

ALBERTA MUSIC HANDOUT



MUSIC 101

An overview of what an artist has to do to make a living as a professional in the music business.

FROM SONG TO RECORDING

SONGWRITER – THE SONG

(A good song is the root of the music industry – without a good song, you don't have anything)

MUSICIAN/PERFORMER – THE SINGER

(Carries the song to the people)

PRODUCER/ENGINEER – THE STUDIO

(Takes a creative thought (the song) and creates a tangible)

WHAT DOES IT TAKE?

1. Recognizing your opportunities and taking advantage of them
2. Developing relationships
3. Being persistent

As a Songwriter...

What it takes:

1. Talent
2. Honing your skills through formal education, life experience, working with other songwriters, seminars and networking with performers, music industry, etc.

What are the rewards:

- Investment in your future (there could be money coming to you for your lifetime - and 50 years beyond)
- Meeting interesting people and/or your mentors and/or heroes
- Travel
- Freedom to be creative

How to protect yourself:

1. Copyright your material
2. Don't sign anything without good legal representation
3. Know the business end

As a Musician/Performer...

What it takes:

1. Talent
2. Formal education and/or private lessons
3. Rehearsal by yourself and/or with a band
4. Studio experience which will teach you about your playing (such as timing, intonation, etc), your weaknesses and strengths will be magnified.
5. Stage Presence (for live performances), deciding on an image that fits your music and yourself, and developing those skills through live performance and/or acting lessons.
6. Building your confidence through every success and learning from things that don't work
7. Networking, luck and knowing the business

What are the rewards:

- Being able to play enough to become financially stable
- Meeting interesting people and/or your mentors and/or heroes
- Travel
- Freedom to be creative
- Opportunity to move into other areas such as songwriting, producing, A&R Rep, Publishing, etc.

How to protect yourself:

1. Don't sign anything without good legal representation

As a Producer/Engineer...

What it takes:

1. Good Ears
2. Interest in Technology
3. Past musical education (formal and/or as a musician)
4. People skills
5. Enjoying working with musicians one-on-one

What are the rewards:

- Meeting interesting people and/or your mentors and/or heroes
- Doing better projects with experience
- Constant learning experience – a steep learning curve
- Never boring – each job is different
- Freedom to be creative

How to protect yourself: 1: Contracts 2: Get a deposit



PROTECT YOURSELF: HOW TO COPYRIGHT YOUR SONG

by Paul Sanderson

(a) Copyright

Under the Canadian Copyright Act, copyright is acquired automatically if the following three conditions are met:

- (1) The song is original within the meaning of the Copyright Act.**
Originality for the purposes of the Copyright Act means a product of knowledge, skill, industry or experience, and it has not been copied in a substantial way from another.
- (2) The song is in a material form of more or less permanent fixation.** Fixation includes a lead sheet, for example.
- (3) The creator is a "qualified person" within the meaning of the Act,** such as a Canadian citizen or landed immigrant. This is the qualified person requirement.

Assuming the above three conditions are met then the copyright is "automatically" acquired. The Canadian copyright system does not require any formalities, for example, the need to register copyright, but see paragraph I(b) below.

- (b) Protection means providing evidence** which could be admissible in a court of law which could assist one in proving whether one is the copyright owner.

With this in mind, I recommend the following practices:

- (1) Keeping all work in progress and dating it contemporaneously with the time it was created.**
- (2) Having witnesses to testify as to your writing of the song.** This can be accomplished by either having co-writers, friends, family, co-workers, who may have been present when the song was being written.
- (3) You could also swear an affidavit as to the date the song was created and the musical contents of the song.**
- (4) Sending a tape copy of the song to yourself by registered mail and do not open the envelope.** The registered mail receipt and the time and date stamp then could be evidence of the date the songs were completed and were composed.
- (5) Register with SOCAN or the CMRRA the title of the song.** This arguably could be an admissible business record as to the date of the completion of the



songs as indicated by the filing of the title with SOCAN or with the CMRRA.

(6) Registering or depositing this song with a Canadian Songwriters Association. This is a business record indicating the date the song was registered and presumably completed.

(7) Register the copyright to the song.

With respect to paragraph (7) above, although this is not required under the Copyright Act and indeed can be expensive since it costs \$35.00 per title, copyright registration is the only formality that gives this legal protection: it raises the presumption (albeit rebuttable) that the person identified on the copyright application is the owner of the copyright to the song.

Copyright registration can be accomplished by completing the following steps;

- (1) Contact Industry Canada for the appropriate form:** Form 10 for Unpublished Works; Form 9 for Published Works
- (2) Decide whether or not to use the Unpublished Works form or the Published Works form.** Note that publication means "the issue of copies to the public". This would appear to mean tangible copies, for example, recordings of the song.
- (3) Complete the application form.** The application form requires the signature of the copyright proprietor and indicates the names of the authors of the composition, among other things.
- (4) Pay the application fee.** This can be sent by mail by cheque in the amount of \$35.00 to the following address:

**Commissioner of Patents
Copyright Office
Ottawa-Hull, Ontario
K1A 0C9**

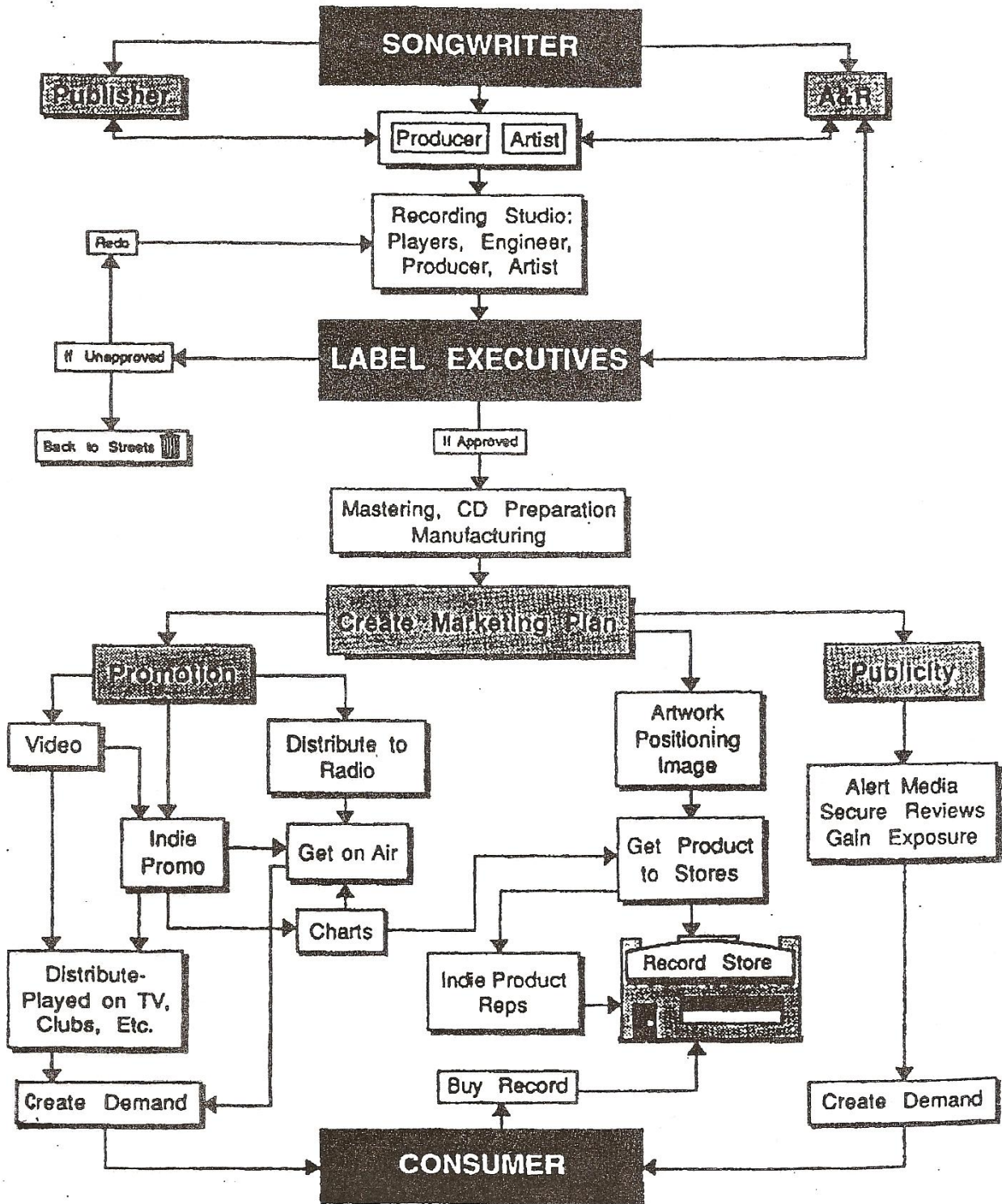
Copyright registration in Canada takes approximately 2 months. Personal cheques or money orders can be sent, cheques do not have to be certified. Cheques are made payable to the "Receiver General of Canada"

Note that Canada has a title only registration system. No deposit of the work is required. It is a voluntary system and is not required in order to acquire copyright.



MUSIC INDUSTRY PRODUCT FLOW CHART

(or, Why It Takes So-o-o Long to Get Anywhere in the Music Business)



Some Very Simple Ways to Avoid Some Very Big Problems

1. Develop contacts with people who have significant music business experience on a national level, to use as neutral “sounding boards” and for guidance.
2. Legally protect your songs and group name, to the extent financially possible.
3. Educate yourself about the music business.
4. Know whom you are dealing with. If you are about to sign a contract with someone whom you don’t know extremely well, be sure to carefully check out their credentials to be sure you are not getting “hyped.”
5. Be extremely careful about long-term contract commitments. Push for clear performance standards that will allow you to bail out if things are not happening.
6. Don’t sign any contracts containing terms worse than the normal deal terms customary in the music business.
7. Be sure to read and really understand any documents that you are signing.
8. If you get offered a deal, don’t start negotiating the terms of the deal until you really know what you’re doing or can find someone knowledgeable and neutral to advise you or represent you. Otherwise, you may be painting yourself into a corner.
9. If you sign a deal with a producer or manager, be sure that the contract says that you will have the right at any time to appoint a neutral third party (for example, an accountant) to handle the money. Take the time to understand what money is coming in and going out.
10. Be very careful about what you are giving up financially along the way. Those percentages can really add up.
11. Think “long term” career and work toward long-term objectives. Future career as producer, writer, music publisher, etc.?
12. Finally, stay cool. Don’t let yourself get pressured into signing anything. But don’t let a fear of the unknown keep you from kicking into gear when it’s time to do so.

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Portland, Oregon



WRITING A MUSIC BUSINESS PLAN THAT WORKS

By Peter Spellman © 1996

One thing I would never do is invite friends to Boston without first sending them a map. More than most cities Boston (for the out-of-towner) is an urban tangle with a few rivals I remember my first visit to the city back in '77. It was psychological and emotional rollercoaster to say the least. And I had a map!

Maps – they lay out and point us in the right direction. A good music business plan is a lot like a map, though the “land” you’ll be dealing with here – the music industry – is both more tangles than the city of Boston and can end up pointing you in any variety of “right” directions at the same time.

A good music business plan is the map to the fulfillment of your goals. Whether you’re a band, soloist, production house or some other business, a plan can turn foggy notions into operational strategies, hunches into actions, dreams into reality.

Dreams. This is where it all begins isn’t it? For this reason I like to think of one’s business plan as a “vision/mission.” It starts with a vision. Before your first gig you envisioned yourself playing it. Remember? Visions precedes mission and fuels it with the necessary energy to go the distance. Mission implements vision and provided the vehicle that moves you towards your goal. Together they’re unstoppable!

Why Write A Music Business Plan?

There are a number of specific benefits to writing a music business plan. A well-thought out business plan will:

- Clear the way for creative thinking
- Pinpoint strengths and weaknesses
- Identify obstacles and problems
- Expose hidden opportunities
- Set proper priorities
- Coordinate your marketing program
- Take the guesswork out of budgeting
- Allow for meaningful review and revision

Your business plan should never be viewed as a one-time draft written in stone but instead as a provisional guideline to help you take strategic and effective steps toward the achievement of your goals. It is never really complete because it parallels and reflects the dynamics of your own growth and development.

Besides the benefits of self-revelation, there is another important reason to draw up a business plan:

To attract investors and secure loans. No one needs to tell you how much it costs to launch a successful music career in the 90’s. Between equipment, insurance, taxes, travel, recording, missing, manufacturing, promotion, advertising and various fees and commissions, today’s musicians and bands are left with little else to call their own. Enter investors.

Investors are willing to put a certain amount of dollars to launch a music project with the hope and expectation of a return on their investment. The most important thing they’ll need in order to decide to invest in you or not is a well-thought out business plan. The same goes for seeking bank loans. A plan reflects professional responsibility to the lending institution and greatly increases your chances of securing a loan.



How to Structure A Music Business Plan

A music business plan will have six main components. They are:

Summary Page
Marketing Plan
Project Time-Line

Description of your Business
Operations Statement
Financial Projections

You may want to make a rough outline for your own plans as you read this article. Don't be surprised, however, if your complete plan ends up being forty pages long! This should be expected.

Would you like some free help drafting your plan? Then contact your local SBDC (Small Business Development Center). This is a federal program that is a part of the SBA (Small Business Administration) designed to provide small business owners with counsel and resources. The SBA has a Small Business Answering Desk (800-827-5722) which can answer many general business questions including the location of the SBDC office nearest you.

While you may not find them to be experts on the music industry, they are experts in creating and developing small business, and you are one. Let's first get an overall sense of where we're going by displaying a complete outline of a business plan:

Summary Statement

1. Description Of Your Business Or Project

- a) History And Background
- b) Management Description
- c) Business Structure

2. The Market For Your Product Or Service

- a) Market Description
 - i) General market information
 - ii) Specific market information
 - iii) Competition profile
- b) Marketing Plan
 - i) Positioning
 - ii) Marketing mix
 - iii) Pricing philosophy
 - iv) Method of sales/distribution
 - v) Customer service policy
- c) Operations
 - i) Facilities and equipment
 - ii) Plans for growth and expansion
- d) Risks

3. Project Timeline

4. Financial Information

- a) financials required



- b) current financial statements
- c) financial projections

RETAIL DISTRIBUTION TIPS

Levels of Distribution:

Bricks and Mortar:

Individual Consignment at store level
Independent Distribution Companies
Minor label with Major Distribution
International Licensing with Distributors
Major Label Distribution

For Individual Consignment

Do:

- Handle your own local distribution until a point where you are unable to keep in regular contact with the stores or you are unable to keep up with the sales (every 1-3 Months).
- Keep good records – always request a receiver report, receipt, or design your own consignment form. You will need these statistics for press kits, business plans, grants, etc.
- Call ahead to make appointments – most stores have only one person to receive new or additional stock on titles, and they do take days off.
- Leave up-to-date contact names and phone numbers with the stores.
- Provide the store with play copies, request listening posts, some will take release party posters
- Invite store staff to performances; put them on your guest list.
- Provide the store with press material, performance schedules, and invites to shows regularly
- Call back at least once a month to check stock and sales.
- Keep in mind - It usually takes stores, with computer tracking systems, up to 5 days to enter a new CD into the system for receiving/sales.
- Calculate a store markup of 25%, retail to the customer, before setting your wholesales price.

Do Not:

- Expect stores to take more than 5 to 10 CD's to start.
- Expect payment for at least 3 months after a new release. Some stores will pay out only after one contract/total number received sells out.
- Expect that the CD will sell on its own – all the other marketing factors such as live performances, print publicity, radio play, and live interviews play a major role.
- Don't leave your product for longer than 3 months without checking the status.
- Accept returns gracefully, and try again later when you have more of a fan base.



- Don't consign your recordings into stores where you will not be performing again for longer than 3 months, unless you have established a presence in that centre.

For "Indie" Distribution Companies

Do:

- Expect to be asked for a sales history to date.
- Provide the company with a brief marketing plan, outlining other efforts to profile the CD.
- Provide play copies/CD samplers for stores, and suggest genre of music to be racked in.
- For those companies who provide promotion, keep them aware of performance/tour schedules, interviews done, radio play stats, fan stats, and give them copies of new press. Small flyers and newsletters work great for condensing this information. It's also more likely to be distributed with the product.
- Electronic Press Kits are critical ~ saves time, paper and provides sound and info quickly.
- Some companies charge extra for promotion of a CD, others do not offer the service at all. Still, offer this information and send them only notable news.
- Provide the distributor with guest list spots at performances.
- Check out the stores while on tour for availability, racking position, ordering problems, or just to introduce yourself to the staff. The personal touch really works.
- Let your distributor know of any gaps in store stock, and keep in mind they have many other acts to keep a pulse on. Be helpful about it rather than critical.
- READ and UNDERSTAND the contract/distribution agreement before signing. You may end up paying more in handling fees than your record can support.

Don't:

- Approach this level until you're ready. Make sure your marketing plan, and profile is high enough to achieve sales at this level. If you're not ready, and sales are poor, the product may be returned at your expense.

***** IMPORTANT Information for your CD Design *****

An attractive cover will increase sales. Please don't use a dark colored background. Cover art that is very dark is difficult to reproduce for posters, release sheets, in newspapers etc.

Try to place your name/band's name at the top of the CD and more prominent than the title on the cover.

The spine should have the following information: Band/Artist Name, Title of CD, Product ID (Create a short and easy to remember product code using band initials, year of release etc)

UPC/Bar Code - Essential – You may need this to register the title with Sound Scan.



Stores That Support Consignment From Individual Artists:

CD Plus Stores – used to be called AVE, or Top Forty/TFM stores. There are stores in St. Albert, Sherwood Park and Spruce Grove. Provide your own forms except at the St. Albert location.

Chapters – The only store in Edmonton that stocks music CDs is the Strathcona or Whyte Avenue location. Provide your own paperwork.

Independents – There are several smaller stores in each city who sell new/second hand recordings devoted to a group of consumers. They are quite willing to consign with local musicians. Some of the more obvious in Edmonton are Blackbyrd Myoozik, Sound Connection, Southside Sound, and Free Cloud.

In Calgary, especially if your release is garnering airplay on CKUA or CBC, contact Megatunes, Play Entertainment and Hot Wax.

Consider checking around your neighbourhood for alternative to record store options. Many artists are welcome to sell their CDs in cafes and book stores they build a relationship with. Use your imagination and your contacts.

Stores That Accept Independent CDs Only Through a Recognized Distributor:

A&B Sound

Future Shop

HMV

Music World

Indigo Books

Web Store Sales

Selling off your own website is a good start, and there are many independent web based sites where you can sell your CDs. Some have an annual fee and others take a percentage of the sale. CD Baby & IndiePool are examples of outlets.





102, 10722 – 103 Avenue, *Edmonton*, Alberta 780-465-3372 or 1-800-465-316

MUSIC INDUSTRY ASSOCIATIONS AND ORGANIZATIONS

When you are first starting out, these are the most important to become familiar with...

Alberta Music Industry Association

Serving the music industry to provide professional development education and opportunities in accordance with their mandate. Alberta Music is the regional evaluation coordinator for FACTOR (The Foundation Assisting Canadian Talent on Records), has representation on FACTOR's National Advisory Board, and is the regional representative for CARAS (Juno Awards). For more information, call 1-800-465-3117 or visit www.amia.ca

AFM (American Federation of Musicians) aka. Musician's Union

Edmonton Local 390 is an international union representing professional musicians and providing many important services. Special AFM work visas are available for Canadian musicians going to the USA if you are an AFM member. For more information, call 422-2449 or visit www.afmedmonton.ca

SOCAN (Society of Composers, Authors and Music Publishers of Canada)

SOCAN is an organization that administers in Canada the performing rights of virtually the world's entire repertoire of copyright-protected music. They distribute the fees collected as royalties to their members and affiliated performing rights organizations worldwide. They ensure that music creators and publishers get paid for the public performance of their music in Canada. They do this by collecting license fees from individuals, businesses and organizations that play music in public, broadcast it, or communicate it by telecommunication. SOCAN also distributes royalties received from affiliated international societies to its members for the use of their music worldwide. Contact SOCAN in Edmonton at (780) 439-9048 or for membership information; call SOCAN West Coast Division in Vancouver 1-800-937-6226.

SAC (Songwriters Association of Canada)

They protect and develop creative and business environments for songwriters in Canada and around the world. The Association is led by active professional and amateur songwriters; SAC is committed to the development and recognition of Canadian composers, lyricists and songwriters. For more information, call 1-800-215-4814 or visit www.songwriters.ca

WCMA (WESTERN CANADIAN MUSIC ALLIANCE)

This organization was created by the Music Industry Associations (MIAs) of British Columbia, Alberta, Saskatchewan, Manitoba and the Yukon – to promote and celebrate western Canadian music. Each year a conference, festival and awards show is rotated in one of these provinces. The WCMA Conference brings together industry professionals and artists to discuss and brainstorm about the business; the WCMA International Program brings industry professionals from around the world to add their expertise to the conference, to network with artists and industry professionals in their field and to generate export opportunities for western Canadian music. A primary focus of the conference is to provide a stage for development and for nurturing business relationships with Canadian music industry professionals.
www.breakoutwest.ca



Other Music Industry Organizations/Associations:

AMA (Americana Music Association)

A professional trade association dedicated to the growth of the Americana Music Industry. Their mission is to provide a forum for the advocacy of Americana music, promote public awareness of this genre and to support the creative and economic viability of professionals in this field. For more information, call (615) 438-7500 or visit www.americanamusic.org

CARAS (Canadian Academy of Recording Arts and Sciences)

This is a not-for-profit organization was created to preserve and enhance the Canadian music and recording industries and to contribute towards higher artistic and industry standards. They do this through the JUNO Awards (the nationally televised awards show that celebrates excellence of achievement in recorded music), MusiCan (the CARAS Music Education Program) and the Canadian Music Hall of Fame. For further information, call 1-888-440-5866 or visit www.juno-awards.ca

CCMA (Canadian Country Music Association)

A national trade organization dedicated to the promotion of country music in Canada. Their purpose is to protect the heritage and advocate the development and growth of Canadian country music domestically and internationally. They present Country Music Week and the televised Country Music Award Show, They also lobby the government at all levels to ensure that Canadian country music is recognized for its cultural contributions to our society. For further information, call (416) 947-1331 or visit www.ccma.org

CIRPA (The Canadian Independent Record Production Association)

This is the trade organization representing the independent sector of the Canadian music and sound recording industry. Their mandate is to secure a strong and economically stable Canadian independent music and sound recording industry. They do this in several ways such as monitoring government legislation and analyzing the impact of current and proposed policies and programs (keeping their members informed of these issues which affect their industry), lobbying governments on proposed policy and program changes to protect the independent sector, preparing studies and interventions on crucial industry issues and organizing the Canada Stand at MIDEM (France), POPKOMM (Germany) and other international music industry trade fairs. For more information, call 416-485-3152 or visit www.cirpa.ca

CMRRA (Canadian Musical Reproduction Rights Agency Ltd.)

They are a non-profit music licensing agency representing the vast majority of music copyright owners usually called music publishers) doing business in Canada. On their behalf, CMRRA issues licenses to users of the reproduction right in copyrighted music. These licenses authorize the reproduction of music in CD's cassettes (usually called "mechanical licensing), and in films, television programs and other audio-visual productions (usually called "synchronization licensing"). Licensees pay royalties to CMRRA and, in turn, CMRRA distributes the proceeds to its publisher clients. For more information, call 416-926-1966 or visit www.cmrra.ca



COCA (Canadian Organization of Campus Activities)

Annual conference with showcases, trade show and seminars. This is a good opportunity to network and meet the campus buyers for the next year. For more information, call (519) 690-0207 or visit www.coca.org

Folk Alliance Canada

This is the official Canadian branch of the North American Folk Music and Dance Alliance. If you reside in Canada, your membership in the American Folk Music and Dance Alliance automatically makes you a member of Folk Alliance of Canada and gives you access to special Folk Alliance Canada artist promotions and events like the annual Canadian Folk Alliance Canada Showcase at the annual conference of the North American Folk Music and Dance Alliance. For more information, visit www.folkalliance.ca

North American Folk Music and Dance Alliance

This association works on behalf of the folk music and dance industry year round. Their advocacy efforts tackle issues important to the folk arts community, and offer a business directory of contacts for members. They have strategic partnerships with other organizations to increase their voice in support of the arts on a grassroots and international level. For more information, call (301) 588-8185 or visit www.folkalliance.org

OCFF (Ontario Council of Folk Festivals)

This association exists to foster and promote traditional, contemporary and multicultural folk music and related arts by strengthening and advancing festivals, organizations and individual initiatives through education, networking and advocacy. For more information, call 1-866-292-6233 or visit www.ocff.ca

UMAC (Urban Music Association of Canada)

This non-profit association is the voice of Canada's urban entertainment scene. It offers professional development workshops, artist showcases, networking events and resource information to its members. It is also a strong and active advocate for positive and beneficial policies for Canada's music industry. For more information, call (416) 916-2874 or visit www.umac.ca

FUNDING BODIES

AFA (Alberta Foundation for the Arts)

As the primary arts resource and grant funding body in Alberta, the Alberta Foundation for the Arts helps to unleash the potential of every artist through funding, arts promotion, and capacity-building services. With the same passion as Alberta's artists, we provide behind-the-scenes support to artists and arts organizations, giving them the power to inspire minds, encourage expression, foster creativity, and contribute to Alberta's economy. Whether you are an artist or just love the arts and want to learn more, we can help you in your pursuit of artistic expression. www.cd.gov.ab/ca/artsbranch

FACTOR (Foundation to Assist Canadian Talent on Recordings)

As a private non-profit organization, FACTOR is dedicated to providing assistance toward the growth and development of the Canadian independent recording industry. The foundation administers the voluntary contributions from sponsoring radio broadcasters as well as two components of the Department of Canadian Heritage's Canada Music Fund to support the Canadian music industry. FACTOR has been managing federal funds since the inception of the Sound Recording Development Program in 1986 (now known as the Canada Music Fund Council). www.factor.ca



CANADA COUNCIL FOR THE ARTS, commonly called the **Canada Council**, is a Crown Corporation established in 1957 to act as an arts council of the government of Canada, created to foster and promote the study and enjoyment of, and the production of works in, the arts. It funds Canadian artists and encourages the production of art in Canada.

www.canadacouncil.ca/music

ALBERTA MUSIC / HARVARD BROADCASTING EXPOSURE TRAVEL GRANTS PROGRAM

Assists with travel/accommodation costs for Tours and Showcases/Conferences, Domestic and International.

www.amia.ca

SOCAN (Society of Composers, Authors and Music Publishers of Canada)

The SOCAN Foundation's programs, funded in part by income from an endowment, offer support for publications, educational initiatives, composer residencies, distribution of concert music recordings to broadcasters outside Canada, international showcasing, classical music concert series, music industry associations, and folk and jazz festivals. In addition, the Foundation mounts two competitions. Funding is generally intended for not-for-profit events and projects. The Foundation supports a small percentage of an applicant's overall budget.

www.socanfoundation.ca

(ACIA) Alberta Cultural Industries Association

The Fund offers direct small loans up to \$25,000, or guarantees your company to a financial institution for loans and lines of credit up to \$250,000. The Fund is operated in part by the Alberta Music Industry Association, therefore is designed as a "music industry friendly" process.

Email: difirenza@shaw.





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