

PAUL ALLEN

ARTIST MANAGEMENT

FOR THE MUSIC BUSINESS

FOURTH EDITION

Artist Management for the Music Business

Anyone managing an artist's career needs to be well versed and have a savvy understanding of the moving parts of the music business. You'll learn how and why those moving parts "move," as well as how to manage and navigate a music-based career.

Artist Management for the Music Business gives you a comprehensive view of how to generate income through music and how to strategically plan for future growth. The book is full of valuable practical insights. It includes interviews and case studies with examples of real-world management issues and outcomes.

Updates to this new edition include the importance of online streaming to music careers, how anyone can effectively network, tools for successful negotiation, ways to identify and manage income sources, and guidance on the ever-changing social media landscape of the music business.

This book gives you access to resources about artist management and the music business at its companion website, <http://www.artistmanagementonline.com>. There is no login, and the resources are updated regularly.

Paul Allen is Associate Professor in the Department of Recording Industry at Middle Tennessee State University and co-author of *Record Label Marketing*, published by Focal Press. He is also a frequent lecturer at other universities on artist management and other music business subjects. His career includes service in the US Air Force, and work in commercial radio and TV, political management, the music business, academia, and as your author.



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Dedicated to Cindy

. . . for loving, giving, and sharing so much.



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Introduction

This book is intended to be the definitive guide to the student of management of artists in the music business, those artists who choose to manage their own careers, as well as to those seeking to become professional artist managers. Some of the tools developed for this book are found nowhere else, and active artist managers will find them to be helpful planning and organization tools. The companion website for this book, www.artistmanagementonline.com, is a continuing resource for both the artist manager and artists. The site includes a free directory of artist management firms, advice, and links to help the manager be a more effective manager in the music business. And most importantly, the website is the portal to an online course on artist management based upon this book. Music business veteran and professor at the Frost School of Music at the University of Miami Christopher Palmer developed the course with assistance from videographer Jon Grimson. It is an interactive multimedia experience with you as a student. You learn at your own pace. Visit the website for more information.

Information from this book has been drawn from the experiences of many who work or who have worked as artist managers, as well as from the author's career managing people, assets, companies, organizations, projects, performers, and performances. My wish is that the words that follow will be your guide to a successful experience and career in the music business.



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Professional Artist Management and Its Principles

1



CONSIDERING ARTIST MANAGEMENT AS A PROFESSION

Whatever your title—manager, personal manager, artist manager, music manager, brand manager, or representative—managing an artist in the music business means that you are becoming a part of every facet of someone else’s life. As a self-managed artist, all of that goes without saying. There is virtually no aspect of the professional and personal corners of an artist’s life that a manager doesn’t encounter on a regular basis. Helping direct the career success of an artist requires significant involvement in their life. A manager who is new to the profession will find it to be immensely time-consuming and slow to deliver rewards, yet energizing with its fast pace and regular challenges.

The music business swirls in its own continuous change. Before streaming became the primary earning source for the recording industry, managers were at the hub of the artist’s career, providing many of the services formerly handled by labels. Labels have traditionally cornered the distribution of music and still do, but online

sales significantly reduced the need for a distribution system designed to deliver pallets of boxed physical product to warehouses. As traditional labels see their roles revived, they share a partnership with the artist manager with the goal of success for the artist in all aspects of their career. A career in artist management requires a continuing—almost daily—education by paying attention to what is happening in the music business and other industries and events that affect it, and what that means to the artists they manage.

Artists in the music business are sometimes managed by attorneys. But there is a reason why professional managers are the best choice for artists to manage their careers. A top entertainment attorney once said over lunch that attorneys are not necessarily the best choices to provide career management to artists, primarily because of their conservative nature as practicing professionals. Lawyers are disposed to advise their clients on ways to conduct business without creating conflict. Today's artist manager, in order to stand as the strongest advocate possible for an artist in a highly competitive industry, must be able to push that advocacy to the limit—without overstepping the boundary of business ethics. Attorneys have become effective managers, but doing so generally requires that they step away from practicing law.

Be Creative, Informed, and Connected

Today's artist managers must be willing to encourage their artists to take calculated risks and then support their clients when they do. This doesn't mean they take chances with an artist's career. Rather, they involve the artist in promotional ideas that get the artists outside of their comfort zone and encourage them to be open to opportunities to help them reach their goals.

While you're managing someone else's career, you also must manage your own. That means you must keep up to date on the entire music business. Certainly technology and changes in the legal environment of the music business create new directions and challenges for artists, but they also provide opportunities. As a manager, you must be aware of trends and how they affect artists on your management roster. That means regularly reading publications and the websites for *Billboard* and *Pollstar Pro*, attending industry conventions, and subscribing to online industry headline services like those provided by <http://Billboard.biz> and <http://AllAccess.com>.

Veteran artist manager Ken Kragen titled a book he co-wrote *Life Is a Contact Sport*; in it, he discusses the importance of developing and servicing a personal network of contacts. Being able to get that telephone call returned is among the most important assets an artist manager has. Without the connections—either direct or indirect—it is difficult to get business done on behalf of the artist. For the aspiring artist manager and self-managed artist, yesterday wasn't too soon to begin building that network. We'll have more on that later in this chapter.

Understand People and Business

Developing meaningful interpersonal relationships can be challenging, but it is more important for the artist manager than any other skill or talent. The work of an artist in the music business is a web of negotiated deals that requires the manager to have patience, an understanding of human nature, great communication skills, and a solid reputation of dependability. Each of these traits requires cultivation, but each will also become the foundation of a successful career in management.

Aside from the music, business is the other constant in the career of an artist manager. As surely as music connects with an individual's passion, it doesn't become commercial until it's good for business. To conduct business on behalf of the artist, the artist manager must develop an understanding of team-building, marketing, budgeting, and sales as they apply to the income streams available to the artist.

There are frequent references in this book to a *360 deal*, also known as a *multiple-rights recording contract*. This term means that a company/label is entitled to a percentage of some or all of the income streams of an artist in the music business. It is most often applied to recording contracts that give labels part of the non-traditional earnings of new artists that they sign, such as part of their merchandise or ticket sales in addition to profits from marketing their recorded music. Similar arrangements are part of some artist management contracts that provide the manager a small percentage of ownership in an artist's songwriting. As you read this book, you will see that the artist manager in today's music business is actually in the best position to direct, profit from, and control the 360 degrees of the artist's career.

Let's begin with a look at the business and science of management. For the reader who is relatively new to management science, this chapter is the starting point. It puts the balance of this artist management book into the context of the basic principles of management. As you will see in the chapters that follow, managing an artist in the music industry—whether it is your own band or an artist—uses science, business, and a good measure of creativity to achieve success. This is especially true of the music business because of its nature as an industry that can offer high rewards for those who have a measure of success—where success is often measured by affluence.

As we consider principles of management, it is important to understand that the goals of artist management are different from those of other areas of the music business. Record companies are in the business of marketing and selling recorded music and related products, and promoting online streams of the company's audio products. Traditional radio companies are in the business of building audiences to lease to advertisers. Advertisers then purchase spot advertising from the radio station that airs within the programming. Concert promoters present live entertainment experiences. Online streaming services like Pandora and Spotify sell access to massive song databases, and earnings from those subscriptions are shared with everyone associated with a recording. Artist managers are in the business of developing long-term careers for their artists, which includes touring, merchandising, sponsorships,

licensing, recording, songwriting, and the full exploitation of all of their talents. Some artist management companies combine all of these functions for the artist under one umbrella.

As we look at management principles, it is important to understand that the work of an artist manager in the music business is somewhat different from other kinds of managers. The traditional relationship a manager has with an employer is one that has a reporting hierarchy, and by definition is very structured and “corporate” in nature. For example, a copy writer reports to a creative services manager, who reports to the director of marketing, who reports to the VP of sales, who reports to the president; an artist manager only reports to the artist. Traditional managers use the resources of owners of a company to ultimately sell their goods or provide services for a profit, and, in many ways, that is what the artist manager does.

Much of the work of an artist manager is product development, sales and promotion, planning, and managing the work of the team around the artist. The relationship between the artist (employer) and the manager (employee) is considerably closer than that of typical managers in business, and is much more like a partnership. The level of trust and the strength of the relationship between the two are often compared to those found in successful marriages. This kind of association of a manager with an employer can also be found in politics but is rarely found in the business world. However, there are times when an artist manager takes on most of the traditional roles of management as he or she oversees the management of the artist as a brand, with the artist being a creator of art and entertainment experiences.

FUNCTIONS OF MANAGEMENT

Nearly every text, research paper, and discussion on the topic of management embraces four classic functions: planning, organizing, directing, and controlling. These functions all apply to the work of the artist manager in the music business.

Planning

The difference between success and failure in any endeavor can often be tied to planning. Luck by itself can sometimes deliver success, but coupling it with a well-designed plan can put the manager in a position to take advantage of opportunities when they present themselves. It is very satisfying when opportunity opens a door to implement an active plan to take advantage of it. For example, a young Josh Groban was asked by award-winning producer David Foster to replace an ailing Andrea Bocelli in the 1999 Grammy television rehearsals with Celine Dion. His performance at the rehearsal was powerful enough to help launch his multiplatinum recording career as an artist. Groban’s planning and preparation for a career as an artist put him in a position to benefit from the lucky timing of Foster’s telephone call. Eight years later, he had the top-selling album in the US, and by 2017 the U.S. career sales of his recorded music were well over a quarter-billion dollars (SoundScan 2017).

When a leader or manager identifies worthy goals, he or she often collaborates with stakeholders (those who stand to profit or lose from an endeavor) to develop a set of logical steps to achieve them. Those steps, or plans, become the framework for successfully meeting goals. I credit Dr. Carter McNamara with saying, “Planning is identifying where you want to go, why you want to go there, how you will get there, what you need in order to get there, and how you will know if you’re there or not” (McNamara 2014). His ideas on planning in this simple sentence are the best guides you will find. His current website is a treasure trove about planning and is listed at the end of this chapter.

It is easy to see why planning is often viewed as a road map that helps define the route to success. A career plan results from collaboration between the manager and the artist, which provides direction and milestones to reach goals. This book frequently addresses career planning essentials.

Organizing

Organizing the manager’s work is closely tied to the planning function. Organizing is assembling the necessary resources to carry out a plan and to put those resources into a logical order. It also involves defining the responsibilities of the artist’s team, hiring those people, and managing everyone’s time for efficiency—especially the artist’s. The manager allocates the amount of time necessary to follow each step of a plan to get the intended results.

The manager of any enterprise also seeks the funding or financing necessary to pay for the plan. The grandest example—long before the great recession—is Chrysler Chairman Lee Iacocca’s successful plan to pursue hundreds of millions of dollars in loans from the U.S. government in the late 1970s to save his ailing company from bankruptcy. It was a never-before solution he negotiated to save the company. The same creative initiative is often necessary for the artist manager on behalf of artists. For the artist manager, financing and funding the plan for a new artist’s career could include a combination of an accelerated touring schedule, finding sponsors, relying on assistance from fans who offer financial help, asking for help from friends and family, and helping the artist secure loans. Managers also recruit and employ labor and expertise to put the plan into operation and to see it through to its success.

The manager of an artist in the music business forecasts the need for members of the artist’s team, and plans for the time when their services will become an expense to the operating budget for the artist. The manager also draws any other necessary resources together, creates a logical structure for the organization of those resources, develops a career plan, and executes it. An artist looks to the manager to take the chaos of a prospective career and organize it into the prospect for success.

Leading and Directing

Managers provide a leadership function for the artist and their team by ensuring that the talents and energy of the team are directed toward the career success of the artist.