

Entrepreneur who purchased Channel 8 plans upgrades, hiring spree

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Indianapolis native and WISH-TV owner DuJuan McCoy talks with WISH-TV News Director AI Carl. McCoy says no opportunity is greater than owning "a broadcast property in your hometown." (IBJ photo/Eric Learned)

Since his days running sprints for the Butler University track team, DuJuan McCoy has known timing is everything.

So when the broadcast veteran got a call from Nexstar Media Group Chairman and CEO Perry Sook one Saturday morning this spring, McCoy bolted into action like he was still wearing a Bulldogs running singlet.

Sook asked McCoy if he would be interested in acquiring WISH-TV Channel 8 and WNDY-TV Channel 23. The catch: Sook wanted an

answer by the next morning.

After Dallas-based Nexstar acquired Chicago-based Tribune Broadcasting's WXIN-TV Channel 59 and WTTV-TV Channel 4 as part of a broader national deal, the broadcast conglomerate was forced to unload some of its Indianapolis stations to comply with Federal Communications Commission regulations.

By coincidence, McCoy's Bayou City Broadcasting was divesting all five of its stations—two in Evansville and three in Lafayette, Louisiana. "I was 75% done with that deal, but no one knew it due to confidentiality agreements," McCoy said.

McCoy and his firm's chief financial officer spent the next 24 hours doing due diligence on the two Indianapolis stations before he made Sook—whom he had known from previous dealings—a counteroffer. McCoy bought the two stations for \$42.5 million, and the deal closed in September.


The Indianapolis native and Ben Davis High School graduate couldn't believe his good fortune.



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“To own a broadcast property in your hometown ... and you’re an entrepreneur like me, there’s no greater opportunity,” McCoy told IBJ. “On top of that, it’s one of the most powerful news stations, not only in Indianapolis but in the state of Indiana. Having the ability to affect the community in which I was raised, there’s no better feeling in the world.”

Don’t expect McCoy to bask in that feeling for long. The slightly built 52-year-old, a self-described workout fanatic, still sprints through life like a track star.

“We have a lot to do,” he says as he snags two cookies from a nearby table on a recent tour of the station. The cookies have been brought in as part of a spread for a gathering of arts and culture aficionados McCoy is scheduled to speak to in about an hour. His community outreach plan is already at work. On this day, the cookies will suffice for his lunch.



Trcalek

He hustles through the office at breakneck speed, so new to the place he’s not always certain the shortest way to his next destination. He asks for directions from a staffer but doesn’t wait for an answer.

Regardless, it doesn’t take him long to get there. It seems getting where he wants to be in short order is McCoy’s specialty. Twice, he has bought, turned around and sold stations for big profits within five years—the first time in Texas, and the second in Louisiana and Indiana.

The process

Where he wants to go in Indianapolis is the top—especially in local TV news ratings. That significant challenge could be a supreme test of what McCoy calls his “process.”

While WISH is no doormat, it’s also no front-runner. In most time slots, WISH trails WXIN-TV Channel 59 and WTHR-TV Channel 13. In some slots, it also trails WRTV-Channel 6 and WTTV-TV Channel 4.

During the 6 a.m. newscast, WISH has 50% fewer viewers in the much-sought-after 25-to-54 age demographic than WTHR and fewer than half as many as WXIN, according to Nielsen Media Research. At 6 p.m., WISH has about one-third the viewers in that demographic that WXIN and WTHR have. At 10 p.m., WISH’s newscast has about one-fourth the viewers of WXIN; at 11 p.m., it’s in last place.



Levingston

Less than three months after his firm—Circle City Broadcasting—closed on its acquisition of WISH and WNDY, McCoy rolls out his growth plans like an architect with blueprints for a skyscraper.

He plans to add 21 news and sales employees—growing the staff to 142. He’s adding the state’s first TV reporter dedicated full time to medical reporting and another dedicated to multicultural reporting. And he’s planning more local programming and news, including shows dedicated to medical and multicultural topics.

McCoy, the only African American owner of a TV station in a top 25 U.S. market, promised to cover multicultural issues better than any station in the market.

“Cultures are different, and we need a platform to educate people on other people’s cultures,” McCoy said. “We’re not just going to focus on the bad things that happen in multicultural communities; we’re going to focus on the good stories that come out of multicultural communities. That goes back to my approach in educating and giving information about what’s happening, instead of just giving the hard news.”

“When I say multicultural, it’s not just black, white and Hispanic. It’s LGBTQ, Asian, Middle Eastern, Hispanic and African American. It’s communities that don’t get their fair allotment of time on their general market TV.”

Along those lines, McCoy said WISH will differentiate its newscasts by going beyond chasing police-scanner news.

“You’re going to see a more vibrant newscast,” he said. “You’re going to see a higher-quality-production newscast. You’re going to see a more inclusive newscast. You’re going to see stories that are not Johnny shot Billy or so-and-so got stabbed or so-and-so got robbed.”

McCoy plans to make WNDY-TV a local sports juggernaut, airing live events and covering sports from high school to the pros.

Dogged approach

While McCoy might look more like a greyhound, he attacks business like a bulldog.

“I didn’t buy these stations to stand pat. We will grow,” he said. “We will steal viewers from every station. That’s a fact. I’ve done it in every market I’ve been in.”

He has little concern that he’s a small operator going up against industry giants—including Nexstar, Tegna Inc. and the E.W. Scripps Co. McCoy’s only holdings are WISH and WNDY.

“My familiarity with Indianapolis is probably my biggest advantage,” McCoy said. “To be an owner in your hometown where you grew up is a real competitive advantage over larger corporations within the market who have imported general managers that don’t know the market like I do.”

A media buyer for one of the city’s biggest ad agencies—who knows McCoy from years past—said the announcement of McCoy’s acquisition of WISH and WNDY “was met with exuberance” among ad buyers.

Some small operators outsource or co-op with other small station owners on such operations as engineering and production to try to compete with massive operators with

Dealmaking spree

Indianapolis native DuJuan McCoy has made a tidy profit buying underperforming stations, giving them a boost and selling them for a profit.

2007: Bought two Fox affiliates and five low-power stations in San Angelo and Abilene, Texas, for \$3 million.

2012: Sold them for \$21 million.

2015: Bought two stations in Evansville for \$26 million.*

2016: Bought NBC, Fox and MyNetwork TV affiliates in Lafayette, Louisiana, for \$40 million.*

2019: Sold those five stations to Allen Media Group for \$165 million.

2019: Bought WISH-TV and WNDY-TV for \$42.5 million.

*Partnered with Bain Capital.

Sources: Federal Communications Commission, Circle City Broadcasting, IBJ research

greater economies of scale.

Not McCoy.

“I outsource nothing. I share nothing. I own, operate and manage every aspect of my TV stations,” he said emphatically. “I’ve always done it that way, and always will. I’m an operator and enjoy every facet of the broadcast business.”

McCoy said his operation is plenty big enough to compete here.

“Indianapolis is my world; it’s my universe,” he said. “So when people say I don’t have scale, I have scale in Indianapolis. If you’re talking about Indianapolis, I can deliver you Indianapolis.

“If I can compete in Indianapolis, I don’t care what the rest of the world does,” McCoy said, stabbing his finger into a conference room table overlooking WISH’s primary news studio.

McCoy is downright ferocious in his defense of adding news to local stations, something he’s done everywhere he’s managed or owned a station. Still, he admits TV news production can be cost-prohibitive if not done correctly.

“When media buys are placed in local TV markets, over 50% of the media buy is allocated to the [newscasts],” McCoy said. “When people buy on local TV stations, they’re trying to reach local people. Who watches local news? Local people.”

In fact, the National Association of Broadcasters says advertising on local news accounts for 45% to 75% of overall revenue, depending on the station.

During political elections, the windfall can even be greater.

“Every two years, there’s going to be a big political election, and 90% of all revenue spent in TV [during those cycles] goes to local news,” McCoy said. “If I can produce local news as good as or better than my competition ... I’m going to be able to compete for local advertising dollars that go toward local viewers.”

‘I control my product’

WISH-TV is already profitable, McCoy said, and he’s confident he can push that higher.

“When I buy a property, I don’t get consumed with trying to make a dollar,” he said. “I get consumed with my management process, my marketing and my vision. If I do those things properly, I know viewers will come. And if viewers come, my ratings go up. If the ratings go up, I can charge more for my advertising.”

Chasing viewers

WISH-TV is planning to enhance its newscasts under new owner DuJuan McCoy. The station has some work to do to become the local news ratings leader. Below are the average number of central Indiana households tuning in to each local station during certain newscasts in 2019, through mid-September.

6 a.m.

WXIN-TV Channel 59	44,201
WTHR-TV Channel 13	30,905
WISH-TV Channel 8	24,153
WRTV-TV Channel 6	14,199
WTTV-TV Channel 4	8,043

6 p.m.

WTHR-TV Channel 13	67,697
WXIN-TV Channel 59	31,278
WRTV-TV Channel 6	28,191
WISH-TV Channel 8	19,368
WTTV-TV Channel 4	16,891

10 p.m.

WXIN-TV Channel 59	35,601
WISH-TV Channel 8	17,386

11 p.m.

WTHR-TV Channel	32,490
WTTV-TV Channel 4	22,894
WRTV-TV Channel 6	16,376
WISH-TV Channel 8	7,855

Source: Nielsen Media Research

McCoy is so confident in his programming ability, he said he has no use for a network affiliation. After a 58-year partnership with WISH, CBS in 2015 moved its local affiliation to WTTV, stunning the market and industry. Currently, WISH is affiliated with the second-tier CW network.

Industry observers have predicted WISH would try to eventually nab another major network affiliation.

“My background comes from independent TV, and WISH-TV already has a very strong news brand without an affiliation,” McCoy said. “When I am not affiliated with a network, I control my product. When WISH lost its affiliation, it lost its prime-time viewers, but it didn’t lose its news viewers. Viewers tend to stay with their local newscast.”

Strong network affiliations, though, can help bolster local TV news ratings, and WISH has clearly been hurt in the 10 p.m. and 11 p.m. news slots due to its weaker CW content.

“It’s been proven that TV viewers—even in the age of the remote control—will stay with a channel beyond prime-time programming as it leads into the news,” said Rick Gevers, an agent representing on-air talent who also pens an industry newsletter. “Network content, too, is a great time for local stations to advertise their news content.”

Coach, mentor, motivator

McCoy described his ownership and management style as hands-on. “I’m a coach, a mentor and a motivator,” he said. “I have the vision and I put people in place and give them the resources to maintain and grow that vision.”

McCoy’s firm also owns the building in which WISH and WNDY operate. He and his wife—his high school sweetheart, Tina—are in the process of moving from The Woodlands, a Houston suburb, to Indianapolis. And McCoy said he intends to be a fixture in the office.

“I’m no absentee owner,” said McCoy, whose dad was a State Farm Insurance agent and whose mom was an office manager at Wishard Hospital. “I’m going to be very involved.”

Those who know McCoy say his talk is not just bluster.

“I’ve been in broadcasting for 37 years, and DuJuan is the smartest broadcaster I’ve ever worked for. And it isn’t close,” said Sean Trcalek, who managed McCoy’s stations in Louisiana. “Nothing is inconsequential to DuJuan. He pays attention to the details. He’s a great student of people and this business. He’s a great predictor. ... He knows what the outcome of most things [will be] long before they happen—and long before others do.”

His minority status, Trcalek said, gives McCoy a unique outlook.

“He’s an African American succeeding in a white man’s world,” Trcalek said. “He’s had to work harder to get where he is. One thing for sure, DuJuan is not about doing things the way they’ve always been done or the way the industry does it. He’ll forge his own path.”

Deon Levingston, a broadcast industry veteran who has known McCoy since 1990, said other station operators would be smart to prepare for the onslaught to ensue as the new

owner takes root at WISH and WNDY.

“No one will outwork DuJuan at any point in time. He’ll meet community leaders and do sales calls,” said Levingston, regional vice president for Radio One in Indianapolis. “DuJuan will be the most active owner this station has ever had. There are certainly other good TV stations in this market, so DuJuan has his work cut out for him, but underestimating him would be a big mistake.”

‘Skin in the game’

After graduating from Butler in 1989 with a degree in business administration, McCoy spent 13 years in TV sales management, 10 of them as vice president/general sales manager or director of sales in market sizes ranging from No. 10 to No. 105.

His early work experience included two stints in sales and management at WTTV-TV Channel 4.

But he always had bigger plans.

McCoy bought his first stations—in San Angelo and Abilene, Texas, in 2007. Though the markets were tiny, McCoy thought the two Fox affiliates and five low-power stations had great potential.

The asking price was \$10 million. But McCoy wasn’t biting.

“They had been on the market for 10 years,” he said with a wave of his hand. “Nobody wanted them.”

McCoy got the bunch for \$3 million.

“DuJuan McCoy has a lot of great attributes as a business owner and operator, and one of the greatest is, he’s a great negotiator,” said Brian McNeil, founder and managing general partner for Alta Communications, a Boston-based private equity firm.

While it was a good deal, it wasn’t a small sum of money for McCoy to come up with.

“I put up skin in the game—my own money. I put six figures into the deal and I used a [Small Business Administration]-backed loan from a regional bank to fund the remaining portion,” he said.

When McCoy bought the Texas stations, they were losing \$300,000 annually, he said. After McCoy bolstered their local content, they netted more than \$2 million a year.

Five years after the purchase, McCoy sold the stations for \$21 million.

DuJuan McCoy

Age: 52

Hometown: Indianapolis

Education: Ben Davis High School, 1985; bachelor’s in business administration with a concentration in marketing and sales, Butler University, 1989

Residence: Houston

Local holdings: majority owner, president and CEO of Circle City Broadcasting LLC (WISH-TV Channel 8 and WNDY-TV Channel 23)

Experience:

- ▶ Thirteen years of TV sales management, 10 as vice president/general sales manager or director of sales in market sizes ranging from No. 10 to No. 105.
- ▶ Early work included two stints at WTTV-TV Channel 4.
- ▶ First TV station purchases were in Texas, in 2007.
- ▶ Bought two stations in Evansville in 2015 and three in Lafayette, Louisiana, in 2016.
- ▶ In 2019, bought WISH-TV and WNDY-TV.

Family: Married to high school sweetheart, Tina (Hardister) McCoy, for 28 years; three sons, Bradley, 26, Patrick, 23, Maxwell, 18

Hobbies: golf; works out six days a week (especially loves his Peloton indoor bicycle)

Source: IBJ research

“I bought the stations in 2007. And in 2008, what happened to the economy?” McCoy asked while simultaneously pointing his thumb straight down. “What did my stations do?”

He then emphatically flipped his thumb toward the ceiling.

“So that added more credibility to my operating skills and know-how. The other thing that made it unique is that I did it in a small market.”

‘A rare find’

As McCoy’s national profile was rising, McNeil was scouting the country for good, young TV operators. He heard McCoy’s name from a well-known West Coast broadcast expert.

After meeting him for lunch in New York, McNeil said, “I was impressed and was sure I wanted to do business with this guy.”

McNeil asked McCoy if he wanted to do another small deal or a bigger deal. “DuJuan doesn’t think small,” McNeil said.

So to secure the capital McCoy needed, McNeil introduced him to Boston-based Bain Capital in 2013. Bain officials told McCoy that, for every 1,000 to 1,500 people they interview, they do business with 10—and he was going to be one of those 10.

In 2015, McCoy, with Bain’s backing, bought two stations—a Fox and a CBS affiliate—in Evansville for \$26 million. The next year, he bought three stations in Lafayette, Louisiana, for \$40 million.

He followed the same blueprint he used in Texas, bolstering local programming and news while investing in branding. In Evansville, he built a newscast from nothing at WEVV-TV Channel 44.

This year, the McCoy-led group sold the cluster of stations in Evansville and Louisiana to Los Angeles-based Entertainment Studios for \$165 million.

“With the kind of success DuJuan has had going up against much bigger companies with bigger station clusters and lots more resources, we could see pretty quickly he was a rare find,” McNeil said.

And McNeil is confident McCoy can succeed in Indianapolis, which, as the No. 25 U.S. media market, is considerably larger than any he has tackled before.

“He’s stepped up to bigger markets—from Texas to Evansville and Lafayette—before,” McNeil said. “We’re making the bet now that he can step up from a medium-size market to a big market with more competition.

“I happen to think he’s one of the most talented executives in the television industry anywhere in the country—small market or big. And it’s not just me saying it. He has the results to back it up.”

By the time McCoy closed on the WISH/WNDY deal in September, he had the finances to buy the stations—and the building they’re housed in—himself. He agreed to let Alta have

a 20% non-voting stake.

McCoy made it clear he was in Indianapolis for the long haul.

“DuJuan let us know right from the start, this isn’t going to be a fix-it-up-and-sell-it situation,” McNeil said. “This is special. This is his home market, and it’s a major market. His plan is to own and operate these forever and build a company around it.”•

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