

NEWSLETTER

An Entertainment Industry Organization



Artist-Owned Labels

by Keith Holzman

President's Corner By Cheryl Hodgson

Welcome to the November meeting. This month's panel merits special comment from the President. It results from the team work of the Board of the CCC. Our original topic was cancelled due to the family illness of our guest. As a result of the committed efforts of our board, tonight's special evening came together as if by magic. I would like to especially acknowledge Joel High, Diane Snyder-Ramirez, Shawn LeMone, and Ken Liu for their efforts in putting tonight's panel together. Their spirited efforts serve as a reminder that working together for the greater good of all can produce amazing results in a short time. Our country faces a new beginning, one in which we all have the same opportunity. Let us each rise to the occasion and seize the moment to bring our special contribution of service to others in the months and years ahead.

In the current state of the recording industry, more and more artists are forming their own labels -- either through desire or necessity. In fact, a significant part of my client base has become labels formed by artists for the purpose of recording, promoting, and marketing their own music.

Of course, it's become much easier than it used to be, and the cost of entry requires less capital outlay to achieve a reasonable measure of success than ever before.

First, quality recordings can be made in one's own home studio without spending a large amount. Basic tracks can be laid down at home, or if needed, at a local studio. With fewer artists recording for major labels, many studios have time and space for artists to record, frequently at reasonable fees. Where one's own studio may not be large enough for putting down great drum tracks, these can be done at one's local studio of choice. Overdubs can usually be done at the home studio, and sweetening at home using high quality synthesizers or samples or, if necessary, in well-equipped studios.

Excellent mixing can be done in the home studio with marvelously effective digital audio workstation programs such as Pro Tools, Apple's

Logic Studio, Digital Performer, Sonar or Cubase -- assuming one knows what he's doing. Otherwise, professional help is readily available.

The one exception to the DIY (do it yourself) philosophy is mastering. It's highly desirable, and I strongly recommend, that artists make use of an experienced mastering professional at a well-equipped facility. Fresh ears can make a good recording sound even better, and it's worth the additional expenditure to get it right.

Thus an audiophile quality recording can be made without the necessity of spending six figures, as is common among artists signed to major labels who are supplying the initial capital of recording. But, of course, that's before most costs and expenses get charged to the artist's royalty account!

Next -- and this is quite important -- it's no longer necessary, or even advisable, to have a new recording released and/or distributed by a major label. The majors, of necessity, have to focus on their "push" talent -- those with whom they have large and long-term investments. Therefore, they're not likely to spend sufficient effort on an indie label's behalf.

There are a number of excellent independent distributors, including those owned by the majors (such as ADA, Ryko, and RED,) but getting them to take on a one-off project is not easy. An exception is for artists who have been around for awhile who've already established a public profile and some measure of success.

As a result, many artists have been forced to take a DIY approach, frequently with considerable success.

With the decline in sales of compact discs (off about 19 percent for the first ten months of 2007 alone,) many artists and labels are forced to think about whether to manufacture and sell physical CDs. In fact I spoke to one label client this past week who has built up a considerable catalog of titles over a period of years. This label, whose music is of a niche genre, is now thinking about ceasing manufacture of CDs (or perhaps just a small quantity for press, radio, and a few hard-core CD buyers) and has seriously considered making its music available to the public almost exclusively as digital downloads.

An additional assistance is that labels no longer have to go to the trouble of readying tracks for the varied specifications of the myriad of available download sites. They can arrange with one of the aggregators such as TuneCore, IODA, CD Baby, InGrooves, etc. to handle track preparation and dissemination to all or most of the important legal purveyors of digital music. One caveat here -- thoroughly research the capabilities of such aggregators, comparing their competence, fee structure, and requests for exclusivity. I'm a great believer in artists not signing over their rights because I think they should maintain control of their creations.

Most important for any artist-entrepreneur is the need to devise and establish a proper and comprehensive marketing plan, including a realistic budget of costs. This should include, at minimum, use of an established publicity organization (either individually-owned and operated or a small office) properly able to supply music and information to relevant publications and radio magazine formats. Next, assuming the music is radio-friendly, it's important to hire a radio promotion team with a known track record of success in the particular genre of music involved. And if the artist feels unable to coordinate this herself she should consider taking on a freelance marketing supervisor to oversee efforts of publicity and promotion.

Advertising is out of the question, unless an artist has already established a sizeable fan base, in which case carefully selective advertising might be placed where it could be most effective.

Finally, let's not neglect the necessity of any artist, wishing to make a success of a career, to be performing in front of the public as often as possible. For it's frequent public performance and exposure that builds fan bases and lays the groundwork for success as a seller of recorded music. More important -- it's the best way to establish a livelihood as a recording and performing artist.

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He is the author of "The Complete Guide to Starting a Record Company" (now in its Second Edition) published both as a 235-page, printed spiral-bound book, as well as a downloadable E-Book PDF. They are available at <http://www.CGSRC.com/>.

Keith also publishes "Manage for Success," a free monthly email newsletter devoted to solving problems of the record industry, of which this paper is an example. You can subscribe by sending your email address to <mailto:keith@holzmansolutions.com> or via the Subscribe Page on his website <http://www.holzmansolutions.com/>.

Holzman is a member of the Institute of Management Consultants and has served as a panelist for the National Endowment for the Arts, and as a board member of many arts organizations.