

URBAN
DEVELOPMENT

X

CMU:DIY

RE:CAP

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HOW DO YOU MAKE MONEY FROM MUSIC?


INTELLECTUAL PROPERTY


LIVE PERFORMANCE


FAN RELATIONSHIP

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

MEET THE MUSIC INDUSTRY

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?



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.

RECORD:DEALS

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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

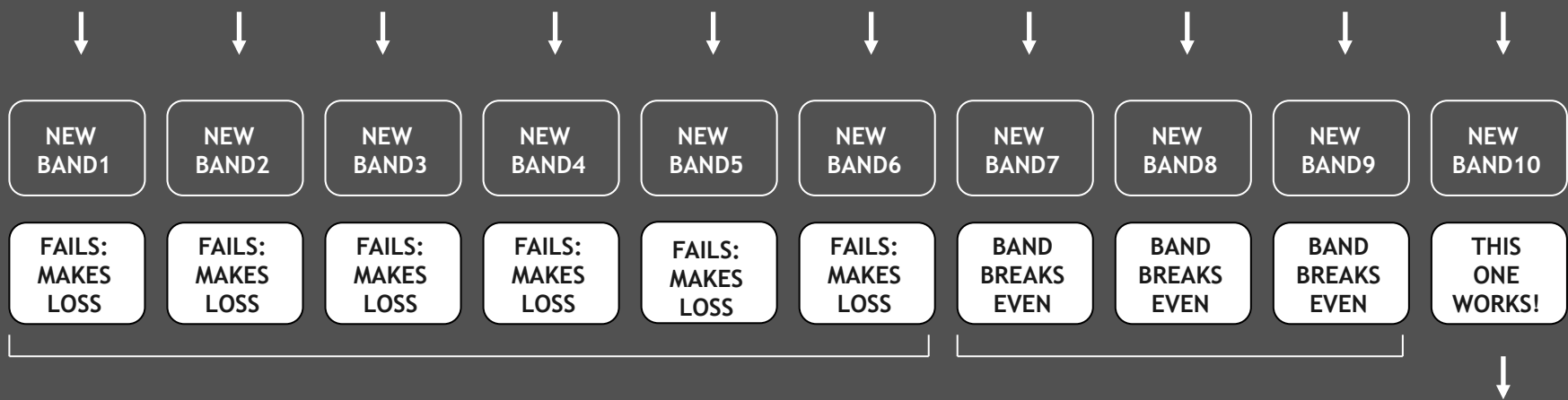
- Investment launches artist, but label makes demands.
- Exclusivity for set period (number of albums).
- Ownership of sound recordings - normally outright.
- Pays royalty - BUT only after recoupment.
- So initially no income from recordings - except 50% of PPL.
- Royalty depends on deal - usually a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

PUBLISHING :DEALS

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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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