

## Passion & Precision

### TouchTunes' Charles Goldstuck: A Leadership Profile

**T**ouchTunes CEO Charles Goldstuck, the former record industry exec who joined the digital jukebox company in 2009, has captured the attention of the trade over the last three years by introducing cutting-edge new products like the smart juke Virtuo and doing so in Hollywood style.

Since taking the helm of the company, TouchTunes has forged a tradition of entertaining and informing its operator partners at high-octane spring trade show bashes, featuring well-known recording artists, and intensely focused fall Partner Summit meetings, offering a series of seminars focused on best practices and promotions.

TouchTunes will host its third annual partners meeting in Phoenix next month, following on the spring launch of the first two major apps for Virtuo, Karaoke and Photo Booth. TouchTunes also made international news this spring, securing a license for The Beatles song catalog for the firm's digital jukebox library. Colleagues and competitors have credited Goldstuck's record industry experience with securing the deal.

We caught up with Charles last month for a brief look at his leadership style and the latest from TouchTunes. We started, of course, with a question about the Fab Four.

**RePlay:** Tell us about The Beatles, what impact have they had on network earnings?

Charles: The Beatles have had an enormous impact on consumers. There has



TouchTunes CEO Charles Goldstuck

been pent up demand for so long for their repertoire, that the availability on our network has been a massive success. Since launch, they have consistently been a top

**"In every business that I have built, I have always been relentless in my drive to hire the most capable professionals. When you set the bar at the highest level, any company with the desire to succeed needs great products, loyal and satisfied customers and the glue that makes it all work, dedicated and capable employees."**

— Charles Goldstuck

five across our network. So, it has not been about earnings per se, but much more about their impact to our user base, which has been significant.

*You have welcomed a number of high-profile businesses executives to your*

*team. Can you share the vision of future opportunity that attracted them to the industry?*

In every business that I have built, I have always been relentless in my drive to hire the most capable professionals. When you set the bar at the highest level, any company with the desire to succeed needs great products, loyal and satisfied customers and the glue that makes it all work, dedicated and capable employees. When I assumed the leadership of TouchTunes, I was fortunate to be able to count on many passionate and committed employees, but needed to broaden our skill set in order to ensure that we could move the company into the "digital future."

As you know, today, our executive team is comprised of some of the most successful individuals in their respective fields. In attracting them to our company, they saw what I saw — a company and an industry that could benefit in a significant way from the application of the latest technologies, coupled with a strong desire to innovate, which would result in superior consumer experiences for our patron base.

Over the last few years, TouchTunes has achieved a leading position in our industry, and as we prepare to raise the bar again, we are now able to compete with the blue chip enterprises that dominate the

business landscape. An example of this is our latest hire, Pat Shores, our new CMO. She is a Harvard Business School grad who has spent the last 10 years at American Express helping them to continue building their global brand. She lives and breathes social media, which for us is

not only the next frontier, but we find ourselves in the thick of it now. She will make a big impact in this important area for us.

**What's the latest on Karaoke and Photo Booth?**

We are still at a very early stage of the adoption cycle, but it is gratifying to see how the operator community is embracing these new services. Demand for *Virtuo* has been so robust since the Amusement Expo in March, that we have had to ramp up production twice in order to keep up with demand. The early indicators are very strong. I predict that these services will have a material impact on weekly earnings as we deploy them.

We invested in a material way in developing *Virtuo* and the Open Stage platform, and are now seeing significant earnings

**'These books ('Team of Rivals' and 'America's Great Debate') keep reminding me that forging new opportunities in what could have been perceived as a fading industry, is possible if one has the courage of his convictions, coupled with the best minds to help make a vision for the future possible.'**

— Charles Goldstuck

uplift across the board where we are deploying. However, it is also good to see the nature of consumer engagement in venues becoming much more proactive as they realize the full potential of all the services now available on the *Virtuo*. Our industry needed this shot in the arm, and we are committed to keep finding ways

in which to add to the success of these services.

**You have intrigued the trade with your style and your commitment to excellence. What drives you on a daily basis?**

I have always had the attitude that you need to be the best at what you do, and that you have to have passion for your chosen vocation. Building the best business that one is capable of has been the

fuel for me during my career. Throughout my business life, I have had the good fortune of being involved with great ideas, great colleagues and great partners.

**On a more personal note, what are you currently reading and how does that reflect on your work in the jukebox business? What music is currently at the top of your personal playlist?**

I have just finished reading *Team of Rivals* (for the second time — a first for me) by Doris Kearns Goodwin (a Pulitzer Prize winner). The book tells the Abraham Lincoln story from the standpoint of how Lincoln not only beat out more experienced politicians to become president, but how he brought together his disgruntled opponents to create the most unusual cabinet in history, and then marshaled their talents for the task of preserving the Union and winning the war. This is a good lesson for how the talents of a broader team can triumph against the odds.

That reading has now led me to *America's Great Debate* by Fergus Bordewich which chronicles the epic story of the Compromise of 1850 which at that time, albeit temporarily for 11 years) saved the Union from collapse. The book illustrates the passion, eloquence and intellect of the key participants in the raging debate (John Calhoun, Daniel Webster, Henry Clay, Jefferson Davis, William Seward and Stephen Douglas, and how such determined and larger than life players found a way to compromise.

These books keep reminding me that forging new opportunities in what could have been perceived as a fading industry, is possible if one has the courage of his convictions, coupled with the best minds to help make a vision for the future possible.

Regarding music, I am currently listening to the two-disc compilation *Red, Hot + Rio 2*, which is a compilation of Latin music released by the Red Hot Charitable Organization — really fun. I am also enjoying the latest album by Coldplay, *Mylo Xyloto*.

**Can you give us a preview of what's in store for your annual Partners Meeting in September?**

You are going to have to come and see for yourself. I am not going to give it away, but you will not be disappointed!

*Charles Goldstuck is the president and CEO of TouchTunes Interactive Networks. Previously, he was president and COO of the Bertelsmann Music Group (U.S.), a division of Sony Music Entertainment. Prior to that, he was president and COO of the RCA Music Group. BMG Music (U.S.)*

*Goldstuck's professional journey began in his native South Africa. He is a qualified Chartered Accountant (and CPA) having worked for Ernst and Young in Johannesburg, South Africa. In 1985, he came to the U.S., settling in New York where he joined Ernst and Young. In 1988, he moved to Los Angeles, joining music publisher Warner/Chappell Music where he spent five years. From there, he joined Capitol Records in 1993, rising to the position of EVP.*

*In 1998 he moved back to New York to become EVP/GM of Arista Records. In 2000, Goldstuck and music industry legend Clive Davis formed J Records LLC, a joint venture with BMG. At the end of 2002, BMG purchased their interest in J Records merging J and RCA Records to form the RCA Music Group. In February 2004, Goldstuck assumed the role of president of the Bertelsmann Music Group.*

*Throughout his career, Goldstuck has actively participated in philanthropic and social causes. He is an active board member of both the City of Hope Children's Hospital Foundation and the T.J. Martell Foundation. He is also a vice chair of the Entertainment, Media & Communications Division of UJA Federation, and was the recipient of their Music Visionary Award in 2003. He also serves as a board member of the Rock and Roll Hall of Fame Foundation. In addition, he was the 2004 recipient of the YouthAIDS man of the year award, and in 2005 was honored by the Foundation for Ethnic Understanding, receiving the Joseph Papp Racial Harmony Award.*

*In 2006 he was the recipient of the City of Hope Spirit of Life Award. During this tenure in the jukebox trade, he has spearheaded several charitable campaigns involving both TouchTunes and its partners, providing aid for earthquake victims in Haiti and assistance for a group working to cure childhood cancers.*

*Goldstuck was educated at the University of the Witwatersrand in Johannesburg, South Africa.*