



Also by Donald S. Passman

The Amazing Harvey

The Visionary

Mirage

All You Need to Know About the Music Business

ELEVENTH EDITION

Donald S. Passman

Illustrations by Randy Glass

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New York London Toronto Sydney New Delhi



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Did You Know That . . .

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

*To my precious Shana, and our growing family:
Danny, Soundis, David, Rona, Josh, Lindsey, Jordan, Dorianne,
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IMPORTANT

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over time, and by necessity of the lapse in time between the writing and printing of this book, some aspects may be out of date even upon first publication.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

Contents

1. <i>First Steps</i>	1
-----------------------	---

PART I Your Team of Advisors

2. <i>How to Pick a Team</i>	13
Getting Your Team Together	13
Business Philosophy	13
Hiring a Team	14
Changing a Team Member	30
Cocktail Party Talk	32
3. <i>Personal Managers</i>	33
Role	33
Commission Overview	34
Negotiating the Manager's Deal	35
Picking the Right Manager	46
4. <i>Business Managers</i>	49
Role	49
How to Pick a Business Manager	50
Business Manager Checklist	51
Fees	53
Your Half of the Job	55
5. <i>Attorneys</i>	56
Picking a Lawyer	56
Fees	59
Conflicts of Interest	59
Attorney Checklist	61

6. <i>Agents</i>	63
Role	63
Fees	63
Deal Points	64
Picking an Agent	66

PART II Record Deals

7. <i>Broad-Strokes Overview of the Record Business</i>	69
Industry Structure	69
A Word About Retailers	74
Do You Need a Record Label?	75
What's a Record?	78
Masters/Recordings	79
Royalty Computation	80
8. <i>Advances and Recoupment</i>	86
Advances: The Basic Concept	86
Other Goodies	88
Cross-Collateralization	89
9. <i>Real-Life Numbers</i>	92
Overview	92
Royalties	94
Advances	98
360 Rights	103
10. <i>Other Major Deal Points</i>	107
Amount of Product	107
How Long?	111
Delivery Requirements	115
Guaranteed Release	117
Controlled Compositions	118
Greatest Hits	118
Live Albums	119
Independents Day	119
11. <i>Producer and Mixer Deals</i>	123
What's a Producer?	123
Royalties	124

Advances	127
Other Royalty Computations	129
Who Hires the Producer?	130
Mixers	135
12. <i>Advanced Royalty Computations</i>	137
Royalties for the United States	137
Foreign Royalties	137
R.O.W.	139
Electronic Transmissions	139
On-Demand Streaming	140
Downloads	149
Non-Interactive Streaming and Satellite Radio	150
Video Streaming	151
Samples	152
Guest Artists, Featured Artists, and Joint Recordings	152
Apps	154
Video Games	156
Web3, the Metaverse, NFTs, and Things That Go Bump in the Night	156
Bundles	160
Television and Other Advertising	160
Podcasts	161
Multiple Albums/Box Sets	161
Profit Share	162
Dearly Departing Contract Clauses	167
DVDs	172
Accountings	173
13. <i>Advanced Record Deal Points</i>	174
Exclusivity	174
Websites/Social Media	181
Single-Song Videos	182
Independent Promotion and Radio Concerts	184
Merchandising Rights	186
Tour Support	187
Territory	189
Creative, Marketing, and Other Controls	191
Artwork	192
Union Exploitation Charges	193
Loan-Out Deals	195

14. <i>Independent Production, Label, and Distribution Deals</i>	199
Independent Production Agreements	199
Joint Ventures/Profit Share	208
Distribution Deals	209
Label Services Deals	210
Upstream Deals	211

PART III

Songwriting and Music Publishing

15. <i>Copyright Basics</i>	215
Basic Copyright Concepts	215
What Are All These Rights You Get?	216
Exceptions to the Copyright Monopoly	218
Compulsory Mechanical Licenses	219
16. <i>Publishing Companies and Major Income Sources</i>	224
Publishing Overview	224
Sources of Income	229
Public Performance Royalties	229
More About Mechanical Royalties	237
Streaming and Downloads	238
Music Modernization Act	248
17. <i>Even More Publishing Income</i>	252
Synchronization and Transcription Licenses	252
Samples	262
Foreign Subpublishing	264
Printed Music	271
Controlled Composition Clauses	275
Maximum Rate per Song	278
Maximum Rate per Album, EPs, and Singles	280
 <i>Bonus Section!</i>	 286
How to Set Up a Publishing Company	286
 <i>Double Bonus Section!!</i>	 289
Hey, Kids, Let's Sell a Catalog!	289

18. <i>Songwriter, Co-Publishing, and Administration Deals</i>	292
Songwriter Agreements	292
What's in the Pot?	293
Charges Against Royalties	296
Copyright Ownership	298
Single-Song Contracts	299
Term Songwriter Agreements	299
Pop Quiz	303
Co-writes (Songs Written by Two or More Writers)	304
Creative Control	305
Reversion of Copyright	307
Administration Agreements	310
Co-administration Agreements	312
Now Look Where You Are!	315
 19. <i>Advanced Copyright Concepts</i>	 317
Who Owns the Copyright?	317
Works for Hire	319
Duration of Copyright	322
Right of Termination	323
Public Performance of Recordings	324
What Happens When Someone Rips Off Your Copyright?	330
Artificial Intelligence and Monkey Selfies	340
 20. <i>Even More Advanced Copyright Concepts</i>	 346
Sound Recording Copyrights	346
How to Terminate a Copyright Transfer in Your Spare Time, for Fun and Profit	348
Extension Rights	350
The Copyright Notice	354
Registration and Deposit	354
Moral Rights	356

PART IV Group Issues

21. <i>Groups</i>	361
Group Provisions in Record Deals	361
Trivia Quiz	363
Internal Group Deals	365

22. <i>What's in a Name?</i>	375
Rights in a Name	375
Registration	381

PART V Touring

23. <i>Personal Appearances—Touring</i>	389
Roles of Team Members	389
Marketing	396
Personal Appearance Deals	396
New Artists	397
Internet Phenoms	399
Midlevel Artists	400
Heritage Acts	401
Superstar Touring	401
VIP Ticketing	406
Sponsorship	407
Hall Fees	408
Riders	408
I'll Take the Whole Thing . . .	410
Multi-Show Deals	412
Lining Your Pockets with More Gold	414

PART VI Merchandising

24. <i>Tour Merchandising</i>	421
Tour Merchandisers	422
Royalties	422
Hall Fees	424
Advances	425
Term	426
Advance Repayment	427
Exclusivity	427
Creative Control	428
Exclusions	429
Sell-off Rights	430
Bootleggers	431

25. <i>Retail, Direct to Consumer (D2C) Merchandising, and Fan Clubs</i>	432
Retail Merchandising	432
Royalties	433
Other Deal Points	434
Direct to Consumer (D2C) (E-commerce/Web Store Sales)	434
Fan Clubs	436
Caution	437

PART VII Classical Music

26. <i>Classical Music</i>	441
Term and Product	443
Royalties	445
Advances	445
Mechanical Royalties	446
Marketing Tie-ins	447

PART VIII Motion Picture Music

27. <i>Overview of Motion Picture Music</i>	451
Introduction	451
One Song—Eight Deals	451
The Rights Involved	452
28. <i>Performer Deals</i>	454
Overview	454
Performance in the Film (No Record Rights)	454
Record Rights to Film Performances	459
29. <i>Film Songwriter Deals</i>	467
Terminology	467
Deal Points	467
30. <i>Composer Agreements</i>	473
Deal Points	473
Package Deals	482

Creative Financing	487
Television Composers	488
Video Game Composers	491
31. <i>Licensing Existing Recordings and Existing Songs for Motion Pictures</i>	493
Recording Licenses	493
Licensing Existing Musical Compositions for Films	497
Film Music Quiz	497
32. <i>Music Supervisors</i>	499
Role	499
Motion Picture Supervisor Fees and Royalties	500
Television Supervisors	501
33. <i>Soundtrack Record Deals</i>	502
Score Albums	502
Song Albums	503
Other Issues	503
Appendix: Ye Olde Royalty Calculations	507
Conclusion	511
Index	513

All You Need to Know About the Music Business

ELEVENTH EDITION

I

First Steps

STATE OF THE UNION

Welcome to the eleventh edition.

And for you *Spinal Tap* fans, “This one goes to Eleven” (if you have no idea what the hell I’m talking about, Google it).

I have lots of new goodies for you since we last got together, such as the dominance of streaming, why artists have more power than ever in history, the emergence of music created by artificial intelligence (some argue that’s been going on since the beginning of stoner rock), how TikTok has majorly rocked the music world (and whether that’s good or bad), the recent mega-sales of music catalogs, music in Web3/metaverse/NFTs, and of course updated numbers and practices.

Piracy slaughtered the music business in the 2000s, as U.S. music revenues plummeted from their high of \$14.6 billion in 1999 to half of that, and they stayed stagnant or steadily declined for sixteen years. But thanks to streaming, we’re now booming, having hit an all-time high of \$15.9 billion in 2022, and still growing healthily. Streaming is clearly the savior, but in the process, it changed the music biz more radically in the last few years than at any other time in its history.

Let me explain:

First, of course, there was a massive change in how music is delivered. Since the 1890s, music has been monetized by selling something: wax cylinders, piano rolls, shellac records, vinyl records, cassettes, CDs, and cheesy merchandise (well, I guess we’re still doing that). Today, the business is no longer based primarily on sales of physical goods (though they still exist), but rather on Spotify, Apple Music, TikTok, Amazon Music, YouTube, and similar services.

Second, this change goes WAY beyond the way you get your music. Consider this:

1. In the past, when record sales were the mainstay of the recorded music business, you could go to a record store and buy two or three records at a time. Today, you can only stream one song at a time. That may not seem like a big deal, but . . .
2. In the days of physical goods, an artist was paid the same money for each record sold, regardless of whether a buyer listened to it a thousand times or never took it out of the shrink-wrap and used it as a doorstop. But today, the more listens you have, the more money you make (I'll explain how later). However . . .
3. In the old days, if my records sold big numbers, it didn't make any difference to the number of sales you had. Your fans would buy your albums, and my fans would buy mine. In fact, if you had a big seller, it would bring a lot of people into record stores, and that increased the chances of selling my records. But in the streaming world, that's no longer true. For reasons we'll discuss later, the more listens you get, the less money *I* make. A truly radical change.

Streaming has delivered us from the jaws of despair. As I said a minute ago, we beat the industry's 1999 revenue record when we hit \$15.9 billion in 2022, and that's really awesome except for the pesky little fact that in 1999 gasoline was \$1.68 per gallon. But even adjusting for inflation, I predict the industry is going to be bigger than it's ever been in history. Why?

In 1999, the historical peak of the music biz, an average CD buyer spent about \$40 to \$50 per year on CDs; let's call it \$45. Today, with subscriptions priced at \$10 per month, the average per-subscriber fee is about \$7 (because of student and family discounts). So let's use \$7 per month, which means a music fan spends about \$84 per year. The \$45 in 1999 is worth about \$72 today (according to my deep research of two minutes to find a chart on the Internet), so at \$84 in today's dollars, we're already ahead of the \$72 equivalent for CD purchases that we got from fans in the good ol' days. On top of that, the number of subscribers is growing all over the world. And subscription fees are going up.

But wait. . . there's more! In the heyday of the music biz, the average CD buyer stopped going to record stores (or even listening to much music) in their early twenties. Today, people of all ages subscribe to streaming services (oldsters listen to classic rock or Frank Sinatra, and toddlers want stuff like "Baby Shark," a song that can mercilessly eat your brain). Which means streaming is not only generating more money per user (the \$84 vs. \$72 in the above example), but it's also

bringing in a wider range of consumers than ever before. How can the industry not be bigger than ever?

This digital revolution also allows artists to get their music directly to fans without a record label being a gatekeeper. That levels the playing field and gives more power to artists, who can generate a substantial buzz on their own, then decide if they even need a record company. We'll talk about all that in detail.

And that's just a taste of what's waiting for you inside the tent.

So step right up, folks. No need to push, there's room for everyone, as we explore how the music business is shifting around like a Rubik's cube. Hang on to your hats, glasses, and small children.

OPEN UP AND SAY "AHHH"

For many years I taught a class on the music business at the University of Southern California Law School's Advanced Professional Program. The class was for lawyers, accountants, record and film company executives, managers, agents, and bartenders who wanted to manage groups. Anyway, at the beginning of one of these courses a friend of mine came up to me. She was an executive at a film studio and was taking the class to understand the music biz as it relates to films. She said, "I'm here to open up the top of my head and have you pour in the music business."

I loved that mental picture (because there's a lot of stuff I'd love to learn that way), and it spurred me to develop a painless way of infusing you with the extensive materials in this book. So if you'll sit back, relax, and open up your mind, I'll pour in all you need to know about the music business (and a little more for good measure).

HOW I GOT STARTED

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

I got into this gig on purpose, because I've always loved creative arts. My first showbiz experience was in grade school, performing magic tricks for assemblies. I also started playing accordion in grade school. (I used to play a mean accordion; everyone applauded when I shook the bellows on "Lady of Spain." I gave it up because I found it impossible

to romance a girl while wearing an accordion.) In high school, I graduated from accordion to guitar, and in college at the University of Texas, I played lead guitar in a band called Oedipus and the Mothers. While I was with Oedipus, we recorded a demo that I tried to sell to our family friend, Snuff Garrett (more about him later). Snuff, a powerful record producer, very kindly took the time to meet with me. That meeting was a major turning point in my life. Snuff listened to the record, smiled, and said, “Don . . . go to law school.”

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

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

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

Anyway, I now channel my creative energies into innovative business deals, and I satisfy my need to perform by teaching, lecturing, and

playing guitar. Just to be sure I don't get too straight, however, I cycle through my weird assortment of hobbies: magic, ham radio, weight lifting, guitar, dog training, five-string banjo, karate, chess, poker, backgammon, and real estate investment. I also write novels, which you are all required to buy.

BRAIN SURGERY

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

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

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

It was for my moderately to seriously interested clients that I developed a way to explain the basics in simple, everyday language. With

only a small investment of time, these clients understood the essential concepts, and everyone enjoyed the process (including me). It also made an enormous difference in the artist's self-confidence about his or her business life, and allowed them to make valuable contributions to the process.

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

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

JUNGLE MAPS

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

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

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

From my experience, the best way to become a "trained observer"

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

DETAILS

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

SOME RESULTS

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

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

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

Way to go! Keep shoving.

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

STAPLE, SPINDLE, AND MUTILATE

When you go through this book, forget everything you learned as a kid about taking good care of books, treating them as sacred works of art, etc. Read this book with a pencil or highlighter in your hand. Circle or star passages you think you'll need, fold over pages, mark them with Post-its, paper clips, or bong water—whatever helps (unless you're reading an electronic edition, in which case you might want to lose the bong water). This is an action book—a set of directions on how to jog through the music biz without getting mugged. So treat it like a comfortable old pair of shoes that you don't mind getting dirty. It doesn't matter what they look like, as long as they get you where you're going.

CHOOSE YOUR OWN ADVENTURE

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

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

Here's how it's organized:

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

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

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

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

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

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

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

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

1. EXTREMELY FAST TRACK

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

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

2. FAST TRACK

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

3. ADVANCED OVERVIEW

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

4. EXPERT TRACK

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

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

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

PART I

Your Team of Advisors

2

How to Pick a Team

GETTING YOUR TEAM TOGETHER

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

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

We'll take a close look at each of these folks, but first . . . a message from our sponsor:

BUSINESS PHILOSOPHY

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

Take a hard look at some facts:

1. **You are a business.**

Even though your skills are creative, you're capable of generating multimillions of dollars, so you have to think of yourself as a business.

2. **Most artists don't like business.**

This isn't to say you aren't good at it. Some artists are unbelievably astute in business. However, those folks are the minority,

and whatever their love and skill for business, their love and skill for creating and performing are much bigger. So even if you've got the chops to handle your own business, it's not always the best use of your time.

3. Success hides a multitude of sins.

This is true in any business, from making widgets to making music. If you're successful, you can get away with sloppy operations that would bankrupt you if times were bad. For example, putting all your pals on the payroll, buying lots of non-income-producing assets (such as houses, jets, and other things that cost you money to maintain), as well as an overindulgence in various legal and illegal goodies, can easily result in a crash and burn if your income takes even a small dip, much less a nosedive. You can make more money by cutting costs than you can by earning more income (see page 414 for proof of this), so the time to operate efficiently is NOW, not later.

4. Your career is going to have a limited run.

Don't take offense at this—"limited" can mean anything from a year to fifty years, but it's going to be limited. In most other careers, you can expect to have a professional life of forty-years plus, but as an entertainer in the music business, this rarely happens. And the road is strewn with carcasses of aging rock stars who work for rent money on nostalgia tours. So take the concentrated earnings of a few years and spread them over a forty-year period, and you'll find that two things happen: (a) the earnings don't look quite as impressive; and (b) this money may have to last you the rest of your life.

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

HIRING A TEAM

The way you pick your professional team will either set up your career and finances for life, or assure you a place on the next Electric Prunes

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

Pre-team Strategies

Since you wouldn't open a store without something to sell, before you start assembling a team, you want to be sure your music is ready for the big time. And how do you know when it's ready?

You ask your tummy. Do you believe, in your gut, that your music has matured to the point that you're ready for a professional career? If the answer is yes, then you're ready. (Tummies are reliable indicators once we learn how to listen to them and dismiss the goblins that yell, "You're a phony and nobody wants you." Even the superstars have these goblins; they've just learned to ignore them.)

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

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

Some artists try to create music that triggers the TikTok algorithm, hoping it will help make their music go viral. Obviously, there's no one formula (or else everyone would do it), but for example, they might put the hook at the beginning of the song to lower the **skip rate** (skip rate means the number of people who listen to a few seconds of a song then hit "next") or study how the viral videos were shot to see what's working visually. But in reality the only thing that really works is a song that emotionally impacts the listener/viewer. While you can't fake that, or create it like a cake from a recipe, studying what's working online may

help you put your music in the best possible frame by seeing what visual or musical elements are getting massive attention.

Since this book's last edition, the music business has become far more democratic than ever in history. In the old days, record companies were enormous gatekeepers (we'll talk more about why on page 75), and without a label's clout, it was extremely difficult to get your records into stores (the only place to buy music before Amazon and iTunes), or get radio airplay, or get on TV. Today, record stores are virtually gone, and radio and TV mean far less. You can also easily make your music available online, so your songs can be judged by their own merit. That's the good news. The bad news is that *everyone* can put their music online, and as I write this, over a hundred thousand tracks are uploaded every *day*. So how do you ever break through the crowd?

You have to build a fan base and keep them engaged (we'll talk about how in a minute). After that, your music either works or it doesn't. Remember, streaming services are driven by algorithms, and the more a song is listened to, the more the algorithm pushes it. That's because streaming services want their listeners engaged, and they don't really care what they're listening to. So if you catch fire, it flares up fast. But if you don't, your music lies there like that new brand of dog food you tried out on Muffy.

So how exactly do you get fans (besides your Mom)?

A lot of bands start by playing local gigs. This is not only to attract fans, but also to tighten up your musical chops and get experience playing live. When you play, get fans to sign up for your email list at every show. A lot of artists offer something as an incentive to build their lists. For example, everyone who signs up gets a pin or sticker. Even if you only add a few new folks at each gig, and a few here and there online, you can eventually build a following that helps spread the word about your music and grows itself virally (assuming your music doesn't suck).

You also have to get your name and music out there on social media. For example, one tool is Reddit, arguably the largest online community in this space, and the leading "AMA" (Ask Me Anything) **platform** (a platform is a place where online users connect, such as eBay, Amazon, TikTok, etc.). Hosting your own Reddit page means posting about your news and songs, and the site also lets you join in discussions on a wide range of topics beyond music, such as art, gaming, or anything else that interests you.

Another technique to expand your fanbase is to connect with other artists on Instagram or Twitter and start a tweety lovefest. Fans love to eavesdrop on artists talking shop, and you can also get exposed to the other artists' fans. If they have a following, this makes their fans aware

of you. Many artists offer a free exclusive song to anyone who signs on to their email, SMS, or social lists for the first time. There's software to capture email addresses in exchange for songs at places like CASH Music (www.cashmusic.org), ConvertKit (formerly FanBridge) (www.convertkit.com/fanbridge), and Bandcamp (<https://bandcamp.com>). Of the three, CASH Music has the advantage of being open source (and free), as it's based on the principle that everyone donates resources and uses the platform to help other artists. You can also offer a song in exchange for a fan post on Twitter, using "Tweet for a Track" (www.tweetforatrack.com). I'm told Patreon (<https://www.patreon.com>) can be useful in creating a relationship with your most hard-core fans (and developing revenue opportunities with those folks). And check out blogs like *Hypebot* for the latest and greatest DIY marketing and promotional tools in real-time.

Whatever you give away should feel high-end to your fans. "Free" shouldn't mean "no value." It should mean the exact opposite. By giving away something of substance, it draws the fanbase/database closer to you and your story. Create unique content, such as exclusive video chats, early access to new recordings, or exclusive videos of you in the studio. Maybe fans get a free ticket if they buy one, or a chance to meet you after a gig, or you volunteer to help clean their garage—well, maybe not the last one. Maybe you give out an epic live recording, or an acoustic recording of your fanbase's favorite song. Or if you're into the metaverse (more about that later), give them an NFT.

The idea is to share something meaningful and build a relationship with your fans, but not look desperate (even if you are). So don't just say "Free tickets, take all you want." Make it a limited supply and put some urgency on it by having the tickets available for a short time. And be sure that whatever you give away is consistent with your image, so you don't come off like Chuck E. Cheese (though I hear he killed 'em in Nogales). In other words, make your database membership worthwhile from day one, signaling that you're letting people into a special club.

By building the database on your own, you will own it. That's *really* important. The lists of fans who follow you on Facebook, Twitter, Instagram, etc., are owned and controlled by Silicon Valley folks—not you. This means they control if and how you can reach your fans, as well as who they are. When you create your own base, you have full access, forever.

Once you have a list, no matter how small, stay in touch with your fans on a regular basis. Direct them to your music on YouTube, TikTok, Facebook, Twitter, SoundCloud, Medium, Bandcamp, Instagram, etc.

And when you contact your fans, have something interesting to say. The more personal you make it, the better. Which of these would hit you harder?

1. “We’re playing in Schenectady tonight” or
2. “Hey, Clarence, we’re in town tonight. We’d love to see you there.” (Assuming your name is Clarence and you live in Schenectady; otherwise, it’s not quite as effective . . .)

Another way to engage fans is to run a contest. For example, if fans retweet or share a post about one of your shows, they can enter a drawing for free tickets. Or if they post a picture of their ticket, they could win a meet and greet. That makes your promotion easily shareable and viral by nature. (Technically, there could be some issues with the laws that govern sweepstakes, lotteries, and things like that, but artists do quite a lot of this, and I’m not aware of anyone getting hassled for small-scale stuff. NOTE: The key word in the prior sentence is “aware.” Sweepstake laws are way outside my wheelhouse, so don’t take my word on it. You should talk to a lawyer if you’re going to do this.)

When you send out blasts to your database, don’t be afraid to tell your fans what you want them to do. For example, tell them to come to your show with a friend. Ask fans to tweet at clubs, saying they want to see you perform there. Ask them to tag you and use a hashtag. This will help you see their responses and you can then repost them, to reward the fans for their engagement. Encourage them to listen to you on Spotify, YouTube, TikTok, Facebook, Twitter, SoundCloud, Bandcamp, Instagram, etc., and to tell you how they feel about the music. Ask them to tell their friends about your music and to share it with someone they think would like it. The deeper relationships you can build with your fans, the better you’ll do.

Once you’re rolling, you can get free, basic data about your music from Facebook Insights, Google Analytics, and Spotify Artist Insights. For example, you’ll be able to see where your fans are clustered geographically, and sometimes also see if your fanbase skews more male or female, and their age range. You can tell where your fans hang out on social media (for example, older fans are more likely on Facebook), and tailor your messaging to the various groups. You can find out who reacts to your giveaways and promotions, then fine-tune the strategy. And this data can put your live-gig booking on steroids. You can strategically target the markets where your fans live, rather than just booking shows in East Bumbleton and hoping the farmers show up.

Another way to build visibility is by getting your songs placed in TV shows or commercials. Companies like Music Dealers (www.musicdealers.com), Jingle Punks (www.jinglepunks.com), Secret Road (www.secretroad.com), Zync (www.zyncmusic.com), and Chordal (www.chordal.com) can help with that. They tend to be invite only, but you can apply online to include your music in these communities and get your songs in front of music supervisors (the people who pick music for films, TV shows, and commercials).

There are also platforms like Lickd (www.lickd.com) who stock all the major labels' music and offer licenses for people creating social media who want good music on the cheap. Not much money here, but you're looking for fans and exposure, not short-term bucks. Maybe you even offer your music for free in return for some placements on their home page. The goal is to get your music placed in creators' videos so you can reach ears you might otherwise never get.

The overarching idea is to BUILD. For example, if you might only have a hundred fans on your page, but if each of those fans has a thousand followers, and if you can get ten of your fans to share your material, that's ten thousand pairs of eyeballs staring at your stuff (assuming everyone has two eyes . . .). Maybe they don't turn into fans or followers right away, but it gets you on their radar, and if they see you several times, they might start coming around and grow your database.

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

Of course, with all these techniques, be sure to stay on the right side of the line between keeping people intrigued and becoming the ego-maniac at the party who gets in your face with bad breath.

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

The above is only a very broad picture of how to build a fanbase and spread your music. A good chunk of this material comes from my friend

Amy Thomson, prior manager of Swedish House Mafia and DJ Snake. She has written an excellent book on how to build your career, called *Artist Management and Marketing, a Beginner's Guide*, which goes into far more detail than I can cover here. Wonderfully, she's made it available online for free at myobschool.com, or it may be available elsewhere if you Google the book name. Thanks, Amy!

As a footnote to all this, you should know there's an issue in the music business today that no one completely understands or knows how to solve. As reported in a 2022 *Billboard* article, from 2001 to 2004 over thirty new artists made it into the top 10 each year. But by 2019, there were only fifteen of them, and in 2021 it was only thirteen, the lowest in the 2000s.

There are several theories why this is happening, but since no one really knows, feel free to throw in your opinion. For example, it could be that the sheer number of tracks coming out (remember around one hundred thousand new tracks are uploaded every day) makes it much more difficult to get through the noise. Another theory is that fans have short attention spans (which is arguably true for most everyone these days), so even when there's a massive breakout, the fans are more interested in the songs than the people who sing them. In other words (for the most part, not every case), they don't really care who the artist is—they just love the song until the next shiny object comes along, at which point they leave you lying in the dust. So even if you become an Internet sensation and truly explode, it doesn't make your career. You need to keep doing the work to maintain and grow your fans.

Regardless of this trend, some artists are going to break through and have real careers. Do the work to make sure you're one of them!

Okay, so you've got a buzz going. Next question is whether you want to sign to a record company or do it yourself. We'll discuss later, on page 75, whether you actually want to sign or not, but for now, let's assume you do. How do you go about that?

In this day and age, before a label will sign you, they expect you to have a decent-size fan base and hopefully one or two other goodies in your story, like high streaming numbers on TikTok, SoundCloud, Spotify, Apple Music, or YouTube, with a low skip rate (meaning people don't move to the next song a few seconds after yours starts). They also want to see that your fans are engaged and following you on your social media, beyond just listening to your music. In other words, they want to see that fans are into you as an artist, not just the song.

All the record labels have research departments, full of data geeks,

watching for anything that gets traction and smells like it's going to explode. And without an Internet buzz, honestly, it's pretty hard to get their attention. So that's where your energy needs to go.

On rare occasions, artists get signed because they are **ear picks**. While that sounds like an instrument for removing wax, it means there's minimal or no buzz, but someone at a label hears your music (hence the "ear" part) and falls in love. However, none of the labels take unsolicited material, because they're afraid of lawsuits if one of their artists later releases a song that sounds like yours. If they had your recording before the other song was created, you'd argue that the label gave it to their artist, and whether or not that's true, the label gets sued. But they will take things submitted by a manager or a lawyer in the business, if you want to go that route. However, it's a really long shot to get signed without a buzz.

Now for the good news from all this. Labels have basically decided they'll come to the party later than ever before, meaning they want to sign artists who already have a base that's growing. In other words, instead of finding an unknown artist in a club and grooming them for stardom, they chase artists with heat around them, who have a better chance of success and therefore hedge the label's risk. However, all the labels all have the same Internet data, so multiple labels are usually chasing the same artist. And when you have a lot of hounds after the same fox, the artists have more bargaining power. That translates into bigger advances, better royalties and even profit shares, plus the potential of artists owning the recordings either from the outset or down the road. So nowadays new artists are getting deals far beyond anything that folks just starting their careers could ever get in the past.

Interestingly, as I write this, the labels are starting to rethink this "coming late" strategy. So there may be a move back toward ear picks. It's far cheaper to sign artists without a major buzz, and this was, of course, the historical record company model since there was no Internet data in the early days. Signing unknowns in general takes much longer before there's a payoff, and it's true that most of the artists don't make it (so the companies have to write off the investment), but the ones that break through pay off massively.

Don't get me wrong; I don't think labels will stop chasing artists who have a buzz. But I believe we'll see more ear picks and artist development in the next few years. So watch this space.

In any event, once they're after you, you need someone in the business to guide you through the mine fields. Which leads nicely into a discussion of how to put together your team.

Who's on First?

The first person on your team is almost always a manager or a lawyer. In your baby stages, the manager is not likely to be someone in the business; it's more likely a friend or relative with a lot of enthusiasm. While this can be a major plus (as we'll discuss in more detail when we talk about managers on page 33), your friend or relative is not likely knowledgeable in the business, nor will they have any high-level relationships. So if you have an inexperienced manager, or if you have no manager at all, a music industry lawyer can really help.

It's much easier to get a music lawyer than a manager. Why? Because the time required of a lawyer is minimal compared to the time a manager has to devote. The manager is expected to help you with songs, image, bookings, babysitting (you, not the kiddies), etc., but in the early stages, a lawyer only has to spend a few hours wrangling the labels and structuring your deal. It's the lawyer's knowledge and relationships—not their time—that count.

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

Agents in the music business are primarily in booking live gigs, and for bigger artists, endorsements and the like. It's hard to get a major agent at the early stages when you're not earning much, but you might get someone local or a smaller agency (unless you have a manager with clout). Your manager will guide you to the right person and the right time to bring them on board.

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

The Search

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

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

Here are some specific suggestions for building your list:

1. **AllAccess**

There's a website called www.AllAccess.com that has a pretty comprehensive online directory of people in the music biz. I'm told it's updated often, and it has the major advantage of being free. You'll need to register for the site (don't be intimidated by the radio station questions—anybody can register), then click on Industry Directory.

2. **Rostr**

There's a site called Rostr (www.rostr.cc) that lists artists' representatives in the music biz. It appears to be free if you just want the names, but costs money if you want their contact information.

3. **Hits magazine**

Hits is the *MAD* magazine of the music biz. It's full of current news and gossip, reported with a college-humor-magazine style, and is very funny reading (www.hitsdailydouble.com).

4. *Billboard* magazine

Billboard is an industry trade magazine, with lots of news, interviews, charts, and other goodies (www.billboard.biz). Note the .biz ending. Billboard.com is consumer oriented, while .biz is for the industry.

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

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

1. Read interviews with music industry figures and note the names. In addition to the industry sources above, here's some major *consumer* publications (meaning they're geared to fans, as opposed to trade publications that are geared to businesspeople), in alphabetical order:
 - (a) *Music Connection* (www.musicconnection.com)
 - (b) *Spin* (www.spin.com)
 - (c) *Pitchfork* (www.pitchfork.com)
 - (d) *Rolling Stone* (www.rollingstone.com)
 - (e) *Vibe* (www.vibe.com)
 - (f) *XXL* (www.xxlmag.com)
2. Watch for quotes, stories, or blurbs about music industry people online, on radio, and on TV.
3. Try these online places: TAXI (www.taxi.com), Music Business Registry (www.musicregistry.com), RecordXpress (www.recordxpress.net), and Songwriter 101 (www.songwriter101.com).
4. Some artists list the names of their professionals, together with their jobs, on their websites, on the info page of Facebook, or in tour programs.
5. Or simply Google artists you respect, together with "manager" or "agent," to find out who's behind the magic.

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

Once you assemble a bunch of names, prioritize who you want

to contact first. If you've heard any of the names from two or more sources, the odds are you are on to a person who is "somebody," and he or she should move up in priority. Also look for the professionals surrounding people whose music you admire and whose style is similar to yours. While this is less critical with lawyers and business managers, it's important to make sure that agencies, and especially personal managers, handle your kind of music. For example, the agent who books Wayne Newton is not likely to book Lil Wayne, and I guarantee you they have different managers. On the other hand, you may be surprised to find that acts just as diverse are represented by the same agency (with very different individual agents). And the legal and business management lives of different artists are a lot alike. Rock 'n' rollers (like Green Day, the Rolling Stones, etc.), rappers (like Drake, *Juice WRLD*, Jay-Z, etc.), and divas (like Adele, Beyoncé, Barbra Streisand, etc.) all have similar needs in music publishing, record royalties, touring, merchandising, sponsorship, etc.

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

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

You could also use that old-fashioned thing you may remember called the "U.S. Mail." Since so few people do that anymore, a physical letter might even get more attention. In this case, you might include a CD or a USB stick (though people don't always have CD players and they're wary of viruses on USB sticks, so also include a link), pictures, hundred-dollar bills, and anything else to distinguish yourself. (I once had someone send me a recording stuffed inside a rubber chicken. For real.) If you've gotten any local press, that's a good thing to add. Use a

yellow highlighter so they don't have to search the page for where you are. And just like the emails, be short and sweet, or you're off to the round file.

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

If you successfully snag someone's attention and they politely (or not so politely) blow you off, ask who they would recommend. This is valuable for two reasons: First, you've got a lead from someone who's actually in the industry. Second, when you reach out to the recommended person, you can tell them "So-and-so" told you to contact them. If "So-and-so" is a big enough name, it should at least get your email or phone call returned. (Maybe.)

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

Screening the Sharks

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

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

When we first got married, my wife and I decided to buy a vacuum cleaner. For reasons I still don't understand, we called a door-to-door salesman. This buzz-cut, square-jawed man bounced into the house and showed us how the vacuum's suction could pick up a seven-pound

metal ball. Then Buzz poured some blue gunk on our carpet and used the vacuum nozzle to slurp it up. Finally, he started bragging about how he'd sold vacuum cleaners to the wives of several celebrities and started rattling off a list of big names. At that point, I said, "Excuse me, but do these people know anything about vacuum cleaners?"

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

So how do you protect yourself?

Like this:

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

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

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

Use Your Other Team Members. You should consult the other members of your team anytime you hire someone. First, you want their input and suggestions, and second, these people have to work together, so you want to be sure you're not hiring someone who recently drove their SUV over your manager's foot. But beware of this: Benjamin Franklin once said (and I'm too lazy to look up the exact quote, so I'll paraphrase it) that when you gather a group of people for their collective wisdom, you also gather their collective prejudices and hidden agendas. In other words, there will almost always be a political reason why your other team members want something, and this may or may not coincide with your best interests. For example, a business manager may have just referred a very important client to a personal manager. The personal manager may therefore be pushing you toward this par-

ticular business manager in order to pay back the favor, regardless of whether the business manager is right for your situation. (I don't mean to make you paranoid; most people are ethical and won't recommend someone unless they genuinely believe he or she would be the best person for the job, even if it's a payback. But a great deal of politicking goes on in the music business, just like any other business, and you should be aware of it—particularly because we're a small business and deal with each other so much.) So, always ask people *why* they're making a recommendation, rather than just the bottom line of who you should use. Make them give you specific, factual reasons. Facts are something you can evaluate yourself, and you should make the final decision.

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

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

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

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

Who Does the Work? Ask exactly who is going to be involved in your day-to-day work. It may not be the person you're meeting with.

This isn't necessarily bad, but you should be aware of it from the start, and you should meet the people who will be involved. All professionals use staff people, some to a greater degree than others. In some firms, the staff people divide and move around like paramecia, so the people you're meeting today may be gone in six months. Other places are more stable. So ask, and also ask your references.

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

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

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

There's a story about Genghis Khan, the great warrior. In the midst of a pivotal battle for his empire, with thousands of troops on each side, an aide went into Khan's tent and was surprised to find Khan himself sitting there. The aide said, "How can you be in here? The fight is at a critical point and the troops need your command." Khan replied, "I found myself getting angry over a turn in the battle, and I can't think straight when I'm angry. I came in here to cool off before deciding the next move."

Think about that. If even ol' Genghis had to detach from his emotions to do the best job, who are you and I to do any better? When I have legal problems, I hire a lawyer. This may sound strange to you,

but I get emotional about my own problems, and I don't trust my judgment when I'm too close to the situation. So I hire someone who isn't.

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

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

CHANGING A TEAM MEMBER

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

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

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

So deal with problems head-on.

Talk About Your Problems

I know confrontation is difficult. I have never known an artist (or anyone else, for that matter, other than a few ornery jerks who've been divorced five times) who enjoys confrontation. But for your team members to do an effective job, you must have an open communication with them. If you can't bring yourself to talk directly to the person who is bugging you, talk to another team member and make sure they carry

the message. *Fast*. Nothing is worse than letting small things snowball to the point that they build into a major drama. If you discuss them when they're small, they can usually stay small. Often they're just innocent misunderstandings.

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

Lost Confidence

It pains me a bit to give you this next piece of advice, but you should have it. Once you've lost confidence in someone, it's almost impossible to continue with them. It's like falling out of love—it isn't easy to fall in again. I say this sadly, because many times we lose confidence in people for the wrong reasons. It may be that someone with a political ax has buried them unjustly; it may be that they're doing a terrific job, but they have the personality of a stop sign and treat you rudely or bore you to death; it may be they have just delivered bad news to you (firing such a person is known as “shooting the messenger,” from ancient Greek times, when a messenger bringing bad news was killed); it may be they've done a terrific job on everything important in your life, but screwed up paying your bills one month, so you had no electricity and your spouse refuses ever to see their face again; or it just may be an un-

easy feeling in your stomach that you don't trust them. When you find yourself in this situation, again, I urge you to talk to the person openly (directly or through another team member) and tell them how you feel. (I know this is easy for me to say, and I admit it's difficult for me to do as well. But I force myself, and most of the time I find that the problem is a simple mistake that's easily fixed. And even if it isn't, I always feel better just from processing it.) If you talk things out, and the situation doesn't get any better, split.

COCKTAIL PARTY TALK

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

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

The whole point of this is to say that you shouldn't take casual talk at face value. Especially if someone has an editorial point of view, like a manager trying to convince you to leave your current manager for the terrific things he or she can do for you. (Lawyers, of course, would never do such a thing. And if you buy that, I have some land in Florida that would be perfect for you.) So make your own evaluations in the realistic light of day.

3

Personal Managers

ROLE

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

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

1. Helping you with major business decisions, such as deciding whether to do a record deal, and if so, which record company to sign with; deciding whether to make a publishing deal (we'll talk about what those are on page 224); figuring out how much to ask for; etc.
2. Helping you with the creative process, such as deciding which songs to record, selecting a producer (we'll talk about who producers are on page 123), hiring band members, selecting photographers, etc.
3. Promoting your career by managing social media, coordinating your marketing and publicity, and otherwise hyping you to everyone the manager meets.
4. Assembling your professional team by introducing you to lawyers, business managers, and agents, and overseeing these people's work.
5. Coordinating your concert tours by working with your agent to make the best deals with promoters, routing the tour, working with your business manager to develop a budget, assembling

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

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

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

COMMISSION OVERVIEW

Managers typically get from 15% to 20% of earnings from new artists. Established artists can sometimes knock them lower, as we'll discuss in a minute.

These percentages are generally applied to your *gross* earnings, meaning your earnings before deducting any expenses. That means:

1. If you're an individual artist, the fee is pretty much what it sounds like for songwriting, publishing, records, etc. We'll discuss some of the finer points later, but basically, if the manager's deal is 15%, they get 15% of what you take home. However, when it comes to touring, the 15% means much more than you might think. You'll learn, when we discuss concert appearances (on page 389), that you're lucky to take home 40% to 50% of your gross income. That means a manager's 15% of gross can take a big bite out of your net. For example, if you earn \$100,000 and net \$45,000, your manager gets 15% of gross (\$15,000). Since you're only taking home \$45,000, the manager's 15% is one third of your money. Not so good if you're the artist (though awesome if you're the manager).
2. If you're a group and you have more than five members, 15% of gross equals almost the same as, or more than, any one of you earns (assuming you're dividing equally). For example, if there