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CMU GUIDE: **RECORD DEALS** **EXPLAINED**

**#01: as a frontline artist's
career progresses they
will start to work with
more business partners**

MUSIC CAREER PHASES



MUSIC CAREER PHASES



WHO DO ARTISTS WORK WITH ON THEIR INTELLECTUAL PROPERTY?

SONGS



COLLECTING SOCIETY
aka CMO / PRO / MLC

MUSIC PUBLISHER

RIGHTS ADMINISTRATOR

MUSIC PUBLISHING SECTOR
focused on the song rights

RECORDINGS

COLLECTING SOCIETY
aka CMO / PRO / MLC



RECORD LABEL

MUSIC DISTRIBUTOR

THE RECORD INDUSTRY
focused on the recording rights

WHO DO ARTISTS WORK WITH ON THEIR RECORDINGS?



Initially work with a DIY distributor

And possibly use some marketing tools

Then move to a higher-level distributor

Or sign a record deal with a record label

**#02: artists work with labels
to access a wide range
of services and support**

WHAT DOES THE LABEL PROVIDE? CASH INVESTMENT

cash advance

WHAT DOES THE LABEL PROVIDE? A&R + RECORDING SESSIONS

cash advance

recording costs

artist development

product development

WHAT DOES THE LABEL PROVIDE? MANUFACTURE + DISTRIBUTION

cash advance

recording costs

artist development

product development

digital distribution

physical manufacture

physical distribution

WHAT DOES THE LABEL PROVIDE? MARKETING

cash advance

recording costs

artist development

product development

digital distribution

physical manufacture

physical distribution

consumer marketing

B2B marketing

press + promotions

social + content

data + analytics

WHAT DOES THE LABEL PROVIDE? SYNC AND OTHER SERVICES

cash advance

recording costs

artist development

product development

digital distribution

physical manufacture

physical distribution

consumer marketing

B2B marketing

press + promotions

social + content

data + analytics

sync

other opportunities

**#03: a label will want
a number of things in
return for its investment**

WHAT DOES THE LABEL WANT?



Exclusivity

Copyright ownership

Revenue share

Ancillary revenues

WHAT DOES THE LABEL WANT?



EXCLUSIVITY

Certain number of albums or tracks

May include other activity too

Might be global or country specific

WHAT DOES THE LABEL WANT?



COPYRIGHT OWNERSHIP

Does the label own the recording rights?

If so – for how long?

What about any other rights created?

WHAT DOES THE LABEL WANT?



REVENUE SHARE

Artist + label split future income

Artist share varies greatly from deal to deal

Label is often able to recoup some costs

KEY NEGOTIATING POINTS



Artist + label commitments

Copyright ownership

Royalties + recoupment

Royalty reporting

#04: artists have a number of choices when picking a business partner to work with on their recordings

WORKING WITH DISTRIBUTORS



Artist begins working with DIY distributor

But usually needs more support

Higher level distributors can provide more

In return for higher commission

WORKING WITH DISTRIBUTORS



Some distributors can offer lots more

Moving into 'artist services' or 'label services'

Will want a higher commission

But usually less than a label deal

DEAL TYPES

DEAL 01:

DIY
distributor
(fee)

DEAL 02:

DIY
distributor
(commission)

DEAL 03:

DIY
distributor
with advance

DEAL 04:

distributor

DEAL 05:

distributor
with
marketing

DEAL 06:

distributor
with label
services

DEAL 07:

distribution
deal with
label

DEAL 08:

label
deal
(profit share)

DEAL 09:

label
deal
(indie)

DEAL 10:

label
deal
(major)

DIY DISTRIBUTOR (DEALS 1 OR 2)

cash advance

recording costs

artist development

product development

digital distribution

physical manufacture

physical distribution

consumer marketing

B2B marketing

press + promotions

social + content

data + analytics

sync

other opportunities

DIY DISTRIBUTOR WITH ADVANCE (DEAL 3)

cash advance

recording costs

artist development

product development

digital distribution

physical manufacture

physical distribution

consumer marketing

B2B marketing

press + promotions

social + content

data + analytics

sync

other opportunities

DISTRIBUTOR (DEAL 4)

cash advance

recording costs

artist development

product development

digital distribution

physical manufacture

physical distribution

consumer marketing

B2B marketing

press + promotions

social + content

data + analytics

sync

other opportunities

DISTRIBUTOR WITH MARKETING (DEAL 5)

cash advance

recording costs

artist development

product development

digital distribution

physical manufacture

physical distribution

consumer marketing

B2B marketing

press + promotions

social + content

data + analytics

sync

other opportunities

LABEL SERVICES OR DISTRIBUTION DEAL WITH LABEL (DEALS 6 OR 7)

cash advance

recording costs

artist development

product development

digital distribution

physical manufacture

physical distribution

consumer marketing

B2B marketing

press + promotions

social + content

data + analytics

sync

other opportunities

LABEL DEALS (DEALS 8, 9 OR 10)

cash advance

recording costs

artist development

product development

digital distribution

physical manufacture

physical distribution

consumer marketing

B2B marketing

press + promotions

social + content

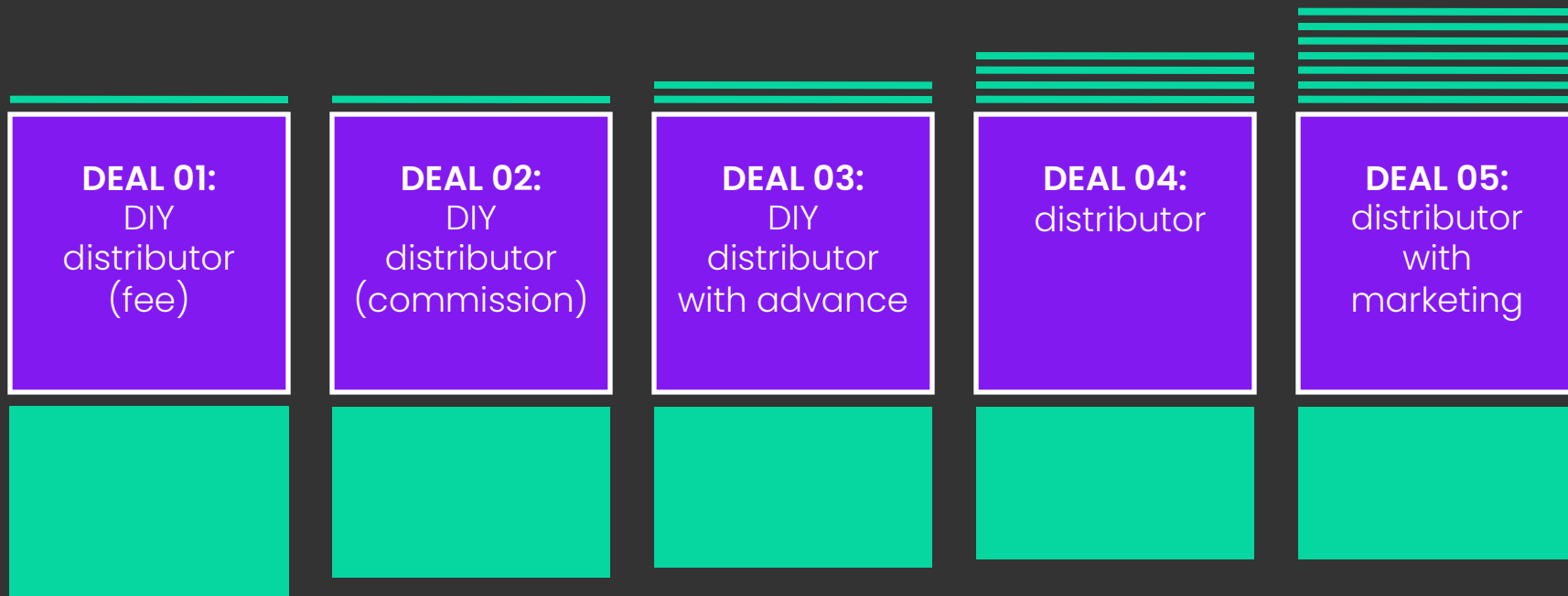
data + analytics

sync

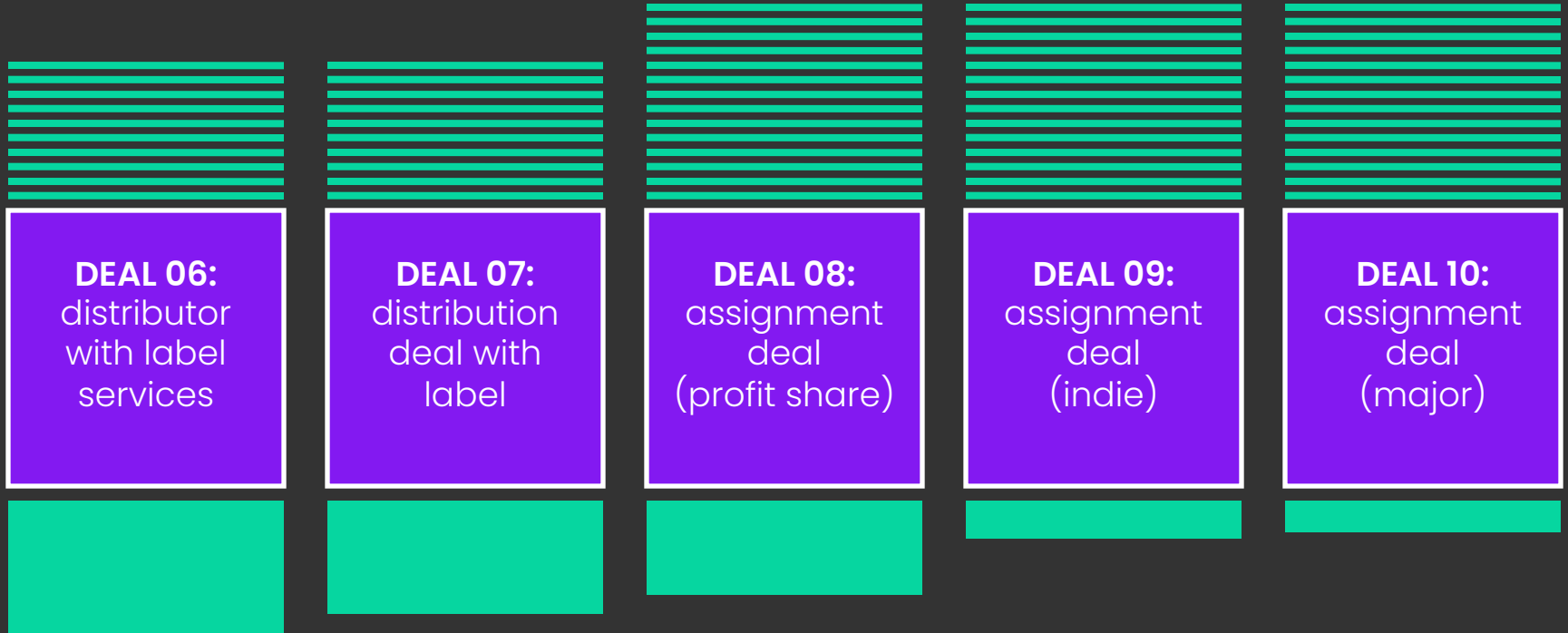
other opportunities

**#05: the basic rule is that
the more services and support
you access the more rights
and revenues the label will want**

SERVICES V REVENUE SHARE



SERVICES V REVENUE SHARE



DECIDING WITH ROUTE TO GO



What options are available to you?

What support do you want + need?

What are you willing to give up?

Who else is going to do the work?

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