

**URBAN**  
DEVELOPMENT

X

**CMU:DIY**

**RE:CAP**

CMUdiy.com

HOW DO YOU MAKE MONEY FROM MUSIC?

**INTELLECTUAL PROPERTY**

**LIVE PERFORMANCE**

**FAN RELATIONSHIP**

MEET THE MUSIC INDUSTRY

## THE MUSIC INDUSTRY

### MUSIC RIGHTS

Record Label

Music Publisher

Merchandiser

### LIVE INDUSTRY

Booking Agent

Promoter

Ticket Agent

### FAN BUSINESS

Direct To Fan

Brand Agency

## WHAT DO WE MEAN BY DIY?

- Artist community has talked a lot about ‘DIY’ in the last decade.
- Because digital channels make it easier to distribute and engage.
- And labels sign new artists later - so you have to DIY at the start.
- But we don’t really mean ‘do it yourself’.
- There isn’t time - and you’ll need other talents on your team.

## WHAT'S THE END GAME?

- Some artists see DIY as the end game - they want full control.
- But most DIY artists still ultimately want to get signed.



# MANAGEMENT

## THE MUSIC INDUSTRY

### MANAGEMENT (+ lawyer and accountant)

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# RECORD:DEALS

[CMUdiy.com](http://CMUdiy.com)



# THE BIG COPYRIGHT DEALS

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## THE BIG COPYRIGHT DEALS: WHY?



## 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.

## 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

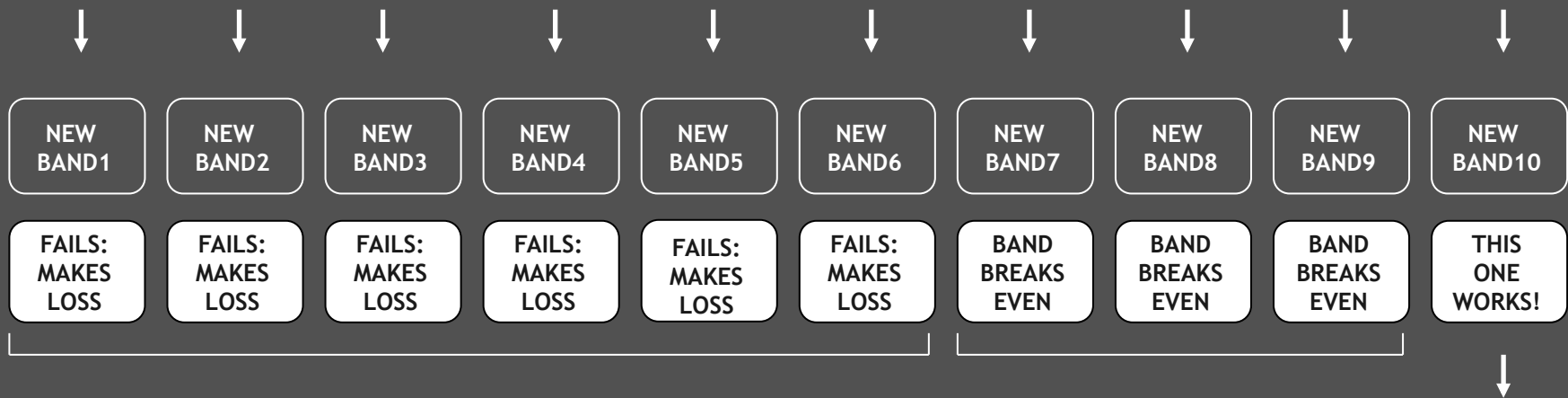
- Investment launches artist, but label makes demands.
- Exclusivity for set period (number of albums).
- Ownership of sound recordings - normally outright.
- Pays royalty - BUT only after recoupment.
- So initially no income from recordings - except 50% of PPL.
- Royalty depends on deal - usually a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

## NEW TALENT INVESTMENT

- While the artist may not earn hugely from their first recordings - initially or ever - a label would argue that initial investment helps launch an artist opening up all the other revenue streams...



# MAKING MONEY FROM MUSIC

## YOU + YOUR MUSIC

### MUSIC RIGHTS

Recordings

Songs

Merchandise

### LIVE INDUSTRY

Tickets

Food & Drink

Corporate Gigs

### FAN BUSINESS

D2F Sales

Brand Partnerships

21<sup>ST</sup> CENTURY BLUES - RECORDINGS MAKE LESS MONEY



THE RESULT...

**LESS PROFIT**

**LESS TO INVEST**

Labels sign less bands and become more risk averse.  
Will look for artists to do more ground-work before investing.  
May ask for control and/or cut of other revenues...

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## WHAT ELSE?

# YOU + YOUR MUSIC

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## WHAT DOES THIS MEAN?

- Record deals are changing.
- Multi-revenue stream or '360 degree' deals increasingly common.
- What does that mean? What do the deals look like?
- Can deals evolve to benefit artists too?

## BEHIND THE LABEL...

A&R

CREATIVE

MARKETING

PRESS &  
PROMOTIONS

SALES &  
DISTRIBUTION

LICENSING  
& COMMERCIAL

LEGAL &  
BUSINESS  
AFFAIRS

BRANDS?  
MERCH?  
WHAT ELSE?



[cmusignup.com](http://cmusignup.com)



[cmudiy.com](http://cmudiy.com)



[cmuinsights.com](http://cmuinsights.com)

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