

PUBLISH SERVICE ANNOUNCEMENT

Even in a normal year, the world of **independent publishing** is one that's ever-growing and ever-changing. But in 2020? Well, like every other sector, it's navigating some big challenges but, crucially, also exploring some incredible opportunities. Here, *Music Week* checks in with some of the sector's key players...

— BY GEORGE GARNER —

When it comes to the world of music publishing, some people operate under the illusion that it's a less-exciting counterpart to the glitz and glamour of its recorded music cousin. And those people are wrong, FYI.

From facilitating the creativity underpinning the world's biggest hits, to conducting eye-wateringly expensive deals, to court cases and even public spats between former collaborators (see Bad Boy Records alumni Mase blasting P Diddy on social media back in March), publishing is one of the most interesting – not to mention important – sectors of the music business. And this is not just the preserve of major publishers: the independent sector is not only thriving, it also attracts some of the top artists and songwriters, and most innovative and forward-thinking companies in the business.

One of its key players is Peermusic, which boasts 35 wholly-owned offices operating across 30 territories and over a quarter of a million copyrights. Indeed, according to Nigel Elderton, president, Europe & MD, Peermusic UK, they are, “by far the largest independent music publisher in the world”, with their catalogue including songs by everyone from Jimmie Rodgers, Buddy Holly and The Rolling Stones to Rihanna, Beyoncé and Justin Bieber. Its current roster includes huge names such as Linda Perry, Poo Bear, David Foster, Salaam Remi, Melanie Chisholm, Maxim from the Prodigy and Killbeatz [Joseph Addison], as well as a host of notable film/TV composers plus various sub-publishing collaborations with Concord, BMG, Big Deal, Anthem and Pulse. But Peermusic is not resting on its laurels. As Elderton explains, the past 12 months have seen them make some major moves to bring even more opportunities to its writers.

“One of the most notable achievements has been the acquisition of Accorder Music which has a client base of over 200 production companies around the world,” he tells *Music Week*. “This has allowed me to build a dedicated in-house TV and film division headed up by Anne Miller. The expertise that we are now able to offer includes sourcing composers, music supervision, and opportunities for synchronisation at pre-production. We have recently launched our production music library that offers further exploitation of music originally used in TV providing additional income for our composers. Through our international network of offices we will be rolling out Accorder Film and TV services in a number of key territories beginning with the launch of a dedicated TV & film division in

PHOTO: Chris Baker



*“In the current
climate, stability
is a great asset”*

**NIGEL
ELDERTON**
PEERMUSIC UK

Sydney with Peermusic Australia/Trackdown Studios.”

Elderton also points to the reorganisation of Peermusic UK's A&R team, headed up by Mike Sault, and their exploration of opportunities in the Sub-Saharan Africa region. It's perhaps unsurprising, then, that he very much believes that indie publishers can provide a “real alternative” to the majors. Peermusic's creative teams, he says, are working closely with writers to offer “more international opportunities than they may get with a smaller publishing company or lost among a large roster at a major.”

“As an independent with a small executive team [Peer Council] we're able to make decisions quickly and with a global centric view of our industry rather than just looking through a parochial lens,” he adds. “This allows us to be nimble when we need to be, but it also means we don't have to follow the herd! It's also gratifying for our writers and staff to know that they are working for a family business that isn't run by a faceless investment bank or VC who may decide tomorrow to sell the company to the highest bidder. In the current climate, stability is a great asset.”

The picture that emerges is of an independent with major muscle.

“We are a global independent with approximately 300 employees worldwide, with staff in every important market

including our recent acquisition of Music Cube in South Korea,” adds Elderton. “We have executives who sit on their respective industry boards in many territories including board positions at ASCAP, SGAE, SOCAN, GEMA, SACEM [chairman of the board] and PRS [chairman of the board]. This gives Peermusic an important seat at the table alongside major publishers.”

Peermusic are not alone in their belief that they can offer artists/songwriters things the majors can't. Independent publisher Reservoir boasts 130,000 copyrights and over 3,000 songwriters, with offices in New York, London, Los Angeles, Nashville, Toronto and a new outpost in Abu Dhabi, which is acting as a jumping off point for them to pursue opportunities in surrounding markets like India, China, and Africa.

“We are completely focused on achieving our goal of becoming the best independent music company in the industry,” says Rell Lafargue, president and COO at Reservoir. They certainly have an incredible roster. It consists of legends like Billy Strayhorn, Hoagy Carmichael and John Denver, as well as modern hitmakers such as the four-time Ivors-nominated Jamie Hartman, 2019 BMI Songwriter Of The Year Ali Tamposi and two Song Of The Year Grammy winners in James Fauntleroy and Young Thug. The past 12 months have only seen them get bigger...

“We closed a deal to bring the storied Shapiro Bernstein catalogue to Reservoir this year,” beams Lafargue. “It was one of the last great family-owned American music publishing companies in existence and it's one of the accomplishments I'm most proud of in the entire history of the company. Shapiro Bernstein has 120 years of rich musical history. There are over 16,000 copyrights dating back to 1900, with iconic songs recorded by The Beatles, Frank Sinatra, Johnny Cash, Ella Fitzgerald, Édith Piaf, Judy Garland, Michael Jackson, Bob Dylan... There are hit songs from every decade since the beginning of recorded music. It's truly an honour to be able to continue that legacy.”

Like Elderton, Lafargue draws attention to what he calls the beneficial “ratio” of attention indie publishers can offer when compared to the majors.

“We have a creative-first approach that gives our songwriters the support and individual attention that they often need to find success,” he tells *Music Week*. “Reservoir has a team of 11 creatives looking after an active songwriter roster of about 75 writers. That's a great ratio and allows for us to give the necessary time and bandwidth that a healthy collaborative relationship needs. Our creatives talk to the writers all the time – in many cases daily – and really help to guide their individual songwriting careers. Similarly, we are adding value through our 10-person creative sync and marketing team. We are constantly pitching and crafting bespoke opportunities for our active songwriter roster and legacy catalogues. It's this boutique approach that allows us to service our roster in ways that aren't always possible at larger companies. Many songwriters want this high-touch attention, and that gives Reservoir an edge.”

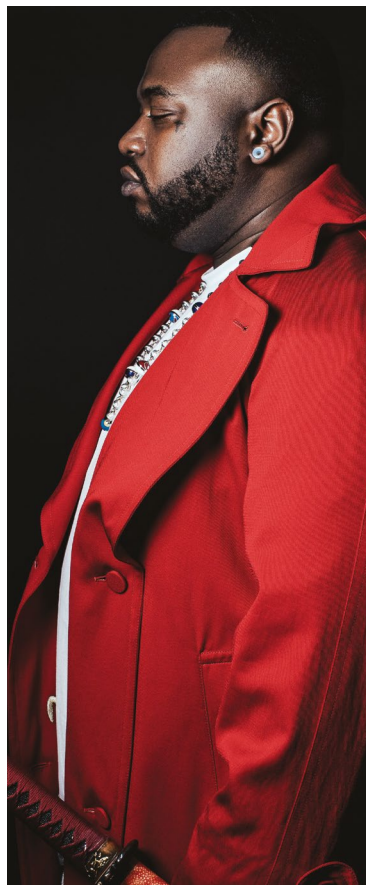
But while people often think of indie publishers as being in a battle with the majors, as well as the moneyed big indies such as Kobalt and BMG, recent months have also seen an eyebrow raising amount of investment in catalogues from the likes of Merck Mercuriadis' Hipgnosis, as well as Primary Wave. *Music Week* wonders how big an impact this has had on the sector...

“I don't see any of this new investment in the indie publishing space as a threat,” says Lafargue. “It is competition and obviously competition drives prices, but those prices also correlate to a much brighter outlook for the music industry which I am happy to see. And Reservoir is an attractive competitor because of the value-add that we bring to our clients. Whether through frontline creative support, sync and marketing, or client service and excellent administration, we have built a great publishing home for songwriters.”

“In general, I believe that change and challenge to the



PHOTOS: Courtesy of Reservoir



existing orthodoxy are important for us to progress,” says Sarah Williams, CEO of independent music publishers collective/licensing body IMPEL which, she proudly notes, has recently welcomed five new members over the last year with “a similar number of other publishers” currently going through the process. “The key to how positive this current trend is correlates to the vision underpinning these new business models. If the vision is about creating more value for creators, innovators and those who have invested their talent and effort in songs and songwriters, then it's an energising challenge rather than a threat to the sector. However, if the vision is too investor-focused, then maybe not. The strength of the independent publishing business has been that it is rooted in a long-term investment in art and authenticity. Financial success needs to flow from the substance of what we do, and I would not like to see the investment tail wagging the publishing dog.”

Another key independent publisher that remains undaunted by some of the big catalogue investments in the past 12 months is Spirit Music Group. Not only does it have offices in New York, Nashville, Los Angeles, the UK and Amsterdam, but also regional outlets in Miami and Atlanta via arrangements with Rudy Pérez (Christina Aguilera, Luis Fonsi, Julio Iglesias) and Tricky Stewart (Rihanna, Beyoncé, Britney Spears, Justin Bieber) respectively, plus a sub-publisher network with Kobalt, Mushroom, FUJI, Schubert and Cloud 9.

“The fact that there is huge investment money in the publishing sector generally – not just in the indie sector – really hasn't had that much of an impact upon the service we offer; our proposition hasn't changed and it is still proving very attractive,” says Rak Sanghvi, president of Spirit Music Group. “It has had an effect upon valuations and we've seen some very large prices being paid for back catalogues and income streams; there are some quite extraordinary deals being done. But in terms of what it is that is at the core of a publishing offering? I don't think that has changed. It really boils down to service, attention, and the ability to promote and add value to your writers' careers.”

The roster Spirit has built is hugely impressive, with a catalogue of over 75,000 songs (including over 200 No.1s) with alumni such as The Who's Pete Townshend, T Rex's Marc Bolan, Rick Nowels and Graham Nash. Moreover, the last 12 months has seen some huge success, including striking gold in Nashville via the signings of multi-platinum songwriter Jonathan Singleton and multiple Grammy winner David Garcia. And that's not to mention their UK success...

“It's very satisfying to note Lewis Thompson's success with Joel Corry's single Lonely has been one of, if not *the*, biggest selling UK single of 2020,” adds Sanghvi. “We also have a piece of Joel Corry's current No.1 single featuring MNEK, as well as a share of the lead



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SARAH WILLIAMS
IMPEL



PHOTO: Courtesy of Peermusic

2 become 1: Peermusic clients (above) Linda Perry and (below) and Melanie Chisholm



single Power from Ellie Goulding's No.1 album, so that's very gratifying. There is also huge excitement in welcoming multi-platinum British songwriter and producer Nick Gale, aka Digital Farm Animals, to our roster, who has enjoyed chart-topping success with Dua Lipa, Aitch, Rita Ora, Galantis, Louis Tomlinson and Bebe Rexha."

For Sanghvi, Spirit's success has a lot to do with the way it views its role in the success of a song.

"I spent most of my career prior to joining Spirit at Sony/ATV and have full respect for the majors and what they do, but what we are trying to do at Spirit is something different," he reasons. "We see ourselves as an extension of our writer's management companies and we aim to provide a bespoke, boutique, fully-focused creative service. Quite simply, our ability to do that is initially governed by the fact that our

roster is not over-crowded. We have the time to provide the attention and we have the experience to open any doors for our writers. Very gratifyingly, we are noticing and benefiting from the fact that certain writers would much prefer to be in a smaller, more bespoke environment than part of a major roster."

It is a credit to just how vibrant the world of independent publishing is that we're most certainly not done going through some of its biggest names. It would be impossible to survey the sector without looking at Sentric, which has 70 members of staff across Liverpool, London, New York, Hamburg and LA.

Alongside a roster of songwriters including Nick Waterhouse, Kieran Shudall (Circa Waves), Don Broco and Mercury Music Prize-nominees Lanterns On The Lake, Sentric has partnerships and co-publishing agreements with Maximo Park (with Prolifica), The Slow Readers Club (with Modern Sky), Jamie Cullum (with Air Management) and Ferris & Sylvester (Fuji Pacific), and a deep catalogue that includes everything from Grandmaster Flash and The Sugarhill Gang to Candi Staton.

There are many reasons why Sentric has proved to be such a magnet for talent. In particular, global director of music services, Simon Pursehouse, sees one appealing part of their offer...

"Our industry-unique rolling 28-day publishing deal allows songwriters to retain their copyright and leave whenever they want," he says. "It's currently home to some incredible talent such as Shy FX, Ms Banks, SL, Mysie, Another Sky, and Nghtmre. It's also been utilised as a stepping stone for artists such as Lewis Capaldi, Little Simz, Idles, Aitch, Young T & Bugsey, and Bastille, plus countless more at the beginning of their songwriting careers."

The last 12 months has also seen Sentric continue to make some more giant leaps, too...

"In terms of the music, just a few weeks ago we had a cut on the UK No.1 single [Head & Heart by Joel Corry feat MNEK], two cuts on a UK No.1 album [the new Ellie Goulding LP], three songwriters nominated at the Ivor Novellos and one artist shortlisted for the Mercury Music Prize all happening within 10 days of one another," grins Pursehouse. "That certainly felt like 'a moment' within the history of Sentric so far and it's a testament to the brilliant work our creative team have been doing recently to be able to engage with such a wide breadth of talent across so many genres."

This success is mirrored on the tech side of things, too.

"Internally, the strides we've taken in the development of RightsApp, our proprietary music publishing software have been, and forgive me for using this clichéd term, genuinely



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SIMON PURSEHOUSE
SENTRIC

game-changing," says Pursehouse, proudly. "It's the first piece of software that's truly been developed for music publishers by music publishers and the feedback that we've been receiving from all corners of the publishing industry has been overwhelmingly positive."

While its success can be measured in many ways, Sentric believes the most accurate method is looking at their ability to not just acquire but also *retain* copyrights. Technology is important, but understanding their songwriters' needs is the be all and end all.

"In RightsApp, we have created software that can handle a practically infinite amount of data, copyright registrations and granular accounting," says Pursehouse. "But, even with that tool at our disposal, we realise that what songwriters and copyright owners want isn't just fancy

technology but, more importantly, a person at the end of the phone who will be available whenever they're needed. Our client management team at Sentric has quadrupled within the last 18 months to ensure that no one who works with us here ever feels lost, and our client retention speaks for itself. Simply put: a happy copyright owner equals a happy publisher. Without our songwriters we are nothing, and we never forget that."

Suffice to say, then, indies can punch well above their weight. But there are some challenges that all publishers – major, indie or other – face in 2020.

"From where I'm sitting, there is a growing understanding of the need to engage with digital services in order to grow the publishing business," offers IMPEL's Sarah Williams. "This means understanding what types of services are growing and where, how to use them to promote your songs and songwriters, how to engage with them constructively,

how to understand the data, and how to use what you learn to improve claiming and income. Those publishers who are really paying attention to this are doing better than those who aren't. The digital business is more than just rights, data and royalties."

And when it comes to the ever-changing digital business, there exists the looming question as to whether writers/artists are receiving fair compensation for their music...

"Everything in the music industry starts with the song," says Williams. "Without it, there is no performance and no record. So, songs and songwriters should be given their proper status and value on digital platforms, as elsewhere. This should also be reflected in the financial value assigned to the publishing rights, which should be a fair slice of the pie. We are working hard on moving the needle on this but also see this as a



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SPIRIT MUSIC GROUP

consciousness raising effort. This, in turn, needs good communication with the DSPs to focus on songs and songwriters and to highlight their intrinsic cultural and economic value.”

The rise and rise of TikTok has been one of the biggest developments in modern music. Its potential?

“Huge,” says Williams. “There’s still a lot of usage that needs to be monetised and we can see licences being done in territories where previously there was only piracy. Also, platforms like TikTok show that music is being used in a different and more engaged way by greater and greater numbers of people. So, I see this as an expansion of the music industry as a whole into a territory that might previously have been occupied by gaming or more passive forms of entertainment. It’s very exciting.”

As for keeping track of all of the data a song accrues?

“Even modest earning writers and publishers generate millions and millions of lines of data from their works,” says Ben Marlow, associate director at CC Young, a firm of chartered accountants and registered auditors, with offices in London and Stockholm boasting five specialist divisions.

“The challenge with licensing to new and existing streaming platforms is knowing what the deal means in terms of royalty earnings,” says Marlow. “The terms of these deals with the DSPs are not made public, there is no specified rate per stream or view so we don’t get to fully understand what they actually pay until we see the royalties arriving later down the line. As an accountant working for a large number of writers, recording artists, indie publishers and indie labels, we’re able to analyse and compare royalties across different labels in order to build up a picture of



what the per stream rates are across different DSPs. From here we can discuss with a writer or publisher what they can expect to earn and also assess whether they have been accounted to directly.”

All of this makes excellent accountancy as crucial for indie publishers as the artists/songwriters they represent.

“As an accountant we need to have a critical mass of deals and data to draw from in order to make the investment in technology worthwhile,” adds Marlow. “When we’re analysing royalties we need to consider the variables for things like: DSP, territory, subscription vs ad-funded and more. An individual songwriter or indie publisher won’t have the back office or resources to fully analyse their royalties to this level of detail in order to fully understand them, or even keep on top of their basic accounting obligations.”

All of this is, of course, not to mention the single biggest challenge the music industry is currently facing...

“2020’s trend is all about navigating Covid-19,” says Reservoir’s Lafargue. “Worldwide, we’re experiencing disruption on all levels.”

“People have lost their jobs and writers’ earnings from public performance are going to take a big hit,” says IMPEL’s Williams. “However, we are a resilient sector and I see publishers coping well. Thankfully, the digital business is still strong and we can see a bright future. At IMPEL, we have seen this as a time to redouble our efforts to support our members and ensure that streaming income remains healthy. I’m confident we can play a very important role.”

Spirit Music Group’s Rak Sanghvi, for one, has taken heart from the resumption in some areas of people getting together safely in a studio environment and though the sector has certainly been hit, it’s not all doom and gloom. “While we’re seeing a lack of revenue forecast for some areas, other areas are growing strongly which should leave us and our clients roughly flat,” offers Sentric’s Simon Pursehouse.

“One thing is for sure,” says Peermusic’s Nigel Elderton, “Whether it be a virus or a nuclear winter, we will never stop the genius of creative expression.”

INDEPENDENTS PAY



Ben Marlow, associate director at **CC Young**, offers his top 5 accountancy tips for indie publishers...

1. Make life easy...

“And get a music industry accountant!”

2. Time is money

“Pay writers accurately and on time: it sounds obvious but for an indie it can go a long way when your writers don’t have the hassle of chasing money.”

3. Work your core

“Understand your core markets: completeness of income is all well and good, but with limited resources it is cost effective to chase a few missing physical sales in eastern Europe or getting the most out of your UK streaming audience?”

4. Sign of the times

“Pay attention to the admin: holding copies of fully signed agreements and song assignments for all repertoire will ensure that claims can be maintained worldwide and title to copyright preserved.”

5. Le\$\$ can be more

“Having a different sub-publishing deal for each territory means more admin to stay on top of – more withholding tax legislation, more deals to track, more statements to process. The small savings by going direct in more territories can be undone with the extra admin, whereas a combined deal with a higher percentage admin charge could actually be more profitable.”

