

CMU:DIY

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CMU:DIY GUIDE TO

**LABELS &
PUBLISHERS**

YOUR ARTIST BUSINESS PLAN

BUILD FANBASE

gigging, social, media & marketing, content

UNDERSTAND FANBASE

social, analytics, interact, pre-orders

SELL

downloads, tickets, merch, subscription services, VIP

HOW DO YOU MAKE MONEY FROM MUSIC?

INTELLECTUAL PROPERTY


LIVE PERFORMANCE


FAN RELATIONSHIP


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BY INTELLECTUAL PROPERTY WE MEAN...


Musical Compositions
Lyrics
PUBLISHING RIGHTS


Sound Recordings
Music videos
MASTER RIGHTS


Artwork
Photography
ARTISTIC RIGHTS


Band Name
Band Logo
TRADEMARKS

THE MUSIC INDUSTRY

MANAGEMENT (+ lawyer and accountant)

MUSIC RIGHTS

Record Label

Music Publisher

Merchandiser

LIVE INDUSTRY

Booking Agent

Promoter

Ticket Agent

FAN BUSINESS

Direct To Fan

Brand Agency

WHAT'S THE END GAME?

- Artists start off DIY - running their businesses themselves.
- But eventually they will start to engage business partners.



THE BIG COPYRIGHT DEALS

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THE BIG COPYRIGHT DEALS: WHY?



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NEW TALENT INVESTMENT

- Traditionally look to one or two business partners to provide upfront investment - especially for new talent.
- Label and publisher traditionally provides this investment.
- Label deals remain key for most new acts.

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**RECORD
DEALS**

LABEL PROVIDES

- Advance.
- Production costs for debut album.
- Marketing costs for debut album.
- Distribution of physical and digital content.
- Rights management.
- Contacts, influence, negotiating power.
- Artist development and support.

LABEL WANTS

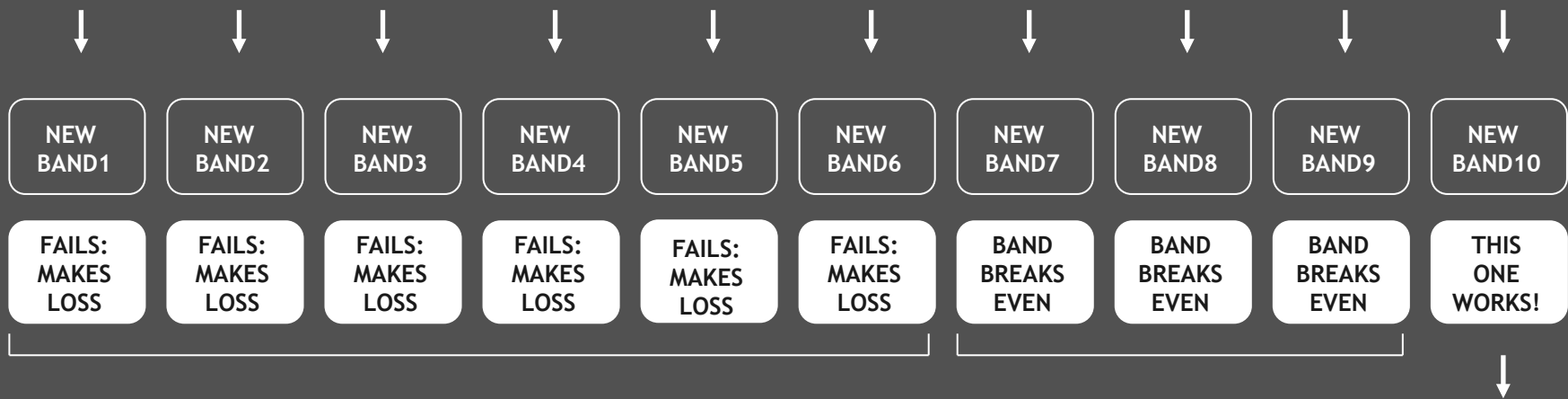
- Investment launches artist, but label makes demands.
- Exclusivity for set period (number of albums).
- Ownership of sound recordings - normally outright.
- Pays royalty - BUT only after recoupment.
- So initially no income from recordings - except 50% of PPL.
- Royalty depends on deal - usually a minority split.
- Label allowed to make future deductions for ongoing costs.

LABELS GET BAD REP - WHY?

- Investment does not guarantee success.
- Label may interfere artistically to safeguard investment.
- Label may screw up marketing and/or overspend.
- Label and artist may just fall out over time.
- Artist gets no recordings revenue until recouped.
- Artist may have given up best recordings.
- Most record labels ultimately profit drive.

BUT BASICALLY A GOOD INVESTMENT MODEL...

THE CURRENT BIG THING



THE NEXT BIG THING

BEHIND THE LABEL...

A&R

CREATIVE

MARKETING

PRESS &
PROMOTIONS

SALES &
DISTRIBUTION

LICENSING
& COMMERCIAL

LEGAL &
BUSINESS
AFFAIRS

BRANDS?
MERCH?
WHAT ELSE?

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PUBLISHING DEALS

PUBLISHING DEALS

- Publisher pays advance.
- Provides A&R, rights management, sync/commission pitching.
- Song copyright usually assigned to publisher - for a time.
- Deal actually excludes performing rights - they stay with PRS.
- But publisher is paid 50% of PRS money once the deal is done.
- So signed songwriter gets 50% of PRS money direct, but other royalties come via the publisher subject to contract.

PUBLISHING DEALS

- A songwriter can do an ‘administration deal’, where they get the services of the publisher without assigning copyright.
- Though usually won’t get as good an advance as with a conventional publishing deal.
- But lots of established songwriters go this route, as it gives them more control and they are usually tied to a publisher for less time.

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