

# INDEPENDENT POWER

**Independent publishing** is a creative and commercially dynamic sector built on long-term relationships with talent. Here, in a **special report**, we bring together some of the key players to debate issues including royalty rates, the catalogue boom and the advent of AI...

— BY ANDRE PAINE —

**A**mid all the big money publishing deals announced by major music groups and investment funds targeting the streaming economy, it might be easy to overlook the independent sector. But when it comes to developing talent, building partnerships and striking deals, indies are often the innovators.

Their market power is impressive too. Global trade body IMPF last month reported that independents are collectively worth €2.08 billion annually – more than the biggest major.

That combination of economic and creative strength is underlined by the acceleration of Reservoir, which is led by CEO and founder Golnar Khosrowshahi. In 2021, it became the first female-founded music company to go public in the US. But even as it's grown rapidly, the publisher based in New York City – and with offices in LA, Nashville, Toronto, London and Abu Dhabi – has retained its original spirit.

"We have been independent since our founding in 2007, and that identity is important to our ethos as a company," says Rell Lafargue, Reservoir's president & COO. "Even as we continue to grow, we have done so by bringing together some of the most relevant and biggest pillars of independent music like TVT, Shapiro Bernstein, Chrysalis Records and Tommy Boy."

Reservoir represents catalogues by music legends including Joni Mitchell, Sonny Rollins and John Denver, alongside a roster of active writers and producers (the likes of Jamie Hartman, Ali Tamposi and Oak Felder), plus performing artists such as Migos' Offset, 2 Chainz, A Boogie Wit Da Hoodie and Killer Mike.

"Hip-hop has been a priority at Reservoir since day one," says Lafargue. "It's always been a genre that we focused on, as we recognise its cultural importance as well as its commercial value and crossover potential, especially as streaming was building as a format."

Lafargue says that going public has increased both awareness of Reservoir and financial transparency, but has not affected the creative side of the business.

"Independent companies like ours are poised to offer songwriters the best of both worlds: the support and focused dedication of a small team with the resources and



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**RELL LAFARGUE,  
RESERVOIR**

**Declaration of independence:**

*A Boogie Wit Da Hoodie is one of Reservoir's music publishing clients*







network of an established music company,” he explains.

They also have a strong presence in emerging markets, which the president & COO suggests gives Reservoir a “competitive advantage as these territories continue to grow”.

Fellow executives in the sector agree that there are benefits for songwriters aligning with an independent firm.

“A writer signed to an indie publisher has the advantage of proactive A&R as part of a smaller roster,” suggests Colin Young, director of London-based accountancy firm CC Young. “Indie publishers can form a stronger allegiance with their writers, and we’ve seen how effective this can be at securing cuts [songs recorded by artists] and placing covers.”

“We operate with a genuine family environment,” points out Shaurav D’Silva, CEO, 2-Tone Entertainment and Stellar Songs Publishing/Tim & Danny Music in the UK. “We create meaningful opportunities which help long-term development and, hopefully, lead to global success. Most importantly, we make sure we are 100% honest about how good the music actually is and where it could be improved.”

“We can financially compete with the majority of deals, however our advances are not purely financial,” says Hiten Bharadia, founder & MD of Phrased Differently. “We also advance our time, our network, our experience. We advance real belief and we continually deliver opportunities to the writers and their managers.

“You get an additional proactive team, building individual strategy around each writer’s career, working hard daily behind the scenes to feed writers the right opportunities to elevate not only their profile but also income.”

Bharadia literally bet the house on Phrased Differently: he sold his property and invested the proceeds to launch the London-based company in 2006, originally as a vehicle for his own compositions. It went on to develop songwriters who secured cuts with superstars including Ariana Grande, Miley Cyrus, Demi Lovato, Britney Spears and Ava Max.

“That’s why Phrased Differently is often referred to as ‘the Robin Hood of the music publishing industry’ – taking big cuts from established writers and giving them to newcomers,” smiles Bharadia.

Phrased Differently now has 38 writers signed and has achieved more than 100

No.1 records globally. The publisher’s roster includes Maegan Cottone (Nathan Dawe, Little Mix), Nathan Duvall (Mimi Webb, Rita Ora, Zara Larsson), Sky Adams (Doja Cat, Kylie Minogue, Sigma) and Justin Jesso (Kygo, Ricky Martin, Backstreet Boys), as well as self-styled “queen of drill” Ivorian Doll.

“Our magnificent A&R team, led by Dan Edu, and our sync department are primarily responsible for driving growth,” says Bharadia. “Approximately 50% of our catalogue is cut, a remarkable figure when you consider that the industry average is closer to 5%. Well over 50% of those cuts have been proactively procured and placed by our A&R department, including big singles with Doja Cat, Khalid, Kygo, Mimi Webb, Calvin Harris and more.”

Another key player who arrived on the scene in 2006 is Liverpool-based Sentric, which operates at scale with more than four million works and over 400,000 songwriters, either directly or via industry partners.

The company provides publishing administration, co-publishing and creative services to a roster that includes rapper SL, Jack Peñate, Tileyard and Rough Trade Publishing (Alvvays, Chelsea Wolfe, The Magnetic Fields, and more). Their administration services also cater to the expanding DIY artist community.

“We are witnessing an era of artists who are excited about being independent, who have a more robust understanding of what that means and how it can benefit them,” says Peter McCamley, Sentric’s creative director.

Sentric has been an innovator, including its 28-day rolling contract publishing model. Clients have access to a state-of-the-art online portal, which gives every artist and partner detailed royalty analysis that allows them to make strategic decisions based on the data.

“We are consistently adapting to the way in which the world consumes music,” says McCamley. “Sentric’s digital-first approach allows us to be agile enough to adapt our systems and processes to pay out more efficiently.”

Global reach is crucial for the independent players in the market, which is particularly true of Stellar Songs/Tim & Danny Music. An international operation with offices in the US, UK and Europe, its varied roster includes Blue Lab Beats (recently featured in the film *Rye Lane*), Charli XCX, Cassyette, David Stewart, Jessica Agombar and many more.

“It’s a truly global market now,” says Shaurav D’Silva. “The ability to place





**On song:** (L-R) Ivorian Doll (Phrased Differently), Jack Peñate (Rough Trade Publishing/Sentric) and Jessica Agombar (Stellar Songs)

songs easily without major costs to record or travel abroad, because of better communication tools, means we have way more options on exploiting our catalogue.”

The company started 2023 with multiple chart entries for its writers including UK superstar Sam Smith, as well as KZ & Lauren Keen (ArrDee & Cat Burns – Home For My Heart), Ryan Ashley (FLO – Fly Girl), Eight9Fly (JayO – 22) and Dame Dame (Jorja Smith – Try Me).

“Growth in terms of the UK roster has really been driven by us continuing to invest in exceptional new talent,” says D’Silva. “In the last year we have signed a host of rising new talent that we are very happy to see hitting the ground running.”

Jessica Agombar – winner of the Music Creative category at the 2022 Music Week Women In Music Awards – had a No.1 album with Shania Twain and a Top 5 with Mimi Webb, while KZ had a number of cuts on the recent No.1 album from Stormzy.

“A&R has always been the lifeblood of the music business,” says D’Silva. “Our approach to challenging new writers to stretch themselves out of their comfort zone is something we are known for. The roster we have is highly collaborative and we are able to incubate new writers and artists within a closed circuit for a period of time so they can really develop and find their lane.”

“We have never really competed with majors for our signings, because we tend to have already formed meaningful relationships with the talent prior to them coming on to the industry radar,” adds D’Silva. “We also have close relationships and partnerships with the majors – JVs and admin deals – which give us additional A&R support and sync opportunities across the globe.”

**F**ollowing the recovery from the pandemic, changes in consumer behaviour are also impacting the sector.

“The effects of Covid and lockdowns sped up the rate in which broadcast media was transitioning over to digital,” explains Sentric’s Peter McCamley. “Digital advertising was able to deal with the



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**PETER MCCAMLEY, SENTRIC**

speed in which brands needed to operate... This is a huge growth area for the independent artist who can move at the speed and flexibility of clearance needed for brands.

“Similarly, the rise of streaming services during the pandemic has led to another fight for content, this time for the best TV and films to keep subscribers hooked. There is a vast amount of original content being produced, alongside all of the more traditional broadcaster content that is then sold to streaming and therefore can be re-licensed for secondary use outside of UK blanket agreements.”

However, Covid has been followed by a period of economic uncertainty, notes CC Young’s Colin Young.

“We observe that advertising and sync revenue is still struggling,” he says. “Covid aside, the economic factors facing the world currently [impact] the effectiveness – and budgets – for advertising.”

For Young, it’s the “slow erosion” in the value of music that needs to really concern publishers.

“While streaming revenue is growing due to the expansion of subscriptions and developing markets, the price of services is falling when viewed against inflation,” he explains. “Spotify has not increased prices in 14 years, whereas Netflix and other media services are charging more, as are mobile and broadband contracts. The major rights-holders hold the power here and dictate prices; independents can only be dragged along with this and can do little to manage the value of their rights.”

On a more positive note, Young expects Spotify to increase its subscription rates before long.

It is an issue that was explored by the DCMS Committee investigation into the streaming economy in the UK. Encouragingly, repertoire in the US will benefit from the recently agreed increase in the streaming royalty rate overseen by the Copyright Royalty Board.

“Ultimately, this will have a positive impact across the board for our artists and partners, and, of course, more money coming in for our clients and for us, which means we can replough that income into our people and technology across the globe,” says Peter McCamley.

Colin Young highlights ongoing issues with “tracking and efficiently collecting all revenues”, which remains a problem for all publishers and investment funds buying catalogues.

“Publishers are reliant on streaming revenue and efficient administration,” he says. “DSPs and collection are key.”

Based on audits of streaming income, Young suggests that inefficiencies continue, despite the establishment of the Mechanical Licensing Collective to help remedy the situation in the US.

“We have observed shortfalls of 13% in mechanical collections when conducting royalty audits when compared to master collections of the same repertoire, and even larger variances when looking at performance revenue,” says Young. “A particular risk for independents in this area is the question of will they receive their correct share of this 13% leakage – sometimes accounted as ‘black box’ – when market share is with the majors?”

For some independents, the catalogue boom has been a major opportunity. Reservoir’s Rell Lafargue suggests sellers of iconic songs want a good custodian for their music, not simply a large cheque.

“With all of the recent investment coming into the publishing space, there has never been a more competitive time for acquisitions,” he says. “But thankfully, there are plenty of deals to go around and our pipeline is as healthy as it’s ever been.”

“I think the indie publisher is well positioned today to land deals that larger companies and the many financial players in our space can’t. I think we are at a time now where an indie publisher like Reservoir can really shine.”

“We aren’t in the business of buying catalogues as purely a financial investment,” he adds. “As an independent company, we are committed to buying great music, we add value through our platform and marketing capabilities, and we will follow through with our commitment to be fierce stewards for the music and artist legacies.”

“People have been buying and selling publishing catalogues since the mid-1960s,” explains Sentric’s Peter McCamley. “That’s not changed, but now there are a lot more players in the market,



those from the financial world, and the interest from those industries has sparked a new type of boom in catalogue buyouts.”

“We will always have a client-first approach to our work and technology and, no matter the varying trends, this won’t change,” adds McCamley. “However, it has opened up an opportunity to explore how we can also serve financial partners moving into the space to ensure they too are proactively collecting all of the income they should be receiving.”

Sentric was recently acquired by Believe, the Paris-based independent music firm.

“It’s still early days in our new home, but we are thrilled to be able to work with some of the brightest minds in the industry and elevate our publishing offering globally,” says McCamley.

*Music Week* broke the news in 2020 that Phrased Differently had formed a joint venture with Germany’s Budde Music.

“The JV with Budde Music, with their 75 years of experience, has been significant on so many levels – operational, financial, creative and educational,” says Bharadia. “It has allowed Phrased Differently to grow significantly in a short period of time and be more competitive when signing established writers.

“The pedigree that Budde Music has in independent publishing is second to none, and we are now able to boast of having a similar level of access in major territories like Germany, France and the United States that would traditionally be reserved for the major publishers.”

Stellar Songs, meanwhile, has a brand new publishing joint venture, Alternative Songs, with management company Various Artists, which is administered and funded by Downtown Music.

“Alternative Songs’ primary focus is to develop alternative, left-of-centre writers and artists and then help introduce them into the mainstream,” says D’Silva. “This follows the

**Independents’ day:** (Clockwise from top) Always (Rough Trade Publishing/Sentric), Ali Tamposi (Reservoir), Sky Adams (Phrased Differently), and (below) Blue Lab Beats (Stellar Songs)



path which both Various and Stellar have previously adopted with the likes of Ashnikko, Charli XCX, Tom Grennan and Cassyette. Alternative Songs has assembled a dedicated team that understands this culture inside out.”

Speaking to *Music Week*, the executives from the independents identify specific concerns for the sector.

“Something that presents both a challenge and opportunity within the sector is the sheer amount of music being released and used globally,” notes Sentric’s Peter McCamley. “With the opportunity of a growing market of independent artists comes the heavy task of correctly processing this data and ensuring all royalties are accounted for and correctly paid to the rights-holders.”

“The challenge is getting deals done at sensible levels for new talent – there has been a real overspill from the major label record deals that have gone down,” suggests D’Silva, who draws attention to the perennial concern that publishers (and, of course, songwriters) get a smaller share of streaming compared to labels and recording artists.

“The fact that songwriter royalties are so low is of major concern,” warns Bharadia. “It will lead to a dynamic of more and more talented songwriters leaving the industry, because it’s no longer viable or

sustainable for them to continue writing songs that only earn pennies and don’t contribute to even a basic cost of living level.”

“Transparency continues to be suppressed,” suggests Colin Young, when asked about persistently unaddressed challenges for the sector. “Despite the DCMS recommendations, the CMA inquiry and more recently the Intellectual Property Office steering committee, the plan type of subscribers remains hidden [on royalty statements].

“There are 52 [streaming] plan types in all. The disparity between student and premium is eightfold. Instead, only two plan types are detailed on the songwriter and recording artist royalty statements – advertised and subscription. The spectrum of different rates is bundled into these two.”

Without access to the essential DSP data, Young says that “the creative is not able to determine whether the correct royalty rate has been applied”.

There is also the pressing issue of AI and its impact on copyright. A track by an artist called Ghostwriter, who described it as a “Drake AI song”, was taken down by DSPs last month. And that was just one of many...

“We’re very concerned about the impact AI will have on creatives, songwriters and recording artists,” says Young. “As an industry we need to decide on which side of the fence we sit. The simple pursuit of profit regardless of the consequences to the creators, or the celebration of artistic works by creative people. The choice is there.”

Reservoir’s own copyrights have been drawn into the debate over generative AI exploiting recordings. The company, along with other publishers, is watching developments closely and voicing concerns collectively through organisations such as the ICMP.

Despite the myriad of issues confronting the sector, though, Rell Lafargue sums up the situation for indie publishing with an optimistic forecast.

“For both Reservoir and the industry at large, emerging markets will continue to drive new subscribers, new globally recognised talent and opportunities for publishers,” he predicts. “AI and the metaverse, despite some tech companies’ recent shifts away from the latter, will also continue to rise as new platforms, yielding unforeseen challenges and benefits for the industry.”

The only way is up...



*“Indie publishers can form a stronger allegiance with their writers”*

**COLIN YOUNG, CC YOUNG**

