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# MODULE ONE

## DEFINING THE MUSIC INDUSTRY UNIVERSE

Module Objective: To acquaint readers/students with the depth and breadth of the music industry so that, as they continue their studies and personal investigations of the Industry, they begin focusing on career, employment, and internship opportunities that particularly interest them.

### Module Goals:

1. To discuss the career paths of some famous figures and how they came to music careers through unusual paths.
2. To identify some obvious and not-so-obvious jobs/functions in the music/entertainment industry.
3. As with so many other specialized areas of expertise, the music/entertainment industry often has its own language; students/readers should start to learn this special language, “terms of art” so that they can more easily assimilate and or be accepted in the Industry.
4. Begin to examine how various aspects of the Industry relate to one another, even though they may first appear to be dissimilar.
5. Discuss the most important elements in the Industry, i.e. communications, awareness, information, understanding, relationships, and how students/readers can begin building networks to foster those elements.
6. Become aware of some of the history of the music industry and how may disparate facets of history, society, and business have impacted, and continue to impact, the music industry.

### Questions/Tasks that should be comprehended through this Module:

1. What positions surprised you regarding possible career paths?
2. What was the academic training of some notable musicians?
3. Write down and define at least ten terms/phrases particular to the music industry.
4. How does the “cycle of life” found in biology studies relate to the music industry?
5. What are good examples of techniques for gathering information regarding the music industry?
6. What is the value of meeting people in the music industry, even if they are involved in areas about which you don’t have a particular interest?
7. What is the value of “trade” publications?
8. What are the leading trade (hard copy and/or online) magazines in the music industry? List additional publications from which useful Industry information can be gleaned?
9. How does the concept of tectonic plates affect the music industry?

To enter into the music/entertainment industry, either as a fan, an observer, student, participant, or even a seasoned professional already in the field, it is crucial to understand that the industry is its own self-contained culture; a universe unto itself. As such, one needs a foundation in embarking on a visit to it, or even, to study it. While there's much that looks and sounds familiar in the "normal" world, there are nuances at play in the music industry that make it necessary to focus one's thinking differently. It's in this sense of refocusing that this module is offered. It is a way to begin to see how the music industry universe is a system built on its history, on the foibles of society and business, and, most importantly, on the contexts of creativity and consumerism. The music business is a universe of specialization and, as we shall quickly see, it is complex. It has, as with any area of specialization, its own culture, its own "terms of art." That's not to say it's complicated in the way such things as medical science is where one must have an intense understanding of anatomy, biology, chemistry and the like in order to even gain the tools necessary for pursuit of its study. The music business is actually quite normal in that regard, with concepts understandable in a society of free commerce, marketing, and consumerism. But beyond that, it is a system rife with its own culture and language. As we'll see, this even extends to how words...words we use in normal conversations every day....take on special, specific meanings in the music industry. "Terms of art" play an important role in this universe of the music industry. The music industry is an amazing marketplace that encompasses all aspects of society around the world. It provides, ultimately, entertainment (in its broadest sense) that soothes, pleases, and excites us as consumers. But, it also provides a substantial and powerful economic and market force of global business. Internationally, the music industry alone accounts for over \$50 billion in revenue.<sup>1</sup> The music industry can be complex and complicated in all of the legalities and fine details of a thriving, multi-billion dollar business but, that said, the concepts upon which it is built are still startlingly simple and intuitive. So, it all begins with the first step. For us and this enquiry into the "music business," it has to start with the most fundamental of questions: What is the "music business?" We use the phrase freely and, as with so many quite common phrases, we most often do so without giving it the slightest thought. Is it simply the business of music? Certainly that's true, but that still begs its own follow-up question. Perhaps it helps to look at some examples of what might encompass the "music business," then work backwards to a viable definition from that:

- Recorded music (and the many steps necessary to make that happen (i.e. writing, arranging, engineering, producing, performing)
- Music in films and television production
- Music used in advertising
- Music used in products (greeting cards, cups, apparel, etc.)
- Musical instruments (manufacturing and retail)
- Musical performance (radio, concerts, personal appearances, tours)
- Printed/published music
- School music programs
- Recorded music heard in stores, businesses, amusements parks, etc.

Of course, this is just a small sampling, but you get the idea.

#### WHAT OTHER USAGES CAN YOU ADD TO THIS LIST?

Just from this short list we get the clear picture that the "music business" is deep and it is ubiquitous in our society. In fact, it would be a difficult assignment to compile examples of everyday life where music is NOT, somehow, a part. Music is everywhere. Therefore, evidence of the music business is everywhere, too.

The next step is to realize that, for each and every one of the usages on the list above (and all of the offshoots from the list), those things don't just magically appear. They require, at the very least, a three-step process that can involve multiple parties and interests. First, someone, obviously, has to have the "ah ha" moment when they think or verbalize, "hey, wouldn't it be a great idea if...." Next, someone has to step in and say, in essence, "that's a great idea, but in order to make that happen we need to talk with and get permission from the rights holders of the musical content to execute this idea." Then, finally, whoever holds the rights to the musical material that is to be used in the idea/product has to agree to a successful negotiation for the usage. As you can see, it is a process to get from mere idea to product/usage. But now, it's also easier to step back and revisit the original question, "what is the music business?"

Let's see how this feels as a definition: The music business is the business and processes of putting together all of the details, rights, and permissions necessary to connect music to a product or usage. As such, it encompasses many people working together to make that process happen, resulting in goods and services that we, as music fans and consumers, want and need. As we can see, then, the music business has great depth and breadth. Indeed, we can't escape it.

From the definition above, it's an easy next step to see that the music business world is multi-faceted with many interlocking moving parts. As such, the many steps necessary to make any single idea move from idea to fruition take considerable coordination of disparate elements and people. Seeing this, we can now move to the concept that the music business (in fact, we can expand this to the music AND entertainment business as a whole, really) is an ecosystem in which many different, disparate parts must work together. No single part of the music industry can accomplish its goals and purposes on its own. It takes many steps, many people, and many parts of the industry working together in order to grow, thrive, and, simply, just to survive.

In order for an ecosystem, whether in nature or the music business, to exist, there comes into play another term borrowed from biology to help understand the coordination that must take place for all parts of the ecosystem to thrive. Symbiosis is the term that defines the process by which many disparate parts of an ecosystem, each capable of mere existence, at least, on its own, become much stronger when joined as part of a common cause, as it were. Disparate parts working together form a stronger whole.....a thriving ecosystem. This is a classic "symbiotic relationship" and, whether in science or music business, it is a strong, unifying force.

Let's look at this with a practical example. Within the music industry there are numerous levels of various activities including such disparate fields as the recording industry, musical instrument manufacturing and retailing, music publishing, artist management, public performance, touring, radio, etc. When a hot new group hits with a great new track (through radio, Internet, streaming, television usage etc.), there is a ripple effect. The popularity of a track can cause surges in the group's touring, publishing of print music and even things like merchandise (t-shirts, posters, etc.) with the artist's likeness on them. The amazing Beatles phenomenon beginning in the mid-1960s had a huge ripple effect on a number of related (symbiotically related!) business areas such as musical instruments (they were almost singularly responsible for the surge in guitar sales that continues to be a tremendous market today) print music, touring, and even a huge effect on the fashion industry when multiple generations wanted to dress and look like the Beatles. The point is, one aspect of their success had an immediate and long-term effect on many other aspects of the music industry.

There's one more level to build onto this strong foundational understanding of the music industry; the concept of tectonics. Instead of the biological borrowing of the symbiosis concept, this one comes from geology. As you might recall from your earth sciences school studies, the earth is inhabited on the seven continents, which are, in turn, situated (along with the water) on a series of seven major (and many minor) interconnected plates thousands of feet under the earth's surface. These tectonic plates of solid rock aren't stable but, rather, occasionally shift positions. When tensions between plates becomes too severe, one of them shifts, which then causes all the others to re-shift their positions in relation to one another as well. The result on the surface can often be earthquake in a specific location, but there is no doubt that all of the tectonic plates have shifted to accommodate the changes of one in relation to the others. Metaphorically similar tectonic shifts occur in the music industry. As with the ripple effects discussed above regarding

symbiosis, when there is a shift in one of the major “plates” of the music industry, such as recordings, movies, television, radio, or the economics of touring, it will result in all of the other plates also shifting in order to find their new place of comfort and existence. Or, as often also happens in the industry, it can result in the demise of part of the industry and birth of others. This concept can also be likened to a line of dominoes. When aligned closely and one falls or changes position, the others soon follow. These tectonic or domino affects are also common in the music industry.

When movies with sound displaced silent movies in the late 1920s, live musicians who provided in-person soundtracks to films were suddenly out of work. But, just as that outlet disappeared, so too did another whole music industry component come to life with the need for musicians, composers/arrangers, technicians and the like to service the new technological capabilities of the industry. So, a music industry tectonic shift in one area can vastly affect the workings of another seemingly-unrelated music industry component. As such, the need to recognize, analyze, and adjust to resulting changes is also a constant in the industry. Those companies that do this better than others stand a much better chance of success than those who refuse to see change as opportunity rather than a threat to survival. This kind of view or philosophy toward the industry is more of a holistic view. It allows focus on one’s area of prime interest or particular job while at the same time keeping the ability to pull back for a longer view of the entire industry.

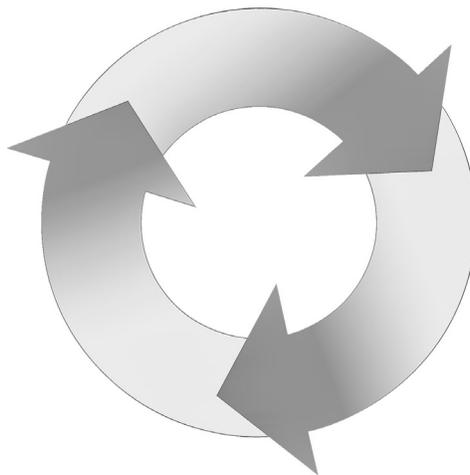


### **The Cycle of Life in the Music Industry**

To add to the mix of elements found in the universe of the music industry, the next step is to look at the typical “cycle of life” in the music industry. Actually, this concept is not unique to the music industry but, rather, is the test faced by ANY product or service provided in ANY industry. The overriding questions determining success/failure of any venture become:

- Is there a market for this product/service?
- Is my product/service good enough?
- Do I have the proper means by which to put this product/service into the marketplace?

These basic questions are, again, not unique to the music industry, and can be diluted into a common symbol.



This symbol also represents a three-step life-cycle in the music/entertainment industry. As will be explored in more detail below, the steps consist of creation of an artistic work, the distribution of that creative work to the public, and, lastly, the reaction of the public, which can lead to wanting more or not wanting any more of that, or similar, creative works.

## MODULE TWO

# MUSIC COPYRIGHT

**Module Objective:** The area of intellectual property/music copyright permeates all areas of the music industry (this is why we start our detailed music industry studies with copyright). This module will present foundational concepts, terms, and information about copyright so that readers will have the ability to identify such issues and recognize their importance in music industry.

### Module Goals:

1. Provide a brief historical perspective of copyright and intellectual property.
2. Realize the importance of intellectual property in the music industry and, more importantly, recognize the importance of the PROTECTION of intellectual property.
3. Recognize fundamental differences between areas of Intellectual Property (“IP”), i.e. patent, trademark, copyright.
4. Know the sources of additional detailed information regarding copyright issues, i.e. U.S. Copyright Office; be able to navigate copyright sources to fill out required forms (the “formalities”) and advise clients.
5. Know key “terms of art” in the copyright area.
6. Identify the importance and implications of technology in the history, development, current status, and future of music copyright and the music industry.
7. Understand basic copyright issues regarding when specific permissions for usage are required and when they are not. When permissions are necessary, identify how to acquire them.

### Questions:

1. What is copyright?
2. What does copyright cover?
3. What does it not cover?
4. What is copyrightable?
5. When does copyright attach?
6. Who gets the copyright protection?
7. How is protection acquired (what are the formalities, if any)?
8. What exclusive rights are included in copyright protection?
9. What are the exceptions, if any, to those rights?
10. How long does copyright protection last?
11. What is copyright infringement and how is it shown?
12. What remedies are available for infringement?
13. Why is copyright important in our economies, businesses, and lives as musicians?
14. What role does the Internet play with regard to copyright, now and in the future?
15. What is “poor man’s copyright” and does it have any legal standing whatsoever?
16. What is “international copyright?”

# MODULE THREE

## MUSIC PUBLISHING

**Module Objective:** The creation of a musical work of art is, in itself, admirable. However, if a creator intends or hopes for the creation of art to be her/his/their livelihood, those artistic works must, obviously, be presented to the buying public before the creator can enjoy any revenues from the work. This process of presenting works to the public is the work of a Music Publisher. It is the publisher's function to find appropriate outlets for a musical work that will result in some definite benefits (monetary or otherwise) for the creator and will increase the value of the artistic work. This module will present readers with basic concepts, fundamentals, and practicalities of the music publishing aspects of the music industry, thus inviting them to realize the extreme importance (from a revenue enhancing standpoint) of the value of music publishing, both as a goal for an artist as well as the aspiring music industry employee.

### Module Goals:

1. To recognize the depth and importance of music publishing in all musical usages.
2. Know the four main "revenue streams" that emanate from a single song/work.
3. Recognize the different types of music publishers that exist; differentiate between them.
4. Identify and describe the major types of staff and executive positions in a music publishing company.
5. Be able to do basic mathematical computations of artist/publisher royalties in typical settings, i.e. print rights, mechanical licenses.
6. Know key "terms of art" in the music publishing area.
7. Recognize technology in the present and future of music publishing.

### Sample Questions:

1. What is music publishing?
2. How does one evaluate the viability of a publishing company for an artist?
3. How should a publisher evaluate an artist?
4. What are some typical licenses that use musical works?
5. What is the best way to evaluate whether or not a synchronization usage should be granted?
6. Where can more information about publishing and publishers be found?
7. When should an artist have a publisher?
8. How does a publisher acquire catalogs?
9. Which PRO would you suggest for a client?
10. Why is music publishing sometimes referred to as "the gift that keeps on giving?"

To the uninitiated, music publishing might evoke images of books in bookstores and little else. Certainly, book usages are a part of publishing, but only a relatively small part of this dynamic area of the music industry. Music publishing is, in fact, one of the single most important elements at work in the music industry. It touches everything that has to do with the usage of a song; everything, without exception. It is absolutely pervasive. At the same time, it remains an area that barely registers on the everyday radar of consumers.

With such a disparity in its power and its public visibility, what, then, is this thing called music publishing? As with everything else to be learned about the music industry, the definitions of industry concepts must be understood before they can be most fully used or seen as possible avenues of revenue or, even, careers. In Module Two, in speaking of the need and power of music copyright, the stress was made that everything in the music industry revolves around that creative spark that gives us a song, a poem, painting, symphony, or other work of art. It all starts with the song (or other single work). More to the point, it starts with the creative spark that results in the artistic creation. Similar to that fundamental concept in copyright, it is also the basis for everything that happens in music publishing. It all starts with the song (or whatever form the artistic creation takes). But, once an artistic work is created, then what? It lives, but what is then to be done with it? Let's try this metaphor: if musical works are the crop, then music publishing is the distribution and delivery system by which that crop is delivered to market and enjoyed by the masses.

Music publishing can involve producing and distributing products associated with an artistic work, things like music books. But, more than such direct product development, music publishing makes it possible to have the artistic work used by others for other purposes, such as recordings, movies, television, clothing, and thousands of other products. It is music publishers who help marry the artistic work with the ideas of others to use that work in positive and valuable ways. In that vein, this definition of music publishing bears scrutiny:

**Music publishing is the means, processes, and procedures by which an artistic, creative work can be most positively exploited for the benefit of all concerned.**

The purpose of a music publisher is to explore and find ways in which a work can be used in a positive and valuable way. This doesn't always mean just going for as much money as possible. It means finding the proper balance where a work can be used for gain without damaging the work itself, either by being used for purposes that become damaging to the perception of the work, or by having the work used so much that it overstays its welcome and, by oversaturating the market, turns people off to the work. Music publishing is a vast and extremely interesting (and lucrative) area of the music industry. Whether student, professional, or consumer/fan, it is important to know how pervasive and powerful music publishing is in our society. Indeed, even though it is not as obvious as in other formats of the music industry, music publishing has been described numerous times as "the gift that keeps on giving." The rest of our exploration in this module will entail digging deeper into the publishing world to see how pervasive it is and how many avenues of usage exist for the right song in the right place.

## Types of Publishers

Music publishing is not a situation where “one size fits all;” far from it, in fact. There are distinct types, each with their particular specialties or areas of interest, and the artist who seeks a publishing deal needs to be aware of the options in this very important field of revenue development, growth, and enhancement. What follows is a description of some of the types of publishers in today’s music business environment. As with much else in the industry, the lines between apparent distinctions can be thin and can, in fact, even overlap.

- **Full-line publishers:** these companies purport to be able to do every aspect that publishing offers in the development of projects, marketing clients’ catalogs, and actively seeking out opportunities for usages. But, truth be told, there are very few publishers that really do it “all.” Even the very largest, world-wide publishers, all in the full-line category, do not have print publishing capabilities and, instead, enter into representation licenses with print publishers that concentrate on that medium. Publishers prefer to purchase artists’ catalogs, but when it’s not possible, exclusive representation deals are done for periods of time (3 – 10 years or more isn’t unusual) during which time they represent the catalog as if they did, in fact, own it, whether or not they actually do.
- **Administrative Publishers** (sometimes called administration deals): these companies are often regular, full-line publishers who do such a fine administrative job for their clients that they have gained reputations for this excellence. When an artist is of such high stature that they want to maintain control of their body of works’ publishing rights, they often team with an established company to do all administrative (and, often, creative) functions, essentially acting as a full publisher would, but without any degree of ownership in the works. When revenues are paid to the publisher, it generally retains 10% of those revenues and forwards the remainder to the artist. Even though it might sound like an unfair deal for the publisher, it is often to the advantage of the publisher (despite what seems like a low compensation rate) to take such deals if the artist is of such stature (and whose catalog is a valuable one, with much licensing potential) as to lend great credibility to the publishing company. For the publisher, yes they do the work but also get a huge benefit from claiming alignment with, and representation of, a big artist.
- **Print Music Publishers:** print publishers specialize in preparing and marketing appropriate music print products for a represented artist. Deals to represent artists and their catalogues for print music purposes is usually accomplished through a license for a period of years (which might vary from 3-10 or more years). These deals typically call for the print publisher to exclusively represent the artist/catalog for all print purposes, including excerpts of lyrics in magazines, books, etc. Compensation to artists is usually through royalties. These publishers also typically produce many original works that will be marketed and ultimately sold to school performing ensembles such as bands, orchestras, and choirs. For these original works, the publishing company often insists on deals whereby the publisher owns the copyright to the work (rather than using works under a license for a period of years).
- **Educational Publishers:** publishers whose sole mission is to serve the educational community (bands, orchestras, choirs, smaller ensembles, solos for students at all levels).
- **Specialty Publishers:** these publishers tend to serve very specific customers or demographics. There are publishers, for instance, that serve specific worship communities, or specific styles of music (i.e. publishers of solely jazz ensemble music).

## MODULE FIVE

# THE RECORD INDUSTRY

### Module Objective:

Often viewed as the most visible and sought-after component of the music industry, this module will attempt to show the similarities that the record business bears to all other aspects of the music industry. The record business is, in many ways, a microcosm of the entire music industry. Our exploration will study the fundamental concepts of the record business, its particular quirks, and discussion as to its future.

### Sample Module Goals:

1. Provide fundamental understandings of the differences between major labels and independent labels, both philosophically and structurally.
2. Introduce/discuss the most significant elements of a recording contract.
3. Recognize the basic structure of any record company.
4. Know key “terms of art” in the recorded music area.
5. Do typical royalties computations for record sales.
6. Recognize the basic components in record promotion and distribution.
7. Be aware of the drastic changes taking place in the record industry regarding streaming access.

### Sample Questions:

1. What is a “major” label? What is an “indie?”
2. How would you advise a client as to pursuing a major or indie label contract?
3. What are the primary job functions/departments in any label?
4. How does “promotion” differ between a record label and a publishing company?
5. What typically makes a record contract different from other types of music contracts?
6. Name and describe the three phases of record production.
7. When is a \$1,000,000 deal possibly not in an artist’s best interests?
8. In light of so many social media and other online sources, how do A&R execs find new artists for labels?
9. How can an unsigned artist monetize their work for significant revenue?
10. Does an artist even need a label today in order to find success?
11. Does radio still play a significant role in new artists’ careers?
12. What’s a 360 deal and is it worthwhile for an aspiring artist?

To many people, mention of “the music industry” immediately evokes the recording industry; to many, the two are, in fact, synonymous. There is some rationale behind such associative thoughts. Much of what musically comes to our consciousness does so through hearing a streamed track, CD or other audio format, so it’s natural for us to feel an affinity to the importance of the recording aspect of the business. Through recorded music we, as listeners, discover artists we admire, songs that move us, and labels that seem to be distributing recordings that we are compelled to acquire.

As we’ve seen, though, there are other aspects, like music publishing, and various licensing opportunities that can have substantial, long-term effects on an artist’s earning capabilities, sometimes surpassing income from recordings sold. But, for a number of reasons worth exploration, the record business (synonymously referred to as records or record industry) is an important part of the music business.

As a point of order, why do we continue to refer to this part of the industry as “record” related? Aren’t records an outdated anachronism from decades ago? While there has been a resurgence (in both used and new product) in vinyl discs that gave us the term “record” in the first place, its terminology is still commonly used to identify audio recorded products. Whether actually delivered by CD, streaming, or cloud-based, it’s not unusual to refer to collections of recorded tracks as records or, even, albums (another throwback reference to multi-platter products that were necessary in the 30s and 40s). Perhaps it’s a subconscious nod to the vaunted and colorful history of records, and the characters who have inhabited the record industry or, perhaps, it’s for lack of a better, catchier term to describe this part of the industry. Either way, reference to the record industry/business is still perfectly acceptable to indicate audio-recorded music. In today’s more techno-speak environments, perhaps “multi-platform audio-recording products” might be more accurate, but such terminology doesn’t have the same panache and hasn’t caught on.

The record business is the closest to the consciousness of most people regarding the overall music/entertainment industry. It’s logical that, as music fans, we would find our music heroes through the acquisition of recorded music; it would be as logical to equate those favorite artists of ours with the records they produce. As such, we would naturally be more aware of record company activity as opposed to other music business outlets, such as music publishing. Record companies through the years have given us our heroes, our celebrities, our idols. Partly due to their conscious presence in our lives, there is a certain prestige that attaches to an artist with a “record deal”... especially a successful one. There is the ready specter of possible stardom, wealth, and, considerable exposure. It is in the record business that we can find fans who are as statistically adept as sports fans can be about batting averages for their favorite baseball players and teams throughout history.

**While not wanting to get bogged down in statistics and sales records, it is nonetheless an interesting exercise for interested readers and students to investigate the history of sales and “best sellers” in the record business. Most records sold, best-selling record ever, most popular recording artists, etc. are fascinating statistics. A wealth of official data on these and many other related issues can be found at [riaa.org](http://riaa.org)**

As should be clear by now, there are many means by which business is created and transacted in the music/entertainment industry. The record business isn't the only component that generates considerable income; it's the most known by the general public. That said, the record business provides a great microcosm of the entire music industry. It has it all: creativity, intellectual property, contracts, artists, managers, and lawyers. It also has a wide cast of characters; those who act positively at all times, and those who might be described as less-than-noble in their pursuits. As we shall also see, there are many direct similarities between the record business and music publishing. At the same time, there are some quirks found in the record business that are quite distinct to it. As we explore below, we'll note the similarities and spend time on the quirks, especially in the area of record contracts and accountings, where things can get particularly messy.

## **Old Models don't always relate to New Times.....**

From its inception as a commercial enterprise in the early decades of the 20th century, the sale of recorded music followed a familiar path: companies would produce a product they thought would sell, advertised it, made sure there was a physical distribution plan in place to make the product available, made sure there was sufficient reporting and exposure regarding those products that sold especially well (the "hits"), and kept distributing similar product until the market eroded. This was the tried and true method of sale for any product, not just in the music industry. For years, it worked well...to a point. The people making the products hoped they correctly guessed what the customer would like and, similarly, customers would hope that companies' newest offerings would, in fact, be things they (the consumers) wanted to buy. The power of deciding which artists were worthy of recording was in the hands of the company putting out the product. Yes, the consumers ultimately decided what to buy...but those buying decisions were made from a menu determined by the record companies. The companies safely figured that at least some of their offerings would be hits; they just didn't know exactly which ones. That model worked well when customers had to, in essence, come to where the product was in order to be seen, tested, and purchased.

The old model was turned upside down as communication and, ultimately, delivery modes, were expanded by the digital and online capabilities of commercialism. Consumers were given options; options of where to purchase, shopping for better prices, choosing amongst similar products rather than just the "closest" to their desires. But, as much an advantage as this was/is, an even greater result of the huge changes brought about by digital delivery and Internet marketplaces was the reality that the creators of these audio consumer products (recording artists) didn't have to be limited by companies that would decide what was to be offered to consumers. Changes wrought by technology would make it possible for anyone with a great audio track to put that product into the marketplace themselves. Now, having a deal with an established record company isn't the only way that a person can make and distribute their CD or other audio product. In this way, what had been a playing field skewed in favor of those who decided which offerings would even see the light of day for consumers to pick from was altered. The result, in the record industry, is that there are now many more choices from which consumers can choose.

The idea that established record companies aren't, today, the only way to get an artist's CD into the marketplace is an important seed. Whether a company has 1,000 employees or just one, the fact remains that both entities, regardless of their relative size, must still perform virtually the same raft of steps and functions necessary to produce and distribute a recording. The scale of such operations will effect procedures and logistics within a business, but, at the heart of it, each function still needs to be done. Those tasks and functions will take up a good amount of the discussion to follow.

## Major vs. Indie

There needs to be a fundamental understanding of the meaning and distinctions concerning “major labels” and “independent (indie) labels.” The casual fan or neophyte musician, if they have preconceptions about either, might often have thoughts such as, “major labels are life-sucking leaches who don’t care about the music” or “major labels are so huge that all they care about is making money rather than caring about the artist and their fans.” Similarly, opinions such as “indie labels are small enough so that they really DO care about the music” and “I want to be involved with an indie label because they are in the business for the love of the music, not for the money.” Spend any time around young, opinionated, yet not quite fully-informed aspiring musicians and you will hear many such strongly held opinions, pro and con, for each kind of label. This fundamental dichotomy, however correctly or incorrectly based in fact, between major labels and indie labels is a valuable place to begin our deeper dive into the record business.

What is a major label? Simply a huge record company? No. One holding a particularly significant place in the record business firmament? Well, almost. All companies designated as “major” do, in fact, hold significant places in the record business, but that is not to imply that non-majors cannot also hold significant places. Quite the contrary. The distinction between “major” and “indie” is as much tied to history as it is to pragmatism. With the record industry in the United States beginning in the late 19th and early 20th century, companies (Thomas Edison’s National Phonograph Company Phonorecords among them) sprang into existence. As the record industry grew and prospered, a phenomenon happened that often occurs when there are many companies vying for greater shares of consumer dollars (whether in the book business, grocery stores, or department stores, among others); companies start to buy competing companies, joining market forces for greater shares of available revenue.

Blossoming, roughly, in the 1940s, some record labels started to buy other labels, consolidating revenues while collecting labels that offered varieties of musical genres (pop, jazz, classical, country, etc.). The labels that absorbed multiple other labels, keeping the labels as separate entities (that would still ultimately report to the home office) were to become “major” labels. There emerged six such acquisitive labels that garnered the label “major.” Labels acquired were not necessarily tied to geographical boundaries. As the record business developed, becoming a multi-billion dollar industry, the companies that controlled multiple labels then began, naturally, to dominate the market, thus making their positions even stronger. Here is a concise definition of a major label: a multi-national record-oriented conglomerate with diverse revenue sources. Through ensuing years, with more mergers, acquisitions, and divesting of labels, the number of historically-designated major labels currently lies at three: Sony Music Entertainment; Universal Music Group; Warner Music Group.

All three major labels share a number of similar characteristics:

1. Multi-national in scope; all of the remaining “major labels” have extensive offices and operations in key cities around the world; Sony Music has gone through many name changes and national affiliations, Warner Music Group has always been an American-owned company, and Universal Music Group has gone through several metamorphoses of ownership, including a period of French ownership and is currently under American ownership.
2. Each label has many subsidiary record labels included in its ownership: **Sony Music** includes (among others) these labels: Columbia, Epic, RCA, Sony Music Nashville, Sony Legacy, Sony Masterworks (and now defunct, but historically significant labels, Zomba, Arista, BMG Classics);

**Universal Music Group** includes (among many others): Interscope, Geffen, A&M Records, Island, Capitol, Def Jam, Republic, Caroline, Verve, Decca, Casablanca, Motown, EMI;

**Warner Music Group** includes (among many others): Warner Bros. Records, Atlantic, Parlophone, Rhino, Reprise, Roadrunner;

3. Each major label is a conglomerate in that each has many businesses in its portfolio, including movie/television production and distribution, electronics industries, amusement parks and other businesses.
4. Each major label has a large and successful music publishing business.
5. Each major label has a well-constructed and viable physical distribution system for its audio products.

A “Major Label,” then, is both a historical identifier and an indicator of the depth and breadth of those companies that hold this distinction. All labels within a major label’s umbrella are, by their association, major label-affiliated/owned. Unless a record label is associated with one of these just three major labels, they are designated, by default, as “**independent**” labels or, colloquially, “indies.” Is that to imply that major labels are more significant or worthy, simply because of their status? While some might be more impressed with one’s association with one over the other, no, status as major or indie does not imply any greater sense of quality, either in artistry or craftsmanship of the recordings themselves. But, were it that simple, life would be grand. The truth is, there are many people on both sides of the question who vociferously believe with every fiber of their being that one is superior over the other. Just as there can be no clear winner regarding the better beverage, coffee or tea, so to in this case.

If the criteria for major vs. indie is so simple, does that mean that no indie shares the same characteristics as a major label? No, it does not. Walt Disney Records, as the biggest example, certainly has most of the trimmings that the designated “majors” do (movies, television, publishing, some fairly well-known amusement parks, distribution system), but it is designated as an indie label, albeit a big and powerful one. Why? First, historically, the development of the “major” label was in play well before Disney was a part of the record industry. That door of designation was closed. Secondly, while Disney Records has several imprints under its Walt Disney Records umbrella, the company has not made it a part of its culture to acquire other, diverse, outside labels for the sake of attracting a larger base of potential consumers. The Disney label(s) are all Disney-related in their output, designed to feature Disney productions, Disney artists, or their extensive library of songs.

It’s all well and good to say the politically correct (and true) thing, that major and indie labels are both fine, with positive and negative elements at play in each one, depending on specific labels and situations. But, when a manager, artist’s attorney, or other person charged with helping a recording artist (or a hopeful recording artist, at least) choose between two label possibilities, or to choose which kind of label deal to pursue, then there must be some rationalization in focusing on one over the other. There is no such thing as one being inherently “better” than the other. Each situation depends on many factors, including: genre of the artist (i.e. mainstream or quirky and undefinable?), goals of the artist, and relative definitions of success for the artist. One manager might have in her stable of artists those whose ambition is to be in an indie situation and others who see only majors as viable. There is no absolute best label type. So, it is important to have some framework by which an artist and her team can at least compare majors and indie labels. We’ll now take a closer look at seven categories that both types of labels address in some way: people; resources; product; incubation; success; publishing; distribution. Each kind of label has its own pros and cons in each category of comparison.

CATEGORY	MAJOR LABEL	INDIE LABEL
<b>PEOPLE</b>	<p>By their nature, Majors typically have hundreds (or thousands) of people employed; sometimes functions are broken down into specialized areas of expertise so that many people are participating in ensuring a uniform level of quality expected of the label.</p> <p><b>Pros:</b> Specialized skills (i.e. art direction, cover design) could yield highly sophisticated results; each area of expertise will have touched the product.</p> <p><b>Cons:</b> With so many people involved in developing a product, there's the risk that no single person has enough ownership to "mother" a project through from beginning to end; there's risk of an assembly line approach where work must get done quickly because more projects are always in the queue. An eager, inquisitive artist might not even have access to the information about who, exactly, is working on their project at a given time; worse, they might not be able to contact people directly. There's the risk that the Major might have so many artists on its roster (even competing with each other for the same demographics) that the less successful artists may "get lost in the shuffle."</p>	<p>Typically, Indie labels have far fewer people, but all functions must still get performed; people must wear many hats, learning many different skills in order to get the product completed. The person who answers the phone might also be the marketing person or a person who writes copy for liner notes; for that matter, the company's president might, themselves, be answering the phone as well as taking and fulfilling orders for product.</p> <p><b>Pros:</b> With fewer staff, it's reasonable to assume that everyone will have more awareness of products in development and how far along each step is; potentially more "buy in" to the product, increased knowledge of the artist; a good chance that, at any given time, an inquisitive artist can speak with the company executives and answer questions and concerns from the artist. Fewer artists on their roster, often specializing in undeserved genres, which equates (arguably) with Indies being able to give more attention to their artists.</p> <p><b>Cons:</b> The risk of having people perform so many functions within an indie that they aren't able to do any (of few) of them at the level of proficiency of a specialist in a particular area; Typically less product output per year.</p>
<b>Resources</b>	<p>Majors typically have monetary resources far deeper than Indie labels, making large signing advances more feasible (in theory) than Indie advances; Possibly greater access to high-end recording facilities (either the company's or facilitated by them);</p>	<p>Usually, Indies simply can't compete in a dollar for dollar comparison because, by their nature, Majors have much deeper pockets of financial resources from which to potentially draw. But, all is not lost since the Indie can counter this reality by focusing more on</p>

**Some people find a certain fun in working through these kinds of practical problems and they're great exercises for home assignments or exams. A blank step-by-step exercise is included in the appendices of this book that lends itself to changing all variables.**

## **TODAY'S CHALLENGES**

It's a cliché to say that technology has changed the music industry, no matter how true it is. Evolution even seems too tame a word for the proliferation of new methods of recording (home and studio), distribution, sale, and access. Revolutionary change is a more fitting description, perhaps. The relative ease with which extremely good recordings can be made, replicated, and distributed has led to huge increases in the numbers of albums or single tracks available in a tremendous array of physical and digital outlets. This wealth of product choices has led to its own set of consumer and business challenges.

The concept of genre loyalty has shifted dramatically. For decades, there were fairly clear cut artistic, stylistic, demographic, and even social (arguably) parameters and distinguishing characteristics between the biggest genres of rock, country, jazz, metal, and pop. Each generation had, if not 100% adherents, a group of recordings or recording artists who spoke to, or typified, its generation. Today's artists, ever more savvy (with the help of their astute and sophisticated managers and marketing teams) to optimizing their potential audiences and consumers, seek out collaborations with artists and creative contributors from what could once be considered different genre-based camps. It has become the rule rather than the exception that there will be crossover efforts between artists in order to demonstrate their marketability in more than the area that first brought them to the public's attention. Pop artists delving into hip-hop, country and rock, or rappers becoming pop singers, seek fresh ways to find new audiences. Collaborations between artists of different genres and styles increasingly joining forces helps broaden the potential consumer base for all artists involved. The challenge lies not in the fact that genre identification has become more blurred, but rather in how to categorize new or emerging artists, initially, so that they can hope to gain traction within some distinctive demographic or radio market. Cross-pollinating within other musical styles is easier to do once an artist has somewhat of an established record of success. Ultimately, what such cross-genre efforts do is attempt to increase participating artists' potential markets. An artist might lose some fans who decry the artist straying from their "pure" style (whatever genre it might be), but the odds of increasing the fan base overall is still typically deemed worth the risk of losing some base fans. It is one of the freshest and most exciting aspects of today's market.

Another challenge in today's market is actually a mixed blessing. Because serviceable recordings are easier to do, and numerous outlets for distribution and access exist, there is a huge amount of material from which consumers can choose. During the decades when physical product produced and distributed by established labels was the only choice from which to purchase favored artists' products, or to discover the works of other artists, there was a finite amount of physical material available from which to choose. Picture of all of the possibilities of artist releases at those times, then, as a haystack full of audio tracks.



While there were choices to be made, as consumers do, by determining the audio products that appeal to them and those that don't, there emerged some hits that withstood the test of time. The tracks that didn't gain traction through sales did what non-hits do; they die away, becoming pieces of commercial viscera that won't be featured on "oldies hits" shows. We, as consumers work our way through the haystacks of possibilities, whether it's music, movies, books, food choices or any other category in which we have plentiful possibilities. We chose prizes (needles, if you like) from the haystack of possibility and discarded the rest. Now, fast forward to today's choices; the number of choices, spurred by technology (in which we are not limited by physical product availability), has exponentially increased.



Our "haystack" of musical choices has vastly multiplied, and are not limited just to those tracks that labels want to put into the marketplace.....but the process and result remain the same. In today's multiple haystacks of audio choices, there is always going to be a substantial percentage of audio tracks that will have no lasting influence, since they will not garner enough consumer interest, and there will always be a far smaller percentage that rise to become hits...some of those becoming iconic standards of a point in time and our culture. The process is the same as it was decades ago, but sheer numbers make it more challenging to work through a portion of the today's haystacks at any given time. Because of technology, today's haystacks of audio track possibility are more numerous, but our job, as consumers, remains to make choices about which possibilities become hits and which will die away.

## MODULE SEVEN

# MUSIC MARKETING, MERCHANDISING AND RETAIL

### **Module Objective:**

Module objective: This module is primarily designed to help readers realize that Music Marketing, Merchandising, and Retail is much more than simply working in a retail music store and that, in fact, it can provide the quickest route into the music industry while providing a dynamic means of financial support. With experience in the Music Marketing, Merchandising, and Retail area, one can gain valuable business experience and “in the trenches” exposure to sound business principles. It serves, in many ways, as a microcosm of the entire music industry in that it encompasses a great many of the principles discussed in previous modules of this book.

### **Sample Module Goals:**

1. Identify the distinct types of music stores that exist in today’s market.
2. Understand the principles/problems involved in stocking and “turning” a store.
3. Realize how skills learned in music merchandising/retail are readily transferable to other areas.
4. Recognize the qualities that separate bad, good, and great print advertisements in music retail.
5. Realize the overreaching, critical importance of customer service in all sales-oriented endeavors.
6. Realize the overwhelming presence of online and social media resources available to help all retailers, regardless of size and location.
7. Understand how small, family-owned stores can absolutely succeed in an atmosphere of huge store chains and fierce competition.
8. Recognize the importance of focused selling and follow-up.

### **Sample Questions:**

1. What are the pros and cons of each type of music store?
2. How can retail music store owners most effectively recruit, train, and retain good employees?
3. What is the difference between marketing and merchandising?
4. How can you decide what type of music store is the best investment in a given area?
5. How can manufacturer “reps” be of most assistance to a store owner?
6. How can knowledge of “turns” help determine whether to stock a particular product?
7. Why are service and education so important in music retail?
8. How important are store design and traffic flow in the success of a retail store?
9. What are the stages of “selling?”
10. What role do big chains and multi-outlet stores play in today’s retail?
11. What strategies can be used to take advantage of social networking and online sales opportunities?

The music and entertainment world is a vast and complex eco-system. It isn't just a series of non-related and disparate business elements that happen to have in common the fact that they relate to music or other forms of entertainment. As discussed in Module One, there exists an undeniable interrelation between all parts of the music and entertainment industry. One part strengthens and supports others, and similarly, the combinations of seemingly disparate elements can result in a synergy of purpose, cohesiveness, and good business. Nowhere is this more evident than in the area of music retail...music stores. Music stores are reactive to what's happening in the greater vision of the music and entertainment industry, including records, radio, streaming, movies, television and other unlimited outlets where music plays a part. A compelling movie soundtrack can generate great interest in folios containing those songs; a hot group can generate interest in buying instruments with which aspiring musicians can hope to emulate their heroes. In the 60s, British Invasion groups such as the Beatles and Rolling Stones had a huge impact on combo instrument sales of guitar, bass, and drums. The concept that music stores must constantly react and adjust to such cultural changes is one of the mainstays of music retail we'll explore in this module.

We will examine some of the basic issues, business principles, and organizational elements of retail. While, like other modules, not intended to provide a definitive treatise on music retail, it will present an overall structure of this dynamic part of the music/entertainment industry. There are many variables in music retail, and many methods of operation. What's offered here is an overview of some principles and practices. As with everything in this book, the whole point is to offer some thoughts to open the door to further discussion and investigation.

## Types of Music Retail Stores

In some ways, it might be easy to dismiss music retail as simply a retail operation that happens to be stocked with music-related merchandise rather than shoes, clothing, stoves, etc. Indeed, many of the common elements of retail are apparent in all types of retail, regardless of what category of goods are sold. Location, personnel, stock, financing, security, customer service, marketing and merchandising, and appropriate inventory levels are universal issues, no doubt. But, with music retail, there's much more to it than one might think. First, there are several distinctive types of music retail stores that bear definition:

1. **Combo** stores: The majority of its inventory and business is in the stocking of typical "combo" instruments, guitar, drums, keyboards. The rest of the inventory of a combo store is comprised of **accessories** (guitar straps, picks, drum heads, sticks, etc.) and sound support equipment (i.e. microphones, amplifiers, mixers, speakers, etc.) that musicians of these instruments will also regularly need.
2. **School Music (also called B&O – Band and Orchestra)** store: Primarily serves students, families, and teachers involved in supporting local school music programs: instruments, accessories, music, and instrument repair. They concentrate on wind, brass, strings, and percussion instruments (and accessories for them), and print music necessary for school music programs.
3. **Full-line store**: A store that tries to supply the musical needs of all customers (including combo and school music); combines all elements of sales and service.
4. **Print Music** store: Only print music, such as sheet music, folios, band/orchestra/choral, piano teaching methods and repertoire, and other educational materials.
5. **Piano** store: Specializes in a range of piano products (sometimes a single brand might be represented, such as Steinway dealerships) and limited accessories (piano benches, etc.).
6. **Specialty** stores: Focused on one instrument or instrument group, such as guitar, strings, bows, drums, saxophones, brass, etc.

There are countless variations amongst the above designations, depending on the locality and particular needs of a community. Which kinds of stores might be found in a particular city or region is a function of research and **demographics**, research of ages of potential customer, median household incomes, strength of local schools, competitors, etc. One who potentially desires to open a music store must first decide, through studies of an area’s demographics, which kind stands the best chance of surviving and thriving in that area. In that regard, it would be helpful to explore the general pros and cons of the various types of stores.

### Pros and Cons/ Comparisons of Music Retail Store Types

Store Type	Pros	Cons
<b>Combo</b> (guitar, drums, keyboard, accessories)	<ul style="list-style-type: none"> <li>• Very consistently popular instruments</li> <li>• Good quality available in wide range of price points (low, medium, professional)</li> <li>• Strong demographic of potential buyers (esp. teenage males and males, 25-55 y/o)</li> <li>• much foot traffic</li> <li>• big selection of impressive products are available</li> <li>• great potential for customer loyalty</li> <li>• especially guitarists have a constant desire to add new guitars and gear</li> <li>• Easy to set up a “cool, hip” welcoming environment for customers</li> <li>• a chance to “test drive” instruments and gear; there are always “wannabe” rock stars in a combo store flailing away on instruments</li> <li>• Because of great competition amongst many manufacturers, there are great profit margins possible in combo instruments</li> <li>• Typically, employees are musicians who love the gear and are, therefore, especially enthusiastic and knowledgeable</li> <li>• With repairs available, a great chance to garner loyalty and multiple sales, referrals</li> </ul>	<ul style="list-style-type: none"> <li>• Periods of many “rockers” trying out instruments, amps with little intent to buy</li> <li>• floor model instruments, strings, amps, etc. may get worn out, damaged</li> <li>• Need for investing in isolation rooms to sample acoustic guitar</li> <li>• security, pilferage especially problematic</li> <li>• Atmosphere might be intimidating to some serious buyers</li> <li>• Need for substantial guitar inventory in variety of price point levels</li> <li>• Might need more employees on hand at all times considering the “test drive” traffic</li> <li>• Local and online competition is particularly tough</li> <li>• Great chance that the store will be used for trying out a variety of instruments, then purchase made online based on lowest price alone</li> <li>• Some premiere instruments might not be available due to geographic or other business exclusivity limitations</li> </ul>

Store Type	Pros	Cons
<p><b>School Music</b> (serves to support local school programs; woodwind, brass, percussion, strings, choral printed music)</p>	<ul style="list-style-type: none"> <li>• Very focused customer demographic (families, educators)</li> <li>• Through presence and volunteer opportunities, the chance to truly become a valuable part of the community – not just a business</li> <li>• Often have “school reps” who stock vans with typical supplies and regularly visit schools; ingratiate themselves to educators; becoming such helpful friends also instills loyalty</li> <li>• Great opportunity for thriving instrument repair facilities</li> <li>• Great chance for teaching studios within the store for individual lessons</li> <li>• Once a great rapport exists between store and educators, it’s very difficult for other stores to compete; loyalty can be intense</li> <li>• Beginner instrument rental opportunities are immense, and great revenue generators</li> <li>• Families are very likely to buy multiple instruments: beginner, step-up (intermediate), pro-level instruments</li> <li>• Accessories and printed music support needs for school instrument category is huge and perpetual</li> <li>• Traffic is more easily controllable because of limited demographic</li> <li>• Not as much need for a high-profile storefront, so more expansive operational footprint is possible without maximum exposure in high-traffic areas of a community</li> <li>• Centralized location to service all school music needs</li> </ul>	<ul style="list-style-type: none"> <li>• The school music business is cyclical/seasonal; therefore, the store must always be able to maintain through the more lean months</li> <li>• Without positive and supportive educator relationships and some degree of loyalty, a great store can be stranded and left to wither</li> <li>• Especially with establishing a valuable instrument rental program, there is considerable up-front investment</li> <li>• Fewer employees necessary (not counting repair facilities, which need to have enough people to respond quickly and expertly)</li> <li>• Tough to establish in a market where there is already a decent school music competitor</li> <li>• It’s tough not having the great caché and sales margins of combo instruments</li> <li>• Difficult to stock the appropriate selections and quantities of supportive print music for all school needs</li> </ul>

Store Type	Pros	Cons
	<ul style="list-style-type: none"> <li>• The ability to become a true, supportive, and active part of the community, and to provide great service is the best way to combat the simple price-shopping that can ensue in buying instruments</li> <li>• With strong school systems, the greater likelihood of consistent payments</li> <li>• Often, retired or tired educators ready for a career change are available as great employees</li> <li>• Manufacturer’s reps are typically very supportive and can provide added materials and help (i.e. artist clinics)</li> </ul>	
<p><b>Full-Line Store</b> (purport to supply all musical needs, incl. piano, combo, school)</p>	<ul style="list-style-type: none"> <li>• Can be very attractive and impressive stores with many amenities</li> <li>• Many SKUs (store-keeping units), individual items, lines of product; huge variety of products</li> <li>• Able to fulfill all needs for all customers as a one-stop experience</li> <li>• Offer many options and, usually, attractive financing</li> <li>• Appeals to the biggest demographic (i.e. anyone in the market for a piece of music-related merchandise)</li> <li>• More traffic</li> <li>• Convenience promotes cross-over buying into other categories</li> <li>• Can provide great opportunity for private lessons in all instruments</li> <li>• Many employee specialists under one roof, able to provide answers, support to other areas</li> </ul>	<ul style="list-style-type: none"> <li>• Trying to “do it all” requires big investment in inventory and real estate</li> <li>• More overhead costs</li> <li>• More employees, more administrative structure needed</li> <li>• Size might be intimidating and confusing to customers</li> <li>• Harder to maintain a cozy sense of friendliness. More space makes it harder to navigate around; traffic patterns become a bigger issue</li> <li>• More pressure to sell because those areas that are not selling as well as others will have to be supported by lucrative areas</li> <li>• Competition from online sources is particularly strong; like a combo store, people sometimes come in to try a wide variety of instruments, but then buy based on lowest price online</li> <li>• Bigger gross sales do not at all automatically equate to bigger net profit</li> </ul>

Store Type	Pros	Cons
<p><b>Print Music</b> (its inventory is almost totally comprised of printed music)</p>	<ul style="list-style-type: none"> <li>• Interesting demographic in that it serves any musician who requires printed music</li> <li>• Covers a vast range of styles, interests, formats (piano, sheet music, instrument, bands, orchestra, choir, etc.) and can go deep into the repertoire of each</li> <li>• Doesn't usually limit itself to just the obvious print "hits" in pop and personality folios</li> <li>• Relatively small footprint needed for a store because printed materials can be displayed in a wide variety of compact ways</li> <li>• Can often rely on selling in bigger volumes to institutions (such as school or church choirs)</li> <li>• Can have great teacher (especially piano teachers) loyalty if they know the store will stock titles he/she recommends to students</li> <li>• There is always an influx of fresh, new materials from publishers</li> <li>• Doesn't require a large number of employees at any given time (but employees must be knowledgeable)</li> <li>• Print music especially lends itself to marketing in both physical/walk-in and online sales outlets (JW Pepper is a great example of this combination)</li> </ul>	<ul style="list-style-type: none"> <li>• Very limited clientele; many musicians have no reliance on printed music</li> <li>• Other types of music stores will often siphon potential customers by cherry-picking the most popular publications for their stores, while not serving a depth of catalog needs</li> <li>• Sales staff must be knowledgeable</li> <li>• Must have great relationships with publishers so that special orders (of products not in stock) can be processed extremely quickly, otherwise customers will go to other, online sources</li> <li>• Because publishers are constantly putting out "new issue" of products, it is very difficult for any store to stock everything a publisher offers; therefore, choices of stock still must be made</li> <li>• With music print publishers, once stock has been ordered by a store, there is rarely latitude in returning materials that simply did not find a market; so, print stores often get stuck with some "dogs" (material that no one wants to buy), but for which the store owner has paid</li> <li>• Online (including digital print on demand) competition for printed music is especially fierce; it has forced many print outlets to close their doors</li> </ul>

# MODULE NINE

## CONCERT PROMOTION

**Module Objective:** The world of concert promotion is one in which many disparate pieces all must coalesce at the right moment. Concert promotion is distinctly different from other aspects of the music industry discussed thus far in that a concert, presentation, or other event is a “now” proposition; it is scheduled to occur at a certain date, time and place. It either succeeds or fails at that time; there is seldom a sufficient backup plan or alternative to salvage an entire investment. As such, there is great risk involved. There is also always an element of the unknown in that weather, social conditions or factors out of the control of the planners can greatly affect the event. Indeed, such unknowns can ruin an event. There must be meticulous planning for all contingencies and details in concert promotion. It is an exciting area, and this module will explore some of the key aspects and planning tools needed to assess the viability of an event idea, and to execute a plan to make it happen.

### Module Goals:

1. Recognize the inherent risk factors in any live event.
2. Identify event planning tools such as bid sheets and Gantt charts.
3. Realize some key Internet resources regarding potential artists for live events.
4. Recognize the wide variety of career possibilities within the concert promotion field.
5. Identify marketing platforms that are appropriate for particular audiences.
6. Realize the levels of concert promotion currently present in the U.S. markets.
7. Recognize the importance of cross-marketing to enhance the viability of an event.

### Questions to be answered from this Module:

1. What role do demographics play in determining the viability of a proposed concert event?
2. How will an artist manager or agent determine whether a proposed performance by their client is a good thing to book?
3. What are some resources available to get an idea about how artists are drawing audiences?
4. What is a bid sheet and how is it helpful as a planning tool?
5. How do ticket pricings differ between for-profit and not-for-profit events?
6. How does one begin a career in concert promotion?
7. What happens when forces of nature make an event impossible?

A strong goal of this book, thus far, has been to demonstrate that, while details may certainly vary, there are far more similarities between the disparate areas of “music business” than there are differences. It is hoped that a compelling argument has been made in this regard. But, of all topics included, it is the area of concert promotion that, while still containing many aspects common to other areas, presents some details and characteristics that make it stand out as quite different.

“**Concert promotion**” itself is a broad term that requires some clarification. It need not be limited to the implication that it only involves a concert by a musical organization. In the broader sense, concert promotion really means any kind of event meant as a one-of-a-kind, live event. It can be a musical group of any genre, a theatrical production, a poetry reading, a car show, a dance competition, or myriad other events that the event planner/promoter hopes an invited public will find irresistible. It might actually be a more accurate identifier to call this module Event Promotion. Those who engage in the planning of such events, and secure the booking of appropriate artists, are called **promoters**.

Every aspect of the music/entertainment industry discussed so far centers around the central core of how to deal with a creative work. Whether symphonies, books, movies, CDs, cartoon characters, sculpture, or plays, the single, galvanizing commonality regarding their longevity in a commercial marketplace is whether or not they will be valued. As such, these determinations are totally subjective. A creator of a work can never know, beforehand, if an audience will want to:

- See it
- Hear it
- Watch it
- Listen to it
- Read it
- Buy it
- Play it

The harsh reality is that subjectivity is the great equalizer in all creative endeavors. No matter the track record of a known artist, or the promise of a gifted newcomer, we can **never truly know** how the public will react to a work, or artist, until they are in the marketplace. The music/entertainment industry (especially the movie business) is absolutely rife with examples of projects that “looked great on paper,” but bombed when they were distributed for public consumption, carrying with it the opportunity for acclaim, acceptance, huge success, or dismal failure. Such tales of failure, when the project seemed to be a sure hit, are great stories in themselves. They are often mysteries in their failure, and lend themselves to much second-guessing after the fact. But, such is the nature of creative effort. As such, creators should be reminded that, regardless of how good a project looks and how it is “guaranteed” to succeed (there are no such guarantees, though we don’t always want to accept this fact), there is a constant **risk** that, for whatever reason (or lack or reasons), a project might commercially fail. Risk is the mortar with which the bricks of a project are put together. There are no “sure things.”

Risk is inherent in all creative endeavors. Knowing this truism, those dealing with creative materials in the hopes of making them commercially successful and viable, monetarily, spend considerable time and effort in trying to minimize risk, or, at least, mitigate the negative risks. If a guitar manufacturer designs, builds and distributes an instrument that is snubbed by the

public, the manufacturer has some options. For instance, the product can be modified to be more viable, or the price can be significantly adjusted to make the guitar more desirable to the public. Similarly, a record company that has released a CD met with scorn often devises some options to help salvage the project. The record company might make the CD (or select tracks from it) available for licensing to other record companies at very attractive terms in which the licensee can repackage the project. At the very least, deep discounts might somewhat mitigate a surplus of unsuccessful CDs. A movie project that fails miserably in the opening, critical weeks of its release can be quickly licensed for early DVD release, licensed for television broadcast, or licensed for international distribution far in advance of when it might typically be licensed. In any of these situations, the creator's representative (the instrument manufacturer, the record company, movie company in these examples) has the chance to minimize failure and realize at least some degree of revenues from its failed efforts. It is in this sense that other aspects of music/entertainment creativity differs from the area of concert promotion. In concert promotion, there are no similar alternative means of wrangling revenue from a failed launch.

In the world of single events, where all efforts and planning lead up to "the event" regardless of what format it happens to be, the opportunity to minimize or mitigate the risks of any such creative endeavor is severely limited. If a hot pop group has agreed to perform for one night only at a local venue, and months of preparation for the event focus completely on that single night... the only possible date the group can do it, and the venue is available...and the event is a failure, then there is no opportunity to re-group, re-tool, re-package, or re-think the event in order to gain some revenue from the failed event. This is the cruel reality of concert promotion. And, it is the single biggest distinction between the concert promotion side of the music industry and all other areas of the music/entertainment universe. It is in this difficult, unforgiving side of the business that we will focus our discussion.

If concert promotion is so incredibly perilous, why do concert promoters take the risks? Because, quite simply, when everything works, the returns can be immensely lucrative and rewarding. Not just to the promoters, but to the artists and other creators involved, and, of course, the public that supports the artists and the events. Another plus in concert promotion is that there is instantaneous validation as to whether or not the event was a success or failure. No middle ground, and little opportunity for spinning alternative conclusions. Results are immediate. With these as our premises, we will look at some of the many questions involved with concert promotion and see how it is a viable and exciting aspect of the industry, regardless of the risks involved.

### **The Ultimate Test in Planning**

As we'll see in greater detail below, there are many pieces involved in putting together an event. Some are long-term, done months before, and others are of critical importance closer to the event or, often, simultaneous with the event, itself. The coordination of the many pieces of activity involved in putting on a single event requires very closely-monitored supervision and intricate planning. In previous modules, it has been apparent that planning is a staple of all parts of the music and entertainment industry. But, again due to the nature of all efforts culminating in an event's do-or-die moment of immediate success/failure, there is even greater importance placed on effective planning, and constant supervision and evaluation of the plan.

Anyone involved in the planning and execution of a single event must determine the method(s) by which an overall event plan will be organized and monitored. Simple “to do” lists are part of the picture, but they do little to tell the evolving story of how the plan is progressing in terms of execution. There needs to be an overall timeline view of the event that covers the period of time from the activation point of the event – when the “go” button is pushed, and the event’s planning is put into operational mode – to the culminating/end point, when the event is scheduled to occur.

There are many ways to consider this point of how to keep track of many details, each filling different parts and timetables of the overall event. One analogous way to think about such an undertaking is to think of the highlighted event as the actual construction of a building. Many pieces must fit together seamlessly and in their proper order and timeframes, in order for the building’s opening to occur on time. Blueprints, foundations, plumbing, electrical, walls, floors, windows, doors, flooring, fixtures, furnishings all must occur in their proper order and timeliness so that the project finishes exactly on time. Any single artistic event is going to have similar layerings of necessary tasks and functions that need to be handled in a certain order and timelines, so that it all culminates on the day of the performance. In the world of building construction, there is often employed a master horizontal timeline, from beginning to end, with numerous horizontal lines below the timeline, showing tasks that need to be completed and when they need to be done. Oftentimes, these take the form of what is called a Gantt chart (example on the next page). Commercially available in many forms, such a chart can also be easily constructed using an Excel format. This kind of format also works well with music/entertainment events. With such a variety of tasks needing to be performed over an extended period of time, it provides a great tool to see how “on track” a project is at a glance. It can contain whatever level of detail, and delineations of time (day, week, month) works best to reflect a particular project. The example below shows some sample categories for a live musical event. Whether a Gantt chart or something similar, there needs to be a focused way to see all of the moving pieces.

## **SAMPLE GANTT CHART**

**(next page)**



# MODULE TEN

## THE BUSINESS OF MUSIC EDUCATION

**Module Objective:** The role of today’s music educator is far more complex than it was just a generation ago. Not only a career of helping students learn their instruments, sing in a choir, and present occasional concerts in their communities, today’s music educators must administer programs that have a far greater depth of complexity regarding logistics, managing people (not just students, but hired staff as well), liability, legal, and financial issues. More than ever, most music educators are faced with the reality that they are actually running small businesses. As such, they have some issues that any other viable business has...and the business problems that must be faced and solved. This module will explore the similarities between school music programs and traditional business to demonstrate that the modern music educator needs to “think like a business person” just as they think pedagogically, musically and artistically.

### **Module Goals:**

1. Recognize that the many constituencies of a modern music program require a wide variety of motivational and leadership approaches.
2. Expose some gaps in university music education programs that leave students unprepared for the business aspects of running a school music program.
3. Recognize that, while not the most public or exciting issues, legal issues dealing with people, liability, copyright, and contracts require dedicated and careful attention by music educators.
4. Realize the many aspects of a music program that require purely business skills.
5. Understand that, regardless of a music program’s emphasis, the music educator must be focused and determined in establishing and developing a clear mission of the program each year.
6. Realize that, whether students, paid staff, or volunteers, great care must be taken for a safe and secure environment.
7. Understand that, even with strong booster organizations, it must be clear that the music educator is the person in charge and responsible for the entire organization, as a musical and business entity.

### **Module Questions:**

1. What is a business “attitude” and how important is it for a music educator to adopt?
2. Even with a strong booster organization, why should a music educator stay involved in all matters involving money-handling and purchases?
3. What kind of business do music programs most resemble...and why does it matter?
4. How can a school district financial office be a music educator’s ally rather than foe?
5. What outside resources are there to assist music directors with inventory issues?
6. How difficult is it to enter into binding, meaningful agreements with additional staff members?
7. Why is it a terrible idea to bypass hiring procedures and hire a staff member for cash payments?
8. When should a music educator acquire needed copyright clearances, and why is it important?

# MODULE ELEVEN

## THE COMPLETE PROFESSIONAL

**Module Objective:** Once the preparation, studying, and examination of information and knowledge-based tools are in a comfortable place (not mastery, since that is an ongoing concept), it is time for the aspiring industry career-seeker to take the next step. Searching for positions/opportunities, attracting the attention of employers, then taking the correct steps to secure a position are monumental tasks. They require just as much planning, self-knowledge, skills, and will as any aspect of the music/entertainment industry. This module is the most practical of all others; it addresses those issues and attitudes that we have direct control of: US. We hold the keys in us to secure desired employment positions, just as we also have the power to sabotage our own desires. While focused on the music/entertainment industry, most comments in this module apply to any search for employment or other participation opportunities in business.

### Module Goals:

1. Realize that knowledge, information, and training cannot substitute for a substantial understanding and grasp of what it takes to exude professionalism.
2. Understand that, like any product or company, we acquire personal brands that tend to identify the kind of character we have, and how reliable we might be in a work or school setting.
3. Identify positive steps to develop a path toward a career in the music/entertainment industry.
4. Realize that good lessons in life and business can come from bad or negative situations.
5. Develop rational strategies for job searches, from resume to interview.
6. Understand that, while the Internet and social media have had vast effects on business, finding a job still calls for time-honored methodologies, skills, and attitudes.
7. Recognize the value of **KNOW** (knowledge/information) – **DO** (things that will help foster your goals and growth) – **BE** (professional in all endeavors).

### Questions to Answer through this Module:

1. What are the values of internships in the music industry and how do you acquire such opportunities?
2. What do batting averages have to do with self-knowledge and developing a personal inventory?
3. If professionalism can't technically be "learned," how can you acquire this invaluable trait?
4. When your business/personal world falls apart, how does inner strength define your reaction?
5. How can a simple business meal during an interview destroy your chances for a job offer?
6. What kinds of common traits/characteristics do music professionals seem to have?
7. How do resumes differ from cover letters, and how can their effect be optimized?
8. How can an aspiring industry candidate use networking as building blocks to a career?
9. Are you a positive or negative person; can you change what seems to be the answer?

Whether you've read one of the previous modules or all of them, it should be clear that the business of music or, in the bigger picture, the entire entertainment industry, is huge. It is multi-faceted, calling upon a large amount of knowledge and numerous skills. But, to simply rely on those elements (which, by the way, could be applied to most professions in the world) alone would be a gross miscalculation. Having the ability to absorb, retain and regurgitate vast amounts of acquired knowledge isn't a singular requirement of career success. Accessing the right information, at the right time, in the right circumstance....THOSE are keys to success in any industry. But, it's certainly more than just that.

This module will be the most author-opinionated, certainly, and rife with observations and aphorisms. It is not meant to be definitive, but, rather, is meant to help the reader examine their own thoughts and thought processes regarding the most human parts of the music/entertainment. While uncovering what one's thoughts are on a particular topic is the first step, they cannot be the last. It is critically important to self-examine the next step; looking at why we think what we do about a topic or situation. So, feel free to vehemently disagree or agree with what follows. What's important is that you examine what you think, and if you conclude differently, that's great, too!

So, having accessed information/knowledge from this book and other sources, now what? Whether looking to dabble in, have a career in, or just more deeply understand the music/entertainment industry, how do we make sense of it in the greater, composite whole picture? In this penultimate module, we'll try and untangle the many tendrils of information and knowledge, and see how they fit with other critical elements of professionalism and tenaciousness. There are three watchwords that will be used to generalize the building of a career, to whatever degree sought or desired, in the music/entertainment industry:

KNOW.....DO.....BE.....

**KNOW** things....the gathering of information, knowledge.

**DO** things that support and strengthen the practical application of knowledge.

**BE** professional in all one does, regardless of the level of endeavor in current circumstances.

Regardless of the role sought in the music industry, as a full-time career, part-time, volunteering, or simply being a very-informed observer, self-knowledge of one's personal characteristics, traits, and outlook is critical. Knowing one's base-point of professionalism helps build that which comes next. That growth revolves around the broad triumvirate of KNOW...DO...BE. The more subtle message of these three words is that action is required. Know – Do – Be are verbs that direct us to ACT. Jobs and opportunities don't come to the passive.

Our enquiry will look at the following areas:

- I. The look of Professionalism**
- II. Personal Inventory**
- III. Defining the industry “goal”**
- IV. The Marketing of US**
- V. The Role of Balance and Meshing Gears**

## MODULE TWELVE

# THE MUSIC / ENTERTAINMENT INDUSTRY OF TOMORROW

So, here we are. We've gone through eleven lengthy modules of information, exercises, examples, and lots of philosophical thoughts along the way. We've seen how there are many nuts and bolts pieces of knowledge that are required for each of the distinct areas discussed. We've also seen that, despite their sometimes seeming disparity, all elements of the music/entertainment industry have common threads. Indeed, how the elements of each gain a communal strength through their relationships to, and reliance on, each other (**symbiotic relationships**, in Module One) is one of the most amazing aspects of the music/entertainment industry. As times change, these symbiotic elements have also changed somewhat. To invoke a cliché, it's been demonstrated time and again that, in the music industry, the only constant is change. Often, that change element has been a result of technological improvements and innovations. At other times, industry change has been the result of demographic shifts, or even societal changes brought on by unforeseeable historical events. Through each change, whether slight or monumental, the music/entertainment industry has shifted with the times and found new ways to peddle its artistic wares...although the response times have sometimes caused setbacks and accompanying angst. But, despite the bumps and bruises, the industry has survived and always finds new ways to thrive.

At the same time as change and shifting business models have been a constant, it must also be recognized that such adjustments haven't necessarily meant an abandoning of all business principles or practices that had been in place for years or decades. Perhaps it's more apt (and a bit less dramatic) to recognize that the music/entertainment is in a constant state of **evolution**, rather than outright change. Evolution more adequately recognizes an organism's (in this sense, the music industry) ability to adapt to a changing environment, keeping those elements that still help it succeed and thrive, discarding those elements that no longer serve it well, and developing new ones that will help it live and, indeed, survive, into the immediate future. With evolution and stasis both playing a part in the unknown paths forward for the music/entertainment industry, how can we possibly predict what the industry of tomorrow might look like? Of course, we can't definitively know....but, based on best evidence available, both data-driven and anecdotally-based, we all, as professionals (at whatever level of present involvement or experience) are able to make some conjectures about where the music/entertainment industry might be in the next few years. What follows are some thoughts in this regard, offered as fodder for further discussion and rumination. They are presented in no particular order of perceived importance or priority.