

Block party: Caroline International clients D-Block Europe

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Like the rest of the music industry, not to mention the planet, the world of **artist services** is having to function in unique circumstances in 2020. In our latest **Special Report** on the sector, *Music Week* hears how the key players are adapting to the times, finding success and planning for the future....

— BY BEN HOMEWOOD —

Where were you on the night of February 18, 2020? D-Block Europe were inside the O2 Arena, sporting fresh suits and glinting jewellery at the BRIT Awards, where they were nominated for Best British Group. While the bright lights, live performances and industry hobnobbing of nights like the BRITs seem to belong to another universe as we settle into lockdown 2.0, it's important to remember that the ceremony did *actually* happen.

Caroline International's UK label head Nicola

Spokes certainly does, and her happy reflections on another milestone for the Lewisham rap collective – whose D-Block Europe imprint is supported by Caroline – are a ready-made gateway into *Music Week's* annual exploration of the artist services sector. Like the rest of the industry, this side of the business is having a year of the like it's never seen before. But, nimble and fast-paced as ever, it's finding a way to thrive.

D-Block Europe's ascent has carried

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NICOLA SPOKES
CAROLINE INTERNATIONAL

on regardless, in fact, just last month, they put tickets on sale to play The O2. Also in October, their debut full-length album, *The Blue Print – Us Vs Them* soared to No.2 in the charts. It has a sales tally of 21,908, according to the Official Charts Company.

"It was incredible to see D-Block Europe get a BRIT Award nomination for British Group and then a massive No.2 album," says Spokes, noting that this is just part of Caroline's run, which also includes triumph at the Music Week Awards.

"It's been incredible," she says. "UK and international rap, hip-hop, R&B and Afrobeat are delivering us more Top 10 and Top 5 singles and albums than ever before. Big ups to our A&R head, Colin Batsa."

Namechecking Aitch, Digga D, Potter Payper, M Huncho & Nafe Smallz, Sharna Bass, Zoe Wees, Buggy Malone and Migas The Jagban, Spokes highlights the sheer depth of Caroline's artist services success. With the company also doing well across indie and alternative with the likes of Tame Impala and The Big Moon, Spokes says the model is for acts of all genres.

"The biggest talking point for us is which new genres we can bring through with 'proof of concept' that the artist services model can work," she says. "We're working hard to ramp up our presence in electronic music, for starters, with the launch of our own imprint LG105, which has super-exciting new talents including Joe Turner and Duke Boara on board, led by our A&R George Dalziel."

Caroline International recently toasted another success in the shape of Internet Money's chart-topping single *Lemonade* (266,329 sales), and Spokes says such landmarks further underline the strengths of the services model.

"In spite of the adversity many of our artists' teams have faced this year, it's been an amazing time for us at Caroline," she says. "The overriding lesson I've learned from this year is that our team is so strong, even a global pandemic can't stop the force of everyone's drive, passion and commitment to delivering the best campaigns we can for our artists."

Also finding triumph in adversity in 2020 is Nigeria-based services company Freeme Digital, whose CEO Michael Ugwu dials in full of enthusiasm.

"I would certainly say that the pendulum has been swinging towards the services model for quite some time, even more so as a result of the pandemic," says the former Sony Music exec.

"With lockdown and working from home, artists have been able to call the shots in terms of which projects they feel comfortable working on and when. It has also put many artists in a position of power to become their own lead content creator for social media and marketing campaigns. This has been the year where highly creative and self sufficient artists have thrived."

Ugwu sees Freeme as a "partner and

collaborator, not a manager or director” and says his company has had to pivot its marketing during the pandemic, focusing on livestreaming, podcasting and sync. Freeme has developed e-concert packages for its client list – which includes high life band The Cavemen, who amassed more than two million week one streams for their debut album *Roots* in August – allowing artists to stream performances from fully-equipped performance spaces, with Freeme providing technical support. The Cavemen are also a rare example of in-person live success in 2020, having played to 1,200 people over two socially distanced shows in Lagos, with more in the pipeline.

“We have adapted to the challenges well, doubling down our focus on providing value to our artists through sync placements and offering the use of our creative studios, The Freeme Space,” says Ugwu.

“Unfortunately, the government here in Nigeria is busy imposing new taxes on the entertainment industry, not to mention facing a deep political crisis. However, I am sure that the resilience of our local music creators and business entrepreneurs will pull us all through these incredibly difficult times.”

Ugwu is determined to focus on the positives, with plans afoot to open a Freeme office in the UK. He says “labels are playing catch up” with what companies like his can offer.

“The biggest benefits of an artist services deal in 2020 are creative control, independence, ownership and the shared responsibility which comes with collaboration between the artist and the services company,” he says.

CC Young & Co director Colin Young is on the same wavelength. As an accountant, Young has a different slant on the services sector to Spokes and Ugwu, and reports that the sector finds itself at a pivotal point in 2020.

“The services model is developing,” says Young, whose company won Accountancy Firm Of The Year at the Music Week Awards this year. “For the traditional exclusive label agreement, the debate continues. What is a fair split of profits between record label and recording artist, particularly for streaming revenue? The split is subject to review by the Digital, Culture, Media & Sport Committee [DCMS] in Parliament and it will be interesting to see how each of the participants contributes.”

Young underlines the size of the commitment artists and managers are taking on when it comes to services, but says the benefits are clear to see.

“Under a services agreement, the split is generally 70/30 in the artist’s favour,” he says. “But there needs to be a big commitment



Service please: Freeme Digital clients *The Cavemen* (top) and *Caroline International*’s chart-toppers *Internet Money* (bottom)



by the artist and manager, with more self-reliance. The artists need to deliver a finished master at their cost, while for the manager it will consume many of their waking hours each day.”

With the future of the live industry still fogged by uncertainty, Young is calling for resilience from artists and their service partners. “How do the artist and their partner maintain the profile of the artist?” he asks. “There needs to be continuing digital record releases with proper marketing support. Like it or not, album release and live ticket sale bundles are not going to be available for some time yet. Service providers need to proceed with the release of records regardless, and with a much restricted live presence, there needs to be creative and, where able, financial compensation. Writing and recording needs to be managed safely. It needs to progress.”

Spokes is confident that progress is assured in the artist services sector.

“There is no ‘one-size-fits-all’ deal and different artists have different needs, so choice and flexibility in deal types in the marketplace is important,” says Spokes. “Our priority is to expand into new genre areas where there’s less proven success and to continue to cement our position as the strongest team in services, capable of breaking new artists and delivering hits.”

Freeme’s Ugwu, too, says that artist services is going from strength to strength.

“Today, labels need to offer a lot more value than just financial investment and being gatekeepers,” he says. “However, these are still their greatest assets when you consider that they have traditionally outsourced their digital marketing, radio

promotions, graphic design, production and engineering to third parties. We’re certainly at a stage now where artists should be asking themselves what a label can offer them that an artist services company can not – not the other way around.”

Colin Young says there’s plenty of room for growth in artist services, even in 2020.

“Artist services is a sector in its infancy,” he notes. “We have seen tremendous success with AWAL, and good success with BMG. The margins are excellent, 70% to the artist of record income once the marketing budget has been recouped. For an established artist, the marketing budgets provided have been of a proper size. It works.”

Young notes that his business is focusing on seeking recording and publishing income for its clients in the absence of live. Spokes says that Caroline is leaning on its creative and experimental side, with the traditional showcase gig circuit for new artists currently out of action. Ugwu, meanwhile, is glad to be at the heart of Africa’s busy artist services sector, which has seen Kobalt sign a deal with Mr Eazi’s EmPawa Publishing and ADA invest in digital music company Africori.

So, the sector is busy as ever, and is showing no sign of slowing down. After all, as Young concludes, “Artists have bills to pay...”

SERVICE SOLUTIONS

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Nicola Spokes, UK label head, Caroline International:

“I hope our independent artists can take the virtual, digital, online and streaming success they’ve had this year into the real world and play live again.”



Michael Ugwu, CEO, Freeme Digital:

“We are seeing a rise in demand for Afrobeat tracks from the major DSPs. We want to ensure that our artists are at the forefront of their minds.”



Colin Young, director, CC Young:

“Songs written and recorded are celebrated as intended when they are performed live. My one wish for next year is the return of live performance.”

“Writing and recording needs to be managed safely, it needs to progress”

COLIN YOUNG
CC YOUNG