

BY ROYALTY APPOINTMENT

For so long the overlooked spine that held the music industry together, publishing deals are now making headlines. Yet behind the big names and the big cheques, independent publishers are offering songwriters and artists flexibility and freedom. In this special report, *Music Week* meets the sector's nimble dealmakers...

— BY PAUL STOKES —



Stars child: Tileyard Music's Nicole Blair



Out of leftfield: Reservoir hitmaker Mr Franks

trickles down and is a positive force for good. We don't feel threatened at all. As an independent publisher we value the strength, breadth and spirit of the independent sector. We are very specialist in the genres we work within, and our sector is less impressed by just fat cheques. They want a collaborative team who will work with them."

Michael Harwood and Charlie Arme, co-founders of Tileyard Music – whose roster boasts singer-songwriter Danny Shah, who has written for David Guetta, Kylie Minogue and HRVY; Kygo collaborator Marli Harwood and rising songwriting star Nicole Blair – are similarly buoyant, suggesting a strong publishing sector is good for all.

"There's a big story every week right now on someone transacting on a catalogue or signing a big money deal, and it's brilliant for the whole business," suggests Arme.

"For us, even though we have been in the midst of a pandemic, I actually believe it has also been a fantastic time for indie publishers to sign talent," adds Harwood,

indicating there have been plenty more deals beyond the headline grabbers. "There has been a real opportunity for the more nimble indies to be able to sign writers and artists that they might otherwise have not been able to."

Ben Marlow, head of royalties at music industry accountants CC Young & Co, agrees with this positive assessment of the sector.

"Perhaps the publishing headlines are more visible and more relevant given that we have a live industry on a forced hiatus, but really I think that the publishing sector has been in good health for many years now and 2021 will see that continue," he predicts. "Of course, publishing will face difficulties as a result of the pandemic, but the outlook is for it to bounce back and continue growing thereafter. The number of deals being done shows the confidence in publishing rights not just as something popular right now, but an invaluable asset that will outlive us all."

So what is it that makes the independent publishing sector so resilient in the face of a global crisis and serious chequebook muscle? As hinted above, the sector possesses the sort of flexibility, creativity and passion that usually accompanies the 'indie' tag.

"One size does not fit all, and our songwriters see the value in our bespoke and high-touch attention we offer them, which isn't always possible at larger companies," argues Rell Lafargue, president and chief operating officer of Reservoir, who have Ali Tamposi, Young Thug and Sheryl Crow on their books, and recently did a deal for

Publishing deals are always big news. In addition to the investment in a songwriter, the artistic trust and creative relationships these agreements represent, they are the under-appreciated backbone of the industry.

However, having been overshadowed in the public gaze by recording and live contracts for many years, publishing deals have recently become actual big news on the telly.

Neil Young and Shakira's agreements with Hipgnosis, Primary Wave's recent round of acquisitions and Bob Dylan's 600-song deal with Universal Music Publishing Group have all made headlines on tea time news bulletins.

With this mainstream media spotlight on the sector, the flexibility of independent music publishers is coming to the fore too, as songwriters, artists and their teams are taking an increasingly detailed look at the deals on offer.

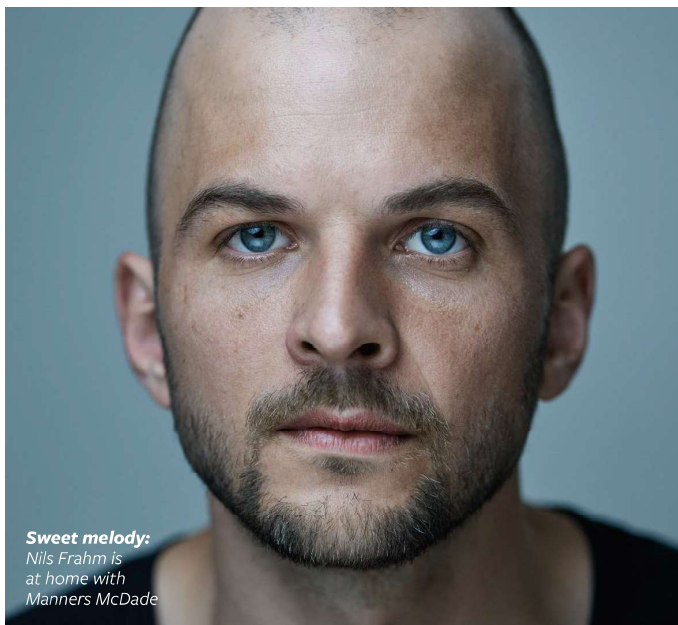
"It's an exciting time to be in publishing, with more artists, composers and writers seeing the value in having a publisher as part of their collaborative team this year," argues Harriet Moss, managing director at Manners McDade. Based above influential London club Fabric and with a roster including Nils Frahm and Poppy Ackroyd, Manners McDade embodies how distinctive and focused indie publishers can be.

"We're a small independent so the mega deals don't affect us," Moss explains. "But confidence in the sector as a whole



"We are truly seeing the way people consume music alter the revenue of a song"

Chris Meehan
SETRIC
MUSIC GROUP



Sweet melody:
Nils Frahm is
at home with
Manners McDade



"Confidence in the sector trickles down and is a positive force for good"

Harriet Moss
MANNERS McDADE

Nick Drake's back catalogue in conjunction with Blue Raincoat.

"We are a nimble and creative-thinking company, and, as we have grown, the roster has grown with us as a result of our creative service and offerings. We continue to move the goal posts for each of them to succeed in the ways they want individually. For example, Jamie Hartman won an Ivor Novello for Most Performed Work in 2020. Mr Franks has had three songs in the Top 10 in the US for several weeks now with Ariana Grande and Justin Bieber. With each of these successes, we find ways to retain our existing writers and attract top talent, as creators see the value in being on the Reservoir roster."

Sentric Music Group CEO, Chris Meehan, concurs that the indies' speed and ease of manoeuvre reaps rewards for publisher and songwriter alike. It has helped to break clients including Ms Banks, while the likes of Prolifica, Air Management and Erased Tapes have partnerships with the publisher.

"To put it simply, it is our ability to be as powerful in infrastructure, but with flexibility across the board," Meehan says. "We have a best-in-class collection network but it's what we do on top of that which sets us apart – how we can be agile with clients to service their needs."

"At Sentric, no deals nor clients are the same and we base our partnerships on the client's specific needs but nevertheless ensure an industry-leading, standardised service," he continues. "The rapid expansion of the group over the last few years has meant we are well equipped and resourced with a team of executives who have expertise in different fields. In particular, our client management team at Sentric has quadrupled within the last 18 months. This has given us the capacity to increase and uphold client management operations, reporting and relationships. The

growth in operations and resources has also seen expansion across our sync and creative divisions where our full-service offering has resulted in maximum value return for our writers' and clients' catalogues. Sentric's sync division saw year-on-year revenue growth of 95% in 2020. It all contributes to our aim to exceed the expectations of modern-day music publishing and set us above the 'nothing but administered' deals seen so frequently elsewhere on the market."

With every songwriter's catalogue possessing a unique character – no matter the breadth of artists they have written for – the independent sector's diversity, more often than not, can find them a uniquely suitable publishing home.

"We have always looked to move against the flow and tried to offer a unique proposition, explains Tileyard's Harwood of how the indies distinguish themselves. "Tileyard is home to over 100 recording studios and that means we are able to provide studios for all of our writers and producers. We regularly hold writing camps for names such as Ava Max, David Guetta and more."

"We continue to look for ways to strategically grow our business and add value for our songwriters, in addition to just catalogue acquisition," notes Reservoir's Lafargue, indicating that indie increasingly means international.

"Expanding geographically to include an outpost in Abu Dhabi and focusing on emerging markets was part of this strategy and we're excited about all of the potential there. We're already seeing collaboration across these new territories and successes with exporting this music to the rest of the world."

This represents one other factor that drives the independent sector. All publishers have one eye on the future, but "nimble" indie outfits are helping to form it themselves.

"We were very proud to put together a mentorship programme for composers – on our roster and beyond in the composer community – during



"One size does not fit all. Our songwriters value our bespoke touch"

Rell Lafargue
RESERVOIR

POSITIVE PROSPECTS

CC Young & Co director Colin Young looks into indie publishing's future...



"What are the financial prospects for publishing and songwriting? Largely, publishing shadows recording. It is evident that streaming now dominates recorded music and it is growing. Historically, we undertook valuations of publishing catalogues

based on historic annual earnings. Take the average for the last three years' net publisher's share and apply a multiple. The multiple was limited to a range between eight to 12 of net publisher's share depending on the breadth and depth of the catalogue. Now, there are new partners in town who buy out the writer's share.

"So what is the value? The indices for acquisitions, the internal rate of return for discounted cash flows, are now determined by the London and New York Stock Exchanges. The Hipgnosis Interim Report, released in December 2020, used a 'blended acquisition multiple of 14.76 times historic annual income of the assets acquired.' So the value was up, but is there more to go? At the DCMS committee hearing, the relationship between artist and label and the division of the recording spoils is being scrutinised.

"Consideration is being given to whether equitable remuneration should be applied. If so, the same principles as apply to publishing would have to apply. Namely, each stream would be split in two: part exclusive record sale and part public performance. Equitable remuneration would work on the premise that a stream is at once an exclusive right and a public performance.

"The Music Publishers' Association is requesting a bigger share of streaming income for the songwriter, but are there alternative models to consider? Rather than the dual character of a stream under equitable remuneration, perhaps a model might differentiate between streams according to user consumption.

"The distinction is essentially between active selections and passive listening. Which streams were actively chosen by the user, and which were determined passively by an algorithm, so are akin to radio? For active choices, DSPs would continue to account to the labels under the exclusive arrangement. For passive plays, the recorded element could be administered by PPL and the publishing element by PRS. Extending the convention already practised for public performance in the UK, the split would be equal between PPL and PRS, instead of the current weighting of 55/15 in the record label's favour. Adopting this model would result in both artists and songwriters participating more.

"So how will all this unravel? The DCMS Inquiry is an important part of the journey. For the independent publisher effectively supporting and promoting songwriters, the prospects are positive."



"Publishing rights are an invaluable asset that will outlive us all"

Ben Marlow
CC YOUNG & CO

lockdown," notes Manners McDade's Moss.

"There was regular training and coaching webinars, bringing together composers from all around the world to support and empower each other through that difficult time."

What comes next has also been brought into focus by the Digital, Culture, Media and Sport Committee's streaming investigation.

"Anyone within the sector will tell you that songwriters are underpaid from the rates and income they receive from their streaming figures and we always have, and always will, lobby on behalf of our clients to receive a bigger piece of the pie," declares Meehan of Sentric's efforts. "It's no secret that there is an imbalance between the master rights owners' share and the publishing share and, as a collective, the sector must continue to voice the need for a positive change."

However, while parliamentary scrutiny has brought the issue into focus, the CEO believes the indie sector are being proactive.

"There are too many publishers in my opinion not maximising the revenue that is out there. The deals are better than they were five years ago and it really is a global view on collection that too many companies struggle with," Meehan says.

"We're happy to report that our digital income is maximised through our collection network and we are seeing 100% year-on-year increases in digital revenue collected from the streaming services. It may not be as much as it should be, but it's becoming a large part of our catalogues' turnover."

As noted, the absence of live activity is being sorely felt across the music industry and markets around the globe will re-open at different speeds, all of which unfortunately means there is still some uncertainty ahead.

"We're certainly missing live shows, and our grand rights royalties and sync fees were affected by the



Your call: Ms Banks and Sentric are making connections

changes last year," explains Moss. "The ripple effects on publishing income still remain to be seen, but I am looking forward to some interesting cross-genre collaborations across the sector this year."

Sentric's Meehan agrees that indie publishers' inbuilt adaptability will be key in coping with the unpredictability of the next few months.

"I imagine for publishers across the board 2021 is all about navigating the landscape in each territory, supporting our partners and seeking opportunities for their catalogues in different areas. That is where we are focusing our efforts," he explains.

"On the upside, we are truly seeing the way in which people consume music alter the revenue of a song. For certain copyrights, spikes in streaming income are offsetting losses from lack of public performance. Everyone in the sector has probably received five years' worth of catalogue in the last 10 months so we've got a lot of songs to service!"

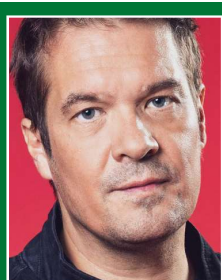
Indeed, while the pandemic is not yet behind us, there is an optimism around the independent sector. Yes, times have been tough, but there might be some silver linings.

"Coronavirus will continue to impact the way creators write and release music and we could see some real career-defining work as songwriters are pushing their limits creatively," says Reservoir's Lafargue.

Tileyard's Arme also predicts a creative burst, as songwriters will, fingers crossed, finally be allowed back into a room together.

"The second half of this year we all hope is going to be buoyant for songwriters in terms of writing sessions, maybe even writing camps, we hope," he suggests... cautiously. "I think there will be some really special songs to come out when writers are back in the room with each other. Plus, we can see a flood of new writers and a new wave of exciting artists on the horizon."

Now, that is the news we've all been waiting for.



"It has been a fantastic time for indie publishers to sign talent"

Michael Harwood
TILEYARD MUSIC

TOOLS OF THE TRADE

Reprtoire founder and CEO Dominique Rottet on smart solutions for the digital age...



"It is no secret that the digital transformation has accelerated in the music industry. Considering the fact that digital streams of revenue are now the main ones for artists and their teams, publishers are dealing with various

contracts with a more and more complex, increased workflow. So maybe it is time to update your internal tools according to the work environment.

"Tools designed for music publishers are rising, to help them optimise administrative tasks and operations. Delegating tasks that are not part of your activity is an important step towards more productivity and safe work methods.

"This is exactly why we built Reprtoire. We built a SaaS (Software as a Service) solution, designed to meet the needs of music professionals and help music publishers manage all their operations. Reprtoire is a fully secured, shareable and collaborative workspace, for music publishers and their teams.

"We created Audio Manager, a CMS specifically designed for audio files and their metadata – including solutions to collect all metadata online to keep an updated database. But mostly, music publishers can benefit from Works Manager, a CMS for publishers to manage works and metadata, rights-holders, contributors, publishing splits and royalties.

"Reprtoire's workspace is built as a software suite, allowing users to benefit from different products to fit their exact needs. Digitise your contracts with Rights Manager and link them to your managed musical works in Works Manager. This way, you'll be able to mix the same updated dataset from any angle, in one centralised CMS.

"Because we know how intense sales pitches and licensing deals can be, we also developed a tool for music professionals to create their own private playlists directly from their Reprtoire account.

"Finally, we launched our own accounting software, in close collaboration with its users: Royalties Manager. With this new product, all expenses, fees and operations are linked to your contracts, works, collective management, rights-holders and performance rights organisations. Reprtoire is already compatible with over 60 integrations, including MCPS, PRS For Music, BMI, SACEM, Sony Music Publishing, Kobalt, and more.

"The music industry is expecting more from music publishers, so adapting work methods to the global context is essential to staying competitive. Reprtoire wants to be a reliable partner for music publishers to stay ahead of the curve."