



HACK THE MUSIC BUSINESS

BUILD YOUR OWN CAREER

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Hack the Music Business

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Chapter 1

The music industry is not the same as it was 20, or even 5 years ago. Today, artists can run their own careers, much like an entrepreneur runs a startup company, with little or no help from big companies and major record labels.

The new music industry revolves around you. You can write your own music, record it yourself, distribute it to your fans, plan a tour, manage and connect with your fan base, and create your own marketing strategies. This opens up a vast array of opportunities for you! Anyone can become successful if they have the artistic skill and dedication and perseverance required.

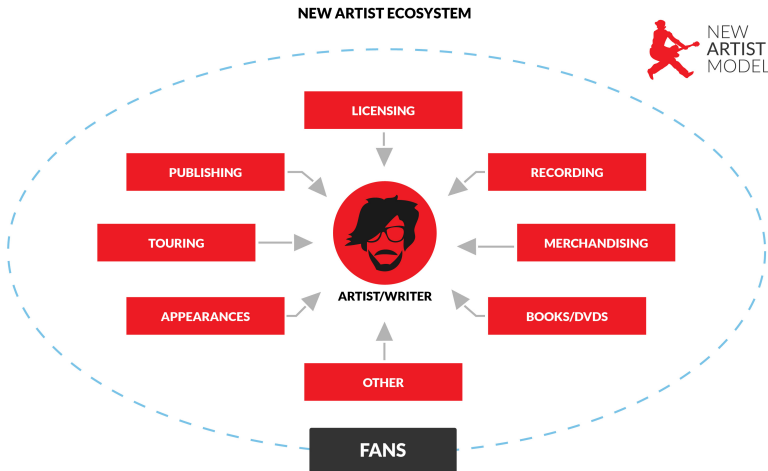
That being said, you are now entirely responsible for your career. There are a ton of things you need to get your head around and find time for from social media and digital distribution to touring and budgeting your own income and expenses.

There is no magic bullet. But the potential is there if you know what you are doing and can identify multiple revenue streams and team members to support your career. You need to be dedicated to succeed in this new music industry. You need to be passionate about your music. When someone asks you why you want to be a musician in such a tough environment, your answer needs to be, "You mean I have an option? I can't not do music!"

Sound like you? Then keep reading.

So what is the New Artist Model?

- It represents a new artist ecosystem, one where your career revolves around you, not your record label.
- It is a strategy—a framework that you can apply to your career no matter what kind of music you play or how far along you may be.
- It is a mindset—a new way of thinking about your music career. Your career is no longer limited by the restraints of the old music industry, so don't let your mind or creativity be restrained either!



Over the course of this book, you'll learn about the new music industry and how the [New Artist Model](#) fits within that industry. You'll also learn about tons of musicians that are already out there USING the [New Artist Model](#) and being SUCCESSFUL. We'll look at their strategies, why they work, and discuss how you can apply them to your career RIGHT NOW.

As an indie musician, I already know you are extremely creative—more so than most business minds out there! You've probably never thought of it this way, but you have the same mind as an entrepreneur. The key is to harness your creativity in your career and customize the [New Artist Model](#) into your own strategy for success.

Chapter 2

The New Music Business



The economic model that has driven the music business for years is no longer relevant. Record labels used to invest heavily in artist development, marketing, and distribution, taking risks on up-and-coming acts. Just one chart-topper could justify the investment in the development of dozens of bands. But that is no longer the case. The labels simply cannot bring in enough money from recorded music to cover their expenses. The business has changed: today they are in the business of finding the next superstar who can sell millions of records and sell them *fast*.

Fans don't go to a record store to find new music anymore. A lot of fans don't even own music with the easy access to low cost music streaming. The personal life of the musician is no longer a thing of mystery. Fans from all over the world can learn more about their favorite singer's personality and interests by following them on social media. The internet has opened opportunities for smaller, niche bands to get their music to fans. You no longer have to be in the top 40 to be able to make a living off your music.

A lot of people complained about all these changes to the music industry, but like everything else, it's just change.

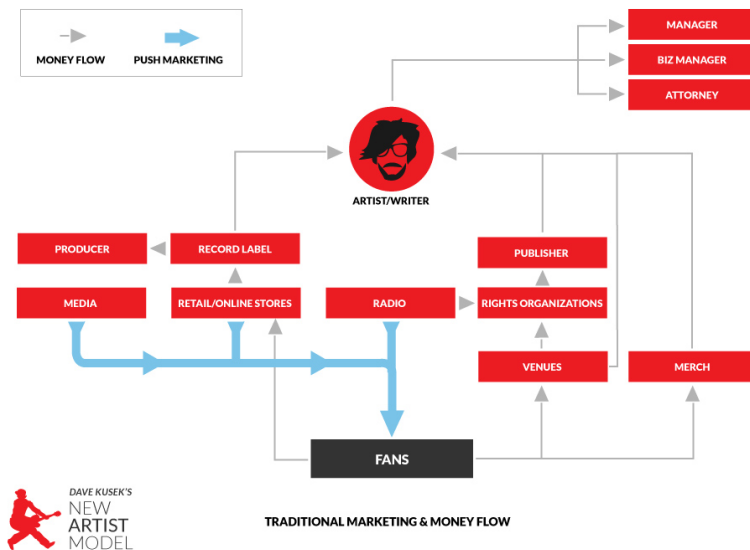
Change isn't positive or negative, rather it's what you do with that change that matters. Today's model would not have worked in the past when technology was expensive and valuable connections were hard to come by. In the same way though, the past model wasn't always the best choice for musicians anyway.

Instead of looking at this industry change as a dead end, or a game over, see it as an open door. In today's music industry there is no one-size fits all model. Every single musician is free to experiment and find out what works best for them, their fans, and their music careers. And this is one of the key points of the New Artist Model.

If you want to be successful in this new music industry, you need to consider all the revenue streams you can generate and work on a coordinated effort to promote them all. Creating your own reality is the name of the game. Be creative when figuring out your economic model and how you will make money. This changing industry is ripe for innovation, so think outside the box!

Look at the image below. This is the traditional label-centric music business model—complicated and difficult to navigate. Take some time to notice a few things:

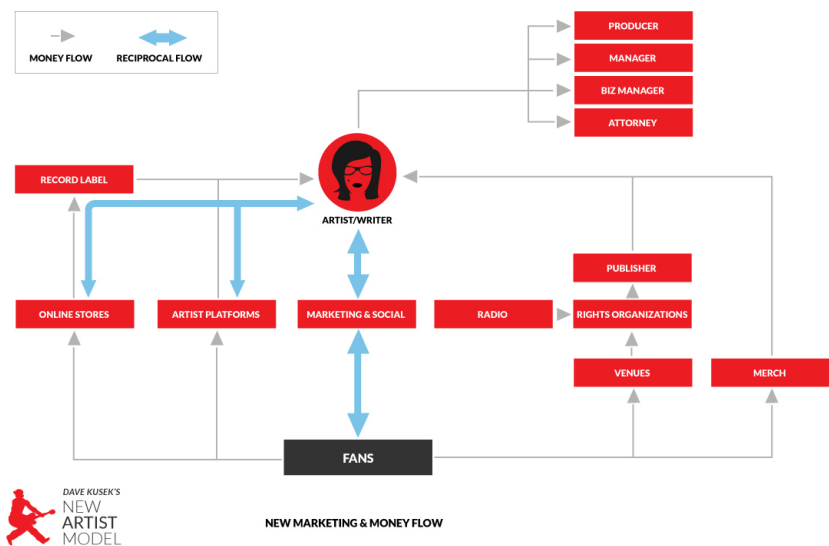
- Notice how removed the artist is from the fans? There is no direct communication. Any communication has to go through big companies like record labels and radio stations.
- Look at how many entities and middlemen the money flow (grey arrow) has to go through to get back to the artist.



In the past, the record labels were in the position of power. Due to high costs, musicians couldn't record, distribute their music, or communicate with their fans without the help of a record label. It just was not viable. The only way to make it was to be picked by some A&R rep and even that didn't guarantee you success if the label dropped your record or you or cut your marketing.

Now look at the new music business model. Take some time to notice a few things:

- The artist can be in direct connection with their fans through social media and the internet.
- The artist can collect money directly from their fans via their own online stores and platforms.



In the [New Artist Model](#) for the music industry, the artist is at the center of the ecosystem. You control your business, you control your copyrights, and you control your gigging. You control your image and how you communicate with your fans. You can choose what kind of promotions you use to sell your music or grow your fanbase. Instead of signing to a major label and receiving a royalty and advance, you hire and contract for the services you need.

This model puts responsibility on you, the artist, especially in the early stages of your career when you don't have a label or publisher. You will not have a major label to get your music on the radio, print copies of your album, or create your image, and you won't have the major publisher to pitch and plug your music into major films. You need to do all these things by yourself, which requires a lot of work and dedication. You have to be able to find the fun in developing your brand and nurturing your career. Focusing on your goals and knowing you have a solid plan will help.

Musicians as Entrepreneurs

The successful artists and writers of the future will start independent and stay independent. They will create businesses around themselves to suit their ambitions, personality, and style. They will connect directly with their fans and control their own destiny.

Start thinking of your music career the same way entrepreneurs think about their startup companies. You *are* an entrepreneur!

Think about it: you provide a product (your music) or service (your live show) to your fans (your customers). Your product or service is completely unique and you develop it over time. In the past musicians were products of record labels. Today you create your own product. You're the CEO of your music career.

I know, you went into music because you could never see yourself at a desk job or in business school. But like I mentioned earlier, you've already got the entrepreneur mindset. You just need to learn how to tap into it.

1. Product

So how do you approach your career like an entrepreneur? It all starts with a product or idea—in this case, your music. Think about exactly what it is you are making and how it is different from the stuff already out there. Don't just think about your music—your personality and image are important aspects of your “product” too. What genre do you most identify with? Are you a emotional songwriter or a larger-than-life performer? What do you stand for?

Next you should figure out who your customers are, in this case, your customers are your fans. With the internet, this information is pretty easy to come by. Check out who your fans are with tools like Google Analytics, Facebook, Twitter, or any other social media channels you use. You can also go the old fashion route and just talk to your fans after your shows. How old are they? Do they share any interests? As an example, Karmin is specifically targeting young teen girls interested in popular music.

2. Start Lean and LEARN

A lot of entrepreneurs get bogged down in the business plan stage. They think they need to plan out every step of the way and be able to predict their revenues five years out to a tee. If you haven't yet, take a read of [The Lean Startup by Eric Ries](#). It's an easy read and the concepts can be applied to any industry, even music.

As a lean startup, you need to get your product to the market as quickly as possible. It doesn't need to be perfect—just get it out here. This is where the [New Artist Model](#) really differs from the past. It's no longer about spending a year (or sometimes more) and tens of thousands of dollars (or more) on a full length album. Release small and release often.

There's a couple methods here. You could release small EPs every few months. You could release a traditional album but keep cover songs flowing on your YouTube channel every few weeks. You could also go to the lowest denominator and release one or two original songs a month. One strategy I'm a fan of is the "like for release." Release one song to your fans via social media and tell them you'll release the next one if you get x number of comments or likes. Not only does this get fans hyped, it also shares the news with their friends. Just be sure to pick a number that you think is attainable for your current career level.

The key with frequent releases is to learn from them. That way you can fine tune your songwriting, performance, and marketing for releases down the road.

Producer and DJ Zedd frequently plays songs he's working on live before they are released. He gauges the crowd's reactions to various parts of the songs and if it's not where he wants it to be, it's back to the drawing board. You could release rough recordings or videos of song sketches or ideas and as for your fans' opinions, or release two songs simultaneously and see which gets the most plays.

3. Build a Team

Every entrepreneur has a team and it's also something a lot of indie musicians lack. With the term "DIY" pounded into our heads for years, it's no wonder a lot of musicians still think going at it alone is the best option. On the other end of the spectrum, some musicians think that a "team" means a top manager and agent that cost you a pretty penny.

Most entrepreneurs don't have teams made up of the top dogs in their field. More often than not, they work with a college buddy or family member who really digs their product or cause. When you're just starting out, passion trumps experience any day (especially when you're short on cash). Think about who among your group of friends and acquaintances would be willing and able to step up to the plate as your manager. Do you know anyone passionate about the music industry or in business school? Do any of your friends have a knack for taking good photos or any experience with photoshop?

4. Network

If you've ever met an entrepreneur you've probably been overwhelmed with their energy and outgoing personality. Not all entrepreneurs are extroverts, but they are all passionate about what they are doing and are eager to spread the word and make connections. Take tips from the entrepreneur and don't be afraid to tell anyone and everyone about your music.

Don't be that band that plays at a local club and doesn't talk to anyone before or after the gig. Introduce yourself to the other bands playing, the promoter or club owner, and the guys running the lights or sound board. Even if you're a shy person, step outside yourself for a few minutes and make sure you make new friends and contacts. Get a conversation going about music. Who knows, you may find a way to collaborate. Especially in the music industry, your success will come from your connections.

Planning

Now that you have a better idea of how to think like an entrepreneur, let's start planning your career! If you want to have a successful music career, you need to take the time to get to know yourself upfront. You need to focus on finding out what you're good at and what you're motivated by, and then you need to set goals that reflect your skills. Not only do concrete goals give you something to aim for, they also help you decide what your first step should be.

I know, everyone wants to be a rich and famous musician, but as you've probably realized, a vague goal like that leaves you discouraged and confused on how to move forward.

With so many apps and services available today, many indie musicians suffer from choice paralysis. What tool should you use to build your website? What company is best for digital distribution? What social media sites deserve your attention? The choice is especially daunting when money is involved. No one wants to fork over cash for a service that may not work out as planned. So how do you get past these decisions? While research is your best friend in these situations, keeping your goals in mind will also help. Every single time you're faced with a choice, ask yourself, "What option brings me closer to my goals?"

Before you set any goals, you'll need to do a little soul-searching. Figure out what you really want and how much time and dedication you are realistically going to put in. If you have a team, like co-writers, band members, or a manager, make sure everyone is on the same page. The key here is to be as specific as possible. Instead of saying, "I want to be rich and famous," try something specific like "I want to be able to be a full time musician with a yearly salary of at least \$75,000 and be able to tour outside my home state."

On top of that, you'll want to start mapping out some milestones or tasks within each goal. Breaking your goals down into small, achievable steps helps keep you motivated and positive.

Think about the goal we just set above. Break down a lofty goal into smaller tasks like “gather contact information for local venues,” “contact 5 venues this week,” and “connect with another band to share a gig.” Suddenly finding a way to reach that goal becomes more manageable.

One band that used goals and planning to their advantage is Karmin. From the start they knew they wanted to be a pop duo targeting a young teen audience. Originally, they were releasing original music but weren’t getting much traction or interest. Manager Nils Gums suggested the duo cover current popular songs to get in front of their target audience—these were the songs that young teens were searching in YouTube. They followed the charts and consistently covered the most popular songs every week.

It took time, and a lot of covers before one of Karmin’s covers went viral. The important takeaway here is that Karmin knew their goal, they made a plan to get there, and they *stuck with it*. If they had given up on the cover strategy after only a few weeks, they would never have gotten to where they are today.

React to opportunity

Next we’ll take a look at something even entrepreneurs have trouble with sometimes - reacting to opportunity. In music—and in life for that matter—opportunities pop up when you least expect them, and it’s your job to be ready.

These opportunities could be anything from a pick up gig, a publishing deal, or a chance to collaborate with a local musician. Either way, the artists that can react quickly are the ones who succeed.

It's good to think about the possible outcomes of your actions before you do something. After all, you can't fit everything in your busy schedule and no one wants to do something they will regret later. Learning how to pick your chances is very important. But over thinking an opportunity can be just as bad as under thinking. There comes a point where you need to just decide to take the leap or not!

Let's take a look at Amanda Palmer, a very famous indie artist and avid social media user, who made \$11k in two hours by jumping on an opportunity. And this was well before her celebrated crowdfunding campaign.

Palmer was tweeting with her followers about how she was once again alone on her computer on a Friday night. Fans joined in the conversation and a group was quickly formed: "The Losers of Friday Night on their Computers." Amanda Palmer created the hashtag #LOFNOTC and thousands joined the conversation. In fact, it became the #1 trending topic on Twitter.

When a fan suggested a t-shirt be made for the group Palmer ran with the idea, sketched out a quick shirt design and threw up a website that night. The shirts were available for \$25 and two hours later Palmer had made \$11,000! It would have been very easy to just disregard the fan's comment and sit on the couch watching Netflix for the rest of the night.

Nothing bad would have happened if she hadn't designed the shirts in the spur of the moment and committed to the project, but nothing good would have happened either.

10 Keys to Success

Your mind should be racing now with new ways to think about your career, but I'll give you 10 more before you finish the chapter. I think sometimes we get caught up in the moment and forget these little things:

1. Living a life in music is a privilege. Earn it.

There is very little more satisfying than spending time making music. If you make this your life's work, then you can be truly joyful. However, the chances of being successful are extremely low and the only people who are going to get there are going to have to work hard and earn the right to be a musician. Respect the privilege of being free enough to have this choice (if you do) and honor the opportunity.

2. No one is in charge of your muse but you. Be happy and positive.

People can be their own worst enemy. Countless times I have heard artists tell me the reasons why their career is not working out. Most of the time they are putting blocks in their way and pointing fingers at people and things that are holding them back. Stop whining and blaming other people and make the conscious decision that you are going to be successful and that things are going to work out in your favor. You are creating your own reality every day, so make it a good one and excel.

3. Practice, practice, practice—then go for it. Over prepare.

You can never be ready enough for opportunity. Your live shows can always be better, your songs can be more amazing, and your playing can only improve. As the CEO of your own musician business, you can learn how to run the company more effectively, reach out to more fans and be an more effective social media marketer. Don't hold yourself back by not being ready. Be a professional.

4. Do what you do to the best of your ability. Find a way to be great.

Lets face it, it is really hard to be amazing. Some people have the natural talent and you can see it in the first 5 seconds of meeting them. They are truly blessed. The rest of us have to find our niche, our passion, our calling and then reach for it. Ask people around you for feedback. Find what you are good at and focus on that. Get other people to help you. If you don't stand out and rise above the pack, you will struggle forever. Be amazing.

5. Learn how to breathe and keep your focus. Stay calm.

There is nothing more pleasant than working with someone who knows who they are and what their goal is. Remember the old adages of thinking before you speak and taking a deep breath before you lay into someone. Most of us have a lot going on in our lives and we can all benefit from staying focused on our goals and remaining calm in most situations. Learn yoga, exercise, run, meditate, sit still, breathe, and learn who you are.

6. Don't take yourself too seriously, no one else does. Have fun.

I am amazed at how many people spend so much time looking backwards and trying to understand what people think of them. This is worrying about the past and not embracing the future. Reviews are important, but don't run to them or let them ruin your day. Not everyone is going to like you, but more people will if you are having a good time.

7. No matter how difficult things get, move forward. Don't give up.

The only thing that will help your career take off is forward momentum. That is how you are going to reach your goals. A lot of people are stuck in their own mud. Take action, make a move and then see what happens. Don't spend time procrastinating or worrying about how hard it is, just do something positive to advance your cause. You will feel much better by acting instead of waiting or worrying.

8. Find a way to make money. Start small and grow. Avoid being in debt.

This is probably the most important strategy of them all and why so many artists have gotten into trouble in the past by taking label advances. All that is, is a big loan. Get some kind of cash flow happening right away, no matter how small. Sell merch, play for the door, license your songs, play sessions, teach, write, start your musician business. The biggest mistake you can make is to borrow a lot of money and then spend it on things that don't matter.

9. Be unique and true to your vision. Say something.

The people that we remember are the ones that are unique, exciting, special, provocative, fascinating, original, inventive, and/or interesting. Music is a basic form of communication. The really successful artists have something to say and work on delivering their message. Your chances of success go up exponentially if you have a unique position and message and create a following of fans who really listen to you because you have something important to say.

10. Work and play with people you like every day. Collaborate Often.

Music is a tribal experience. You cannot make great music alone. Surround yourself with talented people, write together, play together, try new things. Bounce inspiration off of each other and learn. Listen to each other and let the music weave it's way around you. Find a producer, songwriting partner, other musicians, and dive in together. The whole is greater than the sum of its parts.

Chapter 3

Building a Musician Business



It is impossible for one person to do everything that needs to get done. In the case of a recording artist, you need to record, produce, and promote your work. A songwriter needs to write, and find placements for their songs, be it a recording from another artist, or a spot on a TV show. A performing artist needs to find gigs, and plan every aspect of the tour or show from traveling expenses to the setlist and light show. On top of all that, every musician needs to handle the business side of their career which can include a website, social media, marketing, merchandise, finance, and distribution.

If you think you can do all of this by yourself for your entire career, you're in for a rude awakening. We've all heard the term DIY or "do it yourself." it's been in practically every single indie music business article since the dawn of the 21st century. There are more tools available today than most artists know what to do with. You can be your own publisher, distributor, label, engineer, producer, and marketer—and you can do it all from your room.

The truth is that many indie artists are getting really frustrated trying to make DIY work for them. There's just not enough time in the day to get everything done, and sometimes the music is the thing that gets left out or forgotten. Sound like you?

While it's great that artists no longer have to do-it-with-a-big-record-label, perhaps DIY isn't the best option either. There are a lot of artists out there with excellent business chops, but they're still not experts. And they have more important things to do like creating music. You can't be an expert in everything—there's just not enough time in the day. The key is to find and motivate people who are. In the [New Artist Model](#), I want to get musicians thinking more in terms of DIWO “do it with others.” Even at the earliest stages of your career, you should be dividing tasks up between your team members and looking towards your friends and fellow musicians for help.

Think about the analogy we made to entrepreneurs in the last chapter. Every business has a team that grows as they become more successful and have more needs. In the same way, you are running a musician business and will eventually need help. The team you need will depend on what stage of your career you are at and your skills. Think of your team building efforts as a progressive process that expands your capabilities over time.

As an independent artist developing your own career, you should not jump into hiring a full team of industry professionals immediately.

Instead, your business entity should evolve with your career. As you begin to bring in more money and expand, your business will grow to accommodate that expansion. This method is the same way a startup company grows a team. Start off lean and agile, adding resources as necessary.

Your team doesn't even have to be seasoned pros. If you have a band you're already way ahead of the game. Everyone has their own unique skills, so take advantage of that. One band member may be a math wiz. Put them in charge of the budget. They will keep track of the band's income and expenses in a spreadsheet and be the voice of financial reason when it comes to spending money.

Another band member may be a people-person—they're outgoing, confident, and not afraid to pitch your music passionately and enthusiastically. This person could be the face of the band when it comes to business and networking. It's their job to call up the promoter, pitch your music for a publishing placement of sponsorship, and talk to the soundboard guy after the show.

Let's take a look at recent pop sensation, Betty Who. Betty Who's "Somebody Loves You" began drawing the attention of the pop music world after the release of her first EP *The Movement* in spring of 2013. In September 2013 the song was featured in a viral gay marriage proposal video and just a few days later she was signed to RCA Records.

Betty Who didn't get where she is today on her own; she had a great team behind her the whole way. Producer Peter Thomas and manager Ethan Schiff attended Berklee College of Music with Betty Who. With Peter Thomas she was able to find and really latch onto her signature pop sound, and Schiff helped set her up on the business side of things.

The key take away here is that your team doesn't have to be made up of top-of-the-line professionals that charge thousands of dollars for their time. Your team can start out as friends, classmates, and band members. These are the people who are really passionate about you and your music and often passion is more important than money or connections.

Time Management

Before we get into managing a whole team, take some time to really get on top of managing *your* time and tasks. You probably play the part of the artist, the business professional, and sometimes way more and, as a result, find yourself juggling entirely too many tasks. The problem comes when you can no longer find enough time for what matters most—*your music*. Think of it this way: if you don't have quality music to build your business around, how can you build a musician business?

How do you find time to practice, create, and refine your craft while also running the business side of things, staying on social media, strategizing launches, and making important industry connections?

The first step is to streamline. This really ties back to goal setting. If there's anything you are doing that's not bringing you closer to your goals, *stop* or take a close look. If you're spending hours each day on tasks that don't have much benefit, eliminate, simplify, or postpone.

The next step? Delegate! Many artists are defensive and controlling when it comes to their art—and with good reason. It is a very personal statement. However, you can delegate tasks to team members to get things done and really clear up a lot of your personal time. Just get in the habit of dividing up tasks instead of taking the whole load on yourself.

Each person should have a list of tasks that they need to complete. Try to prioritize the list. More urgent matters and tasks that you keep putting off and putting off should have a high priority. For those high-priority jobs, break them down into smaller tasks. Accomplishing these small stepping stones will help you feel like you're accomplishing things and keep you in a state of forward momentum.

AND REMEMBER, *make* time for your music. It's easy to get sucked into answering emails or managing social media, or making a website, but without your music you don't have anything to build a business on.

Michael Shoup is a musician and entrepreneur who turned his career around and started making profit with time management. After graduating college with a Bachelors degree in music, Shoup started his career as a musician, funding his tours with money made in freelance web design. After three years he had effectively gigged himself into \$6,000 of high interest credit card debt with little to show for his efforts. He gave up his professional music career and went into web design full time.

It wasn't until he organized his time that he was able to succeed in music. He prioritized his tasks to free up more time, and delegated other tasks. He automated and scheduled anything that could be automated, and he made sure he left time for the most important thing: his art. Time management has helped Michael Shoup become debt free. On top of that, he's managed to self-fund an album, started a music marketing agency, 12SouthMusic, and created a social media app, Visualive.

Internal Team

As a note, I'll be referring to your band, or group of musicians you frequently collaborate with, as your internal team. Not all musicians will have a "band." A songwriter may have a lyricist she works with, a solo performing artist may hire musicians to back his live show, and a recording artist may frequently work with a certain producer or engineer.

If you have a band, it is a little easier to function without outside help because you can distribute responsibilities among each member. As you grow, you can hire outside team members like a manager or agent as you need them. Assess your situation and determine whether or not hiring a team member will benefit your business. When growing responsibilities start to draw you away from your core product, or require you to perform tasks outside your core competencies, it may be time to expand your team.

Your music is a business, and like any other business you should get organized as a legal business entity. Many bands and musicians don't see themselves as a legal business like Google or Southwest Airlines, but, as we discussed earlier, you are providing consumers with a product (your music), and/or a service (performances) just like any other business. Organizing yourself into a legal entity will make money easier to manage and make you appear more legitimate to outside parties.

There are several options for structuring and organizing your business:

1. The basic legal entity is the “**sole proprietorship**.” This type of business is conducted by one person who is the sole owner in the company. Sole proprietor might be best for songwriters or session musicians who work alone without a band. This could also be a good option for a group with a “leader” who hires the band members as employees because it gives all ownership and decision making power to the leader.

Sole proprietorships are very easy to set up since there is only one owner, and there are no complicated contracts or forms you must fill out. However, as a sole proprietor, your personal assets are at risk if you ever get sued.

2. The most common business structure for musicians is a “**general partnership**.” In a partnership, two or more people conduct a for-profit business as co-owners. This type of business is best for teams in which two or more members have divided ownership or decision power.

To create a partnership, you need to write up a partnership agreement that details the rights and responsibilities of partners. The partnership agreement is very easy to set up and there are little cost associated with formation. Like sole proprietorships, your personal assets are at risk if you ever get sued. Additionally, a partnership is dissolved if one of the partners decides to leave.

3. A **corporation** is a business entity separate from its owners. This means that a corporation can do everything a person can do including owning property. A corporation can keep on existing even if one or all of its original founders leave. Corporations are a more complicated legal entity that are best for musicians with solid income and big teams.

They are more costly to setup, requiring fees and documents. But the advantage of a corporation is that your personal assets are protected in the event of a lawsuit.

4. In order to get the best of both worlds, many musicians opt for an “LLC” or “Limited Liability Corporation.” LLCs combine elements from the partnership and the corporation. They’re pretty easy and inexpensive to set up, but still provide owners with protection of their personal assets.

Internal Agreements

When you start your business, there are some important issues to think about and put down in writing. This legal stuff may not be tons of fun, but taking care of it up front will help smooth out the bumps that will inevitably come down the road. You don’t want to spend all your hard-earned money on a lawyer because your drummer refuses to speak to you. It’s also much easier to talk about worst-case scenarios while everyone is happy and friendly with each other and excited about starting a new venture. It’s better to have internal agreements set up before the team starts entering into outside agreements.

Here’s a few of the main points you should have in your internal agreements:

1. Ownership of the Company. First, you need to figure out who owns the company. This varies depending on what kind of team you have and what type of legal entity you are organized into. In a typical 4-person rock group, the members could be equal owners. In other situations, where the singer or guitarist may be the focal point of the group, they will act as the sole owners with the other members functioning as hired employees.

A songwriter working with a lyricist could be equal co-owners of the business they create together. A lone songwriter who occasionally works with a collaborator could own 100% of his musician business.

You can choose the equal ownership or hierarchical ownership model. Both models have pros and cons. Remember the first key point of the New Artist Model? There is no one path to success. It's the same with your business structure. Choose the ownership model that works best for you.

2. Use of the Name. What happens to the name if one or more people leave the group? Some teams choose to only use the name if every member is present. This means that if one member leaves, no one can use the name. Others choose to allow the majority of the members to use the name. Some teams will use "key members" to solve this issue. These key members are the most important members of the team. They could be the songwriter and the lead singer or just the lead keyboardist. In the case the team broke up, the name could only be used if one or all of the key members were a part of it.

3. Decisions and Voting. Voting is the most common method for making decisions. If you are organized as a sole proprietorship, the team leader may have 100% decision-making power. Voting can be equally weighted, where each member receives one vote or it can be uneven, with more important members like the songwriter receiving more votes than the rest of the team.

Either way, make sure you have an odd number of votes or you will end up with tied votes. Some teams will also use the unanimous decision method. It is, however, almost impossible for everyone to see eye-to-eye on everything, which could result in missed opportunities.

Some things you may vote on include purchase decisions, hiring new members, business decisions like whether or not to enter into a record deal, and making changes to the agreement.

4. Salaries. You need to decide how the copyrights (aka potential revenue) are credited and divided up between members. You could do a simple even split between all members. The other choice is to divide it up in uneven percentages with more important members receiving a higher percentage. If one member is the focal point of the team, the rest of the team members could even work on salary. Not all money that comes in will be related to copyrights. You also need to know how money from other sources, such as touring and merchandise, will be split up.

Many very successful bands have broken up over some members makings more than others due to income from royalties, so be sure to think about the most equitable split.

If you want to make the most of your internal team, you should take some time to understand each member's strengths and weaknesses and assign roles accordingly.

Your team is made up of different people with different personalities and skills. One member may be an extrovert who likes to be at the center of attention. This person may be best suited for handling your social media channels. Someone on your team may be very logical and think through things before acting. This person may be best at keeping track of your finances. By assigning roles that match the personalities and strengths you see, your musician business can run more smoothly and efficiently.

External Team

You should have a personal manager from the beginning so you can really focus on your music and the creative side of your career without being bogged down by administrative and business responsibilities. Like you saw with Betty Who, your personal manager could be a friend, classmate, or a relative with an understanding of business and the music industry. There are many big artists today who still have their original manager. If you don't have any close friends or family who understand the industry, you should seek a professional personal manager. Ask for recommendations from your network.

1. Personal Manager. Some managers work independently and others work for large management firms. Your personal manager is your partner and a key communication link for all who are involved in running your musician business.

The personal manager's job is to help the artist attract and retain fans, build their brand, and grow the business. Some of their responsibilities include raising visibility, negotiating contracts and partnerships, keeping the artist organized, managing promotions, social networks, websites, and mailing lists, and getting press.

So what traits make a good personal manager and what should you be looking for? An ideal manager is a creative/logical type. They need to be able to think outside of the box and come up with strategies for reaching new fans and growing your musician business. They also need to be the kind of person who will look critically at results to improve in the future. They need to be willing to talk to people and make phone calls and hit the road. Most importantly though, your personal manager needs to thoroughly understand the music industry, be passionate about your music, and be someone you connect with and trust.

The artist manager is usually compensated with a percentage of the artist's overall income. These days, there is no such thing as a standard deal, but a manager's stake can be anything from 5%-20% of an artist's gross. This includes income from live gigs, record sales, publishing royalties, merchandise, and whatever else the manager contributes to in an artist's career.

The deal you make is important, but not as important as picking the right person to work with. It is like getting married. You'd better be sure that your values are aligned and that you can trust and work with the person you pick as your manager.

The key to success in management is a combination of innovation, passion, tenacity, leadership, connections, and ability to raise to capital. You want your manager to work as hard as you are to create your brand. You are business partners. It is better for you if your manager is solely focused on you, but many managers work with multiple artists, so set your expectations accordingly.

2. Attorney. Depending on your situation, you may seek the help of an attorney early on. Lawyers play a major role in shaping external agreements with your personal manager, record labels, music supervisors, and publishers. A well-connected and experienced lawyer has the benefit of a bird's eye view on the industry and what other artists' deals look like.

A lawyer may charge on an hourly basis (\$150 - \$600 per hour depending on experience and reputation). Some will charge a percentage of your revenue or profit from the deal they are negotiating on your behalf. Others will work for "value billing," which means that they will ask you for a fee once the deal is finished based on how involved they were in shaping and executing the deal. Value billing is typically in addition to an hourly rate attached or a "retainer," which is a monthly fee.

When you get to the point where you are negotiating contracts with *any* external team member such as a publisher, manager, agent, or record label, you *need* to seek the advice of a lawyer. This will ensure you get the best possible deal.

Even if you have a good understanding of the law, legal lingo can be tricky to understand and it's easy to overlook potentially massive loopholes in pages and pages of dense text. Many small bands have excitedly signed major label contracts without legal counsel and lived to regret it.

There are a ton of other external team members you can consider for your team such as an agent, an accountant or business manager, a publisher, and a tour manager. We'll cover these team members later on in this book, so hang tight.

Chapter 4

Gigging



The live music industry is a great source of income for many musicians. Many artists make more money touring and playing live than they do from recording, publishing, and other income streams combined. Additionally, in contrast with the declining recorded music revenues, live revenues are steadily increasing over the years. Of course, the amount of money involved has a lot to do with the artist's popularity, the total number of shows they play, how often they tour, and the total number of people they can attract to a venue.

The live show has been around since humans started playing music, and in that entire history, nothing has been able to replace it. As recorded music has progressed, one new medium has replaced the one that came before: the phonograph, record, CD, digital download, and now cloud-based services. But nothing has replaced the musician on stage playing their music. Why do you think that is? Concerts go beyond the music itself into the realm of social and experience. Fans have the opportunity to interact with each other. Music connects people, and many find they can more easily approach someone with similar musical taste. At a concert, everyone has a common interest and the result is an amazing energy.

I want you to start thinking about the live show a little differently. There's a lot of musicians out there who see gigging as just another revenue stream or something they *have* to do. It's just another part of the job like answering emails. Before we move on I want you to take a minute and think about *why* you gig.

The live show is more than just another revenue stream. It gives you the opportunity to promote something specific and drive sales, to connect with your fans directly, and to learn and improve your songs and performance. It's kind of like the point where all the other parts of your career meet and come together. Your live show should tie back to and build upon other aspects of your career like recording and publishing. If you just released a new album try to come up with creative ways to tie that into your live show. I know, you'll no doubt be performing your new songs, but how can you go beyond that?

Let's take a look at The Wild Feathers, a rock band out of Nashville, TN. In the week leading up to the release of their self-titled debut album, The Wild Feathers made the album available early at their shows exclusively for their superfans. This strategy gave superfans an incentive to go to their shows and get excited about the release. On top of that, the band gave their concert-goers a little surprise. Every album sold included two CDs—one to keep and one to share with a friend.

This strategy is genius for a couple of reasons. By selling the album early they are specifically targeting their superfans—the ones who would travel hours just to get their hands on the album before everyone else. Because they are so passionate about the music, superfans are also most likely to tell their friends about The Wild Feathers. Giving them an extra CD to do just that really empowered their superfans to share. They turned their superfans into marketers!

This concept doesn't apply to just gigging, as you'll no doubt see as you move forward through this book. In the [New Artist Model](#), think about your career like a box of gears. You have different gear representing your publishing, gigging, and recording. Each gear is separate from each other, but they work together towards one common purpose.

Your Fans

Perhaps the best part of gigging is the opportunity it presents to connect with your fans. If done correctly, touring is actually a fantastic way to build your fan base and connect with people on a meaningful level. The key is to be really active. I know a lot of musicians who get really frustrated with gigging. They feel like people are more interested in their drinks than their performance. It's up to you to bring it every night.

You don't need a flashy light show and video production for a truly great live show. In fact, connecting with your audience in a different way—a way that's more unique and *you*—will probably be more effective.

Bring a fan up on stage to sing a song with you, stay after the show to talk to your fans, or feature your fans in the video you use as a backdrop. Think about what you have to work with financially, what your fans like, and your brand when trying to create an unforgettable experience. For example, if you are in a heavy metal band, having someone sing with you may not work out. Instead, jump off the stage and scream at/with your fans, or bring some fans onstage for a headbanging contest. Be creative with it. You want your live shows to transcend the sound itself and become an experience. You want to create a strong memory in the minds of your fans.

With that in mind, ***NEVER cancel a show unless it is absolutely necessary.*** A strong negative memory, such as a show cancelled last minute will stay in a fan's mind just like a positive memory. In fact, some studies show that people are more likely to share a negative experience than they are to share a positive experience. Some artists have arrived at a club gig during a power outage, whipped out their acoustic guitars, turned over some trash cans for drums, and given their fans a very intimate, exclusive, and unforgettable experience that they could tell their friends about. If your amplifier breaks, don't cancel the show; see if the venue has any available or ask the opening or headlining act if you can borrow theirs.

The live show also presents you with unique opportunity to learn from your fans and get insight on what they like, which songs are the most popular, and what kind of interactions really get them going. At a live show, the feedback loop is extremely short. You can do something and get instant feedback about whether or not the audience digs it. If they go crazy after your guitar solos, use that to your advantage and put great guitar solos in more of your songs. If they love the prog rock instrumental breakdowns, be sure to feature a long breakdown in your shows. If they respond well when you ask them to clap at certain sections or scream at others, try to come up with other ways to engage your fans directly in the live show.

Touring Team

1. **Agent.** An agent is the middle man between the musician and the promoters or venue owners. Basically, they're responsible for getting gigs. This includes the logistics of the tour, negotiating contracts, and routing. Some artists find that it's difficult to break out of their local scene without an agent. Agents have *connections*—something that's really valuable in the music industry. We'll look at some ways you can make your own connections later in this chapter.

Here's an example of the agent's job: an artist and their manager start to get some traction in a market and decide to try a tour. They figure out their vision and where they can connect with fans.

The agent helps to determine how extensive the tour can be, what cities they can hit and when and what the tour's goal is. The agent will then contact promoters and pitch the show to them. He needs to convince the promoter that the show will be successful and worth the promoter's time and effort. The agent will then book the dates and present the finished tour to the artist and their manager.

A booking agent typically works for a commission, usually 5-10% of an artist's gross live show income. Be sure you don't give the agent a percentage from your songwriting and recordings. They should only be making money from the live shows they book.

2. Promoter. Promoters are business people in the music industry who "buy talent." Promoters can be club owners, concert promoters, festival organizers, or event planners. The promoter's main responsibilities include the advertising and promotion for the show, and making sure everything the artist needs to perform is lined up. As the concert is being organized, the promoter is responsible for paying the upfront costs associated with the live show—it's a big expense. Most of these costs occur before the show takes place. Because of this, promoters take on a large risk for losing money if the show is canceled or if ticket sales are not as good as expected.

Just because you are working with a promoter doesn't mean you need to leave all the promotion up to them.

When you are playing smaller clubs and venues, the promoter will not be able to provide a lot of marketing, but make sure you have resources available (e.g., a customizable flyer you either send to the venue or have available to download, good band photography, music to hear and share or embed, etc.) in case they can help. Being organized and professional will help the venue to help you and show them you are a band that has its act together.

Especially when you are playing smaller clubs and venues, the promoter will not be able to provide a lot of marketing. You need to announce the show on your website and social media channels. Try running promotions to get people to your shows. Give people a reason to come to your shows. You might announce that you will be playing an unreleased song from your new album, or that you will be giving away t-shirts to show your appreciation for your amazing fans.

Getting the Gig

Promoters are under a lot of pressure to fill their venue with bodies. They need a substantial crowd to either buy tickets, pay a cover fee at the door and/or spend money on food and drinks, or they will take a loss. The reality is, that whether a promoter loves or hates your music, their primary objective is to draw an audience.

Find ways to prove that you can draw an audience. Collect information from past shows. Be prepared to give the promoter a list of venues you have played at, the capacity of those venues, how many tickets you sold, and whether or not you sold out.

Also, try to target venues that play your genre of music. Trying to get a spot to perform at a singer/songwriter bar in Nashville as a punk band would be futile no matter how many fans you have.

When contacting promoters, remember that this is a personal business. Emails aren't going to cut it—especially not cold emails. Call them up, invite them to one of your shows, *show them* you can fill a room. Even better, get a connection! In the music industry it's all about who you know. If you can call up a promoter and say, "Hey this [guy you know] told me to call you," there's a way better chance s/he will give you and your music a chance.

It's difficult to get music industry connections that can provide you a point of reference when dealing with promoters. But as a musician, you have an easy ticket to these connections—other musicians. It's a lot easier to approach other artists, get a conversation going about music, and form a long term connection. The cool thing is that they may know agents, promoters, attorneys, and other business people that they could introduce you to.

Try out this strategy: Let's say you want to be able to play in a new city. Make a connection, either in person or via social media, with a band or musician with an established fan base in that city. Try to target someone with a similar style to you who plays similar size venues. Propose a headline-trade. You'll open for them in their home city and they'll open for you in your home city. This puts both of you in front of a new audience and introduces both of you to local club owners you would never have been able to contact before. It's a win-win!

Planning Your Gig

In order to plan your gig effectively, figure out why you are doing this and what you hope to gain. As we talked about in the second chapter, goals and planning are prerequisites to success. Some common reasons to play live besides the potential cash you can earn, could be to promote a new album or song, to meet and interact with your fans, to work on your live chops, or to play with other bands and create a relationship.

After you know why you want to play live, set some goals for the show. This could be to sell x number of CDs, to get your fans involved in the live show, or to create a live recording or video that you can use on your YouTube channel or upcoming album. These goals should be directly related to your purpose for playing live. If you want to promote your new album, your goal could be to sell the CD and maybe give out two for the price of one to get your fans sharing. If your goal was to interact with fans, your goal could be to stay after every show and talk to fans.

Setting up a tour or a gig is a difficult and time consuming task. Costs need to be considered and budgeted, transportation and living arrangements must be made, fans must be notified, deals must be negotiated, and the lighting and production for the show must be designed. Even relatively small artists should take the time to plan carefully in order to make the process as smooth as possible.

Here are just some of the things you need to consider when planning a gig:

1. Where do you want to tour? Why? Will it be a single gig, a local tour, a tour of the coast, a full country tour, or a full-blown international tour?

2. Route. How will you get from point A to point B? If it's a tour with multiple dates, you need to consider what order you will visit each location. Ideally, you want to route your tour in a way that requires the least amount of travel. If you're driving, make sure you have your route clearly mapped out and have some form of directions so you don't get lost and miss your gig.

3. Travel arrangements. If you're taking a train or plane, book your travel as far in advanced as you can to get the best price. If you're going out on a longer tour, you may need to book some hotel rooms.

4. Itinerary. This should include all of your tour information: driving directions if you need them, the addresses of the venues, contact information for the venues, the name and location of your hotels, and any transportation tickets you need. Your itinerary should also include information about the time of each gig: when load-in begins, and when you're due to be on stage. Plan each day according to the time of the gig to make sure you arrive ahead of time! Its best to give yourself plenty of extra time!

5. Budget. Include any transportation costs including gas or ticket costs, living expenses including food and sleeping arrangements, any equipment you need to buy and any salaries you need to pay for road help. Create your budget for each show in a spreadsheet like Excel or Google Docs. If your expenses are more than your income, you should try to cut some out. Do you really need that upgrade or to head out to the bars every night after the gig?

Playing in a new city can also be tough for an unknown artist to perform. Try booking shows with hometown artists that work in a similar genre where you open for them and they can open for you when they come to your hometown. Build your fanbase city by city so that venues will have you back again and again.

So what kind of income can you actually expect to see on tour?

As you probably imagined, the most significant revenue stream for the live show is from ticket sales. Typically, the money generated by sales of tickets is divided among the promoter, the venue, the artist, the booking agent, and the manager. The splits are negotiable, with young bands getting much less than established acts, who can often negotiate larger payments from promoters. If you're a smaller artist you'll probably receive a percentage of the door. This basically means that you get a set percentage of each ticket sold.

Merchandise is another revenue stream you can tap into while gigging. The key here is to sell things that your fans would actually be interested in. Of course there's the generic t-shirt, but try to get creative with it. Young teen girls might be interested in paying for an Instagram-themed photobooth session with you and the band. CDs can be merch too! Try offering you CDs for sale before the release date to give fans an incentive to purchase.

Chapter 5

Recording



Recording is a vital part of the music industry that has driven the overall growth and popularity of the businesses for the past 70+ years.

That being said, it doesn't function in the same way as it did in the past. Instead of being the focal point of an artist's career, it's now just one moving and interdependent part. While performing live is extremely important, without recordings to share with your fans, they will begin to forget about you or not know you exist in the first place. Remember our analogy about gears? Recording is another piece of the gearbox that is your career. Recordings are no longer just a tool for direct monetization. They can also serve as promotional and marketing tools for tours, merchandise, and more.

Today you can record your music for little to no costs on a computer or tablet or in a small studio. Barriers that once barred artists from entering the music industry without a record label have been blown down. Artists have more opportunities to manage their rights and have more options to self-distribute and work with indie labels or new label alternatives like Converse Rubber Tracks studio.

The recording industry was the most disrupted by the internet, but not necessarily for the worst. The companies that are complaining are the ones who are unwilling to adapt and innovate. Before you move on, ask yourself if you're willing to think outside the box. More times than not, it's the small, agile entrepreneurs, not the big established companies, that innovate and move an industry forward into the future. *You* can be that entrepreneur.

The "Glamor" of the Major Label

Record labels are in the business of exploiting the "sound recording" copyright, or the unique combination of sounds fixed in time. The term "record" company was adopted because these companies specialized in recording songs and distributing and marketing those recordings for a huge profit. The term "major label" simply refers to the fact that they have all the functions of recording, manufacturing, distributing, and promoting a record in-house.

The major record labels have traditionally been the powerhouses of the music industry. Getting a deal with a major label has been associated with success or "making it big." Don't lie: you've no doubt found yourself fantasizing about a major label deal at some point in your career. In the past, the only way to be successful was to gain the attention of a major label, get signed by them and utilize their connections, distribution, marketing muscle, and capital.

Today artists and indie labels can perform many of the functions of a major label themselves and with their team, and yet this association with major label glamor and success remains. Why do you think that is?

Truth being told, signing to a major label does not mean you will have success. In fact, the vast majority of artists who sign to a major are dropped after only a few albums and disappear. Historically only 5% of recording artists ever recoup their initial royalty advance from the label.

So what does a major record label deal look like? A major label will typically demand 100% ownership of the sound recording copyrights. The artist will receive a royalty on every album sold, typically in the range of 4%-15%. To cover the upfront recording costs, the label will usually provide an advance against future earnings. While this money upfront may seem like a great thing, it is important to remember that this is a **loan**, and you must pay it back with your meager 4-15% royalty rate before you see any profit from your album.

A major label will try to lock you into as long a term as it can. A typical major deal will have one initial term lasting one year or one album, whichever is greater, with 4-6 options for additional albums. An option means that the label can choose to extend the contract for another term. Note that the option is the label's; the artist has no say in the matter unless they have existing success they can leverage. A longer term keeps the artist from renegotiating a more favorable contract or moving to another label.

On top of that there's all kinds of deductions and fees that come out of *your* royalties.

Major labels don't seem nearly as glamorous now do they?

Indie Label

So what about indie record labels? Like we talked about earlier in this chapter, the small, agile companies are the ones that innovate, and it's no different for record labels. For the most part indie labels tend to be more creative with their deals. Many indie labels are focused on a specific niche or genre. They focus their time and energy on becoming an expert in that genre and growing relationships with key tastemakers.

On top of that, indie labels tend to be more transparent. They don't have the bargaining power that major labels do, so they really need to establish a relationship of trust with their artists.

Indie label deals can vary significantly depending on the artist, their needs, and what they bring to the table. Some resemble major label deals while others are more creative with their offerings. Here are three examples of some pretty common indie label deals:

1. Traditional Deal

A traditional indie deal resembles the major label deal quite closely in terms of royalty computation. An indie label may give artists a higher royalty rate, more creative controls, and fewer deductions. On the flip side, a typical indie deal has a much smaller up front advance.

2. Net Profits Deal

Some indie labels will offer artists a net profits deal, meaning after all expenses are recouped the artist and the label share all profits 50/50. These deals, because of the potential for more cash to the artist later, will have either a very small advance or no advance at all. In fact, having a smaller advance can be a good thing in this deal. An advance is an expense for the label, so the smaller the advance the smaller the expenses, which means the artist will reach the 50/50 profit split sooner, and the label may have more money for marketing and promotion.

3. Pressing and Distribution Deal (P&D)

Another fairly common indie deal is the P&D deal. In this deal, the label handles the manufacturing and distribution of your album. You're still responsible for the recording part, so there will be significant money out of your pocket on that front. These deals will typically give artists a higher royalty rate than the standard deal. Some labels will also pick up the marketing and promotion, but it will usually cut your royalty down.

The Producer

Before we move on to self-releasing your albums, let's take a quick look at another key member in the recording process: the producer! The producer works with bands to choose, develop, and record songs. They handle the logistics of the recording sessions and work with the musicians and recording engineers to make the most out of their recordings. Producers help you bring your vision together into one finished product. You may also deal with a recording engineer. As opposed to the producer's more creative role, the engineer deals with the more technical elements like choosing the right microphones or placement of amplifiers.

Producers generally get paid in royalties, which means a percentage of the sales of a recording. These percentages typically start out in the 1% or 3% range and are often referred to as "points" (3% = 3 points). More often than not, the producer's royalty is paid out of the artist's royalty if there's a record label involved.

The Recording Process

So I'm sure you're thinking, "What do I do if I don't have a record label?"

Truth be told, with all the technology floating around nowadays, you can do a lot of the record label functions yourself or with your team. The key, once again, is planning.

Think about your records like a new product. When a company is launching a new product they take the time to really think about their plan. What is it? Why will their customers love it? How long will it take to develop? How will they release it? You need to be asking yourself the same questions.

1. What are you trying to accomplish? The first step of the recording process is knowing exactly what you want to accomplish with this recording or album. Are you recording one song? A full-length album? A shorter EP? What is your vision for the new project? What kind of sound are you looking for?

2. Plan! Planning is one of the most overlooked aspects of the recording process when recording independently without a label. Many musicians just jump into it unprepared and end up getting hit with unforeseen, time-consuming issues that could have been avoided with a little planning.

You should also create a timeline that documents how much time you are allocating for each phase of the process.

- How much time can you realistically dedicate each day for rehearsal?
- How many days will you need to rehearse and get ready for the studio?
- How long can you *realistically* record each day?
- How many days of recording will you need to get all the material recorded?
- How long will it take to mix and master your recordings?

- How long will it take your physical CDs to be made? (Will you even make physical CDs?)
- How long will you leave between your finished recording and your release show or release date? It's good to leave a little extra time than you think you will actually need when planning out your timeline as it is common for recordings to take longer than expected due to unforeseen issues.

3. Keep track of your costs. You should start a spreadsheet that documents how much money you have available and all your recording costs in one place.

- Do you need to rent rehearsal space?
- Do you need to go into a studio?
- Is the studio close by or will you have to travel there?
- Do you need to rent or buy any gear or equipment?
- How many physical CDs will you make and how much will they cost?
- Will you hire an artist or photographer to do some cover art or promo pictures?
- Will you hire a producer or recording engineer?
- Will you need help with mixing and mastering?

Depending on your career level and recording skills, you may or may not need a producer and recording engineer. You may have friends or classmates with recording knowledge who can help out. Remember—connections are your best friend in this industry!

4. Distribution. Once you have your song or album recorded, you need to figure out how you will get it to your fans. Digital distribution is the most straight-forward option. There are plenty of services out there that will help you get your music to your fans like Bandcamp, Bandzoogle, Reverbnation, Tunecore, Beatport, Topspin, and CD Baby.

Use the Process

Restricting yourself, whether intentionally or not, to old ways of thinking about the music business is one of the most common barriers indie musicians face today. It's like locking yourself in a small room when there's a whole world out there to explore! There's no one size fits all model anymore, and while there are so many things you need to get your head around, there's also a huge amount of freedom in what you can do. You don't have to stick to a traditional album release, or even release an album at all. You can do it your way and bring your fans into the process and develop even stronger relationships with them.

So many musicians—and many successful people in the industry—still think of a recording as *just* a finished product, a static object that you finish and share (or sell). That may have been the case in the past, but it's only one way to think about it. If you open up the recording and writing process to your fans, you can create some very interesting opportunities to deeply connect with your fans, create new fans, *make money*, and foster new connections in the industry.

Before we get into a bit of strategy, let's distinguish between regular fans and super fans. Your regular fans are the ones that will listen to and enjoy your music. They may stream it, they may own an album or two, but they won't necessarily go out of their way to buy your music the day it's released. They'll enjoy cool content you share for free but may not pay for extras. They'll go to your live shows when it's convenient and fits into their life. These are your fans and probably represent the biggest percentage of the people you are reaching.

Your super fans however, are the ones who will pre-order your album and, given the choice, will usually opt for bonus editions with extra tracks or special artwork. They love learning more about you and your music and are willing to pay for cool extras like a personal note, a meet and greet, or custom merch. Super fans will be at more of your shows and are willing to travel a little further and pay a little more for better seats, backstage passes, or even a private house concert. These people probably represent a small portion of your overall fan base, but these are the people who you can develop deep connections with and can be a meaningful source of revenue for you because they are so passionate about you and your music.

When you start thinking about using the entire writing and recording process to your advantage, consider your super fans. There's tons of artists posting Instagram pics of their day in the studio, video clips, or blog posts, but that's really only going halfway. Your super fans may be quite willing to *pay* for a more intimate or deep experience and connection with you.

For example, you could try offering them an exclusive membership that allows them to check out your content, song ideas, lyrics, rough mixes, and finished songs before anyone else gets them. You could explore ways for super fans to give you feedback during the writing or recording process, drawing them into your circle.

Chapter 6

YOUR Copyrights



The music industry is built entirely on copyrights. Without copyright law, there would be no ownership over songs and fewer ways to make money with music. You would not get money when people bought your music, you would not get paid if your songs were played on the radio, and you would not make money if your songs were on TV or in a movie. Without copyright law, anyone could make copies of and distribute your albums without paying a cent to you or even asking permission. Anyone could use your song in association with anything. Without copyright law it would be very difficult to support yourself in music.

Many bands and musicians overlook copyright law as something that only the “business suits” need to know, but ultimately, copyright law is the building block of your career. Especially today, when more bands are managing their early career themselves, a good understanding of copyright law is imperative.

One thing a lot of musicians miss is the fact that copyrights are power. You own the copyrights, so *you* have the power. Think about it, without your copyrights would labels or publishers have anything to sell? Many more musicians have been realizing this and figuring out how to leverage their copyrights.

There is no such thing as international copyright. Every country has unique copyright laws. There are some that don't acknowledge copyright ownership at all! Some countries grant copyright ownership for the life of the creator plus 50 years while others use the standard of life plus 70 years. Some countries are very strict about what kinds of work receive copyright protection, while others are more lenient. Some countries have set laws, others set precedent with cases and lawsuits, and still others use a mixture of the two.

A good place to find the most updated information about your country's copyright law is your government's copyright website. You may also find books and articles written specifically for musicians that describe your country's copyright policies in simple terms.

Your Rights

Copyright is designed to promote the progress of science and useful arts by creating a limited duration monopoly giving creators exclusive rights to their works for a limited period of time. In most countries, when creative ideas, such as songs or stories, are transferred into a tangible form (e.g., written down or recorded) they become the property of the writer and are protected under the law of copyright. In some countries you may have to register with the government to claim copyright, but for the most part, the moment that you record your song or sketch some musical notation on paper (even a napkin!), you automatically own the rights to it.

Generally, for each song, there are two copyrights: the “composition” copyright, which refers to the songwriting, and the “sound recording” copyright, which refers to the unique recording of the song (this is also known as the “master” copyright).

Copyright law in all countries is a balancing act between protecting the rights of the creator and the good of society in an attempt to promote the progression of arts. In order to incentivize creators to create, they must be given some sort of economic compensation. The creator, as a result, is granted a certain period of time where they gain exclusive rights to exploit their works. However, art, by nature, builds upon what came before. For this reason, copyright ownership does not last forever. After a predetermined number of years, as set by the laws of the particular country, a work falls into the public domain and can be used by anyone for any purpose without payment to or permission from the creator.

The duration of copyright varies greatly from country to country. The Berne Convention sets the minimum standard for its countries as the life of the creator plus 50 years, although some countries provide a longer time period and some that are not involved in Berne provide a shorter duration. The United States, for example, grants its creators economic benefit from their works for life plus 70 years.

When you own copyright, you are given exclusive rights to your work. In the United States (and many other countries) 6 rights are granted:

1. The right to reproduce the work

This means that you can make copies of the work. For example, you could make 1,000 copies of an album.

2. The right to make derivative works based on the original

A derivative work is one based on one or more pre-existing works. Some examples of derivatives are translations, arrangements, the translation of a book or an album into a motion picture, samples, and remixes. As a rule of thumb, a work becomes a derivative as opposed to a reproduction if it transforms, recasts, or adapts the original. For this reason, a cover song that does not change the composition is considered a reproduction, not a derivative.

3. The right to distribute copies of the work

With this right, you can distribute the copies of the album you made to the public. When you sign a deal with a record label, you must grant them the right of reproduction and distribution so they can get your music out to your fans.

4. The right to publicly perform the work (composition copyright)

This right applies only to the composition copyright. It grants the right to publicly perform the composition. Any time you hear your favorite song being played publicly, be it in a TV show, on the radio, or by a cover band at a local club, the composition owner is being paid.

The Performing Rights Organizations such as ASCAP, BMI and SESAC (US) are responsible for issuing public performance licenses for the composition and collecting the fees on the songwriter's behalf.

5. The right to publicly display the work

This is not as relevant in music as it is in other art forms since it's difficult to visually display sound. However, you can utilize this right to display your song lyrics to the public via a YouTube video, on your website, or even a t-shirt. Many musicians are not as concerned with this right and, as a result, there are plenty of lyric sites floating around on the internet that pay no licenses to the songwriters whose lyrics they display.

6. The right to publicly perform audio recordings by digital transmission (sound recording copyright)

This right applies only to the sound recording copyright. It grants the copyright owner the right to publicly perform the sound recording via digital transmission. Digital transmission includes non-interactive digital radio like Pandora and interactive digital streaming like Spotify.

PRO (Performing Rights Organization)

In order to simplify the process of licensing public performances, most countries have Performing Rights Organizations (PROs).

Imagine if every radio station had to directly contact every artist they wanted to play and ask for a license to play their music. A lawyer would have to be hired for each instance, and the negotiations to set the price and terms for the license would be time consuming and costly. The artist would be overwhelmed with calls from radio stations, TV networks, clubs, and restaurants requesting licenses. On the other side of the equation, the users (radio, TV, venue, etc.) would have to keep track of millions of separate licenses and would be responsible for paying each on time and for the right amount.

Performance Rights Organizations help simplify this process, making it more manageable for the artists and the users. Basically they collect a flat fee from users (venues, radio stations, TV networks, restaurants, etc.) and distribute that money back to the artists' whose songs are being played. If your songs are being played anywhere, you should make sure you're signed up with a PRO. ASCAP, BMI, SESAC and others around the world. Otherwise, you're missing out on royalties.

Compulsory Licenses

Some mandatory or "compulsory" licenses actually require the copyright holder to issue a license under certain circumstances. In the US, these include the re-broadcast of television signals by cable TV companies; the use of copyrighted works in PBS broadcasts; playback of music in jukeboxes, in digital broadcasts for non-interactive streaming; and the "mechanical license" to manufacture and distribute audio recordings.

If you're not based in the US, you may or may not be subject to these compulsory licenses. Be sure to research your country's copyright laws.

For the most part, compulsory licenses are good for artists. Compulsory licenses make it easier for other's to get access to and use your music. And the great thing is they are required by law to pay you. The more people using your music, the more money you are bringing in.

The Compulsory Mechanical License

Let's take a closer look at the mechanical license. This is a popular one and you should definitely have a good understanding of it if you are a musician in the US.

A composition copyright owner is compelled by law to grant a license for the reproduction of a song in records long as the following requirements are met:

1. Only **non-dramatic musical works** are eligible for a mechanical license. This means songs not written for theater, opera, or the like.
2. The song in question must have been **previously recorded and commercially released** to the public. As a songwriter, you're entitled to the first use of your song. If your song has not been released to the public yet, you can charge someone anything you want to record it.

3. The user must **pay the statutory rate** for each reproduction.
In the US, the statutory rate is currently 9.1 cents.
4. The user **may not change the basic melody or fundamental character of the work**. In the case of a cover song, the work can be changed to a different musical genre. A good example of this is Marilyn Manson's cover of the Eurythmic's "Sweet Dreams."
5. The new recording created of your song can only be used in **phonorecords**. That's just a fancy word for audio-only. In other words, there's no compulsory license for DVDs and videos.

Chapter 7

Publishing



Music licensing and music publishing are ways of deriving income from the songs you write and record. When you create a song, certain rights are granted to you, the author, which you can then exploit by “licensing” or “renting” your song to a third party.

Publishing is usually referring to the composition copyright and the songwriter, although you can also license the use of a sound recording with a master use license. You can earn royalties when people record your songs, and when they are used in commerce such as on television, radio, commercials, video games and films.

Publishing has the potential to bring in a huge amount of income for musicians. Successful songwriters are far more likely to earn big money from working in the music business than recording artists. Writers are sometimes behind the scenes in the music business, and quite often, unless they are also artists, they end up quietly collecting checks for years.

The Publishing Industry

So how does all this translate into actually making money? Other people and companies have to get your permission and usually *pay* you to perform any of the actions protected by copyright.

Think of copyright like property—intellectual property. If you owned a large apartment building other people would have to get your permission to live in one of the apartments. They would sign a contract and money would most likely change hands. It's the same principle for music. A record label or distributor pays you to be able to make copies of your song and distribute it to online and retail stores. A radio station pays you (through a PRO) to perform your song over the radio. A company pays you to sync your music to their promotional videos or advertisements.

Here are some common licenses:

1. Mechanical License. This is a license that grants the user the right to reproduce and distribute a song. When your song is covered by another band a mechanical license is used. Record labels also need a mechanical license to make copies of your album and distribute them to the public.

2. Performance License. This is paid by radio, digital services, TV, clubs, restaurants, etc. for performing the song. This license will grant them the right to perform the composition and sound recording.

3. **Synchronization License.** This is paid by a film, TV, or video game company to use a song in synchronization with visuals. A sync license will typically be a bundle of many different licenses and rights depending on the use.

4. **Print License.** This is paid by a print publisher for the right to print the sheet music and lyrics for a song.

5. **Master Use License.** This is paid by anyone who wants to use the masters or sound recording.

6. **Derivative License.** This license grants the right to change the original composition. A derivative license is used for translations into foreign languages, samples, and arrangements.

7. **Sample License.** This is a license for anyone who wants to use a clip of a song. This typically includes a master use license and a derivative license.

Traditionally, music publishers have handled the task of licensing music. A publisher's role can vary depending on your needs. Some publishers will help you develop your music while others will only collect your money and distribute it to you. All publishers perform the role of copyright administrator—registering the works with the copyright office, sorting through all the related paperwork, issuing licenses, collecting money, and paying the money out to you.

Publishers may also help finance writers' careers. Some publishers will offer writers an advance against their future earnings, much like the advance a record company gives an artist. This is just money up front, in the form of a loan, meant to help writers with living expenses while they write. The advance size varies depending on the artist's perceived potential for future earnings.

Before we go into publishing deal structures, it is important to know how the ownership of a song is split among co-writers. This will affect how money earned from publishing will be split among your band members. If you own 100% of your copyright and didn't co-write with another person, this will not affect you.

Whenever you co-write, you should create a written agreement clearly stating each member's ownership in a song. This can be done with a split sheet. You could choose to give each writing member an equal share of ownership, or you can split it up according to the amount contributed. If the drummer and singer write the majority of the melody and lyrics, it may make sense to give them each 40%, while the other two members receive only 10% each.

In a traditional deal, music publishers split composition royalties 50/50 with the songwriter. The songwriter may receive an advance against future royalties when they sign a publishing contract. In a traditional publishing deal, the publisher will typically do a lot more in terms of development and finding people to use your songs. Terms tend to be longer and advances are common.

A co-publishing deal is a variation on the traditional deal. In this situation, the writer sets up their own publishing company, and then enters into an agreement with a third-party publishing company to help promote and place their songs, and to administer the licenses and collect the money. In the typical case, co-publishing means that the songwriter collects the songwriter's share (50%) and also half of the publisher's share (half of the other 50%), for a total of 75% of their publishing income. Advances are less common in a co-pub deal than they are with a traditional deal.

The third commonly used publishing deal is the administration deal. This deal allows the artist to retain their rights and results in the highest share of income; however, the publisher, or administrator in this case, also provides fewer services. For these services, the administrator will take a cut of the income they collect, usually 15-25%. Administration deals will not usually have an advance and the term is generally fairly short.

Self-Publishing

If you are just starting out you probably don't *need* to sign with a publisher or even an indie publisher. In fact, during the early stages of their career most musicians don't sign with one. At the start, you will probably not have enough publishing business to merit a deal with a publisher, but that doesn't mean that you shouldn't pursue publishing yourself. If publishing is a revenue stream you want to exploit you can use your knowledge and connections to find your own local publishing placements.

Publishing early in your career should be viewed as an investment. It will require a lot of upfront work on your part and will most likely bring in little money at first, but if you approach it with a strategy in mind, your career may greatly benefit down the road. When you reach the point in your career when you would benefit from having a relationship with a real publisher, your chances of getting a good deal will increase if you can show, with past placements, that you have publishing potential. Like many other aspects of an indie artist's career, it is a long road of small steps.

Music publishing can be a tricky area to navigate when it comes to payment, especially when you're just starting out. Many of the small companies within your reach don't have a budget for music and rely on small indie bands to license their songs for free. In these cases, don't cave in or restrict yourself to just monetary payment. Think about what non-monetary things they can offer you in exchange for your music. When done correctly, the publicity could be just as valuable as a check.

One band that really utilized a company's blog to their advantage is the Happen Ins. The Austin-based rock band was featured in a catalog from the clothing company Free People and a corresponding video in July 2011. In this case, Free People had to get permission to sync the Happen Ins music to their video. Free People is a fairly well known clothing line, so the band most likely got some monetary payment, but we'll focus on the non-monetary publicity, as it is something most companies can offer even the smallest bands.

Members of The Happen Ins were in the catalog, were the feature of many blog posts surrounding the catalog release, and played at the catalog release party. In order to grow their fan base, the Happen Ins offered a free download to Free People's customers.

You can also use YouTube as a self-publishing platform. You don't need a publisher to get your music placed in YouTube videos. You just need to be proactive with social media and reach out to YouTubers you think would be interested in using your music with their creative content.

There is a huge community of amateur and professional video makers on YouTube with topics ranging from beauty and fashion to gaming to health and fitness. There is also a big surge of professionalism among these YouTubers. As a result, many are getting more creative with the music they use in their videos. YouTube has a tough copyright policy so many seek out either royalty free music or get permission to use a track from an indie artist, usually in exchange for a link back to the musician's website or Soundcloud page or a shout out in the video.

YouTubers are tastemakers. People subscribe to their channels and watch their videos because they trust their opinions. When YouTubers feature really great music in their videos, either by mentioning the band or by syncing the music with their videos, tons of their subscribers will go listen to more or even buy the album.

Let's take a look at a few examples. Day[9], whose real name is Sean Plott, is an ex-pro-gamer, a game commentator, and a host of an online daily Starcraft show, the Day[9] Daily. While he doesn't sync music in his videos, he often chats with the audience telling them what bands he's been listening to lately. During one of his videos he mentioned a Blue Sky Black Death song and as a result, the song's view count on YouTube went up by a few thousand. There is also an enormous fashion and beauty community on YouTube and some, like Jenn Im of Clothesencounters and Michelle Phan will seek out indie musicians, use their music as a backing track to their tutorials, and link to their channels in the description box.

So, how do you approach companies and content creators for publishing placements?

First you need to do your research. Know about their product or service or the content they create. Know what kind of music they have used in the past. Next, figure out which track would be best-suited for their purposes and contact them directly. You can do this through Twitter, a YouTube message, or an email. Try to target companies and content creators whose customers and fans shares traits with your fanbase. The key is to start small and work your way up.

Chapter 8

Marketing



As an independent artist, writer, producer or performer, promoting your music and skills is one of the most important aspects of your career and one that needs constant attention, resources, and focus. Marketing can be a taboo word in music: many people expect to be successful on talent alone. However, if no one knows about you, you will not have a music career. Marketing doesn't have to be fake, flashy, or commercialized. In fact, marketing today is more about establishing healthy relationships with fans as opposed to the push marketing and mass marketing of the past.

Online tools today make it easier than ever to connect with fans on a more meaningful and authentic level. These online marketing and promotion tools have also enabled bands to succeed without a label. Today, you can contact influential music bloggers yourself, you can reach out to your fans directly be it on social media or via email, you can run your own promotional campaigns to grow your fan base and get more people to your shows, and you can partner with other bands and co-promote.

Your Brand

“Branding” and “artist image” aren’t new concepts at all. Since the beginning of music artists have been defined by genre and personality attributes. Beethoven’s music and personality can be described as moody and Liszt was the showy star of the 1800s. What makes you unique? Especially today, there are so many people out there trying to make it as a musician that you really need to consider why people would buy your album or go to your show instead of someone else’s.

There are two common approaches when it comes to defining a brand. Some musicians like to list every single genre they draw influence from. This just confuses the audience. You end up with something like “We are a psychedelic reggae metal band. We also look to funk, bluegrass, and classic rock for influence and you can really hear it in our sound.”

On the other end of the spectrum, some artists are afraid to even approach the task of labeling themselves. Either they feel their music cannot be defined in a sentence or they are uncomfortable waving their own flag and would rather just play music. No brand is just as bad as a confusing one.

You don’t have to confine your brand to just musical style. In fact, the more personal you can make your brand the better. Weave in elements of your personality, your beliefs, and your attitudes. If you are passionate about something, chances are other people share in that passion. Use it as a connector!

Think about some of your favorites artists or bands. What is their brand? What do they stand for?

Let's look at a fairly well known band, Sum 41. Before they made it big, they had a hard time getting a record deal because many labels thought they were just another Blink 182 imitation band. The labels only heard one dimension of the band—their sound. It was their image, personality and attitude that really set them apart and got them the deal in the end. The band took camcorder footage of them goofing around and edited it into an audio-visual EPK. The resulting seven-minute hilarious video showed the labels that they were more than just punk music. They were characters and they were very good at projecting their character through media.

So how do you find your image or “brand?” We all want everyone to like us, but in the music industry that's not always possible. People have such specific and opinionated tastes in music that there's always going to be someone out there who's just not a fan of your sound. Musical taste is very subjective, but don't let that discourage you. On the flip side, because music is such a personal thing, there will also be people out there who think your music is amazing. The key is to focus your efforts on these people. It's easier to turn a fan into a superfan than it is to turn a hater into a fan.

To start, you should really focus in on a niche. This can be anything you want—a genre, a attitude, a belief—what your brand is all about. Aligning with a niche creates the opportunity for a connection; chances are there's a lot of other people out there who are just as excited about that niche as you are. Above all, your niche can transcend music and connect you over time with other people.

To consider an extreme example, let's look at Eileen Quinn, a songwriter and sailing enthusiast who combines her two passions into one by writing sailing songs. She targeted a market that isn't already saturated with music—the sailing market—and was able to really be the star. It may seem like she severely limited herself in terms of audience, but in the mainstream music industry she would have been just another artist. In their specific niche, however she was able to really stand out.

Everyone has their own specific niche, be it a geographic area, a lifestyle, or a belief. It will take a little thought to discover your niche, but once you do you'll be well on your way to establishing a strong artist brand.

Your Fans

All musicians have different kinds of fans ranging from new fans to casual fans to superfans.

Superfans are the people who will buy your merch and wear it proudly, taking any opportunity to talk about you when others comment on their shirt. These are the people who will go to a live show and write an excited Facebook or Instagram post with pictures from the show. They are the ones who will buy your new album and tell all their friends about it.

You probably won't have very many super fans. But, the ones you do have are vital to your career success. Let's take a look at the 80/20 rule so you can understand their significance. Generally, 20% of your fan base will account for 80% of your revenue. This 20% are your superfans. The other 80% of your fanbase is made up of more casual fans. Mainly new fans and those not willing to spend much, if any, on your music.

So how do you use these different kinds of fans to your advantage? The key is to offer different content and products to different kinds of fans. Today, many indie musicians find themselves stuck in a seemingly impassible rut. You are giving your music away for exposure and can't seem to get to the point where people actually pay you. You think if you don't give your music out for free you'll never be able to grow your fanbase. But if you continue down the free music route bills won't get paid and no one in the industry will take you seriously. It's a paradox that plagues most indie musicians, and you're not alone.

Free music is great. It is one of the most effective ways to grow your fanbase, which is why it's probably a huge part of your marketing efforts right now. Even big-time musicians like Radiohead and Trent Reznor have used free music to their advantage. Now granted, they were already well known. But for most artists, the key is to find the right balance between free and paid content.

As we saw already, different fans are willing to pay for different things. Some fans will not pay for music and will not attend your shows. Others will only pay to come to your shows. Others will pay for music, buy merch, go to your shows, and still be willing to throw more money at you if you only asked. It's important to differentiate between these fans so you can target your offers.

In this context you need to consider the purpose of "free" music. Think about your fanbase in terms of a pyramid. Potential fans are in bottom third, casual fans in the middle third, and superfans at the top. One purpose for free music could be to move fans up the pyramid. Fans at the bottom of the pyramid will probably not give you cash, so trade free music for an email address so you can stay in touch with that fan. For those in the middle, give them some free songs when they buy something from you—a ticket or merch or a bundle of other songs. For fans at the top, make special limited run products for them and charge them, but give them something exclusive for free to seal the deal.

Matthew Ebel is a Boston-based “piano rocker” who has struck a balance between paid and free with his Patreon page, which he calls “The Officer’s Club.” Here, he gives his superfans exclusive rewards in exchange for their regular patronage. Matthew isn’t a superstar artist—he doesn’t have a ton of Facebook likes—but he works as a full-time musician and makes a good portion of his net income from his hardcore fans.

His fans can choose to donate at a few different levels ranging in price from \$1 to \$100 per piece of content he releases. Matthew’s offers include exclusive feeds, digital songs and recordings, physical CDs and signed prints, goodie bags, private events, and even inclusion in a song and a personal phone call. These are things that a lot of indie artists just give out for free.

Remember that money isn’t the only form of payment that has value. Information can be just as valuable or more than cash in many instances. As an example, many musicians will offer an entire free album to anyone who signs up for their mailing list. The purpose here is to move potential or casual fans up the pyramid to more serious fans. To do this, you give them a taste of his music—a try-before-you-buy if you will—and in return you get the ability to contact them through email. You can now send these casual fans information on his live shows, new material, and life.

Fans as Your Marketing Team

As an indie artist today, you're most likely in charge of your own marketing. You probably don't have a record label planning your releases or scheduling your social media for the week, and you certainly don't have any spare cash for a big marketing campaign. Marketing can seem like a completely daunting task if it's just you and maybe a manager trying to get the word out, but you actually have a whole team of marketers just waiting to share your music—your fans. The best possible promotion you can get is to have your fans talking to their friends about you. Think about it: social media at its best is nothing more than fan-to-fan marketing. Creating authentic communications between trusted sources can be a word-of-mouth powerhouse to drive your brand.

With the constant presence of social media and the internet, most music fans today are bombarded with more information than they can possibly process. On top of that, new technology has enabled just about anyone to get online and call themselves a musician. As a result, most music fans look to recommendations from trusted sources for new music. These trusted sources could be a good music blog but more times than not it comes from a friend. Think about how you found some of your favorite artists. How many of them did you discover from a friend's recommendation? Or someone you trust?

The key with marketing today is authenticity. Making it real and transparent and interesting. More people will check out your new album after a friend recommends it than would after a flashy TV commercial. This means you don't need to dish out thousands for a big marketing campaign. The most effective form of marketing is completely within your reach financially.

Paramore harnessed their fans as marketers in June 2013 for their song "Still into You." Paramore launched a contest - "Paraoke" - asking fans to submit their best cover of the song. The winner would receive the bike featured in the video, two concert tickets, and a merch pack. As a result, YouTube was flooded with new Paramore covers. They didn't need to spend thousands on a big marketing campaign. Their fans spread the word for them.

Chances are your fans are already out there talking about your music. It's up to you to create a great strategy that can harness their excitement for your music.

In order to get your fans to talk about you and your music, you need to give them something to talk about, but first you need to create a tribe of "super fans" who are willing to support you.

Online Presence

The key points when coordinating your marketing online is to know who you are and who your fans are.

There are too many social media platforms out there for you to be on every single one, so streamline and use only the ones relevant to you and your fan base. As an example, teens and females are more likely to use Instagram, while post-college people may be more active on Facebook.

Remember that social media shouldn't be thought of like traditional marketing. It's *social*. You should be talking with your fans, not at them. While I don't like assigning a rule to something like social media, a good rule of thumb is to keep 80% of your content conversational, entertaining, and interesting with only 20% reserved for promotional purposes. You should also try to provide different kinds of content for different social media channels. YouTube is great for sharing cover songs, original songs, and even vlogs. Instagram is best suited for sharing images—you don't need much text. Take pictures of the studio, your band at the venue for sound check, or your new guitar. Facebook is great for longer, more text-heavy information. Twitter is a great platform for establishing a conversation. Ask your fans a question or tell them about the inspiration behind your newest song.

A website is basically the center of your online presence—all your other pages like Facebook, Twitter, Instagram, and YouTube should lead back to your website. Driving traffic back to your website should be the focus of your marketing and promotional efforts.

Through your website, you can sell your music, tickets, and merchandise directly to your fans, and gather demographic and contact information. Many musicians prominently feature a blog on their website. This is a great way to keep your website interesting and relevant.

While you are welcome to hire someone to make your website, there are plenty of tools out there that allow you to create your very own website with little to no web design knowledge.

Wordpress, CD Baby, Bandpage, Bandzoogle, Squarespace, Viinyl, and Presskit.to are just a few of the options available to you.

Your email database will end up being one of the biggest assets in your marketing arsenal, and potentially the most profitable. Opt-in marketing, such as email marketing, is an often-overlooked aspect of an artist's business. Many artists and bands don't even have an email list. You just can't get the same level of direct connection through more passive channels like social media. Think about it: the people who sign up for your mailing list *want* to hear from you! They want a more in-depth relationship with you and your music. If they didn't, they would have just followed you on Facebook. Fans who sign up for a mailing list are the fans that will consistently listen to your offers and perhaps buy your newest recording and go to your live shows.

There are some great tools online for creating and managing email lists and email templates. Check out Mail Chimp and Constant Contact, but there are a ton of other options beyond these two.

Some website creation tools and services also have basic email address collection functions. When building your website, make sure you have your mailing list signup prominently featured on the home page. Make sure it's visible on the home page without scrolling. You should have an obvious call to action, like "Sign up for our mailing list!" You could take it a step further and give them an incentive to sign up like a free download.

Try giving your email subscribers early access to content and news, special, and exclusive promotions, and additional content and behind-the-scenes footage not available to anyone else. If you have a small email list, try your best to give your email subscribers personalized attention. You could, for example, send each new subscriber a personalized thank-you email or send birthday messages. Little things like that will make your email subscribers feel valued and help to boost word of mouth promotion.

Chapter 9

Financing



As a musician, it's easy to fall into the habit of poor budgeting and accounting, or no budgeting at all. There is generally no paycheck that you receive on a regular basis and there are no company financial standards you need to meet. Nonetheless you are a business and you should treat your budgeting and finance as any proper business does—so you can manage your money better, and be more efficient and profitable. You need to know how to handle any cash payments you may receive, how much to pay yourself, and how much to save for the future. On top of that, you need to know how to fund your projects be it a tour or a new album.

Finance

The first step to budgeting is figuring out how much money you, as a musician or band, earn. How much money can you expect to bring in each month? How much money can you bring in each year?

You cannot know what studio you can afford to record in, how many gigs you can play, or whether or not you can afford a producer if you don't know how much money you can earn to cover those expenses.

Keep track of how much money comes in every month. Create a basic spreadsheet where you can record any payment you as a musician or band receive. You should divide your income into categories such as live, merch, recorded music, publishing, and whatever other revenue sources you have. Have a total for each category and a total for all categories combined. You should also be able to identify which month the money came in.

There are many different ways to distribute income among team members. The most important thing to remember is that you are a musician *business* and you need to operate accordingly. You need to pay yourself as if you were an employee, and you need to keep some cash in your business account to cover expenses. You should avoid distributing all the money to your team. Some money should be saved and put in a business bank account for future use.

It is very important that you have separate business and personal bank accounts. The business account should *only* be used for your music career income and expenses. Not only will this help for tax purposes, it will also give you discipline in running your business and hopefully a buffer of cash to help cover unexpected expenses or large investments like a new PA system or a band van or bus. The music industry is largely a cash business, especially for smaller indie bands. It can be quite tempting to just pocket the cash or split it up immediately, but try your best to avoid this. The cash you receive needs to be accounted for in your income spreadsheet, and some of it needs to be saved in your business bank account.

Crowdfunding

In the past, money was a huge barrier for musicians—and one of the main reasons many were forced to tie themselves to a record label. Today, many musicians are finding their own ways to creatively fund their albums and tours, with the most popular option being crowdfunding. Crowdfunding is a huge undertaking, but, if done correctly, you can come out of it with a whole lot more than just money. It also presents dedicated and creative artists a chance to connect with their fans in a whole new way.

Run Your Own Crowdfunding Campaign

A lot of people mistake crowdfunding for an endless well of money, but, the sky is not the limit. The amount of money you can raise is entirely dependant on the size of your fan base – your crowd. Generally, the more fans you have the more money you will be able to raise, although there are other variables like fan dedication and income level. Amanda Palmer was able to raise upwards of a million because she has a huge, dedicated fanbase with spare cash to throw around: that's pretty much the perfect scenario.

There's no way to tell exactly how dedicated your fans are and how much money they would be willing to donate, but you can look at some figures to get a better idea. Look at how many people you have on your email list, how many people come to your shows, and how many people you have following you on social media. Don't assume that every one of your fans will donate—even the most amazing musician in the world couldn't accomplish that.

Think about how much your average fan would be willing to spend to help your cause. If your fanbase is generally high schoolers or college kids, they may not have as much spare cash as working adults in their 30s. Think about what your super fans may be willing to spend. If you offer any higher-end products on your website, like VIP passes, look at how many of those typically sell to gauge the amount of dedicated fans you have. Use all of this to set a reasonable goal. Setting a goal too high and not meeting it is a depressing thing no one wants to face. Not to mention it definitely has a negative effect on your brand.

There are tons of crowdfunding platforms out there, each with its own unique features and benefits. Don't just use Kickstarter because it worked for Amanda Palmer. Have a reason for your platform choice.

Pledge Music is a music-specific crowdfunding and fan engagement platform with options to set up a crowdfunding or pre-order campaign. They have connections with music companies that can help you with things like manufacturing, marketing, and distribution and may be the best choice overall for music projects. Kickstarter has a huge profile, with hundreds of thousands visiting the site each day. On the downside, you only get the money if you meet your goal and you could get lost in the crowd. Depending on what kind of campaign you set up, Indiegogo can allow you to keep the money you raise even if your goal isn't met. However, Indiegogo takes a higher fee from these kinds of projects.

Your budget isn't just what you want to fund. If you ask for exactly what you need to fund your recording or tour, you'll find yourself in debt. Each platform takes a percentage fee from successful projects.

Taxes are another issue. Technically, the money you raise from crowdfunding is income and needs to be reported. This probably won't be hugely significant for smaller projects, but all these costs can add up and you should take it into account.

On top of that, rewards cost money as well. People are paying for that t-shirt or vinyl, but you still need to make it (and ship it to them). Figure out exactly what each reward will cost you and how much they will cost to ship. If you have international fans, look into international shipping costs. The worst situation you could be in is not being able to get the rewards to your fans who took the time and money to help you out.

On top of just budgeting, you need to think about your rewards creatively. Make your rewards relevant to your project and your fans. Teenage girls may love magnets made from secret, Instagram photos of the recording process. A slightly older fan base may really appreciate vinyl and even some high-end custom vinyl with artwork. Think about the project itself. Having a signed electric guitar as a rewards for an acoustic album doesn't make much sense. Get creative with it.

Make sure you have rewards that take different levels of fans into account so as not to alienate anyone. Digital downloads, physical CDs, posters, magnets, and other little things like that are great lower end options. These are great for your more casual fans who may not be willing to or have the means to donate very much. Mid-priced rewards like vinyl, a t-shirt, or personal things like signed copies or special notes are great for your more serious fans and those that crave personal interaction. Have a few higher-end options. A private house concert or VIP pass is a great way to get your super fans involved.

Keeping all that in mind, make sure you don't over-invest yourself in the reward process. You need to make sure you have the time to create the rewards. Handwritten lyrics may seem like a good idea, but keep in mind that you could be writing hundreds.

Crowdfunding isn't just a beginning and an end. Mass pushes at the beginning and end of the campaign won't get you very far. You'll be left with an unmet goal and a bunch of annoyed fans who had to block your hourly updates from their social media news feeds.

Statistically, most pledges to crowdfunding campaigns come in at the beginning and end. People are motivated by new content and a deadline. You can use this to your advantage to drive more pledges in the middle of your campaign. Release a new, special reward halfway through your campaign. Keep in mind that the entire process is an opportunity to engage your fans in a new way.

Release update videos showing your fans the progress of the album they are helping you make. Release short teasers or rough drafts of songs. Ask your fans' opinions on your lyrical work-in-progress. Try to make the content exciting and engaging. You want to keep awareness for your campaign up but you don't want it to feel pitchy.



Key Points

1. **Change is an open door.** Don't view new technology or a new model as a dead end. Look at it like a new opportunity. It's a chance to try new things, innovate, and maybe find something that really works for YOU.

2. **You are an entrepreneur.** More times than not, its the small, agile entrepreneurs, not the big established companies, that innovate and move an industry forward into the future. *You* can be that entrepreneur.

3. **Go lean!** Release small and release often. Don't wait to record your first album until you can afford a time in a big time studio. Don't wait to start your publishing career until you have a publisher. Start with what you have and go from there.

4. **LEARN!** Take every single opportunity you can to learn. What went great at your live show? What didn't go as planned? How can you use that knowledge to improve next time? What social media posts get your fans excited? What song do people seem to like the most? You can learn from every single thing you do.

5. DIWO instead of DIY. You can't be an expert in everything so find people who are. Your team doesn't have to be seasoned pros. More times than not, passion trumps experience. For now, recruit friends, classmates, and family to help you out and give your pointers. There are a ton of really successful artists that still work with someone who started out as just a classmate.

6. Each element of your career is a separate moving part to a bigger machine. Don't think of recording, publishing, and touring in a vacuum. Think about how you can connect them together into one unified plan.

7. This is a relationship business. Get out and meet people. Talk to as many people as you can in the studio and at your live shows—promoters, club owners, sound and light folks, other bands and musicians. **MAKE** that connection that could really start your career as a successful indie artist. Remember that face to face conversations will always get you further than emails. And above all, treat people like people. Give and you will receive.

8. Use the process. Recordings and songs are not just finished products. There are a ton of opportunities to engage and connect with your fans and even make money along the entire process.

9. There is no one-size-fits-all model anymore. You need to build a career around YOUR music that works best for YOU. Just because something worked for someone else doesn't mean it will go the same way in your career.

10. **MAKE your big break.** These days no one is going to hand you your big break. You need to be out there working hard, pushing yourself to new limits, trying new things, and connecting with people if you want to make this your career. With a lot of hard work, music CAN become your career.



Where to Go From Here?

By now your mind should be buzzing with all kinds of new ways to promote your music and grow your career, but this is just a small preview of what you can learn through the [New Artist Model](#) online music business school.

New Artist Model is a step-by-step online music business training program you can use to share your music with the world and start developing income and a huge fanbase faster than ever before. It is a proven system that will help you get where you want to be in less than 12 weeks. Here's how it works.

I'll teach you how to think like a musical entrepreneur and get you making money, growing your fanbase, and feeling a sense of accomplishment almost immediately. You'll learn how to book better gigs and the MOST EFFECTIVE ways to attract managers, publishers, record labels, and agents.

You'll get a step-by-step system with shortcuts, templates and checklists that show you exactly what to do.

I want to *help you* keep up the momentum and give you the resources you need to be successful in your music career. That's why I'm giving you [a personal invitation to join me in the New Artist Model online music business training program](#).

You CAN make music your career. You CAN find your own success. We're all rooting for you!

Start making money and create the music career you deserve!

Here's what you get when you sign up for the New Artist Model:

- Complete self-paced online music business training program
- Start living a life the music that you desire on your terms
- Develop an Action Plan to drive your dream forward
- Create multiple revenue streams
- Find the 20% of your activities that generate 80% of your results
- Put together a team of people devoted to helping you succeed
- Get your social media, your gigs, your income, and MUSIC all working in harmony
- Get record labels, agents, or publishers interested in you and your music
- Create systems to manage your time and move you towards your goals
- Share it with your band mates, your business manager and your team
- Discover strategies to turn your music career into a sustainable business
- Get better gigs, grow your audience and build your brand

**CLICK HERE TO SEE HOW NEW
ARTIST MODEL CAN HELP YOU**