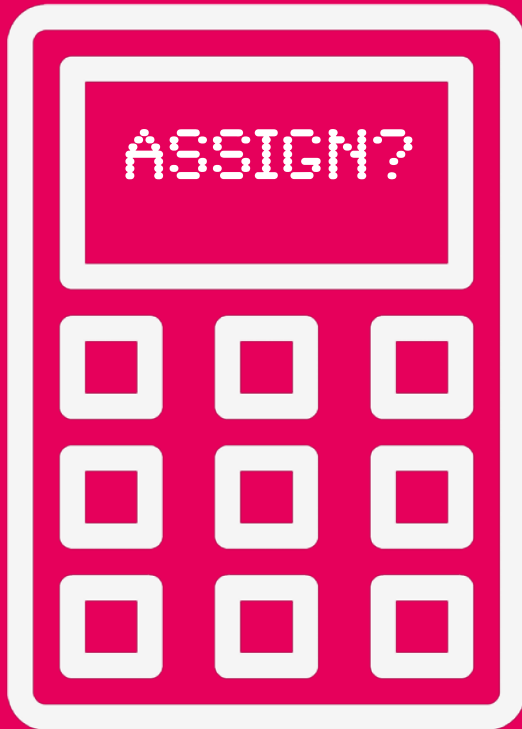


THE DEALS GUIDE



**DISSECTING THE
DIGITAL DOLLAR**

themmf.net/digitaldollar



WELCOME TO THE DEALS GUIDE

For the last two years the Music Managers Forum has been educating the artist and management community about the inner workings of the streaming business through the 'Dissecting The Digital Dollar' project.

This included the series of 'Digital Dollar' roundtables involving artists, songwriters, labels, publishers, lawyers, accountants and lots of artist managers.

One of the outcomes of those discussions was the consensus that artists and managers needed to be better informed about the various different kinds of label and distribution deals that are now available in the streaming age, and to have a fuller understanding of the pros and cons of each different approach.

That way managers will be better able to advise their artists on what deals best suit their objectives. And, by having more options on the table, managers should be able to achieve better terms with key partners.

This Deals Guide seeks to do just that by identifying, assessing and explaining ten key deal types.

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Introduction

The music business is made up of companies and individuals who work with artists to help them unlock revenue around their music, their performance and their fanbase. Most music companies specialise in a specific revenue stream, meaning an artist will have multiple business partners at any one time.

A key job of the artist manager – as the one business partner involved in all aspects of an artist’s career – is to help their clients identify and select the other business partners and to then negotiate specific deals with each of them. And to then manage the relationship between the artist and each business partner on a day-to-day basis.

The record company – or record label – is the business partner that works with the artist on creating and exploiting their recorded music. The label has always been seen as a key business partner for the artist – especially with new talent – because

as well as helping artists create and distribute recordings, they also provide investment and marketing which can help the artist build their fanbase and therefore their wider business.

Over the last ten years the artist/label relationship has started to evolve, partly as a result of changes in the economics of recorded music, partly as a result of the emergence of digital distribution and marketing channels, and partly as a result of the expanded role of the artist manager.

Record labels – or companies that provide the services of a record label (which may call themselves labels, distributors or label services companies) – remain key business partners, especially for new talent, but the nature of the partnership has changed. This guide looks at the different ways artists and labels work together, the kinds of deals available to artists today, and the pros and cons of different artist/label models.

Section One: The Services A Label Partner Might Provide

Although primarily focused on the artist’s recorded music, and the revenues associated with those recordings, labels may provide a wide range of services to the artists they work with. These might include all or any of the following:

ADVANCE

Upfront cash provided to the artist. For new talent, this cash injection may allow an artist to focus on their music full time for the first time. The hope is that, by going full time, an artist can focus on growing their

INTRODUCING THE MMF DIGITAL DEALS COMPARISON CALCULATOR



To accompany this guide, the MMF has created a **Digital Deals Comparison Calculator** to help managers more easily compare the pros and cons of different deal types, in terms of the services a business partner provides and how future streaming income will be approximately shared. You can access the **Digital Deals Comparison Calculator** at themmf.net/digitaldollar

The Deals Guide identifies, assesses and explains ten key label and distribution deal types available to recording artists in the streaming age. It has been produced by music consultancy CMU Insights for the Music Managers Forum.



ABOUT THE MUSIC MANAGERS FORUM | themmf.net

MMF is the world's largest professional community of music managers in the world. Since our inception in 1992 we have worked hard to educate, inform and represent our managers as well as offering a network through which managers can share experiences, opportunities and information.

We are a community of 500 managers based in the UK with global businesses and a wider network of over 2000 managers globally. We engage, advise and lobby industry associates and provide a professional voice for wider industry issues relevant to managers.

The MMF runs training programmes, courses and events designed to educate and inform artist managers as well as regular seminars, open meetings, roundtables, discounts, workshops and the Artist & Manager Awards.



ABOUT CMU INSIGHTS | cmuinsights.com

CMU is a service provider to the music industry best known for its various media: free daily news bulletin the CMU Daily, weekly podcast Setlist, and premium services CMU Digest and CMU Trends.

CMU Insights provides training and consultancy to music companies and companies working with music. We offer training and research services; seminars and masterclasses; and insight sessions at music conferences around the world.

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