreements with terrestrial radio chains like iHeartRadio and Emmis to the issues involving Swift and Spotify and Apple. How successful has your "Music Has Value" campaign been?**

As we get to a new royalty decision later this year, it feels like there's a greater understanding that we have got to continue

from Beasley. And so at a certain point the artists have to raise their hand and go, "Why aren't we on that platform?" While other labels are lawyering it out, we're moving forward, with real results. If you look at what streaming is doing, they're monetizing every cent. Maybe the money isn't enough yet. But if we can continue the conversation, we can get to a value.

That's where Music Has Value comes in. We're at the point now where streaming *has* to work. We're going to get it scaled. We're going to convince the companies that there has to be a premium-only option and that you can only have free for so long — or you can have *this* much for free.

To see these kids come into the Big Machine store [in Nashville] and walk out wearing T-shirts saying "We support artists" ... Fans get it.

**With Swift's apparent battles with Spotify and then Apple...**

You've got to remember her battles are my battles. There's no separate battle there.

**But she seemed to have been on the warpath against "free," and you've acknowledged that "free" will always be**



McGraw onstage in Wantagh, N.Y., on June 11.



Inside the Big Machine store, which opened in June, at 122 Third Ave. S. in Nashville.

## "FREE STREAMING AS PROMOTION WORKS, BUT IF A RESTAURANT GIVES YOU A SAMPLE, YOU CAN'T SAY, 'CAN I COME IN AND EAT FOR FREE?'"

to figure out how to be better partners. Radio's still No. 1, and there's a huge desire on the record and radio sides to work together in this grand scheme. I'm bullish in thinking we're getting closer to a resolution that can work for everyone — to the extent that anything *can* work for everyone.

When you look at all the other major labels who've got a huge platform besides Warner Bros., right now they're just sitting on the sidelines while our artists are three-plus years into earning from iHeart, earning from Emmis, earning from Greater Media, earning

with us, to some extent, so people might wonder where that line is drawn.

People forget that we gave away hundreds of thousands of Taylor songs for free when we started — free as *promotional* works. Like with SiriusXM: "Free" as a promotional period works. Thirty million people have said, "We fell in love with this product. We'll pay for it." That's where these other services can follow the same model as SiriusXM. If you took away Spotify from everybody, they're going to go, "Wait, we love this." It's OK to say, "This part of it is going to remain free — the promotional part." If a restaurant gives you a free sample, you can't just go, "Can I just come in and eat for free?" Anyway, there's not anything separate. I went to Taylor and said, "Why don't we do this?" And she said, "Yeah, let's do it."

**Are you happy with the royalties you've seen from Apple so far?**

It's too early to tell; we don't get paid that quickly. If you compare the streams to what the service is, it hasn't scaled yet. But when you have that kind of opportunity, you're hopeful. "You have that many credit cards in your system?" *Very* hopeful!

**Recently you said, "There's a huge rock animal out there that needs to be taken**

**care of." How quickly are you looking to expand into rock and pop?** With Nick [Fradiani, *Idol*'s season 14 winner], and with the next winner of *American Idol*, there'll be a continued partnership with Universal. It's way too early to project what kind of artist would win season 15, but obviously Nick is a pure pop play. We're not going to jump in and sign 10 artists, but in a year, we'll have more pop than we do now, and we'll also have more country than we do now, and we will have some rock.

**Big Machine re-upped with Universal this year. There were rumors about other scenarios leading up to that, including talks with Sony. How seriously were you looking at other possibilities?**

What was really supposed to remain a very private conversation became public when other people found out that we were available for distribution. And those are conversations you've always got to entertain. Even though we battle like pirates during the day, it is still a handful of us who move all this forward. I am friends with [Sony CEO] Doug Morris, and I worked for him when I was at MCA. But we're very ingrained into Universal. They have given us unbelievable opportunities for growth, so it would have had to be something that we absolutely couldn't say no to for us to leave. But you have these conversations and go, "Wow, this really gives us a true idea of our market value. They're willing to do some things that I really want to do. Can we do these things within our current structure?" Universal stepped up and made it very clear they want to continue with us for a long time.

**You're known for being involved in every aspect of the company. Is there a cap on how much you can or should grow?** I can't get any bigger — I can't spend more than the 20 hours a day I already spend on

## ROAD MAP TO SUCCESS

A timeline of Big Machine milestones, from signing Taylor Swift to Scott Borchetta's acquisition of Republic Nashville

**SEPTEMBER 2005** Scott Borchetta founds Big Machine Records (BMR) with artist Toby Keith and, that same year, signs 15-year-old singer-songwriter Taylor Swift and 35-year-old country artist Jack Ingram.

**MAY 2006** Ingram scores his — and the label's — first No. 1 on *Billboard*'s Hot Country Songs chart with "Wherever You Are."

**SEPTEMBER 2007** BMR artist Garth Brooks' "More Than a Memory" becomes the first song to debut atop Hot Country Songs.

**NOVEMBER 2007** Borchetta founds subsidiary label Valory Music. Big Machine Label Group (BMLG) eventually forms as parent company of BMR and Valory.

**DECEMBER 2007** Swift scores her first No. 1, "Our Song," on Hot Country Songs.

**DECEMBER 2008** With more than 4 million albums sold, according to Nielsen Music, Swift is the best-selling artist of the year.

**JUNE 2009** Republic Records and Big Machine found the Republic Nashville label.

**NOVEMBER 2009** Swift, 19, becomes the youngest winner of the Country Music Association's entertainer of the year award.

**FEBRUARY 2010** Swift takes home her first four Grammys, including album of the year for her 2008 LP, *Fearless*.

**JULY 2010** BMR signs Rascal Flatts.

**DECEMBER 2010** The Band Perry scores its first No. 1 Hot Country Song with "If I Die Young."

**FEBRUARY 2011** Valory makes the initial of two key signings when country-rock artist Brantley Gilbert joins the label. Singer-songwriter **Thomas Rhett** follows in November.



**NOVEMBER 2011** After winning entertainer of the year at the Academy of Country Music Awards in April, Swift receives the same honor at the CMAs and artist of the year at the American Music Awards.

**MAY 2012** BMR signs Tim McGraw.

**JUNE 2012** Clear Channel strikes a deal with BMLG to pay sound-recording royalties to the label and its artists.



**JULY 2012** Republic Nashville signs **Florida Georgia Line**. The duo's debut single, "Cruise," spends three weeks atop the Hot Country Songs chart and racks up the highest first-week sales of 2012 for a new country artist.

**OCTOBER 2012** Swift's *Red* album sells 1.2 million-plus copies in its initial week, more than any other LP in a decade, according to Nielsen Music. The release also sets a record for the highest worldwide digital-album sales debut in iTunes history.

**JANUARY 2013** Republic Nashville signs *The Voice* winner **Cassadee Pope**.

**MARCH 2013** McGraw tops the Country Airplay chart for the first time as a BMR artist with "One of Those Nights."

**MARCH 2014** BMLG relaunches the historic Dot Records label, which signs Maddie & Tae as its premier act in June.

**MAY 2014** BMLG and Cumulus Media launch the Nash Icon record label. Reba McEntire becomes its inaugural signing.

**AUGUST 2014** Swift's first pop single, "Shake It Off," debuts atop the *Billboard* Hot 100.

**OCTOBER 2014** *Billboard* reports Borchetta is considering selling BMLG and is looking for a valuation of \$225 million to \$250 million.

**NOVEMBER 2014** Swift's 1989 debuts with a record first-week sales of 1.3 million. Borchetta and Swift remove her catalog from Spotify, citing unfair compensation for artists and songwriters.

**MARCH 2015** Borchetta begins appearing on *American Idol* as a contestant mentor.

**JULY 2015** Borchetta takes Big Machine off the market and re-signs a distribution agreement with Universal Music Group that gives him full ownership of Republic Nashville. Sales of Swift's 1989 surpass the 5 million mark, making it the fastest-selling album to reach that milestone in more than a decade. —KATY LINDENMUTH



The Big Machine staff with Swift (center) at the company's holiday party in December 2007.



The Big Machine Label Group executive team. Seated, from left: senior vp Allison Jones, Borchetta and senior vp sales, marketing and interactive Kelly Rich. Standing, from left: vp publicity and corporate communications Jake Basden, senior vp finance Mike Craft, Big Machine Music Publishing GM Mike Molinar, COO Andrew Kautz, Dot Records GM Chris Stacey, senior vp creative Sandi Spika Borchetta, senior vp partnership marketing and promotion strategy John Zarling, executive vp/general counsel Malcolm Mimms, Nash Icon Records GM Jim Weatherson, Valory Music senior vp George Briner, Big Machine Records senior vp Jack Purcell and Republic Nashville president/BMLG executive vp Jimmy Harnen.

it. And there's no way we can be bigger just by adding more artists. So for the label to grow, it has to have great executives who understand the culture, understand the mission and can lead. I don't want to be part of every decision. Adding David Nathan as our senior vp of pop promotion, there's an expertise and mega-experience, and he's on the ground [in Universal's New York office]. We have a Big Machine representative right there on the main floor.

**You've made a move into pure country with the Nash Icon imprint, where you've signed Ronnie Dunn, Reba McEntire, Martina McBride and Hank Williams Jr. Can you really provide a home that doesn't subject them to the same pressures you put on a young act?**

Part of the mission of Nash Icon is taking away some of the day-to-day, hand-to-hand combat that you have to do to continue the mainstream country-radio relationship. These artists have already done it and had the highest highs, and we were able to create a different game board where they don't have to try to compete with the 20-year-olds. We can say to them, "Don't worry about trying to make a record that's younger than you are.

Go make the record you want to make." And if you look at the music that Reba and Ronnie and Hank Jr. [have turned in] — Martina's still working on stuff. I have an email from Hank Jr. saying, "This is my best record ever." We've already seen great results with Reba. With [track-equivalent albums], we're over 200,000 units, and we had a No. 1 album again. She wasn't going to make records [anymore]! So for us to be able to say,

## **"UNIVERSAL GAVE US UNBELIEVABLE OPPORTUNITIES, AND THEY MADE IT CLEAR THEY WANT TO CONTINUE WITH US FOR A LONG TIME."**

"We've created a lane where your fan base and your peer group is," it's so liberating. They're having so much fun doing that and not having to worry about, "Am I going to fall out of the top 30 this week?"

**You've got veterans from *American Idol* and *The Voice* on your roster, but neither show has sold many records in recent years. How do you break that streak?**

The first Cassadee Pope single sold well for us — over a million, and it was a top 10

record. We've had a couple follow-ups that didn't perform as well. The reason I bring that up is I got to see Carrie Underwood sing at the All for the Hall benefit, and [she is] such an amazing singer. Such an outlier. You have to kind of take Carrie and Kelly [Clarkson] out of this mix and go, "OK, what is the realistic timeline of developing an artist?" We have a new single out on Cassadee right now that's off to a great start.

When she came off [*The Voice*], she wasn't ready to be a solo female country artist yet. She had been in bands, and she's fantastic on television and an amazing singer, but she had to find her wheels. And now she's killing it, but it took this long to really get her ready to ... I hate to say *compete*, but to compete.

With Nick, we didn't rush a record out for one simple reason: The music wasn't ready. We had a single that did great at [adult top 40] — it was a top 25 hit; it was the biggest record [off] *Idol* since Phillip Phillips. But I

was not going to have Nick flying in and out of New York or L.A. or Nashville in between tour dates to rush through a record. Now he's writing like crazy, and we have great songs and producers lined up to work with him, and the development continues.

I said it at the end of last season: None of these shows anoints you a career. It anoints you an opportunity to have a career.

## “TAYLOR SWIFT HAS FOUND A WAY TO ENGAGE ANYBODY SHE WANTS TO, FROM FANS TO THE BIGGEST STARS IN THE WORLD.”

**You're one of the most visible record executives in the industry right now. How do you feel about the platform you have?** Well, it was never a goal. It was always, “What can we do for the betterment of our artists and our label?” I have to be willing to work as hard as or harder than anybody else. So being in *Fast Company* or being in *The Wall Street Journal* and things outside of our industry trades made Fox and *American Idol* go, “This guy is interesting — maybe he'd be good for our show.” And then that opens up all these other opportunities for our artists and our label in Los Angeles in different media. To me, it's all just building layers. The nicest thing that my friends who've known me for 15 or 20 years say to me is, “Man, it's crazy that you're the same guy.” It's like, “Which guy did you expect me to be?” Those opportunities absolutely help our artists and our other executives.

**Do you feel that now you can take full ownership of the label name, unironically?** I can officially tell you: We are a big machine. I accept! ●



Borchetta (second from left) with 2011 Brickyard 400 winner Paul Menard and McEntire (fourth from right). Big Machine sponsored the race.

## THE FIRST YEAR: AN ORAL HISTORY

Four Big Machine founders look back at the drama and excitement of 2005

IN 2005, SCOTT BORCHETTA, IN partnership with Toby Keith's Show Dog Records, launched Big Machine with three artists — Taylor Swift, Jack Ingram and Danielle Peck — and a staff of 13, four of whom (including himself) are still with the company. *Billboard* spoke with them about that first year.



**Sandi Spika Borchetta** I knew Scott had a vision to have his own record label. When he left his last record-label gig [at DreamWorks], it was evident he was going to put together a business plan to do this himself.



**John Zarling** When Mercury merged with DreamWorks in 2004, Scott came in as head of promotion. When he left in February 2005, I went to him and said, “I don't know where you're going, but I want to come with you.”



**Andrew Kautz** Scott asked me if I could meet him at the 1219 building on Music Row. As we walked in and I stepped over broken drywall and saw sheets covering the windows and a mattress on the floor, I said, “Uh-oh, what did I do?” Thirty days later, 13 employees walked in after our press conference and got to work. We've never stopped.

**Zarling** We didn't know what the label name was going to be until pretty soon before it launched. Scott was taking all these meetings, so Sandi got cards printed that just said “Scott Borchetta, President” with his phone number and email — but there's no clue what he's president of. He's just the president.

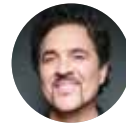
**Spika Borchetta** I remember running in my SUV to the local place that pressed our singles. I'd pick up boxes and boxes, as many as I could get inside my SUV, and run them back to the office, crack open the boxes and then it would be a CD-stuffing party in the lobby.

**Kautz** When we opened Scott wasn't taking a salary. That sticks with you, and makes you willing to work harder to fix that.

**Zarling** Around December 2005, Toby and Scott decided, “Hey, we both have our artist priorities, [but] the joint-venture approach is not going to pan out the way we envisioned.” And ultimately

there came a point where every staff member had a choice to make: Are you going to go with Show Dog and with Toby and his artists, or are you going to align with Scott and Big Machine? It was pretty clear to me that if I bet everything on my belief in Scott's vision six months earlier, I've got to be able to see that through.

**Kautz** Immediately, Scott set to work rebuilding the team, and what resulted was an even stronger staff.



**Borchetta** Coming out of the promotion world, I knew I was going to get a couple of shots. So if we could put [a No. 1] on the board early and show this was legitimate, it would mean the world.

**Spika Borchetta** Jack Ingram's No. 1 single [“Wherever You Are”] energized everybody to work even harder — “Let's do it again!” But having a No. 1 doesn't automatically put money in the bank.

**Borchetta** We came probably within three weeks of having to go back and say, “You know what? We can't make it work.” With our smaller investors, we were coming up on that moment to go back and say, “We're not going to hit this. And I don't have a lot to show you at this point — just a lot of promise and belief.” So we came pretty close to having a meltdown, after which we would have had to quickly restructure and hopefully keep everything together. It was down to the wire, [but Pittsburgh-based investor Ray Pronto committed \$3 million].

**Spika Borchetta** Because of him, it energized us and helped us out financially to keep going.

**Kautz** Jack Ingram's No. 1 in the midst of [the Show Dog split] and getting a new investor — it set us on the right course, and we never looked back.

**Spika Borchetta** I've always believed in Scott's drive and ambition. He researches, investigates, plans, then attacks. In 2005 the team was small, but he now has a much larger team.

**Kautz** There was no road map, so we all just figured it out, and we got the benefit of being the underdog. The industry really embraced what we were trying to do.

**Zarling** We're arguably the size of other major labels in Nashville, but I would like to think that there is an independent spirit that really separates us from everybody else.

—K.L.

## THE NEXT DECADE: 5 BIG MACHINE ARTISTS TO WATCH

These genre-bending country acts are among the label's hottest rising talents



CASSADEE POPE

Two years after releasing "Wasting All These Tears," a top five *Billboard* Hot Country Songs hit, *The Voice*'s first female champ is returning to her girl-power roots. Although the follow-up to her 2013 debut, *Frame by Frame*, has yet to get a release date, 26-year-old Pope's newest single, "I Am Invincible," produced by CEO Scott Borchetta, is creeping up the country charts.



THOMAS RHETT

Coming off a freshman album that spawned three No. 1 Hot Country Songs, the songwriter-turned-singer, 25, pushed the country-pop envelope for his current LP, *Tangled Up*. On it, he channels Bruno Mars and features special guests Jordin Sparks and rapper Lunch Money Lewis. The gambit worked: First single "Crash and Burn" became his fourth consecutive chart-topper.



THE CADILLAC THREE

After writing hits for Tim McGraw and Rascal Flatts, longtime collaborators Jaren Johnston, 35, Kelby Ray, 35, and Neil Mason, 34, kept some tunes for themselves. The Nashville natives have since toured the world celebrating their country roots with such hard-rocking tracks as "Tennessee Mojo" and "The South." Their latest single, "White Lightning," shows TC3's softer side.



JENNIFER NETTLES

Although Sugarland has *not* officially broken up, founding member Nettles, 41, keeps forging deeper into her solo career. One of Big Machine's most recent signings, she spent much of the past year showcasing her acting chops — including on Broadway as Roxie Hart in *Chicago*. In October she will launch her *Playing With Fire* Tour and is slated to release a new single and LP in early 2016.



MADDIE & TAE

Twenty-year-old BFFs Madison "Maddie" Marlow and Taylor "Tae" Dye made waves with the 2014 bro-country rejoinder "Girl in a Country Song." (Sample lyric: "Tell me one more time, 'You gotta get you some of that' / Sure, I'll slide on over, but you're gonna get slapped.") Their unexpectedly reflective debut, *Start Here*, released Aug. 28, already has taken flight with the hit "Fly." —K.L.

POPE: JOHN SHEARER/WIREIMAGE; RHETT: ERIKA GOLDING/GETTY IMAGES; THE CADILLAC THREE: RICK KERN/WIREIMAGE; NETTLES: BJ LACROIX/WIREIMAGE; MADDIE & TAE: MAT HAYWARD/GETTY IMAGES

## BIG MACHINE'S FIRST DECADE, BY THE NUMBERS

54.4M

Number of Big Machine Label Group albums sold in the United States (including track-equivalent albums)\*

7

Big Machine No. 1 albums on the *Billboard* 200

35

Big Machine top 10 albums on the *Billboard* 200

31

Big Machine No. 1 singles on Hot Country Songs

22

Big Machine No. 1s on Top Country Albums

53

Big Machine top 10s on Top Country Albums

7

Taylor Swift No. 1s on Hot Country Songs

4

Taylor Swift No. 1 songs on the *Billboard* Hot 100

44

Big Machine No. 1 songs on the Country Airplay chart

80

Big Machine top 10 songs on the Country Airplay chart

51

Number of weeks Taylor Swift's 1989 has been in the top 10 of the *Billboard* 200 — including 11 at No. 1

24

Weeks at No. 1 on Hot Country Songs for Florida Georgia Line's "Cruise" — the longest run in the chart's history

275

Weeks logged on the *Billboard* 200 by Taylor Swift's self-titled debut, released in 2006. It remains her longest-charting album.

NOTE: Chart information covers data through the Oct. 24 issue. SOURCE: Sales information according to Nielsen Music (through Oct. 1), including sales from Big Machine's joint venture with Republic Nashville.

CONGRATULATIONS  
BIG MACHINE RECORDS  
ON A DECADE OF SUCCESS!



WE ARE SO HONORED TO  
BE A PART OF THE FAMILY!  
—RASCAL FLATTS

