

Lisa Ellis

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The longtime Sony Music executive talks about her new career direction and the reasons behind her departure from the major label.



Who says you can't go home again?

Longtime Sony Music executive Lisa Ellis left the company in December to rejoin her former boss and mentor Paul Fireman, the ex-chairman/CEO of Reebok International, at his new private equity firm, Fireman Capital Partners. Ellis joined the firm in December as founding operating partner, where she will focus on music, entertainment and consumer products investments. And in January, she became a partner in newly formed Carnival House Music, which includes the recording, touring and related business interests of Wyclef Jean and his cousin and longtime collaborator Jerry Duplessis.

Ellis was working as Reebok's sports marketing manager when she decided to shift gears and enter the music business, joining Columbia Records in 1995 as a local promotion manager. She advanced to a series of executive posts at the label, including VP of national promotion for the West Coast, senior VP of R&B/rhythm-crossover promotion and senior VP of strategic marketing and music licensing at Sony Music. She was appointed president/GM of Sony Urban Music in 2004 and got promoted to executive VP of the Sony Music Label Group in late 2006.

Along the way, Ellis worked with some of Sony's biggest acts, including the Fugees, Lauryn Hill, Destiny's Child and John Legend. In an interview with *Billboard*, Ellis discusses what's ahead for her at Fireman and Carnival House, and talks about the Sony executives, past and present, who nurtured her career at the label.

What will your role be at Fireman?

I will be on the board of a few of the companies they've invested in and will help advise them on those companies. And Fireman will back me in my entertainment ventures, specifically Carnival House, my partnership with Wyclef Jean. I'll still work with a few other artists and work closely with the Fireman Foundation, which focuses on humanitarian and philanthropic endeavors. I will also advise them on consumer products and we might have some crossover elements there. Primarily, my time will be split between Fireman Capital and Carnival House.

What are the first projects under the Carnival House partnership?

In addition to Carnival House Recordings, there are film, touring and publishing divisions. In September, Wyclef Jean will have an album, and then we have two other artists whose projects we'll be releasing.

One is from Niia, who was featured on Wyclef's single "Sweetest Girl (Dollar Bill)." The other artist is French Canadian vocalist Nikki Yanofsky. She has already had a No. 1 record in Canada through Universal Canada. She could be Celine Dion, Ella Fitzgerald and Mariah Carey rolled into one with a little bit of Alicia Keys. We have distribution but we're not announcing anything yet.

What prompted your decision to join an investment firm?

Two years ago when my contract was up for renewal, I had an epiphany. I could have gone to any record company I wanted and made a handsome salary. But at my age, I was smart enough to realize I was in a different boat than someone quite a bit older and that I could use this window as an opportunity.

I intentionally choreographed my life to not have all my eggs in Sony's basket. I wanted to give myself all sorts of freedom to do business with whomever I wanted, to play in music, politics or whatever arena I wanted.

So the rumors that it wasn't your decision to exit Sony were wrong?

[Sony Music Label Group chairman Rob Stringer] and I had been talking about this a year before I left. Rob is a class act who has been nothing but supportive. Neither he nor I ever broadcast anything. So all people could do was make it up. He and I used to laugh at all the rumors I heard about myself every week for the past three years.

The problem with a rumor like that is it shows me the people in this business do not get it. They're being shortsighted to think that even if I did get fired, which I didn't, that Sony would be doing me a favor, that I should want to get out before something happens.

To me, everyone is focused on the wrong thing. They want the

National Enquirer version of what's happening, as opposed to the Wall Street Journal version of what to do. No one is saying, "Where's the opportunity?" No one is celebrating people stepping out of major corporations and becoming entrepreneurs. Those are the people who are going to create the new opportunities for artists. The money's got to come from somewhere and someone's got to start a new model. Otherwise it's just letting the business die a slow death.

Who brought you to Sony?

I have to give [former Columbia Records executive VP] Jerry Blair and [former Sony Music Label Group U.S. chairman/CEO] Don Jenner credit for hiring me. They hired a 23-year-old black woman to do pop and rock promotion. At that time there was nobody black who did anything but black music.

Later when I was executive vice president of promotion and didn't want to do promotion anymore, it was Don, [then-Sony Music Label Group president] Michele [Anthony] and [then-Sony Music Entertainment chairman/CEO] Andy Lack who listened and put me in Sony/ATV Publishing and corporate strategic marketing for Sony Music and told me to learn and re-create that area of the company. They didn't hold your hand there. It was, "You want to swim in this pool? Then here, swim with the piranhas, and if you make it out, great."

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I have to commend Rob. This goes back to the rumor mill with everyone saying, "He's going to fire her because she's Don and Michele's girl. He's not going to trust her." But he renewed my contract and promoted me.

Did you feel like the last man standing when Don and your other mentors exited?

Yes, absolutely. But Don, Michele and [former Sony Music chairman/CEO Tommy Mottola] were very supportive after they left. They said, "If you quit or fail, we will be more disappointed in you." They were telling me to keep going.

What do you see in store for Sony this year?

I think all the major labels will go through another layer of cost cutting this year because they simply don't have a choice. You have a very top-heavy industry with a lot of overhead. The profit margins just aren't there. Digital sales are up close to 40% year to year, but that is not compensating for the decline that's occurred in the past five years in the physical market and the change in consumer behavior. Music is as powerful or even more powerful than it's ever been. But there's no balance or strategy in the business. Will it correct itself in three to four years' time? Probably so. Before then, however, you have companies in tough positions, being forced to make decisions they don't want to make.

What was your biggest accomplishment at Sony?

I am most proud of getting the chance to run several business units. I learned a lot. I grew up there in many ways. I also got to work for some of the greatest executives in music business history and also was a part of things that will be written about in history, whether it's Lauryn Hill and the Fugees, Destiny's Child and Beyoncé or John Legend, whose projects I really quarter-backed. All the times we were hot—and the great artists I worked with—far outweigh anything negative.