



**“Sell the candy but don’t give away the store”
By Tina Reyes, Director of Operations, Elias Arts**

Music has value. Great value. The perception of value all depends on what terms you set.

In as much as there is no right or wrong way of doing things, as after all – we’re all in business here – one thing you have to keep in mind is this: what is the value of my work and how much is it worth?

In light of the news that composers, who operate as employees, are considering the formation of a union similar to that of the writer’s guild in response to the shrinking budgets and spec for free requests, AMP West conducted a forum to get the opinion of the composer and the possible plusses and minuses of such union. In attendance were about 40 members and non-members of AMP, a healthy combination of representatives from music houses and freelance composers alike. What it came down to was this: there are those out there that are not familiar with proper business practices and other composers (and music houses for that matter) are competing against those that don’t know how to protect and put value to their work. This lack of education bleeds on to the client, and in our case, ad agencies so as to give a false perception that things can be done for cheap. It is the job of the music house to protect its composers from a business and creative perspective and educate its clients so as to establish a sense of value.

Most businesses compete in a marketplace where there is healthy price competition between firms. The challenge is not only to get as much work as possible but also to delineate the difference between the two. Know what it is you’re selling so as to create a perceived value.

Not a music house? Educate yourself! There are books out there that can walk you through it all. We suggest the following to get you started:

- “Music, Money and Success” by Jeffrey Brabec and Todd Brabec
- “The Musician’s Handbook: A Practical Guide to Understanding the Music Business” by Bobby Borg
- “All You Need to Know about the Music Business” by Donald Passman
- “On the Track” by Fred Karlin & Rayburn Wright
- “Plain and Simple Guide to Music Publishing” by Randall Wixen

One thing you do have to remember is that the music industry is not all rolled up in to one thing. Each aspect of the business is different. You have the record labels, music publishing (the business of music), original composition/score for film and tv, scoring for commercials, music licensing and synchronization, music libraries, stock music, etc.

These business lines have different ways of doing things, various contracts and terms, etc. In as much as they intertwine, don't shoot yourself in the foot by only knowing one side of the music business! A deal you get in one arena doesn't quite exist in another. Again, education is key. Get to know the various facets of the music business.

Within organizations, it may be possible to discuss in general terms undesirable business practices, but at the end of the day, it's up to you individually to make the right choices. Good business practice is key and education plays a large role in knowing what to sell and for how much. These guidelines are simply just that, guidelines. Again, there is no right or wrong way – just the way that creates a sense of value for both the composer and the client (or ad agency).

What is the client looking for?

Is your client looking for stock music, music for licensing, original compositions or music to help them pitch an idea, etc? Make sure you understand the assignment, known as "the brief." Asking questions is key so as to best assess the value of the work you'll be providing. I'm sure you are saying to yourself, "When is the right time to ask which questions." Read on, and your question should be answered:

Whatever the request, it's important to know what the client is looking for and what they want. Often the budget is the first clue to the production value for your music. 99% of the time the advertising agency has already determined an amount for the music in the bid to their client. The lower the budget, the more you have to be a good businessperson to determine if you can help them. Maybe you have something already on hand that would be a perfect fit? You would then only be able to license them the work.

But, maybe the client is so adamant about having a unique track that you have to create one. Then you need an adequate budget to make the music sound great. A spec sheet is available online via AMP's website so as to help walk you through the process – [click here](#) to download.

When are you empowered to ask the right questions?

Right away, when you receive the first contact, it's normal to ask schedule and budget along with the conceptual brief. You may also want to ask if you are competing for the job or not. But you are also giving your client information they may or may not already know. If you're being asked to spec for free or, for a nominal fee, asked to demo – ask yourself this: how much work will be going in to this and what is the value of my time? Offer your clients solutions versus just doing what they ask you to do.

Yes, there will be other people out there who will do what they ask, but is that what you want to be? Is that how you see your music, your work? Eventually, whomever it is you're doing business with will go through the process of what they think is the 'cheap' way and that's what they'll get – music with no quality and it sounds cheap. A client that has a good sense of branding and value for what it is they're putting out there will come to you with good creative work. If you're not getting those types of clients, then it's understandable to give them something you have already created that you own and is in your library. You may also be able to make the deal more appealing to yourself by limiting the terms of use.

By spelling out their options, you actually create a sense of value. For example, limit the terms of use by time, territory and medium of use, exclusive vs. non-exclusive; have copyright revert back to you after a period of time; let them know what they can or can't have based on the budget they give you. Name the terms. This is the most important point of good business practices is that we need to reinforce the sense of value for our work with the client.

We were once asked if there was a “mantra” for good business practices. The answer to that is, “Yes, it’s called a Purchase Order.” If you get a purchase order up front from the agency, it will spell out the terms of the payment and the scope of the project. If they don’t issue a PO, you can always use the words “Verbal” and then name the person who hired you and gave you permission to begin work. It’s important to have a PO before you allow any music to be sent to the agency or the client, even for demos.

In the event you find yourself working directly with a music house, whether as an employee or a freelance composer, you’ll find that they will give you (should give you) the tools you need to succeed creatively (whether it’s software, production support, studio time, business management, etc.) so that all you have to do is worry about creating and not the business aspects. A music house will protect your music, ensure that works sold or licensed are registered properly, ensure talent is paid, contracts are drafted, union requirements are met, limit the liability for errors and omissions, etc.; in a way, they work with you and for you. As with clients you work with, deals you sign with a music house is also negotiable, but – know what to ask for, i.e. don’t demand for something you’d get on a record deal or when dealing with clients directly or deals you make with other music houses that require you to handle your own production and talent sessions – know what it is you’ll be required to do and negotiate accordingly – ask the right questions.

What is the perceived value from the composer's point of view?

When going through the creative process, think about what it is you’ll be putting into the work. There’s your time, creativity, use of live talent/instrumentations and vocalists, mixing, etc. Is your track ‘rich’ or was it done on your home computer? In the age of technology, it’s hard to tell these days. Some clients seem to think everything is an easy fix these days or that they can get away with computer generated tracks to cut costs. Or they automatically assume that this is what you do. And maybe, you do? Again, this is a question only you can answer. Creatively speaking, the client is relying on you to tell them what’s best. This is where limiting your terms comes in to play as this is where you can tell the client what it is they can or cannot get for the price they are willing to pay. This is also your opportunity to fight for the right to be creative. Having trouble relaying such concerns? This sort of a discussion should be had at the time between the good news that the demo has been approved. Now you are planning the production of the final recording. Normally, the agency will ask you what you plan to enhance, re-record or change to make it better. That’s the time to “speak up!”

What is the perceived value from the client's point of view?

Perceived value to the client is something they can actually see, hear and understand why they are paying a price for it. Production and talent are the obvious costs and they can get quite pricey. What do you have at your disposal to get things done? Do you have your own studio, have to rent one out, build one out, etc.? This is where costs

come in to play, as these are things that are variable, but believe it as agencies are used to paying for production and talent, unless they license the music and do not buy it as a “work for hire”. They realize there are talent sessions to be recorded and paid, studio time to be hired, demo fees to pay out, engineering, mixing, dub fees, the list goes on. Again, these are concrete costs that add value to your music. The client can understand why these costs are in place if you have a professional reputation and manner. Again, is the budget too low? Limit the terms! Don’t be afraid to say “No” if there is so little benefit to you that it is of no value to you. Educate your clients on what they can and cannot have if the budget is too low. If the client wants an orchestral sounding piece but doesn’t have enough money for one, it’s up to you to either find creative ways to meet those expectations while keeping production costs low or relaying to the client that it’s not possible. There’s no reason for you to bend over backwards or stress yourself out in trying to make it work when the power is essentially in your hands.

Remember that only you can make the right business choices when it comes to creating value for your work. If you devalue your work, you devalue the industry and eliminate it. Using your judgment based on the scope of the job is key; educate yourself, ask the right questions, and limit the terms accordingly. There are many facets to the music industry and business and various ways to get your works out there – know which area it is you want to get in to and become knowledgeable in it – it can work in your favor if you dabble in a variety of touch points.