

# MANAGING



# EXPECTATIONS

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



# INTRODUCTION

'THE PAST,' GOES THE FAMOUS QUOTE, 'IS A FOREIGN COUNTRY: THEY DO THINGS DIFFERENTLY THERE.' CERTAINLY, WHEN I FIRST STARTED IN MUSIC MANAGEMENT, THE DAY-TO-DAY REMIT WOULD BE UNRECOGNISABLE TO THE ROLE I PERFORM NOW.

Back then, the initial focus was on making deals and building a portfolio of businesses around an artist. The industry revolved around physical distribution, and rights were mostly signed away in return for upfront advances. Believe it or not, it was a more adversarial era.

**BUT AT THE TURN OF THIS CENTURY, THINGS STARTED TO CHANGE. THE SAME DIGITAL FORCES DISRUPTING THE RECORDED AND LIVE MUSIC SECTORS, WERE PUSHING ARTISTS AND SONGWRITERS TO THE FOREFRONT OF OUR BUSINESS.**

These changes have been in the main positive. The manager is in an utterly unique position in that they oversee their client's business and wellbeing, and must comprehend all facets of their creative and commercial life: from touring and ticketing, to music publishing, recording contracts and streaming, brand deals, A&R and marketing.

As this report "Managing Expectations" so brilliantly highlights, we are taking up an ever-increasing portfolio of work as the industry becomes more open and also more complex. In reaction to that, management businesses are evolving and taking alternate paths as well as demanding more equitable treatment for those they represent. We're increasingly investors too. And as we're putting more in, it's no surprise that management deals are changing to reflect this.



**PAUL CRAIG**  
CHAIR, MMF

It's an incredibly exciting time, there is always more to learn, and it feels at times like an entirely new industry is being forged.

For that reason, I am hugely passionate about my role as Chair of the MMF, and how our organisation is driving so much positive change and helping network and educate - whether that's encouraging knowledge sharing through our Dissecting The Digital Dollar publications and training courses, building new partnerships through our Associate Programme, or adopting a leadership role through our policy work in the UK and Europe.

Fundamentally, rather than operating in isolation, the MMF provides managers with a living, breathing community. We are part of something bigger. And only by working together will we address the challenges presented in this report.

*Paul Craig is Chair of the MMF and manages Biffy Clyro at Nostromo Management.*

*He has worked with acts including INXS, Kaiser Chiefs, Birdy, Bullet For My Valentine, Junior Senior, Franz Ferdinand and Kevin Rowland. Paul was co-founder of SuperVision Management and formerly SVP Artist Partnerships at Warner Music UK and GM Atlantic Records UK.*



# EXECUTIVE SUMMARY

DESPITE SOME OF THE OUTDATED 'SVENGALI' STEREOTYPES PERPETRATED BY HOLLYWOOD, BRITISH MANAGERS ARE ENTREPRENEURS AS WELL AS DEAL-MAKERS, INVESTING IN THE DEVELOPMENT OF ARTISTS, SONGWRITERS AND PRODUCERS AND BUILDING STRATEGIES TO HELP GROW THEIR CAREERS.

To properly understand their value, MMF commissioned Music Ally earlier this year to work with us on a survey of our membership and conduct in-depth interviews of leading managers to understand the reality of both the rewards and the challenges of being a music manager today.

As our extensive research shows, the make up of our sector is impressively diverse. This is no longer a male-dominated profession, and there is a huge contrast in the range of experience and working practices, with a significant percentage of younger managers juggling second or third jobs. 26% of respondents to our survey work full-time or part-time in another part of the music business so there is no « us vs them ». Managers also have a vast range of experience. 43% have been managing 1-5 years whilst 44% have been managing for over 5 years.

They also represent music-makers in the broadest sense. Whilst 73% manage featured artists, 42% represent songwriters, 33% represent producers and 17% represent DJs. Most manage 1 or 2 clients. However, 14% juggle 4 to 9 clients, often at different stages of career development.

Also clear is the expanding list of responsibilities that managers are expected to shoulder - hence the title of this report. While streaming and social media have positively recalibrated the wider music industry, empowering artists and songwriters to build and develop their



**ANNABELLA COLDRICK**  
CHIEF EXECUTIVE,  
MUSIC MANAGERS FORUM  
OCTOBER 2019

own micro-businesses, it is the manager - as custodian of that business - who must master all trades, with expertise across live, recorded, publishing, marketing, promotion and a host of other areas. They are also incredibly hard working - 40% work more than 40 hours a week on music management and 23% over 49 hours per week.

Unlike other parts of the business, managers do not operate in a silo. They are required to knit these bewildering divergent commercial strands together, and build multiple partnerships - often on a global scale.

**AND THEY'RE INVESTORS TOO. 74% OF THOSE WE SURVEYED HAVE PUT THEIR OWN MONEY - AND OFTEN SUBSTANTIAL SUMS - INTO THE CAREERS OF THEIR CURRENT CLIENTS. YET 40% HAVE RECEIVED NO OUTSIDE INVESTMENT, AND ONLY A SELECT FEW HAVE TAPPED INTO INDUSTRY FUNDING SCHEMES SUCH AS PRS FOUNDATION'S FANTASTIC MOMENTUM MUSIC FUND.**

Paradoxically, against this fast-moving background of complexity and diversification, the way in which most managers get paid has remained stubbornly rigid, with the vast majority reliant on commission-based earnings - and typically of 20%. This is increasingly unsustainable, and with so many upcoming managers not making any money at all, we run the risk of losing many of these talented professionals altogether.

This is one of the reasons the MMF partnered with YouTube Music to develop our own professional grants and training initiative, the Accelerator Programme, to support entrepreneurs at a 'tipping point' of going full time into management and developing properly sustainable lifetime careers.

Going forward, I firmly believe this kind of initiative deserves expansion. The recommendations of this report call for improved access to finance and training, encouragement to diversify skills, and greater support for mental health provision. But this is only part one of "Managing Expectations" - the intention of this report is to open a conversation and gather more evidence to actually change the mindset around the value that managers bring to artists and the industry.

All will be vital for the future health of the UK music. It's time to put the cliches to bed. The age of the Svengali is over, and rather than supervillains it's time to recognise the superheroes.

# SURVEY AND REPORT METHODOLOGY

THIS REPORT HAS BEEN INFORMED BY TWO METHODS. A SURVEY WAS DEVELOPED IN PARTNERSHIP WITH MUSICALLY 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 PLUS SOME ADDITIONAL Q&AS WITH MEMBERS OF THE WIDER INDUSTRY ON THEIR PERSPECTIVES OF MODERN MANAGEMENT ROLES.

Thank you to the 183 managers who responded to this survey and gave a wide range of perspectives. Also thanks to the 14 representatives of management companies who were interviewed at length for this report. Interviews were conducted by Eamonn Forde, and were based on a set of questions which focused on deal and commercial structures, skills, varying income streams and the evolving relationship with the recorded music sector brought about by streaming.

It is noted that these interviews placed less emphasis on live music and music publishing, but we plan to follow this report with an in-depth exploration of challenges for managers with these income streams. The interviewees were also mainly, but not exclusively artist managers, or those with a cross-section of clients include artists, songwriters and producers. We will follow this up with more research into the challenges and business models of those who manage songwriters and producers exclusively.

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). Our aim is to use the findings of this research to start these discussions.

The full findings of the survey can be found here: [themmf.net/managingexpectations](http://themmf.net/managingexpectations)

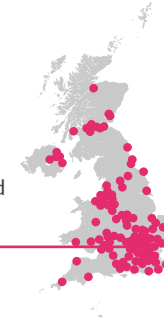
Music Ally is a knowledge and skills company for the global music business that has been publishing information and providing marketing strategy, training and running events for over 15 years. It has offices in London, Shanghai, Tokyo and Medellin.

## WHO ARE MUSIC MANAGERS?

42% identified as female

20% are non-white

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

14%

manage 5-9

They have a vast range of experience:

43% 1-5 years managing

44% 5+ years managing

## WHO DO THEY REPRESENT?

73% Artists

42% Songwriters

33% Producers

17% DJs



# DEVELOPING ACTS

THE MUSIC INDUSTRY HAS CHANGED ENORMOUSLY THIS CENTURY AND SO HAS THE ROLE AND PURPOSE OF THE MUSIC MANAGER. EACH MANAGER AND MANAGEMENT COMPANY MAY TAKE A VERY DIFFERENT APPROACH, BUT THEY ARE ALL ULTIMATELY DOING THE SAME THING: BUILDING CAREERS AND BUSINESSES FOR THEIR ARTISTS.

**"YOU'RE BUILDING A BUSINESS FOR THE ARTIST; YOU'RE A BUSINESS DEVELOPER, RIGHT? THAT'S WHAT YOU ARE. SO YOU'RE NOT ACTUALLY A MANAGER; YOU'RE A BUSINESS DEVELOPER."**  
**ELLIE GILES, STEP MUSIC MANAGEMENT**

This report is based on the findings of an extensive survey, and includes interviews with managers of all sizes - from sole traders to large established companies. We have included voices from experienced managers as well as the digital generation, bringing with them fresh new perspectives on what it is to be an artist manager today.

Since they are often the first believers in an act, managers have always been the ones to get the ball rolling and build a portfolio of businesses around an artist. In 2019, however, the manager typically has to roll that ball a lot further and for a lot longer than they did in the past.

In a digitally-driven culture, labels expect artists to be "developed" to a certain stage and have genuine momentum behind them before a deal is offered. The duty of the manager, therefore, is to start fostering and (frequently) investing in their client. This is partly out of financial and structural necessity, but with the result that greater autonomy is being placed in the hands of artists and managers before any other players i.e. publishers, agents, labels or brands get involved.

Managers today have to be, in the words of Brian Message of ATC, "multi-faceted, multi-talented rainmakers".

**"THEY ARE PEOPLE WHO CAN GET STUFF DONE," HE SAYS. "THE GREAT BEAUTY AND THE GREAT CURSE OF MANAGEMENT IS THAT YOU'RE ACROSS ABSOLUTELY EVERYTHING."**

He adds that managers have to assemble "a small team of believers" around an act, with management companies diversifying what they do and developing expertise in-house out of necessity in order to better build artist businesses.

For Tim Clark of ie:music, the manager has two distinct roles at this early stage - to "help protect the artist" and to "go out and sell the vision that artist has" to the audience and their future business partners.

However, before addressing these wider roles, we will focus on a more fundamental issue: investment.

While artists now have a vast number of choices in how they take music to market, how their careers are sustained and paid for is becoming an increasingly complex area - and a challenge at the heart of this report.

## INVESTING IN EARLY DEVELOPMENT

As highlighted by the survey findings, a significant percentage of music managers have invested their own money - and frequently substantial sums - into the careers of their current clients.

Though sometimes born of necessity, there is increasingly sound commercial sense in a manager providing this kind of early stage funding.

For instance, by developing an act through their own investment, a manager can broaden their commercial options and demand greater leverage when negotiating future partnerships.

## INVESTING IN EARLY DEVELOPMENT

74%

HAVE INVESTED THEIR OWN MONEY INTO CAREERS OF THEIR CURRENT CLIENTS

Have invested £1k-£5k 30%

Have invested £5k-£10k 21%

Have invested £10k-£15k 15%

40%

Have received no outside investment for their artist

35%

Have used personal savings



**FEW HAVE TAPPED INTO INDUSTRY FUNDING** - ACE, PRSF or Help Musicians. A small number are currently on the Accelerator Programme

**"FOR NEW ACTS, IT'S NOT ALWAYS THE BEST IDEA TO GO RUSHING INTO A MAJOR LABEL DEAL; IT CAN BE BETTER TO DEVELOP AT A GRASSROOTS LEVEL TO GAIN MOMENTUM," SAYS NIAMH BYRNE OF ELEVEN MGMT. "THERE IS THE RISK THAT GOING INTO A MAJOR LABEL SYSTEM TOO EARLY, IT COULD END UP DOING THE OPPOSITE AND NOT NECESSARILY HELPING."**

However, the upsides of financial independence need to be counterbalanced by the additional workload this can entail. While a certain amount of development can be achieved online for a relatively low financial outlay, the drain on managers' time and resources can be significant.

For Robert Swerdlow at Starwood Management, top of the checklist when developing a new act is building a fanbase via social media - and particularly on a regional level. "Make sure that you're punching at weight, if not above weight, in your region - wherever you are," he says. "You have to geo-target and show value in a [regional] pocket."

This critical stage of stealth development is often something outsiders never see. Colin Schaverien of Prolifica Management explains how it was done for one of the biggest acts on his company's roster.

"With Two Door Cinema Club, we did a huge amount of under-the-radar work in terms of driving the band through social channels, live and international - really getting foundations and platforms in place before we went anywhere near traditional mainstream media like Radio 1," he says. "It was very much: how do we do this independently?"

As highlighted by Niamh Byrne, many managers will actively seek to delay involvement of a record label - developing an act under their own steam, potentially working with a label services company, and ensuring the strongest possible negotiating position. However such a grassroots strategy still requires funding.

**"WE DON'T HAVE THE RESOURCES OF THE MAJOR LABELS, SO WE HAVE TO BE CAREFUL," SAYS TIM CLARK OF IE:MUSIC OF THIS APPROACH, HIGHLIGHTING THAT MORE DIY APPROACH CAN PUT THE ACT IN A STRONGER POSITION WHEN TALKING TO LABELS AND MEANS THEY ARE NOT PRESENTED WITH WHAT HE CALLS "REALLY ONEROUS, IF NOT TO SAY, HEINOUS, CONTRACTS".**

"I believe that is money well spent," he says.

In the past, Clark has approached outside financiers to invest in a new act, taking a direct stake in any IP created under their agreement - typically for a five-year period. He also notes the importance of various bursaries and funding schemes such as the MMF Accelerator programme, PRS Foundation, PPL, BPI, and public funding grants as a way of unlocking development stage capital, offering the example of Irish duo Saint Sister who received government funding to help underwrite touring costs.

Alternatively, ie:music have agreed investment deals with artists in return for a share of any resulting IP. "We did that with two Sia albums, which revert back to her next year when she owns them outright," says Clark. "We just had a stake in them for 10 years."



TODAY'S MANAGERS SHOULD HAVE A GOOD, UP-TO-DATE WORKING KNOWLEDGE OF EVERY ELEMENT OF THE MUSIC BUSINESS. THIS IS ESPECIALLY IMPORTANT IN THE MODERN ERA DUE TO ADVANCES IN TECHNOLOGY AND THE WAY IN WHICH MUSIC IS RECORDED AND CONSUMED. MANAGERS MUST BE EXPERTS IN A&R BUT ALSO COMMERCIALY ASTUTE. THEY NEED TO GRASP THE LEGAL AND RIGHTS FRAMEWORKS THAT EXIST IN MUSIC - AND THEY NEED TO KNOW HOW TO PROMOTE AND PR THE ARTISTS THEY ARE RESPONSIBLE FOR. AT THE EARLY STAGES OF AN ARTIST'S CAREER, THE MANAGER IS OFTEN THE ONE-PERSON TEAM BEHIND THEM UNTIL ADDITIONAL SUPPORT CAN BE AFFORDED; AND EVEN THEN THE MANAGER HAS TO BRING THAT TEAM TOGETHER AND KEEP IT WORKING, HELPING TO MAINTAIN THE ARTIST'S VISION WHILE RUNNING A VIABLE BUSINESS.

**PETER LEATHEM, CHIEF EXECUTIVE OFFICER, PPL**



MANAGERS DO MORE TODAY THAN THEY HAVE EVER DONE. THEY ARE MULTI-TASKERS WHO NEED TO HAVE A RANGE OF SKILLS BROADER THAN VIRTUALLY ANYONE ELSE IN THE MUSIC BUSINESS. THE GOOD ONES EARN EVERY PENNY OF THEIR COMMISSION.

**ALISTAIR NORBURY, PRESIDENT, REPERTOIRE & MARKETING, BMG UK**



However, for those managers bankrolling acts themselves, there can be limitations. For instance, further investment may be limited to smaller increments and dependent upon the artist becoming more successful - ie streaming more, or playing larger venues - before additional funds becomes available to put back into their business.

**ARTISTICALLY LED MANAGEMENT**

While the workload for managers at this developmental stage has never been greater, alongside this is the fact that artists themselves are increasingly more savvy about the business. From the moment an artist starts posting music to, say, Soundcloud or Facebook, they are in effect developing their own “brand”.

**“A LOT OF KNOWLEDGE HAS BEEN GAINED IN THE INDUSTRY,” SAYS KILO JALLOH OF 2K MANAGEMENT. “A LOT OF PEOPLE ARE LEARNING, AND A LOT OF PEOPLE ARE BEING TAUGHT TO OWN THEIR MUSIC, AND TO NOT SIGN DEALS AND TO NOT GIVE THE LABEL THIS OR GIVE THE LABEL THAT.”**

Rather than the manager leading from the front and telling the act how to navigate the business, there is frequently a culture of collaboration. The net effect of this is that managers are increasingly working in lockstep with acts.

Even so, what a manager has to do and know about has grown exponentially in the past 20 years.

**KWAME KWATEN OF FEROCIOUS TALENT SUGGESTS THAT A&R WAS NEVER A PREREQUISITE TO BEING**

**A MANAGER IN THE PAST, BUT THAT IS CHANGING. “NOW IF YOU’RE A MANAGER, YOU BETTER HAVE EITHER GOOD EARS OR SOMEBODY WITHIN YOUR COMPANY THAT HAS GOT REALLY, REALLY GOOD EARS,” HE ARGUES. “THERE’S A LOT OF A&R TO DO NOW!”**

Matthew Thornhill at Young Turks Management expands on this theme with the example of Mercury-winning artist Sampha, whose career was built via a series of deft collaborations, co-writes, and featured vocals - most notably with SBTRKT. Young Turks actively encouraged this kind of cross-pollination, leading to collaborations with major acts like Frank Ocean, Kanye West, Solange and Alicia Keys. “We’ve introduced Sampha to the wider public through collaborations,” says Thornhill.

Such rapid expansion of both creative and commercial responsibilities is redefining artist management today.

As the early investors in acts – and having to commit to that investment stage for longer than they did in the past – managers clearly have greater fiscal control, and this carries through to when they start to deal with labels and label service companies.

But management alone can usually only take an act so far, especially if that act has global ambitions. Knowing when and how to approach labels and label service companies to build the portfolio around an artist that offers the backing and expertise remains imperative. The centre of gravity might be changing slowly, but plugging into a bigger operation can still be important.

**▶ MMF ACTIONS**

**ACCESS TO FINANCE**

*MMF has placed an increasing focus on raising awareness around different sources of access to finance, not just grant funding. We have called for more funding for artists international projects in light of Brexit, whether through Music Export Grant Scheme [MEGS] or other mechanisms. We also championed a specific adjustment to the PRS Foundation’s Momentum Music Fund, allowing managers to be remunerated for their time spent on project management. We need to do more to help ensure our community is not just aware of but also able to access these funding opportunities.*

*Additionally, managers must also be equipped with the negotiation skills and knowledge they need when entering into new business deals. Increasingly, record companies are taking*

*managers costs into account and recognising their contribution and financial position, some are providing salaries and draw down funds as part of the deal. This is a trend the MMF would like to see increase to enable particularly younger or newer managers to survive.*

*To help emerging management businesses become more sustainable, the MMF partnered with YouTube Music to develop the groundbreaking Accelerator Programme for Music Managers. With additional funding from Arts Council England, Creative Scotland and the Scottish Music Industry Association, Accelerator has already supported 24 managers with grants and professional training. The programme will return in 2020, and we are actively working with MMFs from other territories to build a pan-European mentoring programme, create new networks and grow international businesses.*

# RELATIONSHIPS WITH LABELS

ARTISTS ARE UNIQUE, IN THAT THEY CREATE A PORTFOLIO OF BUSINESSES THAT INCREASINGLY INCORPORATE AND INTERCONNECT ALL ASPECTS OF THE MUSIC ECOSYSTEM. AUDIENCE ENGAGEMENT WITH ONE VERTICAL (FOR INSTANCE, RECORDED MUSIC) WILL OFTEN STIMULATE GROWTH AND REVENUE IN ANOTHER (FOR INSTANCE, TICKET SALES).

By nature they are 360-degree businesses. Additionally, they are often in a state of fluctuation - an emerging artist will probably build up an online following, and therefore accumulate streaming royalties, before they derive much income from live music. However, further down the line, there may come a tipping point where ticket sales become the focal point of their business.

Indeed, according to our survey, live revenue represents the most significant revenue stream for performing artist businesses. What many commentators and media have historically defined as “the music industry” when they were actually referring to “the record industry” now accounts, in revenue terms at least, for a smaller part.

However, it remains a significant part. And recorded music is still a launchpad for acts to build their audience in the live arena.

As the global recorded business contracted between 2000 and 2014, most labels scaled back signing budgets. The majors consolidated and went from five to three in this period, arguably becoming more risk-averse as a consequence.

The onus therefore started to fall on managers to take up some - if not all - of that slack. Out of necessity, many managers assumed many of the specialist roles previously performed by labels - notably marketing but, particularly for the larger management firms, newer areas such as data analysis and DSP relations.

In reaction to these developments, there has been a drive from managers to seek more equitable contract terms - and push back against

traditional (or archaic!) deal structures whereby an upfront advance is traded for lifetime ownership of their client recordings.

With labels getting involved later in the launch arc of an act, so the deals they offer are in some cases, starting to reflect the reality that some of their risk and expenditure has been mitigated. This is potentially good for the labels (they should be making a more de-risked investment) while giving the artist leverage to negotiate shorter-term licensing agreements or development deals that initially focus on singles rather than albums.

“THE TRUTH OF THE MATTER IS THAT, APART FROM THE MONEY, ONE REALLY DOESN'T NEED A LABEL,” IS CLARK'S BLUNT ASSESSMENT. HE OFFERS UP PASSENGER AS AN EXAMPLE, NOTING HOW THE ARTIST'S EARLIEST ALBUMS WERE DISTRIBUTED BY TUNECORE AND THE BULK OF HIS MARKETING WAS DONE IN-HOUSE AT IE:MUSIC. “OF COURSE, HE HAD A GREAT LIVE FOLLOWING,” ADDS CLARK. “YOU CAN BUILD A GREAT DEAL ON THAT.”

It would be easy to set up a managers-versus-labels dichotomy, where the former constantly bashes the latter over unfair deals but that, of course, does not give the complete picture. Many managers we interviewed appreciated where and when labels can propel their acts to the next stage, and provide additional services and value; but equally, they understand the landscape has changed and so too must the deals being offered. Clark reiterates this importance and that as a company they “have and have had great relationships with the majors based on fair deals and transparency”





### LABEL VS LABEL SERVICES

The requirement for global investment, or access to global marketing and distribution structures are just some of the areas where a manager might seek the support of a label. However, these days, artists have choices.

Niamh Byrne says that a traditional label route might be an option for high level funding to get a really creative campaign off the ground. "However," she adds, "if a campaign can be funded through brands or other means, then the label services route could be better."

The declining relevance of the "traditional" label system is especially true for acts who have already achieved a high level of commercial breakthrough and who may be out of contract.

**"I'M NOT SAYING THAT THE MAJOR LABEL IS DEAD BUT IT'S GREAT FOR ARTISTS TO HAVE THE CHOICE, TO BE IN A POSITION WHERE THEY CAN CHOOSE WHAT KIND OF PARTNERSHIP THEY WANT TO HAVE DEPENDING ON WHAT PROJECT IT IS," SAYS NIAMH.**

From a personal perspective, she says she would not discount major label deals, but there are always important issues to consider for an act whose contract is up for renewal.

"For an established act, you've spent the best part of 20 years being in a major label system, which means major label costs," she says. If the

act's career is still a success, this can put them in a better position to secure more favourable rates elsewhere.

**"IT IS ONLY IF THE LABELS ARE REALLY OFFERING SOMETHING OF GREAT VALUE THAT IT BECOMES WORTHWHILE TO GO BACK INTO THAT SYSTEM."**

Niamh gives the example of The Good The Bad & The Queen whose most recent album, 2018's Merrie Land, was the first release on Studio 13, a label set up by Eleven Mgmt. In this instance, Studio 13 was able to plug into ADA/Warner on a label services level rather than formally releasing the album on Parlophone (historically home for Damon Albarn's various projects, including Blur and Gorillaz).

Going the label services route will typically result in the act of receiving the lion's share of revenue (the inverse of the label system), but leaving them to front their own marketing costs.

**"YOU'RE IN CONTROL OF YOUR OWN BUDGET AND YOUR OWN STRATEGY," SAYS NIAMH OF THE BENEFITS OF THIS APPROACH. "YOU'RE SPENDING MONEY BASED AGAINST WHAT YOU THINK YOU MIGHT DO."**

The downside? Marketing and promotion funds and expertise might be limited, and this could result in a campaign's ambitions becoming more risk averse.

**"BUT THE UPSIDE IS THAT IF IT SELLS WELL THEN YOU HAVE A BETTER CHANCE OF BEING ABLE TO RECOUP MORE QUICKLY, MORE SO THAN DOING IT ON A MAJOR LABEL."**

### OWNERSHIP OF MASTERS

Ownership of the recording or "masters" is historically a bone of contention between managers and labels. This issue is now at the core of most recorded negotiations - with the artist increasingly demanding either outright control or reversion after a certain period.

This has been accentuated by the rise of the label services model, which typically leaves the artist as the "rights owner".

For Colin Schaverien, coming from a successful label services deal into a more traditional label deal puts the issue of "ownership" into the spotlight. In theory, the label services deal can help establish an act, they get their rights back after a short period, and then progress to a record label with greater bargaining power. (Equally, of course, there are many instances of artists sustaining a career within the label services model.)

**"THE TERMS THAT YOU CAN THEN NEGOTIATE WITH A MAJOR ARE SO MUCH BETTER THAN GOING IN AND SIGNING WHAT MAJORS LIKE YOU TO DO - WHICH IS FOR THE LIFE OF COPYRIGHT," HE SAYS,**

**ARGUING THAT THIS, AS A MANAGER, IS DIFFICULT TO JUSTIFY SOMETIMES.**

**"THERE'S A NEW DAWN," HE PROPOSES, "AND THAT NEW DAWN IS ABOUT ARTISTIC AND CREATIVE CONTROL."**

Others also recognise this trend.

Ellie Giles says that streaming and the long tail of digital are making it increasingly difficult for independent labels to insist on master ownership in perpetuity, something she feels has been exacerbated by squeezed promotion and marketing budgets.

"I think there's going to be a change because now, if you've got something for perpetuity, the streaming levels [mean] you can make money forever on that," she says.

The long tail of streaming means albums are always available and can keep earning and, as such, her thesis is that the period of ownership (i.e. for life of copyright) cannot be what it was. The labels perspective is they are making upfront risky investments so need to own rights over the longterm to recoup their investment.

This issue of master ownership is where Rob Swerdlow feels a label services deal increasingly has the upper hand over a standard label deal. But it is, he believes, something that should give labels food for thought and for them to focus efforts on what they can do best.



“WHAT’S PUTTING THE MAJORS UNDER PRESSURE TO CONSIDER REVERTING MASTERS BACK OR LICENSING RECORDS IS BECAUSE THEY CAN’T COMPETE WITH AWAL,” HE SAYS. “AND AWAL ARE CONTINUING TO TRY TO LEARN TO COMPETE AT WHAT THEY ARE NOT GOOD AT AND WHICH MAJOR RECORD LABELS ARE GOOD AT – LEVERAGE AND CREATIVITY.”

Rob also suggests that label services deals may sometimes lack what he terms the “seasoned creatives” of a well-established label who can work on multiple successful campaigns from top to bottom. “A well-drilled machine, pulling in the same direction, can really elevate a campaign”, he adds.

For certain genres, commercial independence has become something of a badge of pride. Kilo Jalloh says this has long been the case for UK urban acts, and that an independent path is already paying dividends.

“I feel that our scene specifically, the urban scene, is building and a lot of labels are seeing that it can actually generate some money,” he says. “Whereas a couple of years ago, there wasn’t a lot of interest in our scene because it wasn’t proven.”

As more and more acts from genres like RnB, hip hop and grim scene prove their commercial worth - with Stormzy, Skepta, Dave and Jorja Smith being prime examples - labels are offering very different deals to what they did even a

few years ago. “Artists are now getting 50/50 and they’re not signing away their live income,” he says. “There are not a lot of 360 deals like before.”

#### ACCEPTING MANAGEMENT’S LIMITATIONS

However, while it is romantic to assume that all artists have been empowered to “break free” of traditional conventions, many managers are keen to assert that there are limitations to unfettered independence.

Adam Tudhope of Everybody’s is firmly of the belief that a management company should understand and accept that it cannot be good at everything. As such, working with a label system should be construed as a sign of strength rather than a weakness.

“IF YOU ASPIRE TO BREAK BIG AND IF YOU ASPIRE TO BREAK BEYOND YOUR HOME COUNTRY, THEN YOU’RE GOING TO NEED HELP,” HE SAYS.

While Adam accepts that a manager and artist can go a long way on their own, they cannot go the whole distance. That means management teams need to understand their strengths and weaknesses, and where they require outside expertise. “Pure marketing and sales are not things that we do,” he says. “So we need someone to help us to do that.”

Despite the international success of Mumford & Sons, he explains, and despite extensive experience with touring and selling records globally, it would be impossible to have full and intimate understanding of every market.



“MANAGERS ARE INCREASINGLY TAKING CHARGE OF THE ARTIST DEVELOPMENT PROCESS WHICH IS AT THE CORE OF THE BUSINESS. MANAGERS ARE BEING INNOVATIVE IN THEIR SOCIAL MEDIA STRATEGIES, WHICH GOES HAND IN HAND WITH THE CREATIVE DEVELOPMENT PROCESS. BUILDING THE BRAND, POSITIONING AND [CREATING THE] STORY OF THEIR ARTIST. ALSO IN THEIR BUSINESS MODEL, [THEY ARE] INCREASINGLY SEEKING A BUSINESS PARTNERSHIP WITH THEIR ARTISTS RATHER THAN AN AGENCY/ SERVICE PROVIDER POSITION.”

PAUL HITCHMAN, PRESIDENT, AWAL



“FROM OUR SIDE, THE STARTING POINT IS TRYING TO UNDERSTAND A MANAGER’S CORE COMPETENCIES, AS EVERY SINGLE MANAGER IS DIFFERENT, WITH DIFFERENT SKILL SETS AND CORE STRENGTHS. ONCE WE KNOW THAT BASE LEVEL WE CAN START BUILDING A TEAM AROUND THEM; WE TEND TO BACK OFF AREAS THAT THEY ARE STRONG AND SUPPLEMENT AREAS WHERE THEY NEED HELP.”

IAN DUTT, THE ORCHARD

**MANAGEMENT AS THE LABEL**

Another option, as highlighted by Eleven Management's Studio 13, is for the management company to operate their own label. This is also the case for All On Red, where founder Jamie Osborne also runs the label Dirty Hit. the case with All On Red/Dirty Hit.

Jamie describes Dirty Hit as "a reaction to" royalty deals, and that the label is "about artist partnerships", with a preference for profit splits rather than standard royalty-based contracts. On principle, he adds, the label also takes no ancillary rights. "I don't believe an artist should pay for a label's inability to create a business out of that label's chosen field of expertise," he explains.

Dirty Hit's deals, meanwhile, are designed as global partnerships - albeit, in order to scale the business, the label does have licensing deals in place with different majors.

**"I DIDN'T WANT MY PRIDE TO GET IN THE WAY OF AN ARTIST'S SUCCESS," SAYS JAMIE, "AND I DIDN'T HAVE THE CASH FLOW NEEDED TO PROPERLY TAKE THE ACT TO THE OBVIOUS PLACE IT NEEDED TO BE. BUT AS WE MOVE FORWARD, I THINK THE FUTURE FOR DIRTY HIT IS ONE OF INDEPENDENCE."**

As it stands, labels remain an alluring option for artists requiring serious investment; but what has changed are the terms under which those deals can be struck. This means labels are having

to dramatically rethink what it is they can offer acts and the terms under which they do deals.

As the label system is up for review and whole new opportunities are up for grabs, a new type of hybrid management company - where labels are built in from the off, bolted on as they develop or spring up out of necessity - is coming to the fore. Eleven with Studio 13, All On Red with Dirty Hit and Young Turks as both a management company and a label that plugs directly into the XL Recordings/Beggars Group system, are all good examples.

What needs to be handled carefully here are the lines of delineation and how the management arm and the label arm can operate both independently and collectively.

Matt Thornhill stresses that Young Turks has worked hard to avoid any conflict of interests.

**"ALL THE DEALS WE DO ACROSS PUBLISHING, RECORDS AND MANAGEMENT ARE ENTIRELY INDEPENDENT OF EACH OTHER," HE SAYS. "WE NEVER SIGN AN ARTIST TO MANAGEMENT AND RECORDS AT THE SAME TIME. WE'VE BUILT A BRILLIANT LABEL TEAM, A BRILLIANT PUBLISHING TEAM AND A BRILLIANT MANAGEMENT TEAM. EACH OF THEM IS A GREAT OPTION FOR OUR ARTISTS, BUT REGARDLESS OF THIS, THE DECISION IS ALWAYS THEIRS TO MAKE RATHER THAN INSISTING THAT WE SIGN PUBLISHING ALONG WITH RECORDS."**

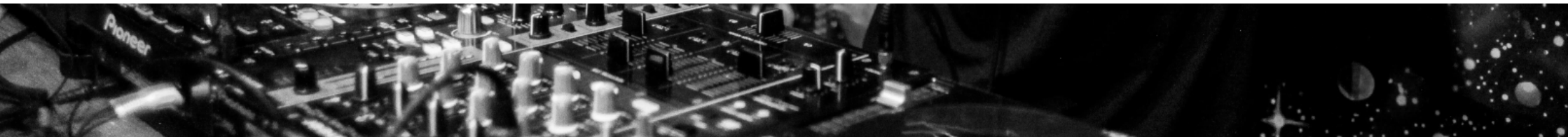
**▶ MMF ACTIONS**

*Working with music consultancy CMU Insights, the MMF has pioneered the Dissecting the Digital Dollar project which, over 5 years and a series of publications, has helped managers better understand the economics of streaming, as well as raising important issues around contractual transparency and the value of data - including bespoke 'Fan Data' and Digital Deals guides.*

*Through our public policy work, the MMF have also campaigned for greater transparency over deal information and more equitable deal terms - there is clearly more to do in this space directly with industry and with implementing legislation. We have pushed for more equitable deal terms as well as building a streaming calculator to help assess the impact of different label or distribution deals on digital income over time which is available on the members*

*area of our website. We also work directly with several streaming services on their analytics platforms for managers helping make sure these provide the information managers and artists need to inform their businesses.*

*The MMF also relaunched their managers' training programme last year to include all aspects of the various business models discussed above and will be expanding it to include more business management, financial and company structure topics as well as HR and leadership skills.*





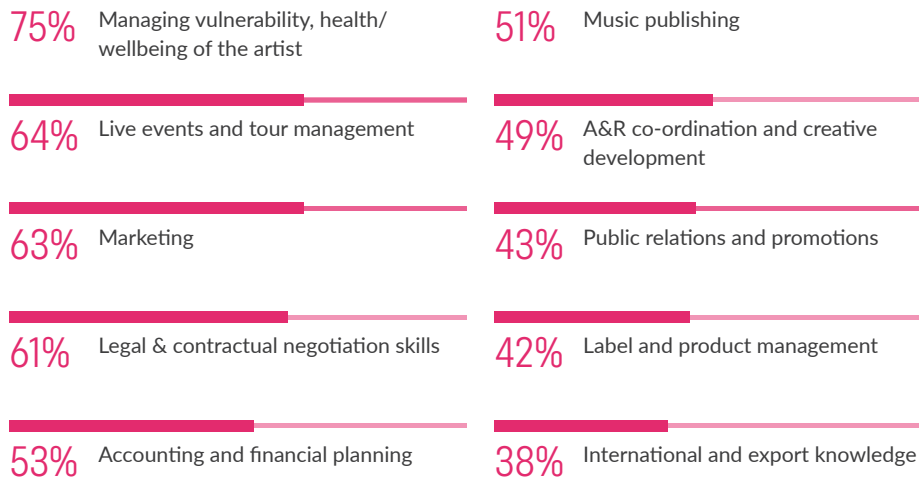
# SKILLS & EXPERTISE

AS ALREADY NOTED, BY DESIGN OR DEFAULT, **THE ROLE OF THE MANAGER HAS GREATLY EXPANDED, AND THEY ARE INCREASINGLY EXPECTED TO BE INVESTORS, A&RS AND MARKETERS.**

These extra responsibilities have been added to their workflow by stealth, but there is also an organisational commitment by some management companies to add new specialist roles within their set-ups to resource, or else outsource these roles entirely.

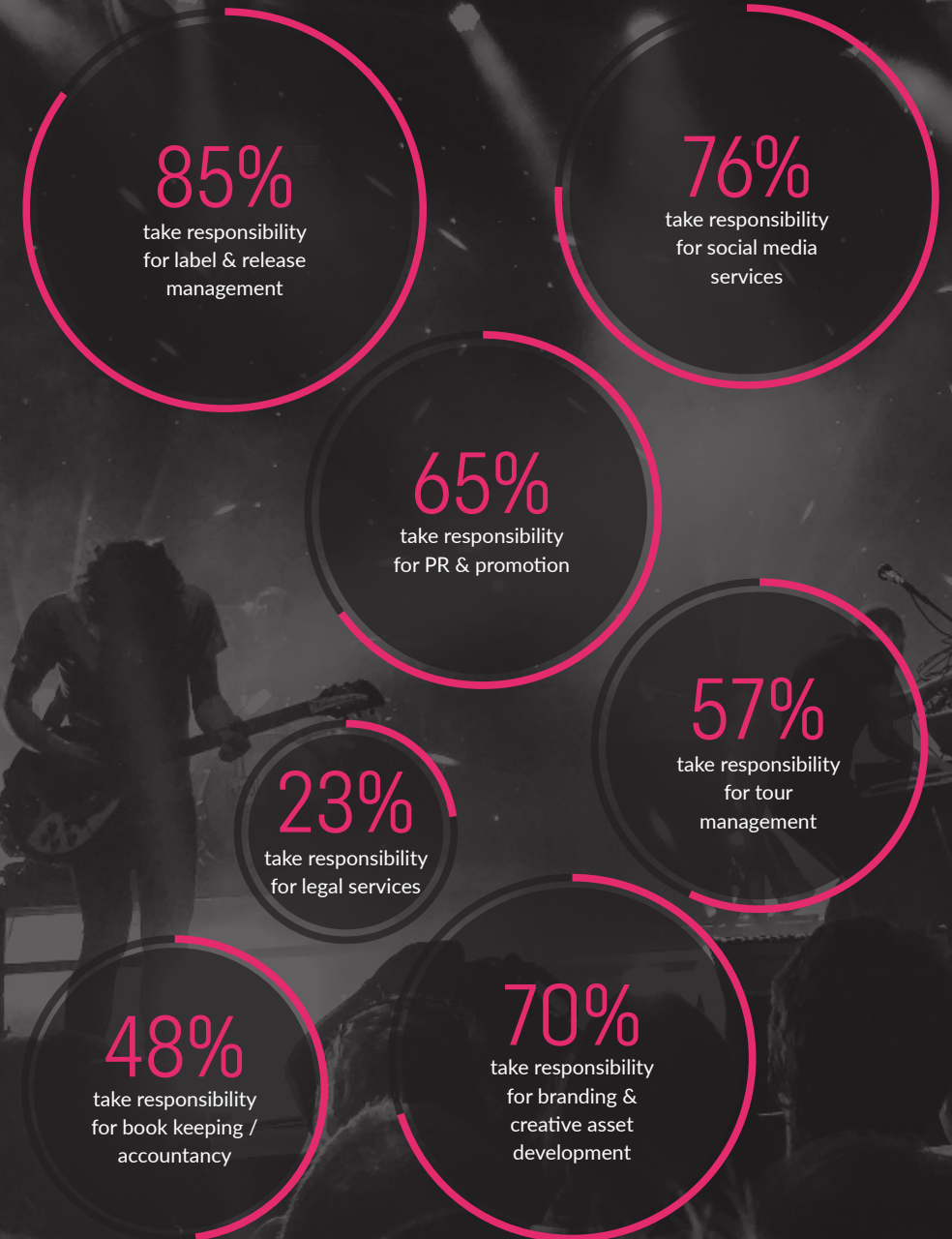
Our survey indicates 74% of managers are taking responsibility for their own professional development with 33% having spent over £1000 on music specific training events and conferences. When it comes to formal education, 54% have achieved a Bachelor's degrees, with a further 18% educated to Masters level. However 73% report not having had any formal music management or music business education. This is likely to change with an increasing range and growing sector which is why the MMF is continuously reviewing our education programme and partnering our Music Biz courses with our Education Associates to inform the content and bring in current managers to talk about their careers.

## MUSIC MANAGEMENT SKILLS IN TERMS OF HOW IMPORTANT THEY ARE TO FUTURE SUCCESS OF BUSINESS



## Q: WHAT TASKS DO MUSIC MANAGERS DO?

**A: EVERYTHING!**



## NEW ROLES AND RESPONSIBILITIES

From interviews for this report, it appears that digital marketing is where the majority of managers see the most immediate need to focus resources by recruiting dedicated staff members. Especially if it allows them greater control over creative decision-making, such as where marketing budgets are spent.

**"WE ARE AGGRESSIVELY EXPANDING OUR DIGITAL TEAM, WE'RE EXPANDING OUR MARKETING TEAM, WE'RE PUTTING MORE RESOURCES INTO CREATIVE MARKETING AND CREATIVE PROMOTION VIA MARKETING SPECIALISTS AND DIGITAL SPECIALISTS," SAYS JAMIE OBORNE. "THAT IS THE BIG AREA FOR ME. WE LOVE MARKETING, SO IT DOESN'T EVEN SEEM LIKE A PARTICULARLY REVOLUTIONARY THING TO BE DOING. IT SEEMS LIKE A BASIC REQUIREMENT OF A MODERN MUSIC COMPANY."**

Such an expansion of duties is, for many managers, a relatively recent phenomenon as they move to become full-service operations.

At Prolifica, says Colin Schaverien, their nine-strong team has developed in-house expertise over the past 18 months across a range of business areas meaning that, with the exception of distribution, they can cover most eventualities.

"We've brought digital marketing, social media, asset content creation, marketing and product management in-house," he says. "They've all been new hires, which essentially just allows us to incubate artists."

"If we want to put spend behind something, or if we want to create content for something, we can do that in a couple of hours now," he says, bypassing the old system of working with external partners, where decisions would go through multiple approval processes and potential opportunities were missed.

Budget is also a recurring issue for managers, with many suggesting they would dearly like to have dedicated roles in-house but cannot, for now, justify the overheads.

At Eleven Mgmt, Niamh Byrne explains that the company is structured with three distinct departments around a central management core: branding, digital and label services.

**"WE DRAFT PEOPLE IN WHEN WE GET REALLY BUSY," NIAMH EXPLAINS. "EVERY MANAGER HAS THE NEED TO SCALE UP AND DOWN ACCORDING TO NEED."**

## DIVISIONS AND DEPARTMENTS

For some management companies, while the duties of individual managers have evolved, this is not yet reflected in the organisational structure at the company - with the result that there is an ongoing evolution towards creating clear departments and responsibilities.

"Starwood has got senior partners and it has got young managers," says Robert Swerdlow. "It's got a system and structure works. It's boutique and it's small."

While Starwood do not currently have departments for touring or digital strategies, both are areas where they would consider hiring in the future.

**"WE JUST DON'T HAVE ENOUGH REVENUE GENERATED AND COMING IN [TO DO THAT] - AND I'M TALKING LUXURY REVENUE, WHERE THE ECOSYSTEM DEPENDS ON IT," HE SAYS. "SO WE BUY THAT IN AND WE HIRE SPECIALISTS, INDEPENDENT MARKETEERS AND OTHER SERVICES - AND VERY MUCH ENJOY HAVING THAT."**

This is all built on the understanding, he adds, that Starwood is a service-based business.

"So at any point in time, if the artist nose dives and you're carrying a large overhead, that is just not sharp business for us," he explains. "If we need the departments to help support the demand for our job in hand, we buy it in. We're like that and immediately go shopping for it."

## THE IMPORTANCE OF DIGITAL MARKETING

A number of management companies will also be employing staff who are fluent in social media marketing (many managers we spoke to said these kinds of skills are expected as a given among new recruits), while others, such as Young Turks, say they appoint third-party experts to run the social channels of some of their bigger artists simply because of the workload involved. "We're a mid-sized management company," says Matt Thornhill. "but are keen to carefully consider our growth. Our long-term goal is to offer as many services in-house as we can, but until that point we are working with some great partners."

He does, however, say that the way the label side of the management company connects into a bigger label structure puts them in an incredibly fortunate position. "If we find that

we're lacking something, we are able to work alongside the XL/Beggars team to plug the gap."

Perhaps unique to the types of acts they works with, Matt says that Young Turks have recruited a Curator / Producer with art world experience and who previously worked at London's Serpentine Gallery. He cites the examples of Jamie xx working on the score for the Tree Of Codes ballet at the Manchester International Festival in 2015 as a sign of the types of areas the acts on their roster are expanding into.

How this expansion and diversification is funded is still somewhat in flux. Some are now revising how a traditional commission structure applies and are investing internally in staff or consultants in order to offer optional services - and frequently for a fee outside of their management commission. This "service on top" model is seen by many as the only viable response to the growing demands on management and is discussed in more detail below.

One manager talked about the complexities and admin involved if one of their acts also operates a label, and having to deal with PPL/PRS registrations, barcodes, metadata and other fundamentals.

"It interests me enough that I want it to be dealt with properly - but it doesn't interest me enough that I want to hire people to do it," says Adam Tudhope of the expanding range of specialisms that other management companies are hiring around.

"I DON'T WANT TO HAVE MY OWN MARKETING PEOPLE OR RADIO DEPARTMENT IN AMERICA," HE SAYS. "THAT'S WHAT THE RECORD LABELS ARE LITERALLY FOR. THE BIT THAT WE HAVE DOWN IS HELPING THE ARTIST TO CREATIVELY DEVELOP, OVERSEEING THE MUSIC-MAKING PART OF THINGS AND RUNNING THEIR BUSINESSES GLOBALLY. THAT'S WHAT WE DO REALLY WELL."

Instead, Adam is looking to recruit what he describes as a Head Of Audience. This would be someone in-house, focussed solely on audience retention and growth, across live as well as recorded. "That's really an important point at which to communicate," he says. "I've learned a lot about [ticketing] through Mumford & Sons.

Ultimately, choosing to hire or outsource, or to extend a management company's expertise, has to be viewed as a down payment on the future. It is also about capitalising on the changing power within the industry, and ensuring that managers are at least keeping up with the curve or, preferably, ahead of it.

"I FEEL LIKE WE WANT TO BUILD SOMETHING THAT WHERE, WHEN AN ARTIST COMES IN, WE CAN OFFER THEM ABSOLUTELY EVERYTHING," SAYS KILO JALLOH. "I WANT US TO BECOME A MANAGEMENT COMPANY THAT IS AS STRONG AS A LABEL, BUT IS NOT NECESSARILY A LABEL. HAVING SOMEONE THAT CAN BE A HEAD OF BRANDING, HEAD OF PR, OR HEAD OF SYNC MEANS CAN OFFER YOU MORE THAN JUST MANAGEMENT IN-HOUSE."

### BRAND: MANAGERS

Working with brands has become part and parcel of the modern music business, and it makes sense for managers to have direct involvement with them.

ATC is one of a number of management companies with a dedicated brand department. "For younger acts like Frank Carter, we've done a lot of brand partnership deals," says Brian Message. "For the younger generation, it's much more acceptable."

Brands have also been absolutely critical to an act like Gorillaz, helping to underwrite projects that would otherwise have been prohibitively expensive - and resulting in Eleven hiring a specialist branding consultant.

"There was no way you would have been able to realise a Gorillaz campaign if it wasn't for the brand partnerships that we did to bring that to life," says Niamh. "We used it initially to develop content and set the project up, and it worked wonderfully. It's sometimes necessary to bring money in to fund creative ambition."

Sponsorship and DJ slots constitute a stable part of the business for Young Turks' roster and help to bankroll or lower the costs for other artist-related expenditure.

"We do brand sponsorships, but we like to approach them as project-specific collaborations," Matt reveals. "We'll partner with someone, but rather than focusing on endorsements or marketing, we'll work on a video or event together. It's another route to increasing recording revenue. We tend to see fewer recoupable video costs on statements

now because we've had a great track record of working with third parties to produce videos.

THE ARTIST IS NOT DIRECTLY SEEING THAT MONEY, BUT IT ENABLES THEM TO MAKE A PIECE OF ART THAT THEY MIGHT NOT OTHERWISE HAVE BEEN ABLE TO AFFORD AND IT HAS A KNOCK-ON EFFECT IN THEIR ROYALTY STATEMENT."

There is still, however, some frustration that brands are less willing to get involved when artists are in a development stage.

"I'd love for brands to reach out to us and just be willing to offer us something and go, 'OK, cool, we're a fan of what you do. We want you guys to collaborate with us, here's what you can offer you,'" says Kilo. "Because then we know the demand is there. It's like they want to work with you more than you reaching out to them."

### MENTAL HEALTH AND DUTY OF CARE

A key part of a manager's role is to safeguard their artists, and many are pushing back against the 'always-on' culture of social media and round-the-clock promotion.

On a wider level, the conversation around mental health and wellbeing is now far more prominent. In 2017, the MMF published its Managers Guide to Mental Health, (working closely with Music Support and with financial backing from Help Musicians), and many management companies are taking proactive measures.

At Young Turks, the office manager is also the company's mental health first aider. For Matt Thornhill, it is important to have someone with this specialist knowledge and training in-house.

"Everyone should bear some responsibility for artist mental health, but it's definitely a headline priority for artist managers," he says.

Tim Clark says that the personal experiences of David Enthoven, the late co-founder of ie:music, greatly shaped the company's approach to these issues and its sensitivities when staff or artists are struggling.

"WE HAVE ALWAYS BEEN VERY GOOD AT MAKING SURE THAT IF ANYBODY THAT WORKS FOR US HAS A PROBLEM THAT WE BELIEVE COULD BE TREATED WITH THERAPY, THAT WE REFER THEM TO GET THAT; OR WE ENCOURAGE THEM TO USE THERAPISTS," HE SAYS. "WE HAVE AN OUTSIDE HR AGENCY WHICH IS ALWAYS AVAILABLE FOR OUR STAFF. WHENEVER AND WHEREVER OUR STAFF NEEDS HELP, I HOPE THAT WE'RE ALWAYS ABLE TO GIVE IT TO THEM."

Jamie Osborne describes mental health as "a wider music industry problem" and talked candidly about the impact of someone close to the company taking their own life, calling it "a real wake up for myself and my team".

As such, he wanted to put a structure in place "where we can actually properly look after artists". One of his staff members suggested a couple of the team were trained in this area so they could offer practical expertise.

"It's a shame that, as humans, we're only really forced to address these things when tragedy happens," he reflects. "But one thing I really took from this situation was that we all need to look after each other a bit better."



Ensuring that acts (and managers) can switch off and take a break away from work was front and centre for everyone we spoke to. In one instance, a management company said it was looking to phase out WhatsApp message groups as they find them incessant and inescapable.

At Starwood, Rob says that one of the biggest things the industry can do to take the pressure off artists is to have their social media outsourced.

“We have partners who are our social media managers and strategists to help the artists and take the slavery of it off them,” he says. “Which I believe helps with bandwidth for creativity and bandwidth for mental health.”

ONE MANAGER SAYS THAT, FOR THEIR PRODUCER CLIENTS, THEY HAVE ALWAYS PLACED STRICT RULES ON WORKING HOURS INTO THE CONTRACTS THEY SIGN. IN-DEMAND PRODUCERS MAY HAVE A SIGNIFICANT BACKLOG OF WORK BUT, EVEN SO, CONTRACTS WILL BE STRUCTURED IN A WAY THAT ENSURES THEY HAVE HOLIDAYS BUILT IN AND THAT THEY DO NOT WORK AT WEEKENDS.

This is also being added to the live business, where breaks are added into the touring schedule .

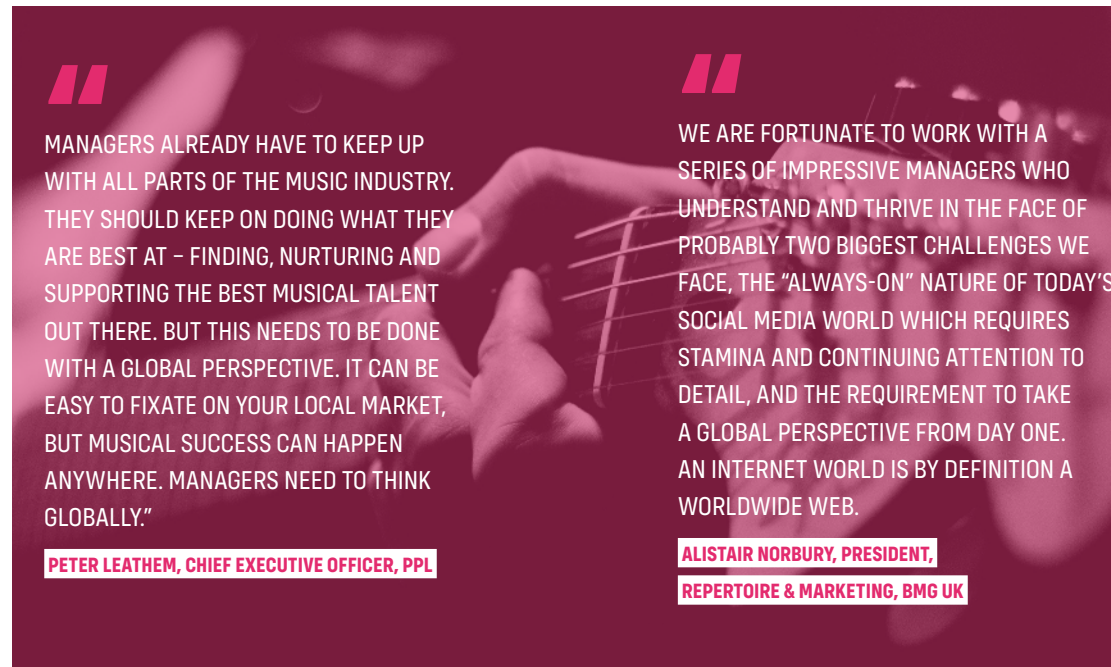
“Touring is incredibly taxing on the body and the mind,” says Colin Schaverien. “What we’re trying to do as a company is go, ‘Right. How long do we think this band are comfortable on the road?’ The economies of scale of touring make it much easier to keep a band on the road for five or six weeks. That’s where you look to make margin and profits. We’re saying as a company that we

should be doing three weeks and then doing one week off.”

This week off, he explains, allows the artist to recalibrate both mentally and physically, resulting in better performances from artists who are not buckling under pressure.

“It can be quite tough from a commercial point of view, but what it gives you is some peace of mind and also longevity,” he argues. “It’s better.”

For Step Management’s Ellie Giles, it is important to give the artist some semblance of control. “I’m not scared of boundaries,” she says. “I understand when you’re in cycle and it’s



MANAGERS ALREADY HAVE TO KEEP UP WITH ALL PARTS OF THE MUSIC INDUSTRY. THEY SHOULD KEEP ON DOING WHAT THEY ARE BEST AT – FINDING, NURTURING AND SUPPORTING THE BEST MUSICAL TALENT OUT THERE. BUT THIS NEEDS TO BE DONE WITH A GLOBAL PERSPECTIVE. IT CAN BE EASY TO FIXATE ON YOUR LOCAL MARKET, BUT MUSICAL SUCCESS CAN HAPPEN ANYWHERE. MANAGERS NEED TO THINK GLOBALLY.”

PETER LEATHAM, CHIEF EXECUTIVE OFFICER, PPL

WE ARE FORTUNATE TO WORK WITH A SERIES OF IMPRESSIVE MANAGERS WHO UNDERSTAND AND THRIVE IN THE FACE OF PROBABLY TWO BIGGEST CHALLENGES WE FACE, THE “ALWAYS-ON” NATURE OF TODAY’S SOCIAL MEDIA WORLD WHICH REQUIRES STAMINA AND CONTINUING ATTENTION TO DETAIL, AND THE REQUIREMENT TO TAKE A GLOBAL PERSPECTIVE FROM DAY ONE. AN INTERNET WORLD IS BY DEFINITION A WORLDWIDE WEB.

ALISTAIR NORBURY, PRESIDENT, REPERTOIRE & MARKETING, BMG UK

really, really intense, and sometimes you have to work weekends. But I try not to give that to my clients. The TM [tour manager] is there to look after them when on tour. Of course, if something hugely important happens, I would drop everything. It’s about understanding what is important.”

Adam Tudhope agrees that managers need to accept their limits.

“I personally feel that the manager or the management company’s responsibility is to put your arms around the person,” he says, “give them an opportunity to talk about

what’s going on, give them some insights and wisdom into what you might have experienced before and what might help them. Possibly engage with their family a little bit, and say, ‘This is something you should do.’ If it’s not overstepping the mark. And then, and this is the important and hard bit, that’s your job done. Ultimately, when someone has been shown another way, it’s not really your responsibility to keep trying to take care of them if they don’t want to take care of themselves.”

HE ADDS, “OF COURSE, AS MANAGERS, WE SHOULD BE CAREFUL TO HELP ARTISTS TO MAKE DECISIONS FOR THEMSELVES THAT PRIORITISE WELLNESS OVER BUSINESS WHERE APPROPRIATE. I WOULD ALSO ADD THAT, AS MANAGERS, WE NEED SUPPORT TOO. REGULAR THERAPY FOR THE LAST FEW YEARS HAS BECOME AN ESSENTIAL PART OF MY LIFE.”

**THE NEXT WAVE OF SKILLS - DATA ANALYSIS**

Probably all managers have a wish portfolio of roles that, budget permitting, they would like to add to their companies - and these wish lists are likely a strong gauge of what management companies will look like in the next few years.

For Prolifica’s Colin Schaverien, that list is relatively short. “Digital marketing for selling concert tickets and selling music,” he says. “Simple as that.”

However, data management might appear a particularly pressing area to invest, given its importance across streaming, live and social media, most managers say that having a data team is, for now, a luxury they cannot afford. Instead they rely on DSP tools (like Spotify for Artists or Apple Music For Artists), label

partners, or simply outsource as and when they need help.

"If there are management companies with strong points, ours would be in A&R and making records rather than having a stethoscope and understanding the mining of data," is Rob Swerdlow's take on this. "Unless your data is in a certain space or at scale, it doesn't really mean anything; it doesn't count for much."

**"OUR DIRECTION OF TRAVEL IS VERY MUCH TO ADD DATA CAPABILITIES TO OUR ALREADY ESTABLISHED IN-HOUSE SERVICES THAT INCLUDE ARTIST BUSINESS PLANNING, MARKETING, SYNCHRONISATION AND FILM-MAKING," SAYS BRIAN MESSAGE OF A DATA EXPERT ROLE.**

Ellie also raises the costs of paying for specialist data expertise. She says when Bill Ryder-Jones plays Shepherd's Bush Empire in London, this will be the trigger to start spending on building data sets. "Currently we use an email database which has a massive 60%+ open rate but would love to be more refined with our advertising and digital data we have," she says.

In an ideal world, she suggests, she would start building and investing in data collection "from literally day dot". "That's where you can really help build audience. If I was running a bigger company, that's exactly what I would do. Big management companies who do not see the value in having a digital person within their company are not seeing the changing way of the industry. We are here to build audiences and have to remember that."

One exception here is ie:music. The company has a respected analytics/data department as part of a wider strategy to ensure greater autonomy.

"It essentially allows our artists to take more control because, as the management company, we have to know about every aspect of an artist's career," explains Tim Clark. "It's all here; it's all in-house."

He lists areas such as live, social media, publishing and label deals where the management company needs access to intricate data. "It just made sense to us to have an in-house division that was actually going to be able to deal with an artist's marketing across all of those disciplines," he says. "These are all the things that we felt made more sense being in one place rather than in a series of separate silos."

Tim accepts that ie:music is currently something of an outlier in this regard. But it is also a clear model for the future for other management companies where data is not just something they own but also something they can fully understand and use to make business and marketing decisions.

**"WE ARE PRIVILEGED TO BE ABLE TO DO IT - WE'RE WELL AWARE OF THAT," SAYS TIM. "IF YOU TALK ABOUT BUYING A HOUSE, IT'S LOCATION, LOCATION, LOCATION. WELL, IF YOU'RE RUNNING A BUSINESS, IT'S OVERHEAD, OVERHEAD, OVERHEAD. AND OUR DIGITAL TEAM IS AN OVERHEAD THAT IS BEGINNING TO PAY DIVIDENDS."**

**▶ MMF ACTIONS**

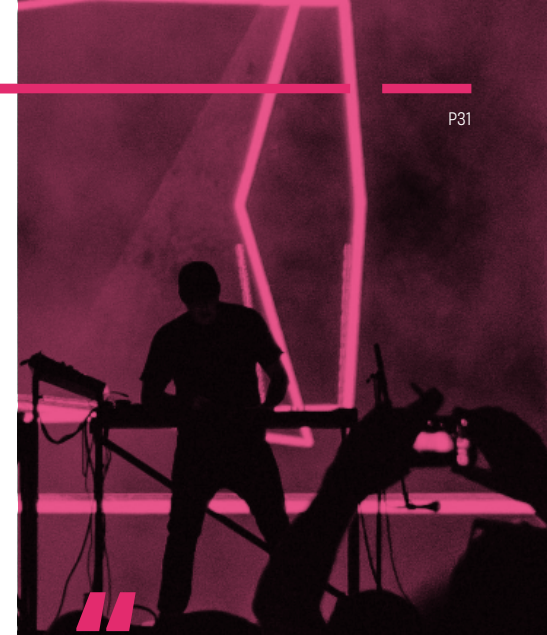
*Education and training is at the heart of the MMF's activities, and we run a range of courses for all levels of our membership, including the Essentials of Music Management, Live and Touring, the Mechanics of Music Management and advanced specialised courses in digital marketing.*

*The MMF's Associate Programme also allows our members to join regular in-depth seminars with more than 40 world-leading companies including YouTube, Amazon, Spotify, Soundcloud, Facebook and Kobalt.*

*More recently we have developed an Educational Associate Programme, providing a pathway for specialist universities and colleges to engage directly with our community.*

*MMF has played a lead role in the conversation around mental health and well-being, publishing The Music Managers Guide To Mental Health in 2017 in conjunction with Music Support and Help Musicians UK. As well as speaking publicly in panels and forums on this important issue, we have given a priority to providing managers with concrete skills to support their own mental health and that of their artists - such as workshops on suicide prevention, working with labels on mental health signposting and providing peer-to-peer support.*

*We plan to continuously review our FanData guide and course programme to ensure it's relevant and updated for our membership's needs.*



*I think managers sometimes need to be braver about challenging their artists rather than simply representing their artist's views. The precarious nature of many management agreements doesn't help with this. Managers could tap into third-party expertise more, without feeling that this is a failure or that it weakens their position. The music industry increasingly requires more specialised skills and knowledge and no one person can hope to cover every aspect to any degree of depth. The best management companies are building some of that expertise in-house but it is also possible to tap into expertise through partners.*

**PAUL HITCHMAN, PRESIDENT, AWAL**

*From a services perspective, managers are constantly having to innovate. They are taking on the role of a label more frequently and expanding their skill set out of necessity. The main area where a manager tends to do well is the ability to have an open mind. There is no longer a set route to market.*

**IAN DUTT, MD, THE ORCHARD**



# DIFFERENT MODELS IN MANAGEMENT

AS OUR SURVEY HIGHLIGHTS, **THE MUSIC MANAGEMENT SECTOR COVERS A WIDE SPECTRUM - FROM SOLO START-UPS TO GLOBAL BUSINESSES EMPLOYING A MULTITUDE OF STAFF.** 75% OF SURVEY RESPONDENTS EITHER PART-RUN A COMPANY OR ARE EMPLOYED BY A COMPANY.

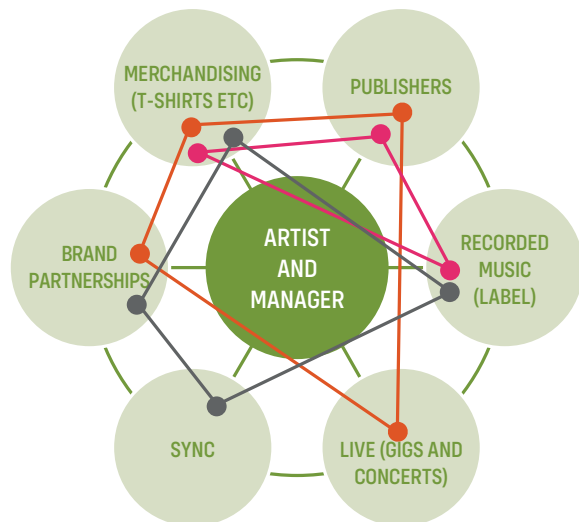
HOWEVER, WE KNOW FROM MMF MEMBERSHIP INFORMATION THAT BUSINESS AND REVENUE MODELS AMONGST MANAGEMENT COMPANIES CAN VARY IMMENSELY.

Whilst the 20% commission model that historically defined artist management in the UK is still the dominant business model, some are challenging this as it can be very difficult to sustain a full-time career. This is happening alongside a concurrent move by management companies to establish new commercial models.

For start-up managers, one option is to "plug" into an existing management company - either as an employee or as a joint-venture - in order to secure expertise, resources and scale. In the former scenario, an act would typically pay their 20% commission to the management company and the new manager would become a salaried employee.

For the incumbent companies there are clear benefits to such arrangements which allow them to bring new talent into the fold.

## DIFFERENT MANAGEMENT/ARTIST BUSINESS MODELS



- Example artist journey 1
- Example artist journey 2
- Example artist journey 3

## HOW DO ARTISTS GET PAID?

### "20% COMMISSION" RULES

66%



DESPITE A DIVERSIFICATION OF THE MUSIC BUSINESS, 66% OF RESPONDENTS STILL RELY ON COMMISSION-BASED EARNINGS. 75% OF THESE ARE ON A 20% COMMISSION.

### PAY DISPARITY

25%



EARN MORE THAN THE NATIONAL AVERAGE. BUT 56% EARN LESS THAN £10K PER ANNUM FROM MUSIC MANAGEMENT. 21% EARN NOTHING AT ALL.

LIVE



### IS NOW THE MOST SIGNIFICANT REVENUE STREAM

FOLLOWED BY RECORDED/PUBLISHING ADVANCES, PRS ROYALTIES, STREAMING PAYMENTS, AND PPL ROYALTIES.

## DIFFERENT MODELS IN MANAGEMENT

While 52% of respondents are full-time employees, or run their own company full-time, the remainder represent a wide cross-section of part-time, freelance and contractual workers.

### Full time vs. part time

52%

Full-time employees

48%

Part-time, etc

### But no us vs. them

26%

work full-time or part-time in another part of the music business.

### Not enough hours in the day... Hours dedicated to music management

25%

less than 19 hours per week

40%

more than 40 hours

23%

more than 49 hours



ATC employs staff in all the service areas that support the artist managers within the company. As for the managers themselves, there are a range of structures – including salaried staff, contractual JVs and limited liability partnerships. “The diversity of approaches is usually a reflection of the extent of a manager’s business set-up at the point of joining us,” explains Brian Message.

Meanwhile, at ie:music all managers are on the company payroll, but there are bonus and incentive schemes depending on the project.

“WE HAVE BROUGHT IN A COUPLE OF MANAGERS THAT HAD THEIR OWN ROSTER BUT WERE SUFFICIENTLY INTERESTED TO JOIN US UNDER OUR TERMS – WHICH IS WHERE THEY BECOME EMPLOYEES,” SAYS TIM CLARK.

Because managers frequently have to work long and unsociable hours, Tim suggests rewards and incentives need to be put in place.

“WE’RE WELL AWARE OF WHAT MANAGERS HAVE TO GIVE UP SO, OF COURSE, WE HAVE A PROFIT-SHARE SCHEME,” HE SAYS. “THAT IS ALL PREDICATED ON A PARTICULAR MANAGER’S SUCCESS. IF YOU ARE BRINGING IN LOTS OF MONEY, YOU GET A PRETTY DECENT SHARE OF IT.”

## MANAGEMENT CONTRACTS

Our survey demonstrates managers take various approaches to how and when they formulate their business relationships with artists. The survey indicated polarised approaches with 59% contracting artists before they commenced work or within the first 12 months of the relationship. A further 41% only address any contractual arrangement when rights were signed to third parties or when the artist reached a certain professional level. When the deals are agreed 76% of respondents follow the 20% model with a very small fraction of 6% receiving any commission over this. When it comes to live 73% commission on net receipts but others are working different models such as a percentage of gross or whichever is higher or taking a % of gross.

A UK manager working on 20% commission has been the default setting for the business for so long that it has become ossified as fact: “this is the way managers earn money and it will remain so forever”.

Yet as the industry changes, as the way acts make money shifts, and as the responsibilities of a manager increase, there is growing discussion within the management community about the viability of the 20% model, with many arguing that it is anachronistic and unfit for purpose.

## JOINT VENTURES WITH ARTISTS

Managers appear to be split on the idea of committing to a joint venture with their artist. While some regard it as workable on projects that sit outside their day-to-day remit, others are not sold on this arrangement being the foundation of a manager/artist relationship.

However, the model is clearly being tested.

For Kwame Kwaten, artist JVs are increasingly becoming standard practice. “I think that’s just because it’s becoming much more of the norm,” he suggests.

2K Management is also experimenting with artist JVs, while working with other acts on a straight commission basis – suggesting that managers could take a more blended business approach to how they work with acts.

“We’re in the process of doing JV’s with maybe two of our artists,” says Moe Bah. “Other than that it’s just the standard commission. But the option is always open for any of them to just come in and be a part of what we’re doing or anything that they’re doing – if they want us to be a part of it.”

One manager we spoke to explained that they are also using a hybrid approach and this is, in part, a result of the type of people they manage and the differences in how they work compared to a performing and recording artist.

This allows them to work across a range of different projects, depending on what the client wants rather than simply taking 20% of everything. For instance, something like studio session work might be out of scope of the agreement, and so the manager may opt not to

take commission on that. Alongside this, some producers and writers, because of the nature of their work, may prefer to pay a retainer rather than work on a standard commission rate.

While these types of JVs and partnerships are seen by some managers as something to explore and experiment with, others are reserving judgement for now.

“We’re not entirely sure of joint ventures,” says Tim Clark. “I think management, by its nature, means we work for our artists. It’s a very personal and close relationship.”

There is also a danger, he adds, of creating conflicts of interests.

“It’s why ie:music has never started a publishing company that would publish our artists’ music,” he explains. “I’m not criticising those management companies that do; it’s just a personal thing for me. If we have an artist or writers within a band who are doing that well, we would probably be able to get them better deals outside of our own setup.”

Likewise, Adam Tudhope is not opposed to the JV approach in theory, but stresses he has never found a situation where he thinks it could work or should be implemented.

“I’M INTERESTED IN IT, BUT I HAVEN’T FOUND IT YET – LET ME PUT IT THAT WAY,” HE SAYS. “I DON’T WANT TO FIND MYSELF IN A POSITION WHERE I’M EARNING MORE FROM AN ARTIST’S PROJECT THAN THEY ARE. THAT WOULD BE WEIRD. SO BEING A KIND OF VC-TYPE INVESTOR DOESN’T FEEL RIGHT TO ME.”

He does, however, add that Everybody's have invested in their artists with their own money over time and, as such, expected to be paid back.

"I think it's maybe an artist-by-artist thing," he says. "But I haven't yet found an artist where I've been like, 'Oh, this needs to be a completely different kind of a deal!'"

Adam has also invested in a new venue Ben Lovett from Mumford & Sons is planning in King's Cross in London. "But that's just completely separate and has nothing to do with management," says Tudhope. "I could be anybody, as it were; I'm just a friendly investor."

#### A NEW TYPE OF PARTNERSHIP

ATC is also testing the water with new business models that combine management, live booking, talent services and sometimes investment. These are, for now, the exception rather than the rule simply because of the scale of investment capital involved and the lack of capital within the business.

One such example is Frank Carter & The Rattlesnakes. Having managed the band in a traditional manner for their first two albums, management and artist are now locked into a joint venture over a number of years. The approach is to give the band the best shot at headlining festivals and arenas by the time the agreement comes to an end.

Anna Russell of AR Artist Management, who runs The Virtual Manager (a unique membership site that offers artist management guidance and support to early-stage artists) is also dipping her toe into these waters saying an act she

works with now is on a JV basis. She adds that, especially at an early stage of an artist's development, the 20% model does not always make sense.

"IF AN ARTIST CAME TO ME TOMORROW THAT I THOUGHT WAS GREAT, ESPECIALLY IF IT WAS SOMEBODY A BIT MORE ESTABLISHED, AND WE DECIDED TO WORK TOGETHER, I AM STILL OPEN TO THE TRADITIONAL 20% MANAGEMENT COMMISSION," SHE SAYS. "BUT BECAUSE MY PASSION IS TO WORK WITH EARLY STAGE ARTISTS, I'M LIMITED IF I HAVE A ROSTER OF ARTISTS THAT ARE NOT YET EARNING ENOUGH TO CREATE A WHOLE SALARY. I'M VERY OPEN TO OTHER MODELS."

She argues that the industry thinking around the 20% model needs to change and, as part of that change, is a reconsideration of how the manager and the artist partner.

"You're literally equal business partners, in the same way that you would be if you were setting up a shop together," she proposes. "So that actually does feel a little bit more secure for both parties. And the conversations if either party wanted to sever that agreement feels a lot more transparent. You're business partners. You're not just ending a relationship, which I think can sometimes feel quite easy to walk away from; you're actually closing down, or at least very significantly restructuring, a business."

Another manager spoke of how they normally work on a straight commission with their acts but, as they grow and new opportunities present themselves, they are open to making new investments that sit outside of their standard

management work and commission model. They gave the example of their move, along with one of their acts, into live events and how that was something they felt required a new approach in terms of investment and profit splits.

"IT IS A BUSINESS CONCEPT THAT WE SET UP IN PARTNERSHIP WITH THE ACT," THEY EXPLAIN. "WE DON'T TAKE COMMISSION ON THAT BUT WE SHARE IN IT TOGETHER. I THINK IT IS ABOUT HAVING A VERY HONEST CONVERSATION. WE HAVE EVOLVED AS A MANAGEMENT COMPANY AND THEREFORE WE HAVE EVOLVED AS A BUSINESS. WE HAVE HAD TO HAVE CONVERSATIONS ALONG THE WAY TO REFLECT THE WAY THINGS HAVE CHANGED."

#### MANAGERS PROVIDING "TOP UP" AGENCY SERVICES

As noted above, many management companies are investing in staff and expertise to ensure they can work across multiple areas of the business.

As part of this trend, some management companies are providing additional agency and services roles which may need to be funded in new ways. It's what Niamh Byrne terms a "services on top" approach.

Colin Schaverien also talked about the need to think beyond the 20% model that has simply been accepted as the norm, especially as Prolifica has evolved into a label, operating as a JV with PIAS for two of the acts on its books, Circa Waves and Two Door Cinema Club.

He says they are looking at different deal structures across different artists, based on the amount of resources and work they have to put in.

"I think the traditional 20% of net is becoming a bit archaic," he says. "Does that mean we need to get paid more? Only if we can justify the additional resources and work that we're putting in as managers, otherwise we're doing the industry a disservice. But I think there's a broader realisation from the artist community that a lot of the heavy lifting is being burdened by management companies."

The issue of a management contract has always been open for debate, with some managers feeling the unique nature of what they do is so trust-based that contracts are unnecessary; whereas others feel, especially if they have been a major early investor, that a contract is essential to protect their investment and earnings (and potential future earnings).

Tim Clark says ie:music has always worked on a contract basis, but they are rolling and regularly up for review.

"OUR CONTRACTS ARE ONLY EVER ANNUAL CONTRACTS," HE SAYS. "WE NEVER SIGN AN ARTIST FOR LONGER THAN A YEAR. NINE MONTHS INTO THE CONTRACT, WE SIT DOWN AND WE SAY, 'OK, HOW'S IT GOING?' IT HELPS TO KEEP US ALL ON OUR TOES. IT'S BEEN THE POLICY SINCE DAVID AND I SET UP THE COMPANY IN 1992."

#### SUNSET CLAUSES UNDER REVIEW

Just as management commission is up for review (or needs to be ripped up and started all over again - depending on which manager you talk to), so too are "sunset clauses" which cover the legalities when an artist/manager relationship terminates.

Traditionally these have worked on the basis of five years on full commission on any projects that the manager helped bring to fruition, with a further five years on half commission.

Sunset clauses have primarily covered recorded and publishing deals but, as the ways acts make money change, there is a feeling among some managers that what goes into the sunset pot needs to be reconsidered.

Adam Tudhope says that, while there is a generally accepted sunset period in the UK, it is not one that artists from other markets are so attuned to. "Interestingly, now I'm working with Australian artists, it turns out that sunset clauses have been much more hard fought against by Australian artists," he says. "They're not into it. The industry standard there is much less onerous on the artist."

Of course, artist and manager relationships conclude for a number of reasons – creative, commercial, personal – but some managers are keen to find ways to ensure the end is as painless as it can be. One manager revealed that when a long-term management relationship with one of their acts came to an end, they both decided to enter mediation in order to either resolve differences or at least try to find an amicable basis on which to part ways.

If a business relationship does terminate, the end goal is to reach an exit that does not foster growing animosities over the years – something

that communicating only through lawyers might exacerbate.

Kwame proposes that a rethink of sunset clauses is necessary as a way to ensure an act's career is not undermined and that the manager is, in the long term, fairly recompensed.

He gives a hypothetical example of an act who has just earned £10,000 but is still struggling to make ends meet or pay off touring or studio costs. The manager could take their 20% commission from that but it could derail the act's career or push them deeper into debt.

**"SO YOU MIGHT SAY YOU'LL FORFEIT YOUR MONEY NOW AND TAKE IT LATER," HE SAYS. "THE PROBLEM IS THIS: IF YOU RUN A FIVE-YEAR DEAL AT THAT RATE THEN WHAT'S HAPPENED IS THAT YOU HAVE FORFEITED AND YOU'RE THE PERSON THAT'S MISSING OUT. BECAUSE THE PERSON IS NOT GOING TO PAY YOU UNTIL THEY CAN AFFORD IT. WHICH COULD BE TWO YEARS, COULD BE THREE YEARS..."**

There is a solution, he says, and that is reconsidering, based on the particular circumstances, when the post-term commission period begins and if it can be deferred.

"I think there is rule missing that goes: 'OK – if you, as an artist, push this payment back then the equivalent in years should be stuck onto the end of the deal,'" he says. "That's only fair. You're pushing back on your post-term time but yet the

actual time on the clock has not moved. So you still only collecting your 20% for five years."

A new area that could be rolled into sunset clauses is live income. As the economics of the business are now very different to the era when sunset clauses became the norm, managers are feeling they are justified in recalibrating what exactly a sunset clause should cover.

Brian Message notes that artist lawyers are tending to resist this approach, mostly he believes because they want to minimise the post-term impact altogether in an era where artists and managers chop and change much more regularly than they used to.

Another manager was vehemently opposed less to what revenue streams were included in a sunset clause and more to the period it covers.

"I think that traditional post-term commission clauses, whether they're 10 years at full commission or five years at full and five at half – are archaic," they say.

Instead, they are steadfastly of the belief that that earnings should be paid in perpetuity for anything that they worked on.

**"I THINK OUR POST-TERM COMMISSION SHOULDN'T BE BASED ON THIS OLD NOTION WHERE YOU'RE GOING TO GET 10 YEARS," THEY SAY. "I THINK WE SHOULD GET IT IN PERPETUITY FOR THE WORK WE'VE DONE."**

They are adamant that, due to the changing business environment, areas like sunset clauses need to change in tandem, revealing they were recently offered a 20-year post-term settlement but pushed back against this as the artist in question was highly likely to still have a very lucrative career 30+ years from now. .

"Because of the long tail that is coming from streaming, then there should be just rewards," they say. "I think the management community has always been a little bit undervalued in terms of what we bring to the table."

Ellie Giles believes that, fundamentally, the terminology needs to change here and therefore the commercial relationship managers have with artists need to change to better reflect their role and how that impacts on sunset clauses. Part of this, she feels, is doing away with the term "manager" as the lens through which to view and understand everything, preferring to use the term and replacing it with "business developer" instead.

"You are building a business and then you're not getting bought out of that business at the end," she says. "You're just being pushed off the business. In any other business scenario, if you build a business, you'd be bought out of that business. So why the fuck is that not the case in music management?"





## THE ACCELERATOR PROGRAMME

Accelerator is the MMF manager development programme established to address the needs for emerging managers in founding their businesses. The project was piloted in 2019 with 24 managers from across England and Wales representing a vast range of talent from dancehall to metal and everything in between. The programme supports a cohort of managers by offering skills development and advancing leadership. It also provides up to £15,000 investment to help support that leap from part time to full time management. Successes in the first year are evident, with managers increasing the number of music creators they represent by 20%, a number employing support staff, securing recording, publishing and other investments. The programme also enabled managers to extend their international reach with attendance at conferences such as Reperbahn, Midem and ADE and join rights holders on BPI Trade envoys to China and the LA Sync Mission. The programme will continue with support from YouTube Music and Arts Council England, Creative Scotland and Scottish Music Industry Association in 2020 and intends to be a long term strategy for the MMF to strengthen the sector.



### ▶ MMF ACTIONS

There is considerable focus in this report of the need to explore new business models between managers and their clients as well as those with key industry partners. This includes not only the basis on which revenues are apportioned, but also the structure of partnerships (for instance, sunset clauses) and access to commercial information such as audience data.

This is an ongoing conversation, but MMF will use this report to build knowledge of the different company structures - from commission, to retainer, to JVs, to service/consultancy - that can exist to remunerate managers for their work and the value they bring to artists careers.

However, there is also a clear need for further discussions with lawyers and the artist community including our sister organisations in the Council of Music Makers: the Featured Artist Coalition, Music Producers Guild, Ivors Academy and Musicians Union, to help shift the dialogue beyond a standard "20% commission" and to develop new types of relevant, sustainable business models.



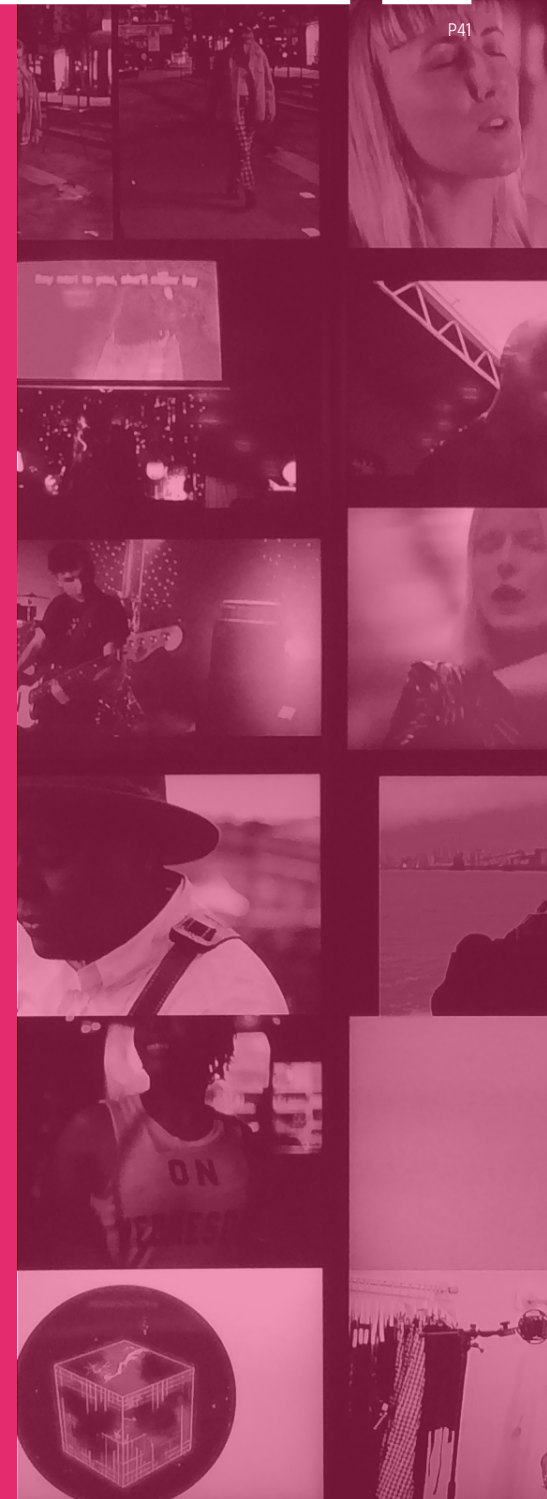
*The Accelerator Programme has allowed me to develop my own skill set through their seminars and workshops, and helped alleviate a financial burden which has given me more time to develop my artists. Being the only manager on the programme based in the North West, it has also helped me form relationships with other independent managers, whilst giving me exposure to the wider industry - not only in the UK but in Europe too."*

**SAM MEAGHAN - SM-MGMT**



*The Accelerator programme has been a turning point in my career as an artist manager, giving me the funds, space and time to pursue my goals. It's also given me the confidence I needed to move to the next level. I've gained invaluable training from experts in live, recorded, publishing, brands and accountancy and made some great contacts through the programme."*

**LORRETTA ANDREWS - SAFE MUSIC MANAGEMENT**



# CONCLUSION

“MANAGING EXPECTATIONS” REPRESENTS PART ONE OF WHAT WE ENVISAGE WILL BECOME A SERIES OF IN-DEPTH REPORTS ON THE CHANGING ROLE AND VALUE OF MANAGERS WITHIN THE MUSIC INDUSTRY. OUR SURVEY INDICATES THE SHEER DIVERSITY OF MUSIC MANAGER BUSINESSES IN THE UK AND HOW THEY ARE ADAPTING TO A FAST-CHANGING COMMERCIAL ENVIRONMENT THAT HAS CLEARLY ELEVATED THEIR ROLE. IT IS A HUGELY EXCITING TIME IN OUR PROFESSION.

As with our series of acclaimed Digital Dollar research/guides, a project which started over five years ago, we realise that perceptions and mindsets will not necessarily be changed by one piece of research - so we commit to listening and responding to what managers have told us, reviewing our activity and future campaigns, and actively promoting further dialogue throughout 2020.

The report also identifies a number of barriers that may prevent music managers and their clients from reaching their potential, such as:

- 1 | Access to Finance
- 2 | Support for Managers and Artists  
Mental Health
- 3 | Diversification of Skills
- 4 | Transparency on Income Streams
- 5 | Revenue and New Commercial Models

Recommendations are scattered throughout the report and identify there is more for us at the MMF to do here for our community. They are repeated here for ease:



# 1

## ACCESS TO FINANCE

MMF has placed an increasing focus on raising awareness around different sources of access to finance, not just grant funding - including calling for increases to touring support in light of Brexit and a specific amendment to the PRS Foundation’s Momentum Music Fund which now enables managers to claim for a contribution to their project management costs.

To help emerging management business achieve greater sustainability, the MMF have partnered with YouTube Music to develop the groundbreaking Accelerator Programme for Music Managers. With additional funding from Arts Council England, Creative Scotland and the Scottish Music Industry Association, Accelerator has already supported 24 managers with grants and professional training. The programme will return in 2020, and we are actively working with MMFs from other territories to build a pan-European mentoring programme, create new networks and grow international businesses.

We are committed to advocating and demonstrating to the industry at large the impact and value that highly skilled managers can add to their partners’ businesses and campaigning for dedicated funding to support this.

# CONCLUSION

## 2

### SUPPORT FOR MANAGERS AND ARTISTS MENTAL HEALTH

MMF has played a lead role in the conversation around mental health and well-being, publishing The Music Managers Guide To Mental Health in 2017 in conjunction with Music Support and Help Musicians UK. As well as speaking publicly in forums and panels on this important issue, we have given a priority to providing managers with concrete skills to support their own mental health and that of their artists - such as planning workshops on suicide prevention, working with labels on mental health signposting and providing peer-to-peer support.



## 3

### DIVERSIFICATION OF SKILLS

Education and training is at the heart of the MMF's activities, and we run a range of courses for all levels of our membership, including the Essentials of Music Management, Live and Touring, the Mechanics of Music Management and advanced specialised courses in digital marketing.

The MMF's Associate Programme also allows our members to join regular in-depth seminars with more than 40 world-leading companies including YouTube, Amazon, Spotify, Soundcloud, Facebook/Instagram and Kobalt.

More recently we have developed an Educational Associate Programme, providing a pathway for specialist universities and colleges to engage directly with our community.

We will use the findings from this report to identify any gaps in our provision, and commit to expanding our work around routes for our membership to access finance and access more business skills-focused courses.



# CONCLUSION

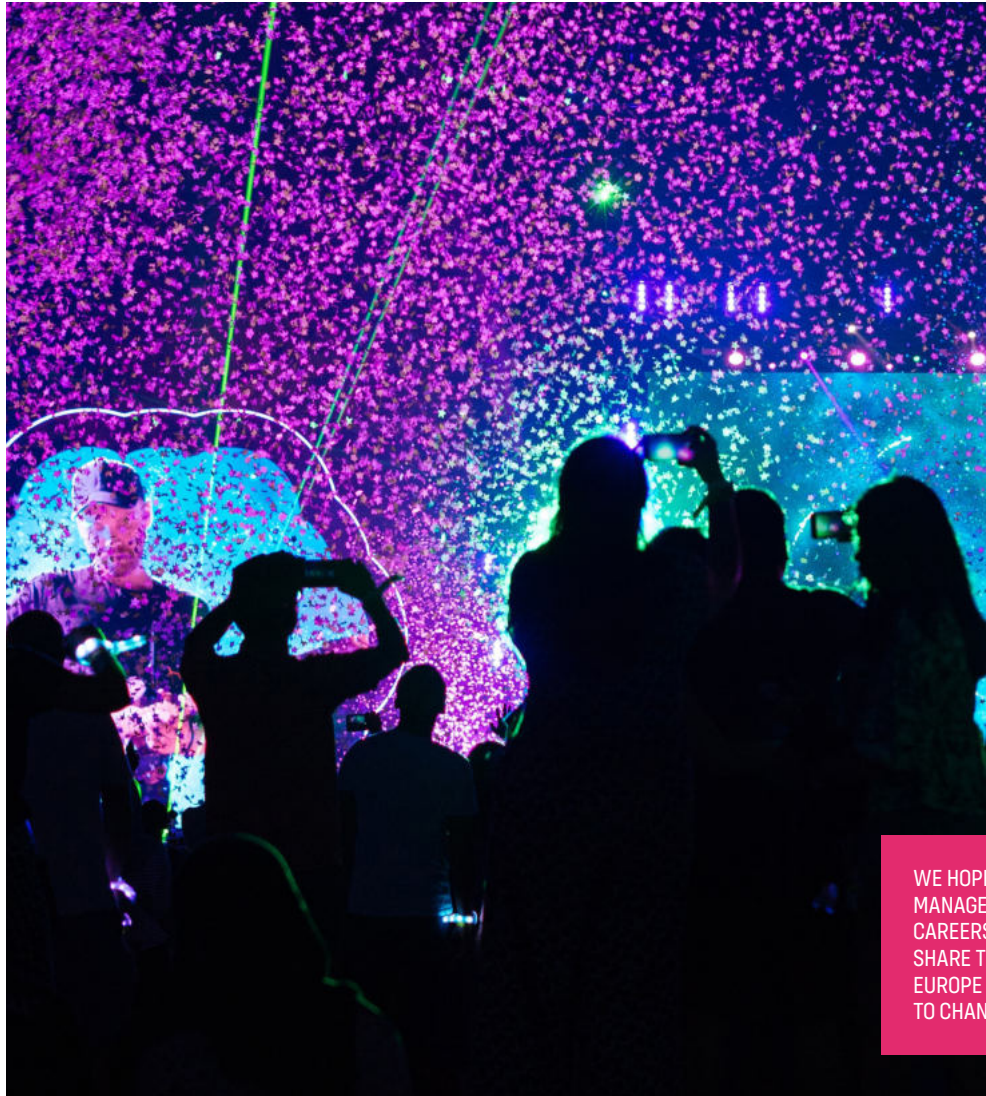
## 4

### TRANSPARENCY ON INCOME STREAMS

Working with music consultancy CMU Insights, the MMF has pioneered the Dissecting the Digital Dollar project which, over 5 years and a series of publications, has helped managers better understand the economics of streaming, as well as raising important issues around contractual transparency and the value of data - including a bespoke 'Fan Data' guide.

The most recent Dissecting The Digital Dollar publication, the \$ong Royalties Guide, was issued in May 2019.

Through our public policy work, the MMF have also campaigned for greater transparency over deal information and more equitable deal terms - there is clearly more to do in this space directly with industry and with implementing legislation. We also work directly with several streaming services on their analytics platforms for managers helping make sure these provide the information managers and artists need to inform their businesses.



## 5

### REVENUE AND NEW COMMERCIAL MODELS

A key recommendation of this report is the need to explore new commercial models between managers and their clients, as well as those with key industry partners. This includes not only the basis on which revenues are apportioned, but also the structure of partnerships (for instance, sunset clauses) and access to commercial information such as audience data.

The MMF will use this report to build knowledge of the different company structures - from commission to retainer, to joint ventures, to service/consultancy - that can exist to remunerate managers for their work and bring value to artist/writer/producer careers.

However, there is also a clear need for further discussions with lawyers and the artist community including our sister organisations within the Council of Music Makers (the Featured Artists Coalition, Music Producers Guild, Ivors Academy and The Musicians' Union) to help shift dialogue beyond the historical standard "20% commission" and to develop new types of relevant, sustainable business models that better reflect changes within the industry.

WE HOPE THIS REPORT STARTS CONVERSATIONS AROUND THE ROLE OF MANAGERS AND HOW THEY OPERATE THEIR COMPANIES SUPPORTING THE CAREERS OF CREATORS AND THEIR OWN CAREERS WITHIN THAT. WE WILL SHARE THE FINDINGS WITH OTHER MANAGEMENT ORGANISATIONS AROUND EUROPE AND THE WORLD TO EXPLORE HOW OUR COMMUNITY IS ADAPTING TO CHANGING GLOBAL MARKETS.



**THEMMF.NET**

---

Published October 31st 2019