



**ALL YOU NEED TO
KNOW ABOUT THE
MUSIC BUSINESS**

33 $\frac{1}{3}$ RPM

DONALD S. PASSMAN

WITH CHRIS ORGAN
(TENTH EDITION,
COMPLETELY REVISED
AND UPDATED)

PENGUIN RECORDS LTD

All You Need to Know About the Music Business

ALSO BY DONALD S. PASSMAN

The Amazing Harvey
The Visionary
Mirage

All You Need to Know About the Music Business

TENTH EDITION

Revised and Updated

Donald S. Passman

with Chris Organ

Illustrations by Randy Glass



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Did You Know That . . .

- Most record deals don't require the record company even to make a record, much less to release it?
- You don't have to register in Washington to get a copyright?
- If we write a song together, and you write only the lyrics and I write only the music, each of us owns a piece of the music and each of us owns a piece of the lyrics? And that neither of us can use just the music, or just the lyrics, without paying the other?
- Prior to 1972, the United States had no copyright law prohibiting the unauthorized reproduction of records?
- Some film music composers can't even write music, much less create the arrangements for each instrument of an orchestra?
- A brain surgeon and a rock star have something in common?

*To my precious Shana, and our growing family:
Danny, Soundis, David, Rona, Josh, Lindsey, Jordan,
Dorianne, Benjamin, Talia, Billy, Noa, Leo and Helen.*

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IMPORTANT

The materials in this book represent the opinions of the author and may not be applicable to all situations. Many circumstances appear similar, but differ in respects that may be legally significant. In addition, laws and customs change over time, and by necessity of the lapse in time between the writing and printing of this book, some aspects may be out of date even upon first publication. Accordingly, the author and publisher assume no responsibility for actions taken by readers based upon the advice offered in this book. Each reader should use caution in applying any material contained in this book to his or her specific circumstance, and should seek the advice of an appropriate professional. (Author's note: Use your common sense and be careful!)

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First Steps

STATE OF THE UNION

This tenth edition is the most extensive rewrite of my book since the first edition. That's because the music industry has changed more radically in the last few years than at any other time in its history. Let me explain.

Since the 1890s, music has been monetized by selling something: wax cylinders, piano rolls, shellac records, vinyl records, cassettes, CDs, and cheesy merchandise (well, I guess we're still doing that). But the business is no longer based primarily on sales. Spotify, Apple Music, Amazon Music, YouTube, and similar services have revolutionized how people consume music, so that streaming is now the dominant revenue source for recorded music. And this change is WAY more drastic than you might think.

Consider this:

1. In the past, when record sales were the mainstay of the recorded music business, you could go to a record store and buy two or three records at a time. Today, you can only stream one song at a time. That may not seem like a big deal, but . . .
2. In the days of sales, an artist was paid the same money for each record sold, regardless of whether a buyer listened to it a thousand times or never took it out of the shrink wrap and used it as a doorstop. But today, the more listens you have, the more money you make. However . . .
3. In the old days, if my records sold big numbers, it didn't make any difference to the number of sales you had. Your fans would buy your albums, and my fans would buy mine. In fact, if you had a big seller, it would bring a lot of people into record stores, and that increased the chances of selling my records. But in the

streaming world, that's no longer true. For reasons we'll discuss later, the more listens you get, the less money I make. A truly radical change.

The good news is that, after fifteen years of music revenue falling like buckets of rocks, we had our first earnings increase in 2016. And every year after that, we've had double-digit growth. All because of streaming.

We still have a way to go—at the time of this writing, the recorded music business is a little over 60% of what it was at its peak in 1999. But I predict it's going to be bigger than it's ever been in history. Why?

In 1999, the historical peak of the music biz, an average CD buyer spent about \$40 to \$50 per year on CDs; let's call it \$45. Today, with subscriptions priced at \$10 per month, the average per-subscriber fee is about \$7 (because of student and family discounts). So let's use \$7 per month, which means a music fan spends about \$84 per year. That's almost double the \$45 of CD purchases we got from each fan in the good ol' days. On top of that, the number of subscribers is growing all over the world.

But wait . . . there's more! In the heyday of the music biz, the average CD buyer stopped going to record stores (or even listening to much music) in their early twenties. Today, people of all ages subscribe to streaming services (oldsters listen to Lawrence Welk, and youngsters want stuff like “Baby Shark,” a song that can mercilessly eat your brain). Which means streaming is not only generating more money per user (the \$84 vs. \$45 in the above example), but it's also bringing in a wider range of consumers than ever before. How can the industry not be bigger than ever?

Another radical shift in the last few years is how the concept of an “album” is being challenged. What does an “album” mean in the streaming age, when you can listen to just the tracks you like? Why should artists even bother to make albums when they can release individual songs as soon as they're ready? And if albums go away, what does that mean for recording contracts that have always been based on the delivery and release of albums? For example, if your contract requires you to deliver three albums, but nobody wants albums anymore, how do you ever finish the deal?

And that's just a taste of what's new in this edition. There's also an update of all the current industry figures, a new section on the recent copyright infringement cases, an overview of the Music Modernization Act, updated sections, and much, much more. All waiting for you just inside the tent.

So step right up, folks, and lemme show you how the music business is shifting around like a Rubik's cube.

OPEN UP AND SAY "AHHH"

For many years I taught a class on the music business at the University of Southern California Law School's Advanced Professional Program. The class was for lawyers, accountants, record and film company executives, managers, agents, and bartenders who wanted to manage groups. Anyway, at the beginning of one of these courses a friend of mine came up to me. She was an executive at a film studio and was taking the class to understand the music biz as it relates to films. She said, "I'm here to open up the top of my head and have you pour in the music business." I loved that mental picture (because there's a lot of stuff I'd love to absorb that way), and it spurred me to develop a painless way of infusing you with the extensive materials in this book. So if you'll sit back, relax, and open up your mind, I'll pour in all you need to know about the music business (and a little more for good measure).

HOW I GOT STARTED

I really love what I do. I've been practicing music law for over thirty years, and I represent recording artists, songwriters, producers, music publishers, film music composers, industry executives, record companies, film companies, managers, agents, business managers, and other assorted mutants that populate the biz.

I got into this gig on purpose, because I've always loved creative arts. My first showbiz experience was in grade school, performing magic tricks for assemblies. I also started playing accordion in grade school. (I used to play a mean accordion; everyone applauded when I shook the bellows on "Lady of Spain." I gave it up because I found it impossible to romance a girl while wearing an accordion.) In high school, I graduated from accordion to guitar, and in college at the University of Texas, I played lead guitar in a band called Oedipus and the Mothers. While I was with Oedipus, we recorded a demo that I tried to sell to our family friend Snuff Garrett (more about him later). Snuff, a powerful record producer, very kindly took the time to meet with me. That meeting was a major turning point in my life.

Snuff listened to the record, smiled, and said, “Don . . . go to law school.”

So I took Snuff’s advice and went to Harvard Law School. While I was there, I played lead guitar with a band called the Rhythm Method. But it was quickly becoming clear that my ability to be in the music business and eat regularly lay along the business path. When I graduated, I first did tax planning for entertainers. Tax law, like intricate puzzles, was a lot of fun, but when I discovered there was such a thing as music law, the electricity really turned on. In fact, I took the USC class that I later taught, and it got me so excited that I left the tax practice for my current firm. Doing music law was so much fun that it wasn’t even like working (I’m still not over that feeling), and I enjoyed it so much that I felt guilty getting paid (I got over that).

My first entertainment law experience was representing a gorgeous, six-foot model, referred to me by my dentist. (I promised him I would return the favor, since most of my clients had teeth.) The model was being pursued (I suspect in every way) by a manager who wanted a contract for 50% of her gross earnings for ten years. (You’ll see how absurd this is when you get to Chapter 3.) Even then, I knew this wasn’t right, so I nervously called up the guy to negotiate. I still remember my voice cracking as I said his proposal was over the industry standard, since most managers took only 15% (which was true). He retorted with “Oh yeah? Who?” Well, he had me. I wasn’t really sure what managers did, much less who they were. So I learned my first lesson in the art of humility.

As I began to really understand how the music business worked, I found that my love of both creative arts and business allowed me to move between the two worlds and help them relate to each other. The marriage of art and commerce has always fascinated me—they can’t exist without each other—yet the concept of creative freedom, and the need to control costs in order to have a business, are eternally locked in a Vulcan death match. Which means the music business will always need lawyers.

Anyway, I now channel my creative energies into innovative business deals, and I satisfy my need to perform by teaching, lecturing, and playing guitar. Just to be sure I don’t get too straight, however, I cycle through my weird assortment of hobbies: magic, ham radio, weight lifting, guitar, dog training, five-string banjo, karate, chess, poker, backgammon, and real estate investment. I also write novels, which you are all required to buy.

BRAIN SURGERY

Speaking of marrying creativity and business, I've discovered that a rock star and a brain surgeon have something in common. It's not that either one would be particularly good at the other's job (and I'm not sure which crossover would produce the more disastrous results), but rather that each one is capable of performing their craft brilliantly, and generating huge sums of money, without the need for any financial skills. In most businesses, before you can start earning big bucks, you have to be pretty well schooled in how the business works. For example, if you open up a shoe store, you have to work up a budget, negotiate a lease, bargain for the price of the shoes, and so forth—all before you smell that first foot. But in entertainment, as in surgery, you can soar to the top without any business expertise.

Making a living from a business you don't understand is risky. Yet a large number of artists, including major ones, have never learned such basics as how record royalties are computed, what a copyright is, how music publishing works, and a number of other things that directly affect their lives. They don't know this stuff because (a) their time was better spent making music; (b) they weren't interested; (c) it sounded too complicated; and/or (d) learning it was too much like being in school. But without knowing these basics, it's impossible for them to understand the different aspects of their professional lives. And as their success grows, and their lives get more complex, they get even more lost.

While it's true that some artists refuse to even listen to business talk (I've watched them go into sensory shutdown if you so much as mention the topic), others get very interested and study every detail of their business lives. The vast majority, however, are somewhere in the middle. They don't really enjoy business, but they want to participate intelligently in their career decisions. These artists are smart enough to know one simple thing: No one ever takes as good care of your business as you do.

It was for my moderately to seriously interested clients that I developed a way to explain the basics in simple, everyday language. With only a small investment of time, these clients understood the essential concepts, and everyone enjoyed the process (including me). It also made an enormous difference in the artist's self-confidence about his or her business life, and allowed them to make valuable contributions to the process.

Because the results of these learning sessions were so positive,

several clients asked if we could explore the subjects more deeply. Thus the conception of this book. I had just finished teaching my class on the music biz at USC and realized that my class notes were the outline of a book. So after some more research to flesh it out, I sat down and knocked out the first edition.

The book is designed to give you a general overview of the music industry. You can read it as casually or intensely as suits your interest level, attention span, and pain tolerance. It's not written for lawyers or technicians, so it doesn't include the minutiae you'll find in a textbook for professionals. Instead, it gives you a broad overview of each segment of the industry, then goes into enough detail for you to understand the major issues you're likely to confront.

JUNGLE MAPS

When I was in high school, a policeman named Officer Sparks spoke at an assembly. Mr. Sparks hyped us on the life of a crime fighter, seeming sure we all secretly wanted to be cops. In the process, he showed us something I'll never forget.

Officer Sparks ran a film in which the camera moved down a street. It was a grainy black-and-white movie, only about thirty seconds long, filmed by a camera bobbing along a sidewalk. When it was finished, he asked if we'd seen anything unusual. No one had. Apart from a couple of people bouncing in and out of the doorways, it looked pretty much like pictures taken by a camera walking past a row of boring shops. Mr. Sparks then said that a "trained observer" who watched the film could spot six crimes being committed. He showed the film again and pointed out each of the incidents (there was a quiet exchange of drugs, a pickpocket, etc.). This time, the crimes were obvious. And I felt like a doofus for missing them.

Any time I learn a new skill, I go through a similar process. At first, things either look deceptively simple, or like a bewildering blur of chaos. But as I learn what to look for, I see a world I never knew was there.

From my experience, the best way to become a "trained observer" is to have a guide to the basics—a framework in which to organize the bits and pieces. So that's the purpose of this book—to be a map through the jungle, and show you where the crimes are. (Officer Sparks, if you're out there somewhere, I hope you're proud.)

DETAILS

There is no way one book (even one filling several volumes) could poke into every nook and cranny of a business as complicated as the music business. So the purpose here is to give you the big picture, not all the details. (Besides, for some of those details, I charge serious money.) Also, even if I tried to lay out all the little pieces, as fast as everything moves in this biz, it would be obsolete within a few months. So the goal is to give you a broad overview (which doesn't change nearly as quickly, or at least it didn't until this edition). The idea is to give you a bare tree on which to hang the leaves of your own experience. Oddly, it's easier to pick up details (from the Internet, gossip at cocktail parties, etc.) than it is to learn the structural overview, because few people have the time or patience to sit down and give it to you. In fact, giving you the overall view turned out to be a much bigger job than I thought when I started. But you're worth it.

SOME RESULTS

Since this is the tenth edition, I now have feedback from experiments using this book on actual human subjects. Of all the responses I got, I thought you might enjoy hearing about two in particular:

First, I received an irate call from a music lawyer, who was upset because he charged thousands of dollars to give clients the advice I had put in the book.

Second, I received an equally irate call from a manager, who said that most of the artists he'd approached kept pushing my book in his face.

Way to go! Keep shoving.

And if you'll permit me a momentary lapse of modesty, my favorite compliment was from someone who said this was the first book he'd ever finished in his life.

STAPLE, SPINDLE, AND MUTILATE

When you go through this book, forget everything you learned as a kid about taking good care of books, treating them as sacred works of art. Read this book with a pencil or highlighter in your hand. Circle or star passages you think you'll need, fold over pages, mark them with

Post-its, paper clips, or bong water—whatever helps (unless you’re reading an electronic edition, in which case you might want to lose the bong water). This is an action book—a set of directions on how to jog through the music biz without getting mugged. So treat it like a comfortable old pair of shoes that you don’t mind getting dirty. It doesn’t matter what they look like, as long as they get you where you’re going.



Hello, UK chaps. (That’s what you like to call each other, right?)

This is the United Kingdom version of the book, and a number of the practices and customs are different from those in the United States (for example, did you know we drive on the right side of the road in the US?). To keep the book’s flow, I’ve added sections that point out the differences between US and UK industry practices and laws. That way, you can get an in-depth understanding of how it works in the United States, which still accounts for a nice chunk of the world’s music sales and which is important even if you’re signing to a UK-based record company. At the same time, I’ll go into how the UK scene works, so you can have the best of both worlds.

To make it easy (particularly if your attention span is somewhere near mine), I’ve asked the publisher to put a snappy little Union Jack in the margin next to each section that deals specifically with a UK concept. That way you can bounce through the book and find them easily.

After years of doing this across the pond, with a lot of help from UK folks, I’ve now forged an alliance with my pal Chris Organ, who’s taken the laboring (labouring) oar on the UK side of things. Even though we’ve both written the UK sections, I’ve kept it as “I” because “we” sounds a bit too royal. So if a joke is funny, I wrote it; if not, Chris did.

One more thing: I’ve taken the liberty of rewriting some of Chris’s language to sound a little more American. You’re welcome, Chris.

Chris, introduce yourself to the folks:

When I turned up to the offices of WEA Records in Broadwick Street, Soho, London in April 1980 for an interview for a job as an articulated clerk with Russells Solicitors I thought my nascent career as a solicitor ended right there. How could I have been so stupid to get the address wrong—especially as I had not exactly been inundated with offers to that point?

In the pre-Internet/mobile phone days there was no way of checking, but as luck would have it I had brought with me the letter inviting me for an interview, and sure enough there was the address—20 Broadwick Street. I then noticed a name plate on the side of the entrance: “Russells Solicitors.”

I entered through a reception hung with gold and platinum discs of artists, many of whom featured in my own record collection. Even as I made my way to whatever floor Russells was located on, it still didn't occur to me that lawyers might specialize in the music industry—that would be too much luck.

Anyway, as soon as I found out that not only did Russells at that time specialize almost exclusively in the music industry, it was considered to be one of the leading practitioners, I decided that this was what I wanted to do and would have paid them for the chance to show them what I could do. (Come to think of it I practically did!)

I started work on 1 August 1980 as one of two articulated clerks in a three-partner firm located in WEA's building, as they were one of our main clients at the time. Nearly forty years later, I am still here and am now the senior partner in a thirteen-partner firm with three consultants, six senior associates, thirteen further solicitors, four trainee solicitors, two paralegals, fourteen other members of staff, still located in central London (although not in the WEA building), and Russells is still regarded as one of the leading firms of entertainment lawyers, having expanded now into many areas of the entertainment business as well as providing most of the legal services that our clients require (from house purchasing, to prenups through to the buying and selling of companies and dealing with privacy issues and claims). And in the shameless plug department, feel free to look us up at www.russells.co.uk.

I have had and continue to have a blast, having been lucky enough to represent some of the finest artists and executives of their generation as well as sportsmen and sportswomen, managers, authors, labels, publishing companies and other companies and entities within the entertainment business.

I have helped Don with the UK edition of his book for a number of years and was chuffed when he asked me to co-author this tenth edition, which pleased me greatly, because Don doesn't know what "chuff" means. In truth the book is essentially his, and the humorous slant is uniquely his. I was under firm instructions to leave the snark to him. I am proud to be associated with what I believe is a very accessible introduction to a business which has given me the best career I could have wished for but also complements other related activities with which I am also now involved such as *The Young Vic* and the music industry charity Nordoff Robbins.

In signing off I would like to thank all of my colleagues at Russells who helped me compile and check the UK insertions.

CHOOSE YOUR OWN ADVENTURE

When my sons, David, Josh, and Jordan were little, their favorite books were from a series called Choose Your Own Adventure. They work like this: You start reading the book on page one and, after a few pages, the author gives you a choice. For example, if you want Pinocchio to go down the alley, you turn to page fourteen, but if you want him to go to school, you turn to page nineteen (my boys never picked school). From there, every few pages you have more choices, and there are several different endings to the book. (The boys liked the ending where everyone gets killed, but that's another story.) These books are not meant to be read straight through; if you tried, you'd find yourself crashing into different plots and stories. Instead, you're supposed to skip around, following a new path each time.

This concept gave me the idea of how to organize this book. You have a choice of reading for a broad overview or reading in depth, and the book tells you where to skip ahead if you want to do this. However, unlike the Choose Your Own Adventure books, you can read straight through with little or no damage to the central nervous system.

Here's how it's organized:

Part I deals with how to put together a team to guide your career, consisting of a personal manager, business manager, agent, and attorney.

Part II looks at record deals, including the concepts of royalties, advances, and other deal points.

Part III talks about songwriting and publishing, including copyrights and the structure of the publishing industry, as well as a section on protecting your name from people who want to pirate it.

Part IV explores things you'll need to know if you're a group.

Part V deals with concerts and touring, including agreements for personal appearances, and the role of your various team members in the process.

Part VI, on merchandising, tells you how to profit from plastering your face on posters, T-shirts, and other junk.

Parts VII and VIII explore classical music and motion pictures. They're the last sections because you need to understand all the other concepts before we can tackle them.

Now, to choosing your adventure. You have four mouth-watering ways to go through this book:

1. EXTREMELY FAST TRACK

If you *really* want a quick trip, then:

- (a) read Part I, on how to pick a team of advisors;
- (b) get people who know what they're doing;
- (c) let them do it;
- (d) put this book on your shelf to impress your friends; and
- (e) say "Hi" to me backstage at one of your concerts.

2. FAST TRACK

Short of this radical approach, if you want a broad-strokes overview of the business, without much detail, skip ahead each time you see the **FAST TRACK** directions.

3. ADVANCED OVERVIEW

If you want a more in-depth look, but less than the full shot, then follow the **ADVANCED OVERVIEW** directions. This will give you a solid overview, plus some detail on each topic.

4. EXPERT TRACK

For you high achievers who want an in-depth discussion, simply read straight through.

Feel free to mix and match any of these tracks. If a particular topic grabs your interest, keep reading and check out the details. (Amazingly, topics that grab your interest tend to be things currently happening in your life.) If another topic is a yawn, Fast Track through it.

So let's get going. Everybody starts with Part I.

PART I

Your Team of Advisors

2

How to Pick a Team

GETTING YOUR TEAM TOGETHER

Let's talk about the professionals you'll need to maximize your career and net worth. The main players are your:

1. Personal manager.
2. Attorney.
3. Business manager.
4. Agency.
5. Groupies.

With respect to number 5, you're pretty much on your own. As to the others, let's take a look:

As we'll discuss later, UK, lawyers come in two flavors: "solicitors," who are transactional lawyers, and "barristers," who take people to court (or serve coffee at Starbucks). So when you see "solicitor" used in the UK portions, it doesn't mean people standing on street corners.



Hopefully you'll never need a barrister, so we're ignoring them for the most part. And as we'll also discuss later, business managers are not as common in the UK (except for those who handle the other kinds of solicitors on the street corners).

BUSINESS PHILOSOPHY

Before we talk about the specific players, let me share a bit of personal philosophy. (If "share" is too California for you, try "Let me tell you some of my personal philosophy," or the New York equivalent, "Yo, listen up, I'm talkin' to *you*.")

Take a hard look at some facts:

1. **You are a business.** Even though your skills are creative, you're capable of generating multimillions of dollars, so you have to think of yourself as a business.
2. **Most artists don't like business.** This is not to say you aren't good at it. Some artists are unbelievably astute in business. However, those folks are the minority, and whatever their love and skill for business, their love and skill for creating and performing are much bigger. So even if you've got the chops to handle your own business, it's not the best use of your time.
3. **Success hides a multitude of sins.** This is true in any business, from making widgets to making music. If you're successful, you can get away with sloppy operations that would bankrupt you if times were bad. For example, putting all your pals on the payroll, buying lots of non-income-producing assets (such as houses, jets, and other things that cost you money to maintain), as well as an overindulgence in various legal and illegal goodies, can easily result in a crash and burn if your income takes even a small dip, much less a nosedive. You can make more money by cutting costs than you can by earning more income (see page 448 for proof of this), so the time to operate efficiently is NOW, not later.
4. **Your career is going to have a limited run.** Don't take offense at this—"limited" can mean anything from a year to fifty years, but it's going to be limited. In most other careers, you can expect to have a professional life of forty-years plus, but as an entertainer in the music business, this rarely happens. And the road is strewn with carcasses of aging rock stars who work for rent money on nostalgia tours. So take the concentrated earnings of a few years and spread them over a forty-year period, and you'll find that two things happen: (a) the earnings don't look quite as impressive; and (b) this money may have to last you the rest of your life.

It's certainly possible to have a long, healthy career, and to the extent you do, the need for caution diminishes radically. However, even the best entertainers have slumps, and very few have really long careers. So it's best to plan as if your career isn't going to last, then be pleasantly surprised if it does. Setting yourself up so that you never have to work doesn't stop you from working all you like—it just becomes an option, not an obligation.

HIRING A TEAM

The way you pick your professional team will either set up your career and finances for life, or assure you a place on the next Electric Prunes tour. So be very careful and pay attention *personally* to the process of assembling them. I know you don't like to deal with this stuff, but it's your career and your money, and you have to do it every now and then. If you pick the right people, you can set your life on automatic pilot and just check up on it periodically. If you pick the wrong people and set it on automatic pilot, you'll smash into a mountain before you know what happened.

Pre-team Strategies

Since you wouldn't open a store without something to sell, before you start assembling a team, you want to be sure your music is ready for the big time. And how do you know when it's ready? You ask your tummy. Do you believe, in your gut, that your music has matured to the point that you're ready for a professional career? If the answer is yes, then you're ready. (Tummies are reliable indicators once we learn how to listen to them and dismiss the goblins that yell, "You're a phony and nobody wants you." Even the superstars have these goblins; they've just learned to ignore them.)

The first thing is to record your music. The recording doesn't have to be expensive or elaborate—with the advent of relatively inexpensive computer software, you can get a very professional sound in your bedroom. The important thing is to capture your energy, enthusiasm, and drive. You know what I mean.

A word about what kind of music to make. It's simple—you make the music that moves your soul. No one has ever had a serious career by imitating others, or trying to guess what the public wants. And I'll tell you a secret: What the public wants is someone whose music resonates from their heart. Doesn't matter whether you're the commercial flavor of the month or an obscure blend of reggae and Buddhist chants. All the superstars I've known have a clear vision of who they are and what their music is.

Okay, you got your music. How do you get a fan base (besides your mom)?

A lot of artists start by playing whatever local gigs they can get. This is not only to attract fans, but also to tighten up your musical chops and get experience playing live. When you do this, get your fans to

sign up for your email list at every show. It's crucial to build a database (as we'll discuss in a minute), and a lot of artists give away something as an incentive to build one. For example, everyone who signs up gets a pin or sticker. Even if you only add a few new folks at each gig, you can eventually build a following that helps spread the word about your music and grow itself virally (assuming your music doesn't suck). You can then organize the list using FanBridge, MailChimp, or a similar service.

Another way to add to your database is by giving a free song to anyone who signs on to your email list for the first time. There's software to capture email addresses in exchange for songs at places like CASH Music (www.cashmusic.org), FanBridge (www.fanbridge.com), and Bandcamp (<https://bandcamp.com>). Of the three, CASH Music has the advantage of being open source (and free), as it's based on the principle that everyone donates resources and uses the platform to help other artists. You can also offer a song in exchange for a fan post on Twitter, using "Tweet for a Track" (www.tweetforatrack.com). And check out blogs like Hypebot for the latest and greatest DIY marketing and promotional tools in real time.

The idea is to build a fan list that you own. The lists of fans who follow you on Facebook, Twitter, Instagram, etc. are owned and controlled by Silicon Valley folks, not by you, which means they control if and how you can reach them.

Once you have a list, stay in touch with your fans on a regular basis. Direct them to your sites on YouTube, Facebook, Twitter, SoundCloud, Medium, Bandcamp, Instagram, etc., as well as your own website. Promote yourself through email or texting (I'm told there are some services that manage mass texting, though I don't have any experience with them).

When you contact fans, have something interesting to say, and the more personal you make it, the better. Which of these would hit you harder?

1. "We're playing in Schenectady tonight" or
2. "Hey, Clarence, did you know we're in town tonight? Come see us." (Assuming your name is Clarence and you live in Schenectady, otherwise, it's not quite as effective . . .)

Another way that artists engage fans is to run a contest. For example, if fans re-tweet or share a post about one of your shows, they can

enter a drawing for free tickets. That makes your promotion easily shareable and viral by nature. (Technically, there could be some issues with the laws that govern sweepstakes, lotteries, and things like that, but artists do quite a lot of this, and I'm not aware of anyone getting hassled for small-scale stuff. Note: the key word in the prior sentence is "aware." Sweepstake laws are way outside my wheelhouse, so don't take my word on it. You should talk to your lawyer if you're going to do this.)

I'm told Patreon (<https://www.patreon.com>) can be useful in creating a relationship with your most hard-core fans (and developing revenue opportunities with those folks). The key is (a) to create unique opportunities for your fans (maybe they get a free ticket if they buy one, a chance to meet you after a gig, or you volunteer to help clean their garage—well, maybe not the last one), and (b) to create unique content, such as exclusive video chats, access to new recordings, or exclusive videos of you in the studio. However you handle it, make sure you're giving as much as you're getting, so the fans don't feel ripped off. Also, it's important that what you give away or sell them is consistent with your image, so you don't come off like Chuck E. Cheese.

When you send out blasts to your database, don't be afraid to tell your fans what you want them to do. For example, tell them to come to a show with a friend. Ask fans to tweet at clubs saying they want to see you. Encourage fans to listen to you on Spotify to increase your play count numbers. Ask them to tell their friends about your music. Write to bloggers and Spotify playlist curators and offer them an exclusive premiere of an unreleased track.

And speaking of bloggers, it's important for you to personally write them. A lot of bloggers love to hear from artists who genuinely like their blog (insincere kissing-up doesn't work, unless you're *really* good at it). If you can connect, try to cultivate a genuine relationship. Send music early, offer to put them on your guest list at shows, help clean their garage (still kidding about that one). I've been told (but have no experience with this) that SubmitHub (www.submithub.com) is another way to get music to the bloggers, though there's a charge for it. If you're big enough to have a publicist, they can sometimes help with bloggers, but tastemakers usually know that those folks are getting paid to pitch your music.

While blogs might be a bit less relevant than they were a few years ago, because fans are looking more to playlists to find new music, the

blogs are still important. And if you're featured on one, you can add that to your press kit, which you can send to promoters (the people who book live gigs), streaming services, record companies, garage cleaners, and so forth.

You can get free, basic data from Facebook Insights, Google Analytics, and Spotify Artist Insights. And when you get that data, it can put your booking strategy on steroids—for example, you'll be able to see where your fans are clustered, so you can strategically target those markets rather than just booking gigs in East Bumbleton and hoping the farmers show up.

Another great way to build visibility is by getting your songs placed on TV shows or in commercials. Sites like Music Dealers (www.music-dealers.com), Pump Audio (www.pumpaudio.com), Jingle Punks (www.jinglepunks.com), Secret Road (www.secretroad.com), and Zync (www.zyncmusic.com) can help with that. A sincere email to these folks is a great way to start, and it's worth some homework to find out who's the key person at each organization. Since they get a lot of these emails, try to differentiate yourself from the masses by pointing out something you've got going ("I've got 100,000 followers on Instagram"), or if there isn't much happening, mention something about the person you're writing to ("I saw you recently got an award for your sponge collection. Congrats!"). If they do bite, you won't likely get much money for the use of your recording, but you'll spread your music to a wider base. If by some fluke you land a really big use, you still may not get much money up front, but you can earn some decent songwriter monies from airplay of the TV show or commercial (these are called **performance royalties**, which we'll discuss on page 254).

If you're a writer, this kind of activity can also get you noticed by a music publisher, who may give you money for your songs. (We'll talk about publishers in Chapter 16, but essentially they handle the business of songwriters, as opposed to the business of recording artists.) In the meantime, sign up for an organization like SongTrust, who will collect music publishing income on your behalf. This is critical to have in place when you land such placements. You'll also need to affiliate with a performing rights organization, which we'll talk about on page 255.

If you get noticed by a "tastemaker" (an important blogger, journalist, radio station, etc.), be sure to say thanks. You can do it on social media, but try something else to make your "thanks" unique. For example, instead of email, call them on the phone (that's what people

did in the old days before texting). Or send a handwritten card. Or mail them a piece of Tupperware with the word “Thanks” written on the lid. This kind of follow-up not only builds goodwill with the tastemaker, but it hopefully also spreads your name to their audience. And keep the tastemaker’s info on file for future use, to let them know what you’re up to.

Similarly, it can help expand your base if you’re able to connect with other artists on Instagram or Twitter and start a tweety love fest. Fans love to eavesdrop on artists talking shop, and you can also get exposed to their fans.

Similarly, if you can get support for your videos and music via channels with large followings on YouTube and SoundCloud, you’ll expose your music to an even wider audience that was handpicked by that channel. Reach out to these channels and try to start relationships. Offer them premieres and exclusive content. Or to clean their garage.

When you’re more established, give your database fans a chance to hear your music ahead of everyone else. Tell them about a secret show or webcast. Let them have first crack at your tickets. Some bands do lifecasting, where they communicate with fans a number of times each day. For example, they might get on Facebook Live while headed to a gig; blast out backstage updates through Instagram or Twitter; send pictures and video teasers of themselves onstage through Instagram; forward videos of themselves in the bathtub with rubber duckies, etc.

It’s great if you can post every day on your social media (primarily Facebook, Twitter, and Instagram, plus Snapchat if your fans are there). Mix up your posts and don’t use auto-share or posting programs because those put the same content everywhere. You want to engage your fans, not spam them with the exact same posts on all networks.

There are obviously tons of additional ways to market yourself, so let your imagination take flight and go for it. A number of websites can help with marketing, both in terms of specific tools and general advice, but because I don’t use them myself, I can’t really recommend any particular one. Some of my friends have suggested CASH Music, BandPage, Bandcamp, Hypebot, Digital Music News, and Midem’s blog.

Of course, with all these techniques, be sure to stay on the right side of the line between keeping people intrigued and becoming the pushy egomaniac at the party.

Back to a forty-thousand-foot view: Make sure you stay focused on

creating your music as the first priority, with marketing as the second. Some people recommend that you spend no more than an hour a day on social networking/promotion, so that you don't use up all that creativity and have none of it left for your music. Others prefer going in streaks of posting, and then holing up in the studio when they need to create. Or mix and match.

Okay, so you've got a killer recording and you're ready to boogie. Next question is whether you want to sign to a record company or do it yourself. We'll discuss later, on page 85, whether you actually want to sign or not, but for now, let's assume you do.

In this day and age, before a label will sign you, they expect you to have a decent-size fan base and hopefully one or two other goodies in your story, like high streaming numbers on SoundCloud, Spotify, Apple Music, or YouTube with a low **skip rate** (meaning people don't move to the next song a few seconds after yours starts), or positive words from an important tastemaker. And even after you've done that, and even though most labels have scouts monitoring the Internet for hot new artists, unless a lot of people are going nuts over you, it's not likely anyone will call out of the blue. As with most things in life, you gotta make it happen yourself.

And now, ladies and gentlemen, a bit of a bummer: The major record companies (not so much the independents) don't listen to new artists' material unless they're submitted by someone in the business. It's usually a manager or attorney, though it could be an agent or a respected tastemaker. (I hate delivering bad news, but look at the bright side: I just saved you two months of waiting for a form email that says they won't consider your stuff because it didn't come from someone in the biz.) The reason is that record companies can get more than a thousand submissions *per week*, so restricting who can send in material is one way to regulate the floodgates. However, it's also a Catch-22: How can you get your music heard if you're not already connected in the business, and how do you get connected in the business if you can't get heard? Don't despair; I'm going to give you the key to the door. Namely:

The key is to get yourself a lawyer or manager to shop your music, which leads nicely into our next topic.

Who's On First?

The first person on your team is almost always a manager or a lawyer. In your baby stages, the manager is not likely to be someone in the busi-

ness; it's more likely a friend or relative with a lot of enthusiasm. While this can be a major plus (as we'll discuss in more detail when we talk about managers on page 36), it may or may not get your music to the record companies. So if you have an inexperienced manager, or if you have no manager at all, a music industry lawyer can really help. Record companies prefer to deal with people they know, meaning your music will get heard much faster, and by more important people, if it's submitted by an industry lawyer.

It's much easier to get a music lawyer than a manager. Why? Because the time required of a lawyer is minimal compared to the time a manager has to devote. The manager is expected to help you with songs, image, bookings, babysitting (you, not the kiddies), etc., but the lawyer only has to spend a few hours getting people to check out your music. It's the lawyer's relationships—not their time—that count.

A word of caution about hiring a lawyer to shop your music. Most of the lawyers consider it important to maintain their credibility with the record companies, so they'll only shop artists they really believe in. Unfortunately, there are a few who will shop anything that walks in the door as long as they get paid a fee. Being shopped by one of these slimebags is no better than sending the music yourself, and maybe worse, because the record companies know these lawyers don't screen out any of the garbage. So their clients' music goes to the bottom of the pile.

To prevent your music from being thrown out with the tuna cans, you should carefully check out the references of any lawyer you're considering. Ask them for the names of people whose music they've shopped (both successfully and unsuccessfully, so they don't just give you the few success stories that slipped through the cracks), then contact the references and find out how it went. You can also check around other industry sources to see who's legit. (We'll talk more about checking references later on.)

In the UK, solicitors (lawyers) rarely submit material to record companies. Apparently the UK companies don't think much of solicitors' taste. Most often, the shopping is done by a manager who can hype you up—no one particularly wants to hear a lawyer tell them how great your music is going down in Lithuania.

You'll of course need a lawyer and manager even if you don't go the record-company route, and the criteria for hiring them (which we'll discuss in the next chapters) is exactly the same.



A business manager (the person who collects your money, writes your checks, oversees investments, etc.) is usually the last on board for the opposite reason of why the lawyer is first: It's expensive (in terms of staffing and labor) for a business manager to take you on, and new artists need a lot of work just to keep financially afloat. Another reason they come on last is that very few business managers are willing to "take a flyer" with a totally unproven, unsigned artist; the business manager's potential upside is not nearly as great as a personal manager's or agent's, but they have to run up substantial expenses from the beginning. (As you'll see in Chapter 4, business managers aren't paid as much as agents or personal managers.) But don't sweat it. Until you have some decent money coming in, you don't need a full-fledged business manager. A good accountant can take care of your tax returns and answer basic questions.



As we'll discuss in the business management chapter, the concept of a business manager is nowhere near as common in the UK. Artists more often use specialist accountants with music industry experience.

The Search

Where do you find warm bodies to begin assembling your team? Well, start with the age-old ploy of asking every human being you know for a recommendation. Talk to people involved in music, even if it's only your high-school choir's piano accompanist. You can lead yourself into any unknown area by diligently following your nose, and the music business is no exception. You'll be amazed how many things fall into your life when you open yourself up to the possibilities. The only frustrating part is that the people you really want don't have time for you in the beginning. (Be assured, as soon as you're successful, they'll fall all over you and say they "knew it all along.")

The major players are almost all in Los Angeles and New York, with a good number in Nashville, though of course that leans heavily to country. I don't mean to say there aren't qualified people in other places—there most certainly are—but the music industry is centered in these three towns, and the people who live there usually have more experience. On the other hand, major managers are increasingly popping up in other places. For example, I've dealt with managers of world-class artists who live in Atlanta, Austin, Vancouver,

Philadelphia, and Boston. However, the better ones spend a lot of time on airplanes visiting Los Angeles, New York, and/or Nashville.

In the UK, most managers are in London, with a few scattered around in Manchester, Leeds, Liverpool and Chipping Sodbury (just kidding about the last one, though there is a pub there with an amazing jukebox).



Here are some specific suggestions for building your list:

1. **AllAccess.** There's a website called www.AllAccess.com that has a pretty comprehensive online directory of people in the music biz. I'm told it's updated often, and it has the major advantage of being free. You'll need to register for the site (don't be intimidated by the radio station questions—anybody can register), then click on Industry Directory.
2. **Hits Magazine.** *Hits* is the *MAD* magazine of the music biz. It's full of current news and gossip, reported with a college-humor-magazine style, and is very funny reading (www.hitsdailydouble.com).
3. **Billboard Magazine.** *Billboard* is an industry trade magazine, with lots of news, interviews, charts, and other goodies. (www.billboard.biz). Note the .biz ending. [Billboard.com](http://www.billboard.com) is consumer oriented, while .biz is for the industry.

By no means are these three an exhaustive list of sources; they just happened to be the ones that first came to mind. Frankly, I've been doing this long enough to know everybody I need to get to, and I don't use references on a routine basis. So don't take my suggestions as gospel. Check the Internet for more sources.

Here are some more ideas for developing your list of potential team members:

1. Read interviews with industry figures online and in music publications, and note the names. In addition to the industry sources above, here are some major *consumer* publications (meaning they're geared to fans, as opposed to trade publications that are geared to business people), in alphabetical order:
 - (a) *Music Connection*, www.musicconnection.com.

- (b) *Spin*, www.spin.com.
 - (c) *Pitchfork*, www.pitchfork.com.
 - (d) *Rolling Stone*, www.rollingstone.com.
 - (e) *Vibe*, www.vibe.com.
2. Watch for quotes, stories, or blurbs about music industry people online, on radio, and on TV.
 3. Try these online places: TAXI (www.taxi.com), Music Business Registry (www.musicregistry.com), RecordXpress (www.recordxpress.net), and Songwriter 101 (www.songwriter101.com).
 4. Some artists list the names of their professionals, together with their jobs, on their websites, on the info page of Facebook, or in tour programs.
 5. Or simply Google artists you respect, together with “manager” or “agent,” to find out who’s behind the magic.



Here are some UK publications:

Music Week, c/o Future Publishing Limited, 1–10 Praed Mews, Paddington, London W2 1QY, www.musicweek.com.

PR Week, via email; www.prweek.com.

Music Business UK, 27 Old Gloucester Road, London WC1N 3AX, enquiries@musicbizworldwide.com.

When looking for lawyers you can look at the legal 500, https://www.legal500.com/c/london/tmt-technology-media-and-telecoms/media-and-entertainment-including-media-finance#table_3547. This is a well-respected and known publication in the legal industry. Chambers.com is also a good and respected website.

Using the above and anything else you can think of, write down the names and develop a “hit list.” Just keep moving forward—follow any lead that seems promising.

Once you assemble a bunch of names, prioritize who you want to contact first. If you’ve heard any names from two or more sources, the odds are you are on to a person who is “somebody,” and he or she should move up in priority. Also look for the professionals surrounding people whose music you admire and whose style is similar to yours. While this is less critical with lawyers and business managers, it’s important to make sure that agencies, and especially personal managers, handle your kind of music. For example, the agent who books Wayne

Newton is not likely to book Lil Wayne, and I guarantee you they have different managers. On the other hand, you may be surprised to find that acts just as diverse are represented by the same agency (with very different individual agents). And the legal and business management lives of different artists are a lot alike. Rock 'n' rollers (like Green Day, the Rolling Stones, etc.), rappers (like Kanye, Jay-Z, Kendrick Lamar, etc.), and divas (like Adele, Beyoncé, Barbra Streisand, etc.) all have similar needs in music publishing, record royalties, touring, merchandising, sponsorship, etc.

Once you've prioritized your list, start trying to contact the people on it. It's always better to come in through a recommendation, friend of the family, etc., even if it's only the person's dry cleaner. But if you can't find any contact, start cold. You can try calling people on the phone, but expect a lot of unreturned phone calls, or at best to be shuffled off to an underling. That's okay—talk to the underling. If you get someone on the phone, be brief and to the point because these folks are always in a hurry. It's a good idea to rehearse your rap with a friend in advance.

You can try emailing folks, with a story about yourself and a link to your music, or maybe attach an MP3 file. Again, be short and straightforward—good people are always busy, and you'll be lucky to get five seconds of their attention. If you can't grab 'em fast, you're off to the digital trash bin. Repeated emails to the same person help get their attention, and may even have the subliminal effect of making your name sound familiar if anyone ever asks. But it can also be annoying and get your name into their spam filter, so don't overdo it.

You could also use that old-fashioned thing you may remember, the "US Mail." Since so few people do that anymore, a physical letter might even get more attention. In this case, include a CD or a USB stick, pictures, hundred-dollar bills, and anything else to distinguish yourself. (I once had someone send me a recording stuffed inside a rubber chicken. For real.) If you've gotten any local press, that's a good thing to add. Use a yellow highlighter so they don't have to search the page for where you are. And just like the emails, be short and sweet, or you're off to the round file.

However you approach it, expect a lot of unanswered emails and unacknowledged letters. Don't get discouraged.

If you successfully snag someone's attention and they politely (or not so politely) blow you off, ask who they would recommend. This is valuable for two reasons: First, you've got a lead from someone who's actually in the industry. Second, when you reach out to the

recommended person, you can tell them “So-and-so” told you to contact them. If “So-and-so” is a big enough name, it should at least get your email or phone call returned. (Maybe.)

Someone, somewhere will nibble, and you can parlay it into real interest by being persistent. All the superstars I’ve known have heap-
ing helpings of drive and they’ll continually hound people to further their careers. So hang in there and keep following up, despite the discouragements thrown in front of you. Virtually every record company in America passed on Taylor Swift, the Beatles, and Elton John, so don’t expect people to be any smarter about your music. And don’t get discouraged—it only takes one enthusiastic person to get the ball rolling.

Screening the Sharks

So you’ve honed your list, run up hours of chasing people, and hopefully found two or three nibbles on your line. At this point, you should fly, drive, bus, or hitchhike to meet these people in their natural habitat. You can’t tell everything from a phone call; you want to see their body language, meet their associates, see if they work out of a dog kennel, etc. Basically, use your instincts to feel how they vibe you, and don’t be afraid to trust your gut. If you think you’re meeting with a piece of slime, you probably are. But if they dazzle you, *be even more cautious*—charming crooks are the most dangerous!

The fact that someone works with a lot of big names is helpful, but not a final determination. There have been a lot of big names associated with disasters over the years. Here’s a bit of personal history to illustrate:

When we first got married, my wife and I decided to buy a vacuum cleaner. For reasons I still don’t understand, we called a door-to-door salesman. This buzz-cut, square-jawed man bounced into the house and showed us how the vacuum’s suction could pick up a seven-pound metal ball. Then Buzz poured some blue gunk on our carpet and used the vacuum nozzle to slurp it up. Finally, he started bragging about how he’d sold vacuum cleaners to the wives of several celebrities and started rattling off a list of big names. At that point, I said, “Excuse me, but do these people know anything about vacuum cleaners?”

The point, as I’m sure you see, is that a big-name celebrity isn’t necessarily a good recommendation. It may just mean the celebrity pays no attention to his or her business, or that the celebrity is an imbecile.

So how do you protect yourself? Like this:

References. Have the potential team member give you references. And check them out carefully.

In asking for references, it's important to get people at your level of success. The fact that someone takes good care of their biggest client doesn't mean he or she will give you the same attention, or even have the time to take care of you. Odd as it seems, some people don't even pay much attention to their big-name clients, usually because they're too busy. There's an old joke (based on truth) about a major artist who couldn't get his lawyer on the phone to fire him. Also, try to get the reference from someone who's been using this professional for a while, so you don't just get a report on their honeymoon period.

Although it may seem obvious, be sure the professional's expertise is in music. There are brilliant real estate accountants who would be lost in the music business, just as the opposite is true. In fact, even people with extensive film, television, or book expertise may not understand music. So be sure you're talking to someone who does.

Use Your Other Team Members. You should consult the other members of your team anytime you hire someone. First, you want their input and suggestions, and second, these people have to work together, so you want to be sure you're hiring someone who can get along with the team. But beware of this: Benjamin Franklin once said (and I'm too lazy to look up the exact quote, so I'll paraphrase it) that when you gather a group of people for their collective wisdom, you also gather their collective prejudices and hidden agendas. In other words, there will almost always be a political reason why your other team members want something, and this may or may not coincide with your best interests. For example, a business manager may have just referred a very important client to a personal manager. The personal manager may therefore be pushing you toward this particular business manager in order to pay back the favor, regardless of whether the business manager is right for your situation. (I don't mean to make you paranoid; most people are ethical and won't recommend someone unless they genuinely believe he or she would be the best person for the job, even if it's a payback. But a great deal of politicking goes on in the music business, just like any other business, and you should be aware of it—particularly because we're a small business and deal with each other so much.) So, always ask people *why* they're

making a recommendation, rather than just the bottom line of who you should use. Make them give you specific, factual reasons. Facts are something you can evaluate yourself, and you should make the final decision.

Look Beyond the Sales Pitch. Everybody looks great when they're selling. When you interview someone, all the seller's attention is focused on you, and you are absolutely the most important creature on the planet. That's almost never the case when you actually get down to business; the realities of other people's needs take their toll. It's *extremely* difficult to know this in your first meeting, as "giving good interview" can take people very far in their professions.

So how do you protect yourself from this? Once again, you have to check their references very carefully. Ask the references about their experience of working with this person, such as whether they quickly return phone calls and emails, how fast he or she gets work done, what's their zodiac sign, etc. It's a good idea to make a list of questions in advance, so you don't forget anything.

Don't be lulled by promises that sound unbelievably fantastic. If they sound too good to be true, they probably are. Some people will promise things they can't possibly deliver, just to get the job. They figure you won't fire them when they don't come through, because they know most artists don't like to make changes in their lives. (These are the same people who will stop returning calls if your star fades.) They also figure they have to lie just to ace out the next guy, who they assume is also lying to you.

The truth is that there are no real miracle workers. The secret of success in the music business is no different from that in any other business—intelligent planning and hard work. Promises of "short-cuts" usually don't come through.

Who Does the Work? Ask exactly who is going to be involved in your day-to-day work. It may not be the person you're meeting with. This isn't necessarily bad, but you should be aware of it from the start, and you should meet the people who will be involved. All professionals use staff people, some to a greater degree than others. In some firms, the staff people divide and multiply like paramacia, so the people you're meeting today may be gone in six months. Other places are more stable. So ask, and also ask your references.

When you're starting out you sometimes get a first meeting with a

senior person, then get quickly shuffled down to a young'un. This is common, and likely better because the senior person won't have much time for you once they're done selling, whereas you'll be a big fish to Junior. Also, the young'uns are also more likely to be clued up on the new artist scene and what is hot and what is not. So don't be put off by this; rather than pretend that's not happening, ask to meet the younger person from the get-go and make sure you like them. They'll be able to call on the Big Person as and when needed.

Fees. Never hesitate to ask what someone is going to charge you. I know it's an uncomfortable subject, but bring it up anyway—you can be in for a seriously rude surprise if you don't. And when you do raise the topic, be wary of someone who gives you a vague answer. (If you really can't stomach a fee discussion, have another team member do it for you.)

In the UK lawyers are required to tell you their charge-out rates/fees up front and keep you regularly informed. So make sure they do!



Personality. It's a myth to think any one personality style is more effective than any other (assuming you don't hire a wimp). Screamers and table pounders, if they're smart and knowledgeable, can get a lot out of a deal, but no more than those who speak quietly, if they're smart and knowledgeable. Some people work with a foil, and some with a sabre. Both styles can be effective.

Remember, you're hiring people to guide your professional life, not to hang out on the tour bus. It's nice if you strike up a friendship with your professionals, but it's not essential. (However, with your personal manager, I think you need at least a solid rapport, if not a true friendship.) I'm not suggesting you hire someone you really dislike, or someone who has the personality of a salamander, but I am saying these folks don't have to be your pals. In fact, some amount of distance is often helpful. Just as doctors can't operate on their own relatives, one of the main things a professional does is bring some objectivity to your life.

There is a wonderful story about Genghis Khan, the great warrior. In the midst of a pivotal battle for his empire, involving thousands of troops on both sides, an aide went into Ghengis's tent and was surprised to find Genghis himself sitting there. The aide said, "How can you be in your tent? The battle is at a critical point and the troops need your command." Ghengis replied, "I found myself getting angry

over a turn in the battle, and I can't think straight when I'm angry. I came in here to cool off before deciding the next move."

Think about that. If even ol' Genghis had to detach from his emotions to do the best job, who are you and I to do any better? When I have legal problems, I hire a lawyer. This may sound strange to you, but I get emotional about my own problems, and I don't trust my judgment when I'm too close to the situation. So I hire someone who isn't.

In sum, a bit of distance from your professionals is not a concern, but you should feel comfortable enough to have an easy communication with your team. If you think you'll dread talking to one of them, look for someone else.

Decide Now—Confirm Later. Make a decision reasonably quickly, but confirm it slowly. In other words, once you've hired somebody, continue to watch them carefully (to the extent you can stand to do it). The fact that someone came in with rave reviews doesn't mean they'll be right for you, so consider them "on probation" until you've seen enough to merit your trust. And don't just take another team member's word that it's working. Force yourself to follow their moves in the beginning, and you'll earn the right to relax later. Remember: no one pays as good attention to your business as you do.

CHANGING A TEAM MEMBER

Here's what to do if something goes wrong on your team:

Even if they never pay much attention to business, I've never met an artist who doesn't have a built-in radar that tells them when something is wrong. So if you're feeling weird, then, "Houston, we have a *problem*."

It may be that things aren't being handled right. Or maybe you just don't feel comfortable talking to one of the team members. Ignoring the issue doesn't help any more than turning up the car radio to drown out a rattle in the engine. It's like a quote I once heard attributed to Dick Gregory: "I read so much about the bad effects of smoking that I got scared and gave up reading."

So deal with problems head-on.

Talk About Your Problems

I know confrontation is difficult. I have never known an artist (or anyone else, for that matter, other than a few ornery jerks who've been divorced five times) who enjoys confrontation. But for your team members to do an effective job, you must have an open communication with them. If you can't bring yourself to talk directly to the person who is bugging you, talk to another team member and make sure they carry the message. *Fast*. Nothing is worse than letting small things snowball to the point that they build into a major drama. If you discuss them when they're small, they can usually stay small. Often they're just innocent misunderstandings.

If you talk frankly about your problems, and they still aren't getting solved, make a change. No one has the right to expect a lifetime contract with you. People and circumstances change over the years; those who were spectacular for you at one point in your life may no longer be interested in you (for example, if they've lost interest in their job, or your career has taken a nosedive, etc.). Or they may no longer be capable of handling you (for example, they were unable to grow with you and your career is soaring, or you've changed careers and their expertise is in the wrong area, etc.). I respect and admire loyalty, but blind loyalty does no one a favor. To me, loyalty means you don't turn your head and run off with every pretty face that walks by (and as you get more successful, pretty faces come out of the woodwork to try to seduce you, literally and figuratively). But loyalty is a two-way street, meaning you're entitled to the same commitment from your professionals. You're only obligated to stick with someone as long as they're doing a good job for you. If you're not getting the service you want, then loyalty means you discuss it with them and tell them what needs to be changed. (Again, if you don't want to do it directly, do it through another team member.) If things still aren't being done right, and you're sure your complaints were clearly communicated, make a change. But do it for the right reasons, not the wrong ones.

Lost Confidence

It pains me a bit to give you this next piece of advice, but you should have it. Once you've lost confidence in someone, it's almost impossible to continue with them. It's like falling out of love—it isn't easy to fall in again. I say this sadly, because many times we lose confidence in people for the wrong reasons. It may be that someone with a political

ax has buried them unjustly; it may be that they're doing a terrific job, but they have the personality of a stop sign and treat you rudely or bore you to death; it may be they have just delivered bad news to you (firing such a person is known as "shooting the messenger," from ancient Greek times, when a messenger bringing bad news was killed); it may be they've done a terrific job on everything important in your life, but screwed up paying your bills one month, so you had no electricity and your spouse refuses ever to see their face again; or it just may be an uneasy feeling in your stomach that you don't trust them. When you find yourself in this situation, again, I urge you to talk to the person openly (directly or through another team member) and tell them how you feel. (I know this is easy for me to say, and I admit it's difficult for me to do as well. But I force myself, and most of the time I find that the problem is a simple mistake that's easily fixed. And even if it isn't, I always feel better just from processing it.) If you talk things out, and the situation doesn't get any better, split.

COCKTAIL PARTY TALK

Let me say a word about cocktail party talk. In college, we used to play a kind of poker called "roll your own." In this game you get five cards, then draw additional cards (like in regular five-card draw). Finally, you arrange your cards in any order you want before flipping them over one at a time and betting on each card. After flipping the first three cards, everybody at the table looks like they have a spectacular hand. There appear to be straights, flushes, straight flushes, three of a kind, high pairs, and every other imaginable configuration to make you want to drop out and give up the pot. However, when it comes to flipping over the last couple of cards, most of the hands are mediocre.

I've always thought cocktail party talk is the same as flipping only the first three cards. Everyone sounds like a genius; everyone has just pulled off the greatest deal since the Louisiana Purchase. The truth, however, is in the last two cards, which you never see. The million-dollar deal turns out to be a hundred-thousand-dollar deal, with the other nine hundred thousand being there only if the artist achieves massive success (not that a hundred thousand isn't a decent amount of money, but it ain't a million). Nobody talks about their screwups, because self-aggrandizement is part of the Hollywood dance of the sand crabs.

The whole point of this is to say that you shouldn't take casual talk

at face value. Especially if someone has an editorial point of view, like a manager trying to convince you to leave your current manager for the terrific things he or she can do for you. (Lawyers, of course, would never do such a thing. And if you buy that, I have some land in Florida that would be perfect for you.) So make your own evaluations in the realistic light of day.

3

Personal Managers

ROLE

The personal manager is the single most important person in your professional life. A good personal manager can expand your career to its maximum potential, and a bad one can rocket you into oblivion. When the job is done properly, a personal manager is the general manager and chief operating officer of your enterprise. (There are, of course, some artists without managers, but they are very much the exception, and they usually have one or more other team members filling this role.)

The most important aspects of the manager's job are:

1. Helping you with major business decisions, such as deciding whether to do a record deal, and if so, which record company to sign with; deciding whether to make a publishing deal (we'll talk about what those are on page 311); figuring out how much to ask for; etc.
2. Helping you with the creative process, such as deciding which songs to record, selecting a producer (we'll talk about who *producers* are on page 146), hiring band members, selecting photographers, etc.
3. Promoting your career by managing social media, coordinating your marketing and publicity, and otherwise hyping you to everyone the manager meets.
4. Assembling your professional team by introducing you to lawyers, business managers, and agents, and overseeing these people's work.
5. Coordinating your concert tours by working with your agent to make the best deals with promoters, routing the tour, working with your business manager to develop a budget, assem-

bling your road crew, supervising the tour personnel to make sure everything runs smoothly, etc.

6. Pounding your record company to maximize the advertising and marketing campaigns for your records, making sure your records are treated as priorities, screaming at them when they do wrong, praising them when they do right, etc.
7. Generally being a buffer between you and the outside world, such as fielding inquiries for commercial endorsements, personal appearances, charitable requests (both for money and for your smiling face), taking the rap for tough decisions that you make but don't want anyone to think you did, etc.

Let's first take a look at the structure of your deal with the personal manager, and then we'll talk about picking one.

For a long time, it was not unusual to have "split management" in the UK, which doesn't mean the manager disappears at the first sign of trouble (though sometimes it does . . .). By "split management," I mean that artists had a main manager in the UK who covered the world excluding the US, and a US manager to cover the US and maybe also Canada. However, this has dropped off, and it's now more typical for the UK manager to handle the world (or for a US manager to do the world). I think this is healthy, and, frankly, I've never seen the split management work out very well. The two managers end up squabbling over control, and if something goes wrong, they each point the finger at the other one. Still, with the US being its own peculiar market, some UK managers get a US consultant or co-manager and usually agree to split their commission for North America.



COMMISSION OVERVIEW

Managers typically get from 15% to 20% of earnings from new artists. Established artists can sometimes knock them lower, as we'll discuss in a minute. These percentages are generally applied to your **gross** earnings, meaning your earnings before deducting any expenses. That means:

1. If you're an individual artist, the fee is pretty much what it sounds like for songwriting, publishing, records, etc. We'll discuss some of the finer points later, but basically, if the manager's

deal is 15%, they get 15% of what you take home. However, when it comes to touring, the 15% means much more than you might think. You'll learn, when we discuss concert appearances (on page 34), that you're lucky to take home 40% to 50% of your gross income. That means a manager's 15% of gross can take a big bite out of your net. For example, if you earn \$100,000 and net \$45,000, your manager gets 15% of gross (\$15,000). Since you're only taking home \$45,000, the manager's 15% is one third of your money. Not so good if you're the artist (though awesome if you're the manager).

2. If you're a group and you have more than five members, 15% of gross equals almost the same as, or more than, any one of you earns (assuming you're dividing equally). For example, if there are seven of you, everybody gets one-seventh; that's 14.28%, which is less than the manager's 15%. In fact, since the manager's percentage comes "off the top" before you divide up any monies, you only get one-seventh of the 85% left after the *manager's* 15%, which is 12.14%. And for touring monies, a manager's 15% of gross can be many times your individual share of *net*.

Because artists have found it, shall we say, "uncomfortable" to pay managers more than the artist makes, the classic "15% to 20% of gross" has softened over the last few years. Here's what's going down:



Good news, Brits! Managers in the UK are usually paid on "net" rather than gross, meaning artists can deduct expenses before applying the management percentage. In other words, they get a piece of what the artist puts in their pocket. We'll talk about what "net" means in a minute.

NEGOTIATING THE MANAGER'S DEAL

Despite the powerful personality of many managers (carefully designed to keep you in your place), it is possible to negotiate with your manager. However, just like any other negotiation, the result depends on bargaining power. If you're a major artist, bringing in \$10 million plus per year, the managers will follow you like floppy-eared puppies, delighted to take whatever treats you care to drop in front of them. On the other hand, if you're a brand-new band negotiating with a powerful manager, you're the doggy.