



# MANAGING EXPECTATIONS

AN EXPLORATION INTO THE CHANGING  
ROLE AND VALUE OF THE MUSIC MANAGER

PRODUCER &  
SONGWRITER  
MANAGER  
EDITION



# INTRODUCTION

MUSIC MANAGERS HAVE ALWAYS REPRESENTED 'BEHIND THE SCENES' MUSIC MAKERS, AND SOME MANAGEMENT COMPANIES SPECIALISE IN THIS AREA. HOWEVER, MANY ARTIST MANAGERS ARE NOW EXPANDING THEIR ROSTERS TO REPRESENT SONGWRITERS AND PRODUCERS IN ORDER TO DIVERSIFY REVENUE STREAMS. THIS WIDENING SCOPE OF MUSIC MANAGEMENT COMPANIES TO INCLUDE MORE PRODUCERS AND SONGWRITERS AS CLIENTS REFLECTS HOW CREATIVE ROLES HAVE BECOME BROADER IN THE MUSIC INDUSTRY, FACILITATED BY TECHNOLOGY AND COLLABORATION.

While our 2019 'Managing Expectations' report focused on the role, value and experiences of modern day music managers, this report centres our inquiry on the managers responsible for shepherding the careers of songwriters, producers, engineers and mixers. Through interviews with a selection of managers operating across various sizes, stages of career and genre, we aim to explore the key issues, challenges and evolutions of this section of music management. This report will also present updated data from the 2021 survey, identifying any trends and shifts across the respondents, informing our future work.

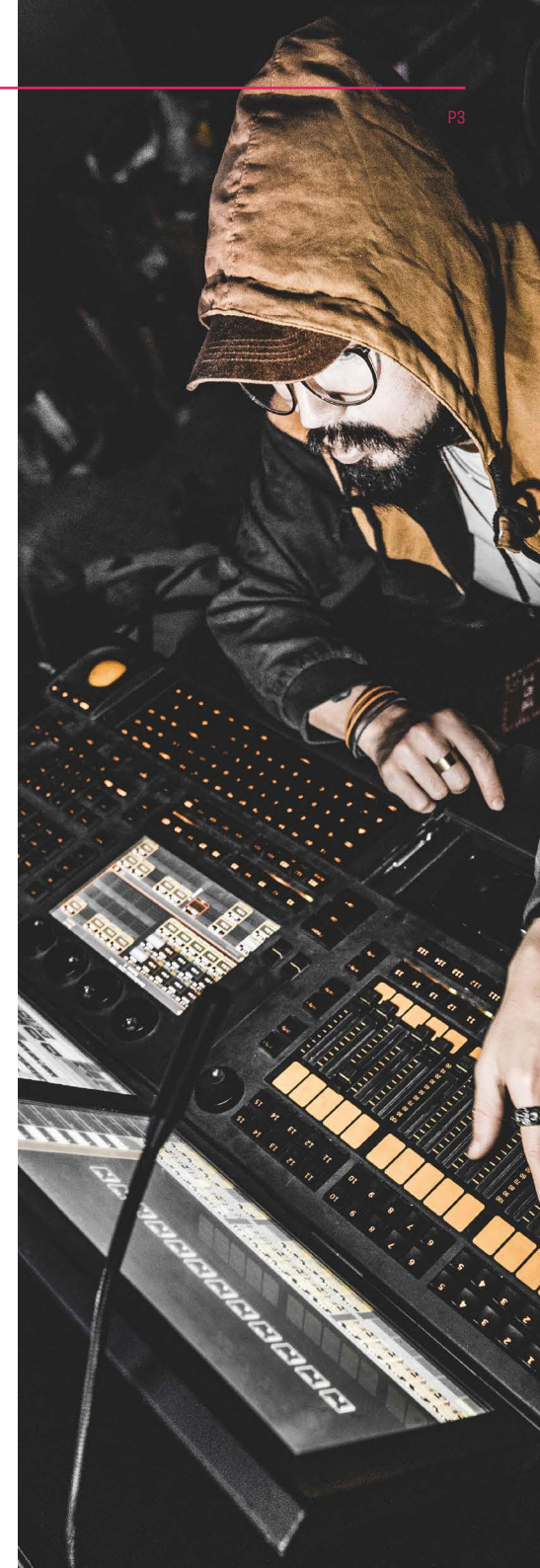
The survey results that accompany this report demonstrate the high number of MMF members managing both songwriters and producers, with 62% of respondents managing at least one songwriter (up from 42% in 2019), and 40% representing at least one producer (up from 33%).

The aim of this report is to provide a snapshot of the current experiences of producer and songwriter managers, exploring how these entrepreneurial, business-minded individuals facilitate the creative and commercial workloads of their clients and how they are adapting to current industry trends. Through gathering the perspectives of these managers, alongside data generated through a quantitative survey, we hope to highlight this segment of the

management community, understand its greatest challenges and opportunities, and improve ways to better represent them through MMF advocacy, education and innovation.

Ironically, while these individuals and their clients have often been the hidden heroes of the music business, named only in the liner notes of vinyl sleeves or CD booklets, the shift to digital further anonymised the identities of songwriters and producers. Though often overlooked throughout history, acknowledgement of the importance of songwriters and producers and their role in music has never been more pertinent. Whether that's because of growing disquiet about how songwriters and producers are recompensed for use of their work online, how recorded revenues are split between those who perform and those who create, or in the sky high valuations of songwriting catalogues being purchased by investors, the spotlight is shining on songwriters and producers as the industry continues to evolve.

We hope this report helps educate readers on the role of managers who represent producers, songwriters, mixers and engineers, and expands our awareness of the important debates taking place around fair compensation and the value of songs within the music industry.



# SURVEY AND REPORT METHODOLOGY

THIS REPORT HAS BEEN INFORMED BY TWO METHODS. A SURVEY WAS DEVELOPED IN PARTNERSHIP WITH MUSIC ALLY WHICH MMF DISTRIBUTED TO ITS MEMBERSHIP AND THE WIDER MUSIC INDUSTRY VIA PARTNERS, TRADE BODIES AND SOCIAL NETWORKS. THIS WAS FOLLOWED BY A SERIES OF IN-DEPTH INTERVIEWS WITH LEADING MANAGERS BOTH FROM WITHIN AND OUTSIDE OUR MEMBERSHIP.

Thank you to the 216 managers who responded to this survey and gave a wide range of perspectives. Also thanks to the 7 managers who were interviewed at length for this report. Interviews were conducted by Paul Bonham, and were based on a set of questions which focused on their role and the relationships managers had with their clients and music industry investors. Further transcripts were used from a discussion facilitated by The Future Is. The interviewees were intentionally selected to hear the voices of those primarily managing producers, mixers engineers, songwriters and composers. Those with a cross-section of clients including artists, songwriters and producers were also consulted. For this piece of research we focused on managers' own businesses and did not interview their clients (music makers: such as artists, composers, producers, musicians) or select specific case studies. Our aim is to use the findings of this research to start discussions and find common themes across the management profession.

The full findings of the survey and previous report can be found here:

[themmf.net/managingexpectations](http://themmf.net/managingexpectations)

## INTERVIEWED MANAGERS

Chris Grey, Problem Child, Guv Singh, Catalyst Management, Hannah Joseph, Decibelle Management, Harry Knyt, Milk & Honey, Jay Mistry, JMC Music Services, Jill Hollywood, Echo Beach Management, Jordan Jay, Karma Artists, Molly McNulty, Senior A&R at Kobalt Music Publishing / Manager of Producer 169, Paul Kennedy, 1 2 ONE Entertainment, Will Blake, Sound Collective, Will Gresford, TripTik Management & Zita McHugh, Z Management

Report authored by Paul Bonham and edited by Annabella Coldrick, Adam Webb, Jayne Stynes

With thanks to THE FUTURE IS for use of transcripts from your panel hosted by SayNadaa at Boxpark Wembley, 3.06.21



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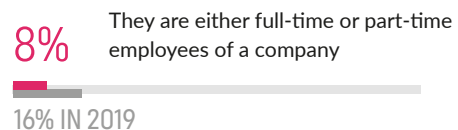
**ARTS COUNCIL ENGLAND**



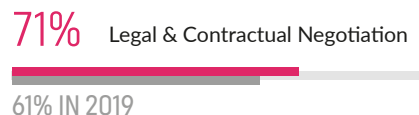
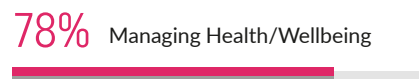
I'M A VERY INVOLVED MANAGER. I PROBABLY SPEAK TO MY CLIENT AS OFTEN AS I DO MY PARENTS! TOGETHER WE GO THROUGH SONGS, LYRICS, SESSIONS, AND ANALYSE EVERY ARTIST HE'S WORKING WITH. YOU'RE ON THE SAME TEAM THINKING 'HOW CAN WE MAKE THIS THE BEST IT CAN BE?' YOU'RE THE PROTECTIVE BARRIER FOR YOUR CLIENT FROM THE WORLD OF THE INDUSTRY. YOU HAVE TO FORM A RING AROUND THEM AND ONLY LET THINGS IN THAT RING WHEN THEY NEED TO BE LET IN. YOU HAVE TO ALLOW THEM TO BE CREATIVE AND NOT LET DEALS OR INDUSTRY POLITICS GET IN THE WAY OF THAT.

**MOLLY MCNULTY**  
SENIOR A&R AT KOBALT MUSIC PUBLISHING  
AND MANAGER OF PRODUCER 169

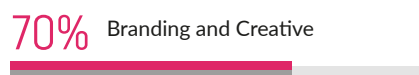
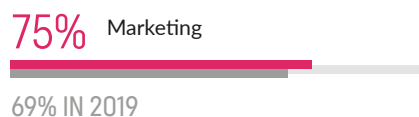
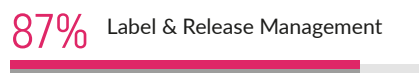
### 2021 MANAGING EXPECTATIONS MMF MEMBER SURVEY



### SKILLS (IN TERMS OF IMPORTANCE)

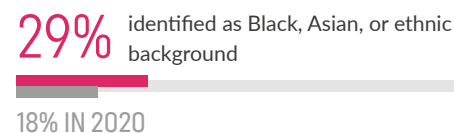
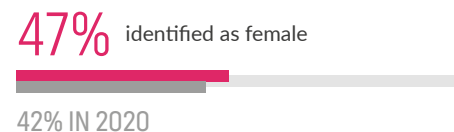


### TASKS DONE

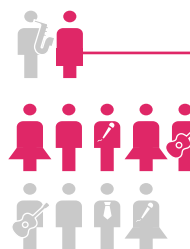
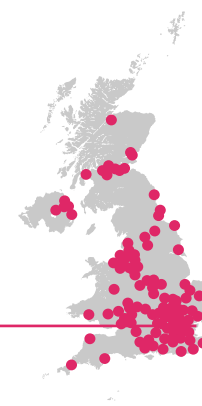


Key issues - Transparency Barriers (up from 2019), Early Stage Artist Finance and Access to Manager Growth Investment

### WHO ARE MUSIC MANAGERS?



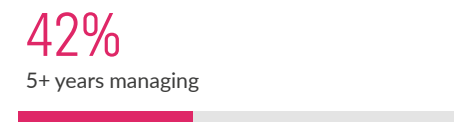
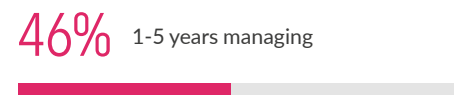
Most are based in London or the South of England - with significant pockets in Scotland and the North of England.



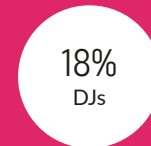
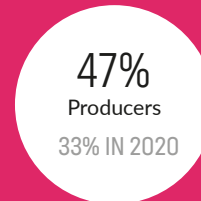
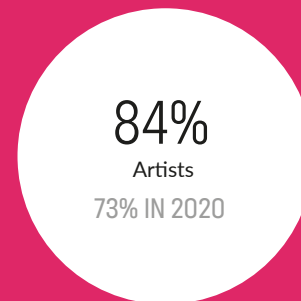
Most manage 1 or 2 clients...However



They have a vast range of experience:



### WHO DO THEY REPRESENT?



# THE ROLE AND BUSINESS OF PRODUCER/WRITER MANAGERS

**"MANAGEMENT IS UNQUESTIONABLY THE MOST IMPORTANT RELATIONSHIP THAT YOU WILL MAKE IN YOUR PROFESSIONAL CAREER AS A PRODUCER OR SONGWRITER. MOST OF THE TIME, MANAGERS DO PRETTY MUCH ALL THE WORK. EVERY BIT OF GOOD FORTUNE I'VE HAD IN MY CAREER HAS BEEN AS A RESULT OF MY MANAGER DOING SOMETHING RADICAL, OFTEN CONSIDERABLY BEYOND THE CALL OF DUTY; OR EVEN GOOD TASTE. "**

**EG WHITE**

Within the MMF's membership, we have always represented a significant number of specialist producer and songwriter managers. Whilst this role is distinct from "artist management", these individuals have always been integral to our organisation's strategy and planning, and they have provided vital insight into specific issues and difficulties that are faced by creators who are not exclusively "artists".

There are elements of the roles of writer and producer managers that are distinct from those of artists managers, although in some cases they do overlap.

Below are some of the roles and responsibilities of writer/producer managers:

- + Studio, session and diary management
- + Talent scouting, artist development and A&R
- + Song pitching, collaboration and deal making
- + Catalogue and royalty management
- + Managing sample clearance and song disputes
- + Publishing and rights contract negotiation
- + Negotiating brand partnerships and endorsements
- + Brand awareness and marketing of clients
- + Navigating commissioned composition and production music commissioned music for TV/film/gaming and other projects
- + Managing mental health and well-being of their clients (and themselves)

COVID-19's impact on international touring has made the reliable income generation of producer/songwriter management increasingly

## INVESTING IN TALENT DEVELOPMENT



AS FAR AS I CAN TELL, THE ROLE OF A SONGWRITER AND PRODUCER MANAGER IS EXPANDING EVERY YEAR, AND CERTAINLY INCLUDES THE FOLLOWING: PERSUADING THE WRITER OR MANAGER OR PRODUCER TO REMAIN PATIENT AND HOLD STEADY IN THE FACE OF ADVERSITY; MASSAGING THE PROGRESS OF A SONG THROUGH ITS ACCEPTANCE BY THE ARTIST AND THEIR MANAGER, THEN THE RECORD LABEL, THEN THROUGH PRODUCTION DIFFICULTIES, POSSIBLE SONGWRITING SPLIT DISPUTES, SAMPLE CLEARANCE, THE LIST IS ENDLESS; KEEPING A CONSTANT EAR TO THE GROUND FOR GOOD NEW COLLABORATORS, BE THEY SINGERS, PROGRAMMERS OR OTHER SONGWRITERS; TRYING TO GET THE WRITER OR PRODUCER PAID..... IT'S QUITE A BIG JOB!

**EG WHITE**

**IVOR NOVELLO AWARD WINNING WRITER AND PRODUCER FOR ARTISTS INCLUDING ADELE, DUA LIPA, KYLIE MINOGUE, SAM SMITH, PINK, AND FLORENCE + THE MACHINE**

75%

HAVE INVESTED THEIR OWN MONEY IN DEVELOPING TALENT THEY REPRESENT

Have invested £1k-£5k **47%**

Have invested £5k-£10k **18%**

Have invested £10k-£15k **8%**

46%

Have secured outside investment for their artists

53%

Have used personal funds to develop their management company



Only **2%** have secured public funding from arts councils or other private trusts to grow their companies.

**% OF MUSIC MANAGERS MANAGING PRODUCERS/WRITERS/ENGINEERS/MIXERS:**

	PRODUCER	WRITER	ENGINEER	MIXER
2019	32%	41%		
2020	35%	47%		
2021	46%	63%	9%	11%

Source: Managing Expectations MMF members survey

important for music management companies.

From our survey and interviews it appears there are few large management companies exclusively focused on the interests of writers and producers. However, there has been an increase in smaller, boutique companies operating in this area. Furthermore, as we indicated in the introduction, many established artist managers and management companies have also been exploring other revenue streams in light of the collapse of the live industry due to COVID. Based on our Managing Expectations survey findings it would appear that managers have been taking on new producers, and mixers as clients, who tend to be able to generate upfront fees and can often work remotely. Furthermore, managers are exploring songwriter and producer opportunities for their existing artists, allowing them to diversify their skills in writing and production. Across the board, all these businesses appear reliant on a mixed client base and the capability to deliver inter-company collaborations and services that meet the growing needs of their clients.

The majority of songwriter and producer managers, as with artist managers, still work to a

commission-based business model, with a 20% cut of both producer fees as well as long-tail royalties being the norm. However the shifting and fast moving environment that songwriter and producer managers are having to operate in is creating the need for greater commercial certainties in order to help them build more sustainable businesses.

As a result, many management companies are developing alternative models by becoming early stage investors in their clients through production deals, offering publishing services and joint venture partnerships.

Guv Singh, Catalyst Management, explains the context to these changes, highlighting how these kinds of business structures are often reflective of the deep and unique relationships between managers and their clients.

**“WITH CATALYST, WE’VE GONE DEEP INTO THEIR LIVES,” HE EXPLAINS. “I’VE GONE TO THEIR BLOCK, SPOKEN TO THEIR MUMS, GOT THEM OFF THE ROAD. THERE ARE CERTAIN SITUATIONS WHERE AS A MANAGER YOU ARE CHANGING LIVES WITH INVESTMENT AND TAKING THE RISK. 70% OF THE TIME YOU’RE MAKING LOSSES.”**

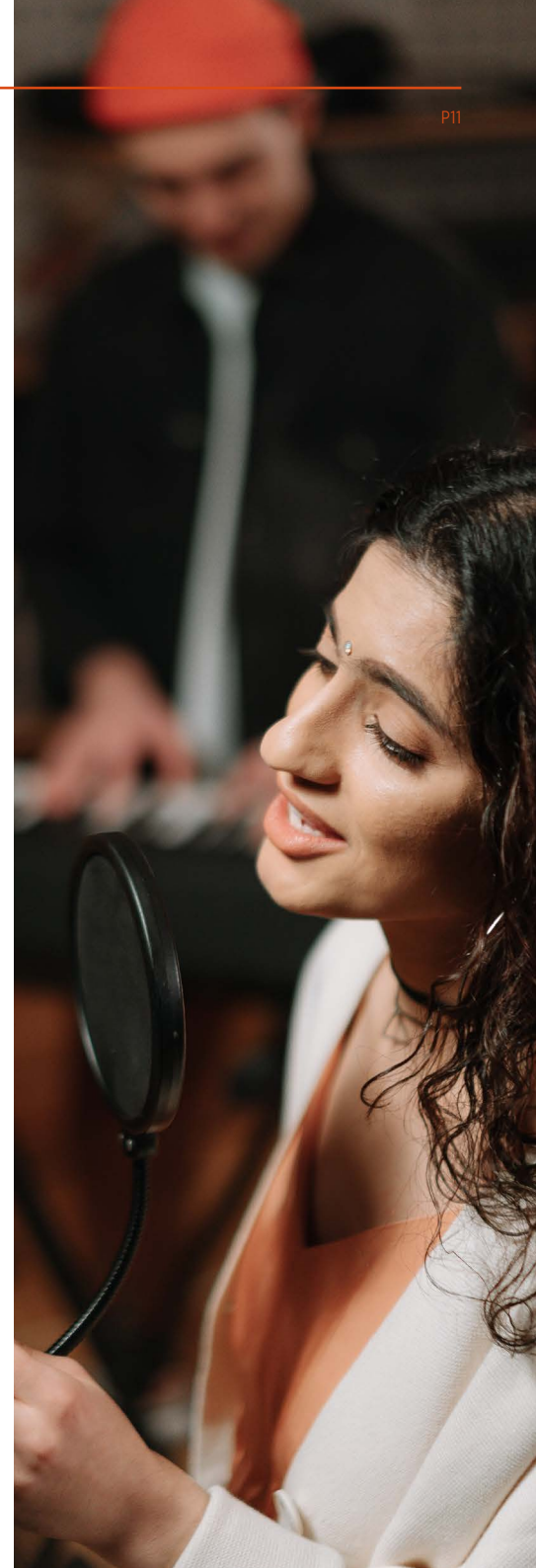
**INVESTING IN TALENT**

The reality of managers investing in their clients is verified by our 2021 survey findings, with 75% of survey respondents investing in their clients, and 20% of managers investing over £10,000 in the talent they represent.

Within his own company structure, Will Gresford from TripTik Management has worked hard to establish a well rounded management company, offering both publishing and label services to his clients:

**“WERE WE EXCLUSIVELY AN ARTIST MANAGEMENT COMPANY, I THINK THE LAST YEAR WOULD HAVE BEEN DIFFICULT AT OUR LEVEL... WERE WE EXCLUSIVELY A SONGWRITER AND PRODUCER MANAGEMENT COMPANY IT MIGHT ALSO HAVE BEEN DIFFICULT, ESPECIALLY KNOWING THE DIRECTION OF TRAVEL WITH STREAMING... SO I FEEL HAPPY THAT WE’VE GOT A DIVERSIFIED SET UP”.**

Will confirms the ongoing trend of management companies developing and providing a range of expanded services to its clients, By becoming involved with revenue streams beyond the traditional management company structure, these companies have ensured commercial resilience.



**DEAL INNOVATION**

In light of changes in technology and new modes of consumption, Zita McHugh, of Z Management (previously the 2016 AMA Writer/Producer Manager of the Year and an MMF Custodian), reflects on how this may shape the flow of income, presenting a radical “Rip it Up and start again model”. According to Zita’s vision, all contributing creatives involved in a project, be it music makers, stylists or managers, should be paid from “one pot”, thus creating a share holding approach to projects, similar to the private equity and investment models commonly used in film and TV production. This could work well whilst artists are independent, but faces challenges if and when they enter into a label deal structure.

Further models and innovative ways of structuring deal arrangements have been highlighted by the managers we interviewed. For example, where an artist doesn’t have the cash up-front to pay a producer’s full fee, some instead agree to pay 2% of all ticketing revenue for live shows, until the agreed fee sum is reached. Similarly, we have seen cases where a producer might accept a lower fee (because

there is no major label with adequate budgets), who then take a higher rate for synchronisations for advertising, TV or film usage, until an agreed sum is reached, after which the lower point rate reverts back. Producer managers making these kinds of deals are

**“ASSESSING THE LIKELIHOOD OF ARTIST MANAGERS BEING ABLE TO DELIVER A RECORD TO MARKET INDEPENDENTLY, OR ON TO A LABEL LATER WITH AS MUCH, IF NOT MORE, DILIGENCE THAN A MAJOR”**

says Zita McHugh.

For these newer, less traditional models to work however, collaboration, negotiation and flexibility need to be at the forefront and regarded as core values with a shift in approaches understood and advocated for by lawyers and accountants.

**“IT HAS DEFINITELY CHANGED, ALL OF US ARE LOOKING AT DIFFERENT WAYS OF KEEPING IT SUSTAINABLE. A RELATIVELY NEW MODEL WHICH HAS GROWN PARTICULARLY OUT OF THE GRIME AND INDEPENDENT COMMUNITY IS THE 50/50 MASTER SHARE WHERE THE PRODUCER OWNS 50% AND**

**THE ARTIST OWNS 50%.”**

**“BY LAW, WHOEVER PAYS FOR THE MASTER OWNS IT 100%, SO IF THE PRODUCERS PAY FOR THEIR OWN STUDIO THEY OWN THE RECORDING. BUT WE’VE KIND OF CREATED THIS DEFAULT MAP, WHERE IN PROVISION ARTISTS ARE AUTOMATICALLY GETTING 50% BECAUSE WITHOUT THE ARTISTS THERE’S NO TRACK.”**

says Hannah Joseph, Decibelle Management.

However this has had some push back from independent artists lawyers.

One of the challenges in sustaining writers, producers and their managers is the long tale of royalties. Whilst there is real opportunity in global releases, sub-licenses between labels and publishers, sometimes under the same parent company, further disrupt the accountability chain. Keeping on top of titles accountability chains is a challenge and processes in managing these systems are at best cumbersome through portals and platforms which are often lacking in intuition or ease of accessibility.

With the rise of “artist services companies”

a-la-carte options and disruptive models have proven increasingly attractive options to managers in shifting how they operate and increasing transparency and speed of payments.

To conclude, as with artist managers seeking out new business models and revenue streams for their clients, (documented in the 2019 publication of Managing Expectations), writer and producer managers similarly are looking at new ways of doing things to make their businesses sustainable. And as we’ll read in the next two chapters, the streaming era by lowering barriers to releasing music, has changed the nature of the deals that can be done for producers and writers both across recording and publishing rights.



# DEVELOPING SONGWRITER & PRODUCER TALENT

"RECORD COMPANIES SIGN ARTISTS MUCH LATER, OFFER NO DEMO BUDGETS TO DEVELOP AND SO MANY ARTISTS ARE CHOOSING TO WORK WITH DISTRIBUTORS WHICH ALL MEAN THAT WE PLAY A MORE VITAL ROLE IN ARTIST DEVELOPMENT THAN THE MAJORS. ALL THE 'FREE' SONGWRITING / DEMO PRODUCTION SESSIONS WE DO PLAY A VITAL ROLE IN SHAPING AN ARTIST'S IDENTITY. WE MOSTLY DO IT IN THE HOPE THAT WE WILL BE REWARDED SOMEWHERE DOWN THE LINE. IT'S AN INVESTMENT THAT IS NOT CURRENTLY APPRECIATED"

**JILL HOLLYWOOD, ECHO BEACH MANAGEMENT**

In context of the seismic shift the recorded music industry has experienced during the streaming era, our 2019 Managing Expectations report indicated that many artist managers are operating as micro-labels in their own right i.e. taking full responsibility for bringing their clients to market, before involvement from "traditional" investors such as record labels or music publishers. It therefore comes as no surprise that managers are playing a similar role in developing the careers of songwriters and producers.

This chapter highlights the challenges involved in developing the careers of songwriters and producers, including the time and resources invested by managers in order to nurture and establish their clients amongst an increasingly competitive landscape.

## RESULTS FROM 2021 MMF MEMBER SURVEY





### INVESTING IN EARLY DEVELOPMENT

Zita says that manager investment in early stage career development is becoming the norm rather than the exception. On the one hand, Zita laments the dramatic decrease in early stage support from major rights holders for demo budgets and artist development. However, she also sees many positives in how writers and producers have been emancipated from the traditional system, and how it has fuelled her current hands-on role in guiding decisions and opportunities for her clients. In Zita's own words: "taking risks in supporting early stage development is often a leap of faith driven by the manager's vision".

Established producer and mix engineer manager Hannah Joseph of Decibelle Management also highlights the additional workload on the shoulders of writer/producer managers.

"THERE'S ALWAYS WORK IN THE WRITER, PRODUCER, MIXER WORLD, BUT YOU'VE GOT TO BE EXCEPTIONAL AT WHAT YOU DO TO MAKE IT INTO YOUR FULL-TIME JOB. IT'S REALLY BLOODY TOUGH MANAGING A TOP-LINER IN THIS DAY AND AGE, AND IT'S AN INCREDIBLY RISKY BUSINESS TO GET INTO".

This all requires a unique attitude and characteristics, she adds.

"You've got to be tenacious. There's no use looking backwards and saying, 'Oh in the 90s I was earning this much.' You've got to be resourceful, you've got to be as open minded about things as possible, and in all probability you'll also have another job."

With regards to seeking opportunities for

producer and songwriter clients, Zita, feels that the success of writers and producers continues to rely heavily on commercially successful 'hits'.

"The industry has changed so much," she explains, "but it hasn't changed for writers and producers. Radio is still the main stable income". For Will Blake from artist, producer and songwriter management company Sound Collective, a key part of his role is talent development and relationship building. He explains further:

"WE LIKE GIVING PEOPLE OPPORTUNITIES AND AGREEING ON FRIENDLY DEALS TO MAKE RECORDS. WE'RE GOING FOR MORE RECORDS, RATHER THAN TRYING TO MAXIMISE THE REVENUE FROM ONE. BECAUSE OF THAT, WE GET OFFERED A LOT OF STUFF THAT'S UNMANAGED, AND FROM THERE WE BUILD THE TALENT, SO IT'S SELF-SUSTAINING."

With seven years experience of writer and producer management, Harry Knyt of Milk & Honey also highlights the importance of long-term investment and hard graft:

"SOME PRODUCERS ARE POP, SOME ARE R&B, SOME ARE HIP-HOP. YOU NEED TO INVEST TIME IN EACH LANE, BECAUSE IF I BRING TALENT ONBOARD, I NEED TO ADD THAT 20%. THE MAIN THING FOR ME IS TRYING TO PITCH RECORDS FROM BRAND NEW WRITERS AND PRODUCERS. GETTING PEOPLE TO BELIEVE IS TOUGH, BUT ALL OF MY CLIENTS WERE AT AN EARLY STAGE WHEN I BEGAN. IT TAKES 12-18 MONTHS TO DEVELOP A SONGWRITER, THERE IS A PLETHORA OF TALENT OUT THERE SO IT'S TOUGH TO KNOW WHAT TO BACK".

Harry goes on to describe why the role is so unique and what drives him:

"WITH AN ARTIST, YOU HAVE TO BE THE MOTHER AND THE FATHER, GOING TO GIGS, BEING AT SHOOT, DOING THE MAKE-UP. FOR ME YOU DON'T GET TO LISTEN TO THE MUSIC. BUT AS A WRITER/ PRODUCER MANAGER, MUSIC IS THE SOLE FOCUS. TO BE HONEST, I ONLY LISTEN TO MY ARTISTS' DEMOS AND FOCUS ON FINDING A HOME FOR THE SONG. IT'S ALWAYS BEEN ABOUT BEING FIRST - IDENTIFYING ARTISTS THAT ARE GONNA GO AND BE ON THE BIRTH OF SOMETHING GREAT."

The combination of who, how and importantly for managers, when the songwriter, producer, artist and performer interact has become exciting, and increasingly collaborative. This 'age of creative hyperdrive' has been aided and abetted in the past year with the destruction of geographical boundaries and better technology to write and record remotely. In addition the singles and DSP charts are led by the pop and rap genres which are high on collaborative relationships.



"ONE OF THE UPSHOTS OF THE PANDEMIC HAS BEEN THE ZOOM. IT'S SHRUNK THE WORLD. THE ZOOM SESSION IS A REAL THING AND IT'S DEFINITELY BROUGHT PEOPLE TOGETHER. I THINK THAT'S BEEN FANTASTIC AS SOME OF SOME OF OUR WRITERS HAVE MANAGED TO GET INTO ROOMS THAT THEY MIGHT NOT HAVE OTHERWISE GOT INTO."

WILL GREFFORD

### DEVELOPING TALENT TO COMPOSE AND PRODUCE MUSIC FOR FILM & TV/GAMING

Some composers who specialise in production for film and TV work with dedicated publishers and composer agencies, rather than music managers per se. However there are specialists who operate as managers in this field. Jay Mistry of JMC Music Services manages a roster of 7 media songwriter/producers who specialise in composing for film and TV. Some of his writers specialise in different areas of media composition (such as composing for production music libraries or gaming as well as film/TV scores). As with studio artist producers, the importance of obtaining writing credits, in this case on IMDB, is critical in order to build a profile and better negotiating power in the longer term. All his writers have non-exclusive publishing deals so they can work on a range of media productions dependent on the opportunities available.

The growth of the 'meta-verse' is expanding opportunities for producers as writers, composing directly for gaming. This specialist skill set requires strong production skills (for things like sfx and sound design) and professional studio equipment. Again there are specialist agencies operating in this space with dedicated writers and some writers are employed by the gaming companies in house, but it is also an area of growth for writer producers working across different media. The popularity of gaming music and the recognition of this talent has seen some of Jay's writers expanding into establishing recording artists identities, releasing music commercially as well as exploring sync opportunities. Conversely,

music managers across the board are looking to diversify their clients careers as music makers not just singular lane artists/producers/writers.

The MMF is increasingly aware of the need for the skills and knowledge required for these specialisms and who managers should develop partnerships with and sees an opportunity to explore further with the membership.

### INVESTING IN FUTURE TALENT

For many songwriters and producers, advances from music publishers are invested predominantly in development - for instance, on production rooms - and the hope of facilitating opportunities to create commercially successful music that provides a sustainable business. It goes without saying that this is a high-risk strategy, and ultimately requires writing a hit to generate payback.

Following campaigning to provide more recognition for writers and producers on streaming platforms, there has also been progress in making "backroom" teams more visible on DSPs. Spotify, for instance, now provides information on songwriter credits - although there is still a lot of work to be done in this area.

To help provide greater sustainability to the sector, a number of bespoke funding initiatives have been launched. One of these is PRSF's Hitmaker Fund, which, although currently small in budget, has addressed some of the difficulties for writers in developing not only their skills, but also the new works of artists. This fund has also strategically worked with partners such as GIRLSIRATE to address gaps, in particular the underrepresentation of female songwriters and

producers.

### PER-DIEMS FOR NEW TALENT DEVELOPMENT

The change in economics, from the sale of physical products to long-game streaming, has meant that the payback period is longer for songwriters and producers, often with lower earnings as an artist or song builds in momentum. While successful tracks will go on earning way beyond the release year, this situation makes it more difficult for investing new talent.

Newer songwriters increasingly put effort into endless sessions with the hope of getting a cut on a track which becomes successful. These kinds of early songwriting sessions are essential for new talent development, however, they are considered by many to be unsustainable for new writers given the length of time before streaming earnings flow back through the system. To address this, the Ivors Academy is calling for per diems for songwriters, putting forward new models and ideas that are essential for management companies to explore.

Writer manager Will Gresford joins Hannah and Zita calling for change but on a wider scale. He proposes radical shifts are needed such as

**"IF THERE WAS A WAY THAT THE PRS OR SPOTIFY HAD A DIRECT SYSTEM TO DIRECTLY PAY WRITERS. SOME KIND OF REALLY INNOVATIVE, DISRUPTIVE SOLUTION IS NEEDED WHICH COULD BE ACHIEVED WITH JUST A SMALL PERCENTAGE OF THE LOT OF MONEY FLOWING AROUND."**

Will suggests there's a focus currently on calling for per diem for a songwriting session, but we

also need serious structural change.

Our Song Royalties research revealed that song royalties per stream flow down 3 different royalty chains via the publisher and via PRS (split pub & writer) and if streams are outside the UK they also go via other countries performing rights societies taking up to 2 years to get back to the writer after a series of deductions and delays. All this means it takes a long time and upfront investment to build a writer's career so it becomes sustainable.

To conclude, the reshaping of music economics in the past decade has shifted initial artists talent development, A&R and audience building to managers from labels which has had a knock on impact on writer/producer talent development. In our previous 2019 report, we concluded that, in the overwhelming majority of cases, the responsibility for early stage development and investment now sits with management companies and this year's research backs this up. We recognise our role at the MMF is to help develop broader skills and give a better understanding of all aspects of the role of managers working with all forms of music-makers, not purely artist management.

# RELATIONS WITH LABELS - DEALS AND BUDGETS

WITH THE ADVENT OF THE STREAMING ERA, WHAT WERE ONCE CLEAR CUT ROLES BETWEEN SONGWRITER, PRODUCER AND ARTIST, BEGAN TO MERGE AND BLUR, AS RECORDING ADVANCES, BUDGETS AND THE ACTUAL CREATIVE PROCESSES CHANGED. INCREASINGLY, WE NOW SEE PRODUCERS TAKING ON PROGRAMMING ROLES, OR BECOMING CREDITED SONGWRITERS AND RECEIVING PUBLISHING INCOME.

This is not only reflective of their contributions to recordings, but also their need to be compensated for their investment of time, money and expertise. In some cases, artists and their management have conceded recorded points and publishing shares to producers, recognising their contribution to the recording, and in some cases, necessity to get finished tracks to market.

This chapter explores the relationship that producer managers have with labels and the issues and opportunities that this presents.

Legally-speaking, whoever pays for the studio owns the masters. Consequently, record labels have historically acted as guardians of the recording budget. The details and conditions of these budgets are typically specified in the recording contracts issued by labels to the artist, along with their advance. In the streaming era, however, where the single track has prevalence and physical albums have been downscaled, producer and songwriter business models have blurred. This has resulted in a definite shift, whereby management companies are addressing fees, points, publishing shares and other financial structures far earlier in a relationship. Producer managers are also tasked with finding cuts; making and delivering deals at a rapid pace for in-demand clients. The MMF frequently receives incoming requests on these issues from managers searching for advice to ensure projects are delivered on time, within budget and agreeable to their artist and label partners.



“BUDGETS AT THE MAJOR LABELS HAVE FALLEN SO MUCH IN THE LAST 20 YEARS. NOW THE INCOME IS BACK AT PRE-STREAMING LEVELS, WE AS MANAGERS MUST WORK HARD TO DRIVE THOSE FEES BACK UP.”

**PAUL KENNEDY, 1 2 ONE ENTERTAINMENT**



Hannah Joseph identifies this sea change in investment as fundamental to the new industry we operate in. She recalls the days of writing rooms attracting “crazy amounts of money” from record labels “and it was quite normal to have two studios running”. Harry Kynt expands on this theme, and the frequent disparity of approach between managers and labels when it comes to talent development. “There is a disconnect between label execs and people at the forefront of music, because they have to look primarily at the bottom line. We’re in the position where we have to accommodate artists, writers, producers and the investors’ budgets, we all have to band together and uplift each other to be the change and make the music.”

Will Gresford sums up the situation as follows:

**“THERE’S A WHOLE ECOSYSTEM OF INVESTMENT THAT GOES INTO DEVELOPING A NEW ARTIST. IT’S NOT JUST MY OWN TIME AND INVESTMENT ... IT’S AN OPPORTUNITY COST. YOU’RE PUTTING TIME INTO THIS PERSON THAT YOU COULD BE PUTTING ELSEWHERE”.**

A&R has evolved significantly in recent years with so much development work being undertaken by artists, producers and their representatives outside of the label system, and with the industry making better use of data to spot trends. Hannah points out however, that label A&R can still play a hugely important creative role: “Labels are still really important from a mixer’s perspective,” she explains. “Records that are self-contained, and delivered to a label, without an A&R putting their hand in are often in need of a really good mix. Without the

experience of labels, many things would just go out without being mixed properly. It might not affect your initial streaming, but a good mix will make the difference. When the people are out on Saturday night and it’s got bang, that’s where great A&R comes in”. From our conversations, it appears a majority of songwriter and producer managers still believe in the power of good solid A&R to deliver hits; and that hits are very much required to provide a sustained income across multiple revenue channels.

#### **STANDARDS FOR PRODUCER DEALS?**

With such intense and long term investment decisions required before going to market, it’s perhaps unsurprising that some managers are experimenting with new commercial models. What is clear is that managers play a pivotal role in establishing any new boundaries, blueprints and advocating that the creative voice is clearly central in future agreements and any potential future “industry standards”. Across our interviews it was apparent that established music industry agreements were increasingly distant from actual practices, as budgets are tightened and arrangements are made swiftly in response to trending viral tracks. With new social platforms such as TikTok, Triller and Twitch redefining how music is distributed and consumed, the manner in which deals are structured is as varied as it is continuously evolving in this rapidly paced sector.

While the industry may agree on a general set of ‘standard rules’ relating to artist and producer agreements, in practice, there is no fixed approach to business arrangements. These are generally more fluid and adaptable than meets the eye. That said, however, our interviewees

felt there was a general lack of flexibility within the industry to new approaches when it comes to producer deals. With standard terms offered by established labels rapidly becoming obsolete, managers report that the majors are offering more of an a-la-carte option when it comes to talent partnerships, ranging from short single track deals to global partnership opportunities.

In light of this quickly evolving landscape, managers argue that the producer advance and back-end points system is in desperate need of review. Mostly because it has resulted in an exhausting set of conditions for producer managers. The strain of negotiation and subsequent costs associated with paperwork increasingly falls on the manager’s shoulders. In our survey, 27% of respondents stated that they provided “legal services” to their clients.

One interviewee explained how they rely on a “paper-trail” when it comes to agreements, while others work to their own established templates. Jill Hollywood of Echo Beach Talent works consistently with one lawyer on a retainer basis, ensuring that her producer agreements are processed as swiftly as possible. Otherwise, she says, producer agreements can often sit at the bottom of the pile and take months to get finished, as these are not considered to be as lucrative as artist recording deals. Jill tackles this challenge by having a lawyer who works directly with her, processing these agreements and contracts quickly and allowing work to progress. Furthermore, Jill expresses a sentiment shared by many others, that producer managers are frequently working against the legal community, and that music lawyers are often unwilling to

budge from traditional structures of how deals are made. This rigidity has massive implications for what a producer can earn.

Currently a significant volume of micro-deals are made amongst music creators, often informally, and typically on a track by track basis - all feeding into the ever-evolving morass of new music playlists. This result, says Chris Grey from Problem Child, is that deal terms are tending to fluctuate and evolve in real time.

Operating in a global streaming market further adds to the complexity notes Grey, who urges industry bodies and investors to support managers and help empower them to navigate the system for the benefit of their clients. As things stand, managers are being left with no option but to “hustle through” and do the best they can - often agreeing updated and improved terms if and when a track gains traction. Another manager reports how difficult it can be to track when releases are scheduled; reporting that a number of times major label tracks had gone to market without paperwork being agreed, impacting the ability to invoice. Others reported the difficulties for managers in tracking catalogue when paperwork and payments were so slow at backend but so quick to happen in the moment of music making.

#### **BUILDING A BRAND FOR YOUR PRODUCER**

Building a sustainable business within such an unpredictable system is clearly challenging. As a consequence, Chris Grey has focused on building an artistic brand for his producer Nyge in order to expand his business activities.

Such strategies are becoming increasingly

commonplace, says Hannah Joseph.

**“THESE DAYS, I THINK IT’S ABOUT YOUR BRAND,” SHE EXPLAINS. “YOU’VE GOT TO HAVE ENDORSEMENTS TO BUILD YOUR PROFILE. ALTHOUGH IT DOES HAVE TO BE BALANCED. ENDORSEMENT DEALS ARE GOOD, BUT YOU DO HAVE TO BE CAREFUL ABOUT NOT MILKING IT TOO MUCH, OR LOOKING TOO DESPERATE”.**

Another of Chris Grey’s clients, Gibbo, has developed a lucrative side business in selling loops and samples - using YouTube as a marketing platform. “[Gibbo] has over 100K subscribers,” says Chris, “and we’ve also secured cuts through that side of the business. Last year he sold 7,000 beats, and he currently makes more money from YouTube than he does from production work.”

The importance of building a “producer brand” and having “name recognition” is echoed by Will Blake at Sound Collective, especially if record labels are risk averse in their approach to hit making. “Quite naturally, people look at a list of producers and instantly want to work with someone who’s worked with someone they know. Building your brand as a producer is very very useful. We spend a lot of time trying to place clients where it will get them rolling. People will then come to you and you can start making decent money”.

#### **PRODUCER CREDITS AND POINTS**

In recognition of the contribution made by producers to the recording process, PPL introduced “Eligible Studio Producer” credits in 2012. This change helped mark a definite shift in a wider understanding of what producers and mixers do, although many still feel that the role remains widely undervalued.

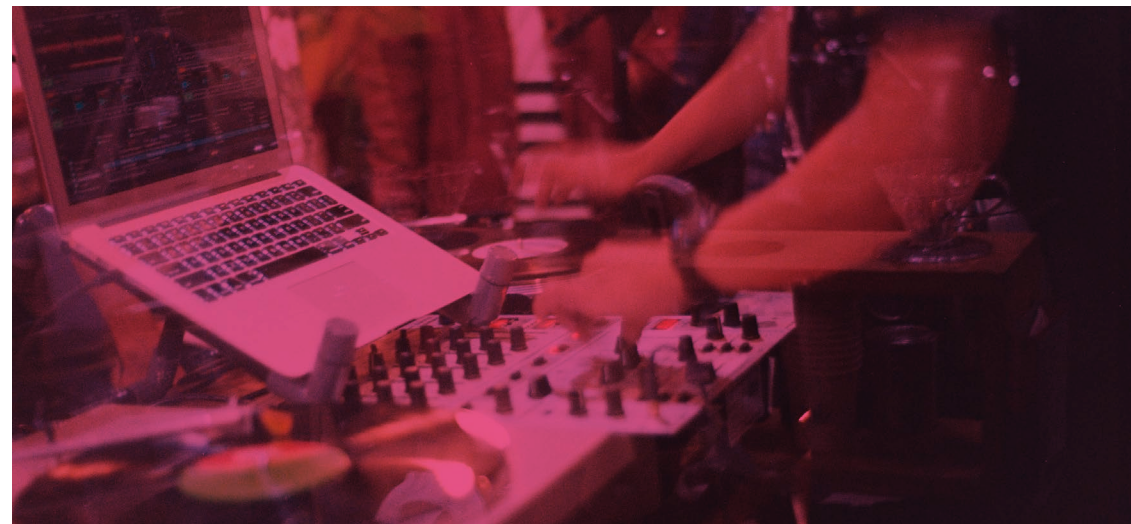
Jill Hollywood expands upon this fact, pointing to the experiences of her client Lorna Blackwood, a vocal producer who has worked with artists including Dua Lipa. On the day Dua’s Grammy nomination announcement was made public, says Jill, everyone involved in the record was named and credited...except Lorna.

There’s no question Lorna is a valued member of Dua’s team, adds Jill - “in a recent episode of Song Exploder, Dua said something along the lines of ‘all I need is a microphone and Lorna...’” - however, a lack of proper accreditation for producers, engineers and mixers remains

a perennial bugbear, and something that can hamper their long-term professional opportunities as well as their earnings.

Appropriate crediting also has a significant impact on producers’ ability to be recognised through awards such as Grammys. Better awareness of proper songwriter, producer, engineer and mixer credits could be seen as an important step towards much wider recognition for their contribution made to an artist’s body of work.

Efficient accreditation is the bedrock to efficient payment and long term sustainability for producer managers in building a catalogue for their talent. In terms of how producers are actually paid, when it comes to contracts, ‘net receipts’ deals are still the most common method of calculating royalties on self releasing artists (artists signed to majors and most big indies are still ppp!). In practice producer managers tend to favour focusing on



establishing deals with upfront advances, seeing points as speculative but deserved rewards for successful projects. In reality this can be understandably hard to obtain. Jill expands on the example of TV advertising spend, where a producer as per their deal, has to stand behind artists costs before they can start earning. Such high level exposure may be the breakthrough moment for an artist and songs longevity but it can also feel a high cost that is difficult to swallow if the advance was low and expectation of royalties optimistic.

Likewise, a long time call from producer managers for the industry to remunerate the contribution the producers stems make to live shows was raised in our interviews. The introduction of Music Recognition Technology tracking recorded music usage in DJ sets by PROs across the globe, opens up the possibilities to more accurately attribute producer contributions to live music stems and could see growth in public performance on the master side.

*In the music industry, the Published Price to Dealer (PPD) is the wholesale unit price of a recorded work. It is often used in recording industry contracts as a basic figure for defining royalty shares. It is usually calculated at the retail price minus any deductions such as the retailer's fee, VAT and other taxes and potentially other costs such as packaging on physical formats, which sometimes even remain on downloads and stream income. It differs from a profit share model which would be a percentage based on what the label or artist receives directly from a distributor.*

### **ENSURING PRODUCERS & WRITERS ARE PAID**

The introduction of platforms and services such as Amuse, Shout4 and DistroKid who offer royalty split services (directly accounting to all rights holders involved) has been welcomed by management teams of artists and producer/songwriters alike. The transparency and access to data made available by these distributors however, raises the question of why these systems are not yet common practice and more widely used across all areas of music business. Time and time again, managers report difficulties in accessing royalties through "portals" and invoicing systems which deter quick payment and transparency.

A significant majority of managers report having to request and chase companies of all levels for contracted royalty statements each year, and that once sent reports demonstrated unrecouped balances with significant errors such as unknown items such as "excess costs" or omissions. The internal communications at global companies do not communicate with managers regarding reporting and new licensing deals. All of these inaccuracies delay correct accounting to the next accounting period, to be chased for again.

During 2021 the MMF began to roll out training sessions with more of our Associates to upskill managers in confidence to understand statements better and increase confidence in challenging royalty reporting. In January 2021 the UK Government began to tackle late payment by reviewing the Prompt Payment Code (PPC) to crack down on delayed invoices owed to small businesses.

Music companies signing up to this charter would be a powerful statement that they are serious about investing in new talent.

To conclude, overall managers believe the value of A&R persists and relationships with labels are critical both to artists but also writers and producers career success. However as barriers to entry fall, label and producer deals are becoming more innovative to account for the early-stage investment in independent talent. Despite or because of these more innovative deals, those interviewed highlighted the need for better direct accounting tools and prompt payment which is critical in sustaining producers (and their managers) careers.

# RELATIONS WITH PUBLISHING

BUOYED BY THE INFLUENCE OF COMPANIES SUCH AS HIPGNOSIS SONG FUND, THE CONCEPT OF “SONG MANAGEMENT” IS NOW BECOMING AN IDENTIFIABLE SKILLSET, WITH THE RESPONSIBILITY OF MAINTAINING ADMINISTRATION AND EXPLOITATION FREQUENTLY FALLING TO MANAGERS AND ARTISTS. WITH MANY WRITERS AND PRODUCERS CAPABLE OF BUILDING SIGNIFICANT CATALOGUES OF SONGS AND COLLABORATIONS, MANAGERS HAVE HAD TO ADAPT ACCORDINGLY, ENSURING THEY ARE ON TOP OF ADMINISTRATION, USAGE, ROYALTY TRACKING AND METADATA UPKEEP. IN MANY WAYS, THESE SKILLS ARE AS IMPORTANT AS AN ABILITY TO CUT NEW DEALS, INVEST IN TALENT OR DEVELOP NEW CREATORS.

Traditionally, music publishers would have undertaken much of this heavy lifting. Similar to wider upheavals seen in recorded distribution, however, a sea change is taking place in this part of the business. The rise of publishing services with short or rolling contract options such as Songtrust and Sentric are becoming increasingly normalised. This newfound accessibility to publishing data opens up the scope for hands-on managers to exert greater insight and control over this hugely important part of their client's overall business. With these newer market-entrants, there has been significant progress in areas such as transparency and royalty reporting with one manager emphasising “If technology gives us the opportunity to do things better, then all of the major publishers should be investing in that.”

Of course, as with record labels, traditional publishers still play a vital role in the music ecosystem, whether that's for investment, A&R, administration or talent development. Established publishers can still be integral in the journey of establishing a songwriter or producer. As Hannah Joseph notes: “The way I see it, most writing sessions come through publishers and managers, they don't tend to come through labels.”

On the other hand, fighting for attention within a music publisher can be hard at the talent development stage. For this reason, one interviewee noted a preference for working with small publishers.



“YOU KNOW THEY ARE PITCHING STUFF HARD,” THEY EXPLAINED. “ALL OF THE THINGS THAT YOU DO AS A MANAGER, YOU DON'T NECESSARILY GET FROM A BIG PUBLISHER, BECAUSE OF THE SIZE OF THEIR CATALOGUE. THERE'S A HUGE AMOUNT TO BE SAID FOR A WRITER TO SIGN TO A SMALLER PUBLISHER IN THE EARLY DAYS, UNLESS YOU'RE GOING AFTER A REALLY BIG CHEQUE. SIGN WITH SOME OF THESE SMALL PUBLISHERS WHO'VE GOT ALL THE PASSION AND ENTHUSIASM, AND IT CAN REALLY PAY OFF”.

**MANAGERS AS PUBLISHERS**

Increasingly, management companies are in prime position to offer publishing to the range of services they offer clients - typically by working in partnership with the new generation of songwriter-focused companies such as Songtrust, Sentic, Kobalt or Downtown. Within our 2021 survey, 40% of respondents indicated they are directly offering at least some form of publishing services - a small but significant increase from our 2019 findings.

There certainly appears to be a trend for management businesses to offer publishing administration services to their clients, as evidenced by companies such as TRIBE Management, Fast Friends, Sync Music Ltd, and East City Management. By offering bespoke, flexible and shorter term services, songwriters and managers can derive greater accountability and transparency in regards to streaming revenues and help overcome the myriad of complications identified by the MMF's Song Royalties Guide.

In line with the MMF Code of Practice, any manager pursuing this strategy must make clear to their client any potential conflict of interests, and should not charge the client multiple fees or commissions on the same revenue stream known as 'double dipping', even when acting in multiple capacities.

**THE ROLE OF THE PUBLISHER IN TACKLING TELEVISION BUY-OUTS**

Television has also seen massive media growth in the streaming revolution; with multiple specialist and international channels and outlets. These present real commercial and artistic opportunities for writer producers with the right skills, especially with the growing popularity of contemporary classical and deep listening.

However this system is increasingly reliant on buyouts and blanket licenses. According to the MU "a buyout is a type of agreement or contract where the party commissioning the work - the commissioner - pays a single fee for the composition. This is then used to acquire -

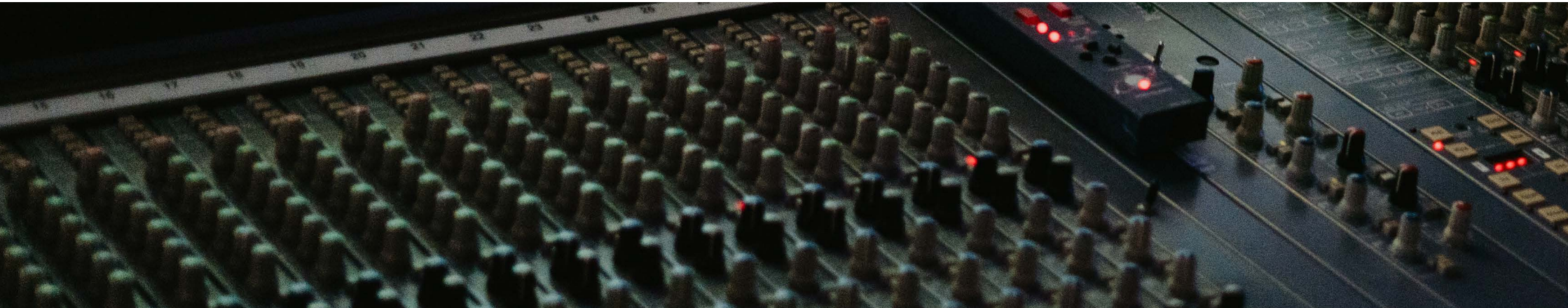
or 'buy out' - the creator's rights and potential royalty income in respect of their work. In the context of media composing, a buyout involves a commissioner paying you an upfront fee which prevents you from retaining some or all of your intellectual property rights in the work."

Whilst this is common practice in standard commissions, it is considered dangerous by some managers, given the integral role a strong musical contribution can make to the success of a show. A total buy-out also means that the composer does not earn from the long-tail residuals from each showing on television which in the longer-term could equate to more than the upfront fee.

One manager identifies the critical negotiation power of established publishers; as their sync departments hold regular relationships with the production companies and carry more clout to push back on buyouts than individual managers do. However as we saw in Chapter 2, in some cases the opportunity for more flexible deals can help newer writers build their own

careers (if credited).

In negotiating deeper relationships with production companies either via publishers or their own connections; managers wish to open and maximise new income revenues in this area. For example the composition work can help augment the strategy of exploitation of the master rights. Having the right artist soundtrack on a production has seen a growth of the soundtrack market; extending the reach of both television and cinema. By placing the composer as a central artist affiliated with a successful show; managers are able to build not only traditional composer incomes, but further merchandise, live or in some cases fully established new artistic entities such as Unloved, an outfit engrained with the identity of TV smash Killing Eve.





## SONGS AS ASSETS AND VENTURE CAPITAL INVESTMENT OPTIONS

Given the long-tail business model of streaming, many songwriters and managers building catalogues are looking for new ways to manage their rights. New song management approaches are being led by some managers such as Merck Mercuriadis of Hipgnosis Songs Fund. These businesses which require songwriters to hand over rights for either perpetuity or in shorter arrangements can be attractive for a number of reasons. A lump sum buy-out of rights allows clean delegation of stock responsibility - often an unwieldy track record of rights across different deals and agreements.

There is huge money in song royalties as the enormous sums of money being spent on buying song catalogue evidence. Songwriter catalogue investors effectively bet on evergreen songs continuing to be played and companies pitch is that active song management can help grow these opportunities from deals ranging from sync and brand to new artistic covers.

However even without growing the reach of the individual songs, there is potential to extract value from correctly clearing up data and repatriating the half a million dollar black box.<sup>2</sup>

This is proving to be lucrative as new technology companies offer automated help catalogue managers who clear up the data and identify missing song royalties. These companies search multiple data sources, and deliver detailed analysis determining the status of copyright assets in the system where there is a royalties dispute or claim, real-time analysis

which enables clients to get the correct settlement.

## SONGWRITER REMUNERATION MASTER VS. PUBLISHING

This situation is complicated further with increasing variance in artist royalties set by artists contracts between companies, genres and artists reported. Allocations can vary between 18-35% or even up to 50% in certain cases with being offered for short term licenses for tracks which have already found viral success on streaming or social media platforms. In the past, songwriters were rewarded by contributing to an album track or B-side as part of the bigger picture offer of the artist, though Will Gresford explains how this is no longer the case;

**“THE WAY THE DSPS HAVE INTERRUPTED THINGS, IT’S ABOUT HITS, YOU’VE GOT TO BE ON THOSE HITS. THERE ARE PROBABLY FEWER OPPORTUNITIES FOR SONGWRITERS TO MAKE MONEY AND FEWER SONGS MAKING MONEY”.**

It’s understandable that managers exploring new formulas for songwriters from the master side are being seriously explored.

But this shift further distorts the clarity of roles and the once rigid remuneration structure creating further complexities and demands on skills and administration. The artist deal still dictates the framework and the concept of an ‘industry standard’ seems far removed. With the enormous difference between artists and their representatives building records outside of traditional royalty chains, flexibility and negotiation are critical to success.

## ECONOMICS OF DIGITAL PUBLISHING

The economics and equitability of how streaming revenues are divided between artists, writers, producers and performers is currently a huge issue of contention across the industry, and has recently been a focus for politicians on the DCMS Select Committee.

Due to disparities in the revenues allocated to songwriter and master royalties, many songwriters and composers continue to feel shortchanged by the music streaming economy. In truth, the 15% of revenues currently allocated to song royalties by streaming platforms is more than double the 6% historically received on the sale of physical products such as CD or vinyl. However, as evidenced in the MMF’s Dissecting The Digital Dollar report, more alarming are the deductions and delays (what we call “royalty chains”) that continue to beset songwriter payments. These are compounded by the so-called “Black Box” system, whereby unallocated or disputed revenues are held back by collection societies and then, if they remain unclaimed, redistributed by market share.

The MMF has been calling for essential changes to the mechanics of streaming for some time, with our Dissecting The Digital Dollar project, and specifically our Song Royalties Guide, highlighting the need for greater transparency and accountancy from rights holders. Recently, some welcome moves have been made by Sony and BMG in addressing outdated aspects of recorded pre-digital contracts, however industry-wide solutions across all rights are still slow in coming to fruition.

We are enthused to support the launch of the Credit’s Due campaign by the Ivors Academy and ABBA’s Björn Ulvaeus, whose mission is

to fix music’s royalty problem, by ensuring that “complete and accurate song metadata is attached to all recordings at the point of creation”. This will play an important role in helping resolve the data disputes at source for new recordings, however more serious structural changes are needed to streaming (both audio and visual) licencing at a global level to reduce the deductions and delays that writers (and their managers) experience in getting paid.

To conclude, whilst management companies are offering publishing services such as song A&R, sync pitching and in some cases setting up as publishers, many managers still see the value in working with specialist publishing companies. These companies can offer wider access to opportunities and also greater negotiating and bargaining power with third parties. In turn, just as the proliferation of “label services” businesses has forced traditional record labels to diversify their commercial practices, the expansion of management-owned publishing services is having a similar impact on music publishers and collecting societies - effectively forcing them to “up their game”.

However, given the increasing value of the song in the digital world and importance of ensuring that writers are paid properly, it’s hugely important that the global administration and licencing structures of song data is reformed. The power to do this lies in the hands of the larger publishers and collecting societies. If they fail to tackle this then it’s likely that new innovative solutions will end up circumventing the existing players and managers need to be aware of these.

<sup>2</sup>The Mechanical Licensing Company in 2020 declared there was \$423 million dollars in unclaimed digital mechanical royalties for songwriters and “Black Box” estimates of unallocated and incorrectly attributed monies. The same issue was highlighted by The Ivors Academy who declared a Black Box of £500million in 2021.

# CONCLUSION

“MANAGING EXPECTATIONS” PART TWO INTENDS TO DOVETAIL WITH OUR PREVIOUS IN-DEPTH REPORT ON THE CHANGING ROLE AND VALUE OF MANAGERS WITHIN THE MUSIC INDUSTRY. OUR SURVEY INDICATES THE SHEER GROWTH AND DIVERSITY OF MUSIC MANAGERS BUSINESS IN THE UK. THE TWO REPORTS HAVE DRAWN PARALLELS AND DIFFERENCES WITHIN THE COLLABORATIVE NATURE OF MUSIC MAKERS AND HOW THEY ARE ADAPTING TO A FAST-CHANGING COMMERCIAL ENVIRONMENT THAT HAS CLEARLY ELEVATED THEIR ROLE. IT IS A HUGE EXCITING TIME IN OUR PROFESSION.



Due to a multitude of factors, the role and skills of the specialist producer/writer manager has never been so prominent or so important:

- + In the streaming era, the process of composing and recording music has become increasingly collaborative - with a definable trend of ever more writers, producers and guest performers contributing to the most successful tracks, and with more recording work taking place outside of traditional studios. According to Music Week research, it took an average of 4.77 credited songwriters to write the 100 biggest UK hits in 2019.
- + As a consequence, there is greater competition for the services of hit songwriters and producers, and also greater focus on where they sit in the value chain, how they are paid, and the revenue split between recorded and publishing rights.
- + Additionally, new disruptive businesses are changing the “traditional” music publishing business, enabling music managers to exert greater oversight of publishing rights and offer new services to clients.
- + Wider market developments (eg multi-billion-dollar investments by Netflix, Apple and Amazon in audio-visual content, the recognition of songs as an “asset class”, the evolution of streaming and social platforms including Twitch and TikTok, demand for music in computer gaming, the greater affordability of music-making software) are also opening significant new opportunities for songwriters and producers.

- + More generally, due to fundamental changes in the business of recorded music, the roles of early stage investment and talent development are increasingly being assumed by music managers.

In short, the industry remains in a state of flux. Business practices are fluid and constantly evolving; varying between genres. And there are greater demands for the expertise of writer / producer managers across all career stages.

These demands have only been accentuated by the pandemic, as artists and music makers looked to diversify their revenue streams and compensate for the shortfall in live performance income.

The purpose of this report has been to outline these changes, to highlight the key skills and shifting business models, and present some of the challenges and opportunities pertinent to writer / producer managers.

# 1

## DIVERSIFICATION OF SKILLS AND EDUCATION

This research has informed our thoughts on further work and education in areas including:

- + Understanding royalty statements
- + Audits & accounting
- + Technology and new tools for payment
- + Composing for film/TV/gaming
- + Splits and negotiations
- + Credits Due - ensuring accurate registration of song data
- + Legacy and catalogue management

Going forward, all these will be essential skill sets for a growing proportion of the music management community.



## Prompt Payment Code

# 2

## TRANSPARENCY ON INCOME STREAMS AND PAYMENTS

We also hear a clear call from managers across all specialisms for prompt payment from their business partners, both labels and publishers, as the current absence of this damages theirs and their clients' businesses. As a result the MMF calls upon all these companies to sign up to the government's prompt payment code.

It will also help inform the MMF's ongoing advocacy work, and help build on existing initiatives such as our Dissecting The Digital Dollar project and \$ong Royalties Guide calling for:

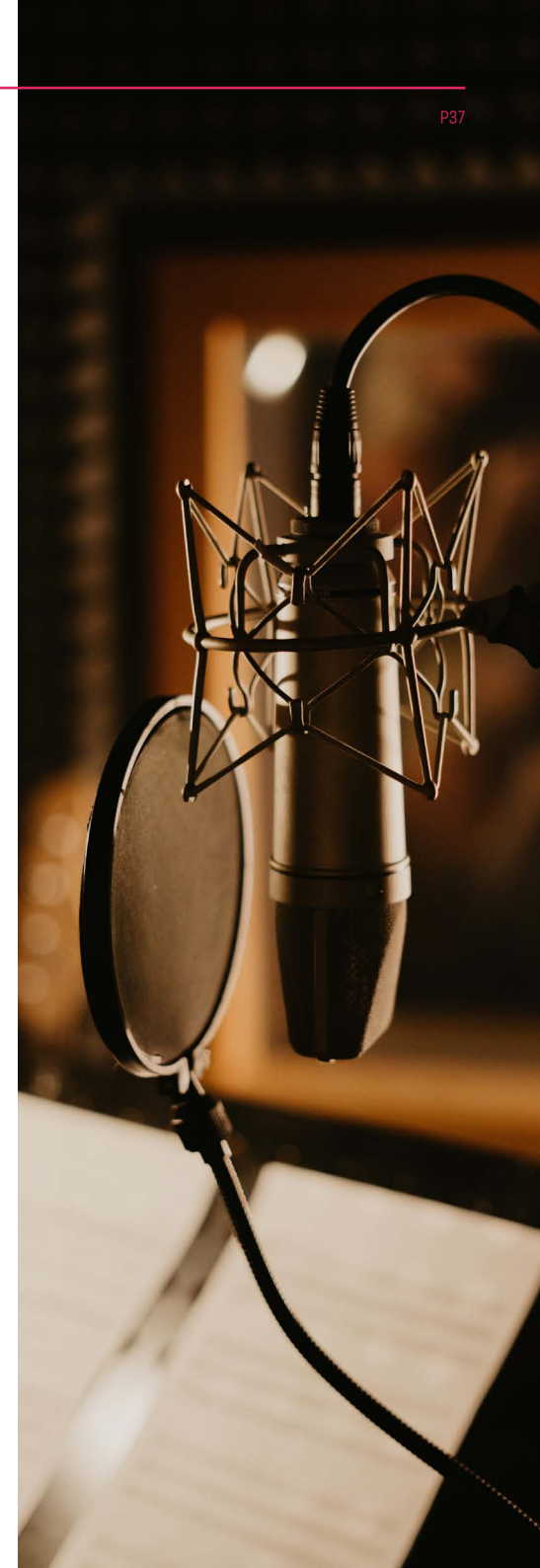
- + The agreement of a music industry 'contract transparency code of practice' in 2022 through the IPO working group.
- + Reforms of archaic and inefficient industry infrastructures, such as the unfair system of "black box" distribution for "unattributed" songwriter revenues
- + The dismantling of the overly complex territorial "royalty chains" that unnecessarily reduce streaming payments for songwriters and producers and negotiation of global licensing leading to more accurate and faster payments.

# 3

## NEW COMMERCIAL MODELS AND SUSTAINABILITY

Once again our interviews and surveys have indicated the need for strengthening sustainability for music managers. In 2019 we made a commitment to explore commercial models and the structure of the relationships they have with their business partners and clients. Discussions within our membership have already begun to explore the experiences of managers regarding new models and efficiency of so called sunset clauses. These will be further explored with sister organisations within the Council of Music Makers (the Featured Artists Coalition, Music Producers Guild, Ivors Academy and The Musicians' Union).

For the first time in our annual survey we asked respondents to identify if they had a private pension. Only 6% of respondents indicated they had made pension provisions in this way. With by far the majority of managers either self employed as freelancers or running their own businesses it appears managers are somewhat limited in preparing for their long term futures. The MMF has begun working closer with its Associates in wealth management through the ReBuild project and will continue to advocate for strong financial planning and security for its membership.





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