Management Matters

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Abstract

This paper explores the limitations of the D.I.Y. model of music production and the recent shift towards re-specialization in Toronto, Canada. It is argued that freelance managers are re-emerging as key intermediaries who catalyze and facilitate new organizational forms and strategic partnerships between creative workers. Attention is paid to how the relationships and contracts between these individuals are being altered by digital technologies and shifting market dynamics. The spatial concentration of managers and other 'helpers,' including fashion designers, photographers and web designers is also used to explain why music production remains clustered in space despite the decentralizing potential of digital technologies.

Keywords: Creative Economy; Intermediaries; Musicians, Managers; Strategic Organization; Toronto, Canada
Introduction

Digital technologies have altered the way music is produced, promoted, distributed and consumed. Musicians have gone from cogs in the major label system to entrepreneurs who are independently responsible for the entire range of creative and non-creative tasks (HRACS, Forthcoming). As Greffe notes, these musicians “must have the skills of a legal expert, a financier, and a manager to make the most of their artistic talents” (2004, 88). In Canada, 95% of all musicians are not affiliated with record labels and instead operate under the ‘Do It Yourself’ (D.I.Y.) model (HRACS et al., 2011). Yet declining record sales and the precipitous rise of D.I.Y. have displaced skilled specialists and intermediaries, including engineers, producers and managers who thrived under the major record label model (LEYSHON, 2009). Thus, while many musicians celebrate the emancipatory nature of D.I.Y., music professionals and intermediaries lament their own apparent obsolescence. As their ability to reconcile creative and commercial imperatives and broker between musicians and record labels became outmoded, managers lost their role as key intermediaries. Yet, a decade after the introduction of Napster and the so-called ‘MP3 Crisis’ some musicians are becoming disenfranchised with the demands and risks associated with the D.I.Y. model. To date, however, the evolving employment experiences and spatial dynamics of creative producers (musicians) and intermediaries (managers) remain poorly understood (BANKS, 2007; THOMPSON et al., 2007). Given the difficulty of monetizing music-related content and the disappearance of lucrative recording and management contracts there is a need to determine whether managers have gone out of business
and the extent to which management skills, strategic thinking and professionalism have become irrelevant. Music is an acknowledged site of innovative managerial practice and forerunner of technological change (DeFillippi et al., 2007). Thus, answering these questions is fundamental to understanding the evolving interplay between producers and intermediaries who operate beyond the firm in the digital era (Lorenzen and Frederiksen, 2005) and the organizational structures of the creative economy more broadly (Jeffcutt and Pratt, 2002).

Drawing on 65 interviews with musicians, managers and key informants in Toronto, Canada, this paper demonstrates that the limitations of D.I.Y., intense competition and market volatility make managers more important than ever. It is argued that by curating and connecting collaborators and articulating the strategic vision of their musical clients, managers are re-emerging as key intermediaries in the contemporary creative economy. Instead of articulating the will of major labels, managers perform the more complex and important function of interpreting the marketplace itself and developing specific business strategies for their clients. Managers, therefore, translate the creative economy and shape the production and consumption of creative goods and services.

As these activities are predicated on local knowledge and embedded within local scenes, this paper also contributes to our understanding of local specificity, regional difference and the evolving spatial hierarchy of specialized services within the North American music industry. In spite of the decentralizing capacity of digital technologies, Florida and Jackson (2010) demonstrate that the music industry continues to cluster in established centers such as New York and Los Angeles but the explanation for ‘why’
this is the case remains unsatisfactory (VAN HEUR, 2009). Lorenzen and Frederiksen (2005) speculate that such clustering may be caused by the presence of management but this link has not been tested empirically. The findings presented in this paper suggest that rather than being attracted to traditional hard infrastructure such as recording studios and major labels musicians are attracted to soft infrastructure and cluster around diverse pools of specialized management and creative talent. Whereas emerging music scenes are becoming more attractive for D.I.Y. musicians, established centers such as Toronto allow innovative musicians to overcome the limitations of D.I.Y. by providing access to skilled collaborators, contractors and above all, management talent.

The paper begins with a brief overview of research methods and the evolving relationship between major labels, musicians and managers from the corporate to contemporary eras of music production. This contextual section also highlights how the ‘MP3-crisis’ catalysed widespread organizational and spatial restructuring in the music industry. The first analytical section challenges the popular view that the D.I.Y. model is emancipatory. This is followed by a discussion of the strategies musicians develop to overcome the challenges and inefficiencies associated with D.I.Y.. This discussion features two central arguments. First, that freelance managers are re-emerging as key intermediaries who catalyze and facilitate new organizational forms and strategic partnerships between creative workers. Second, that the presence of managers and collaborators reinforces traditional industry clusters, such as Toronto, even as digital technologies make the production of music placeless. The paper concludes that success in the reconfigured marketplace requires re-specialising on creative tasks,
outsourcing non-creative tasks, moving beyond the inefficient D.I.Y. model and above all harnessing the skills and experiences of managers.

**Methodology**

The analysis presented in this paper is based on 65 interviews conducted in Toronto between 2007 and 2008. Using a purposive sampling strategy, 51 independent musicians were asked about their employment experiences. The sample also includes 14 interviews with key informants who work as managers, producers, studio owners and executives at major and indie record labels. These individuals provided invaluable information about recent changes in the music industry and the strategies musicians are developing to mediate the demands and risks associated with independent music production. To overcome the difficulty of pinning down independent musicians, who cycle between different sources of employment, a snowball sampling method was used to identify participants (JAMES, 2006). The interviews lasted an average of 75 minutes and were recorded with the consent of the participants. Verbatim quotations are used throughout the paper to demonstrate how participants expressed meanings and experiences in their own words.

**Labels, Musicians and Managers in the Corporate and Contemporary Eras**

During the ‘corporate era’ (1978 to 1999), major record labels controlled the way music was produced, distributed, and consumed. By 1999, after several rounds of consolidation, the global recorded music industry was dominated by five conglomerates or ‘majors:’ Bertelsmann AG (headquartered in Germany), the EMI group (Britain),
Seagram/Universal (Canada), Sony (Japan) and Time-Warner (United States) (SCOTT, 2000, 114). Accounting for over 90 percent of total domestic sales in the United States, and between 70 and 80 percent of sales worldwide (BROWN et al., 2000; SCOTT, 2000), the majors reached their zenith in 1999 surpassing $14 billion US dollars in revenue, more than three times the sales of late 1970s (TSCHMUCK, 2006).

As vertically integrated conglomerates, the majors owned and operated professional recording studios, possessed the technology to mass-produce albums and controlled sophisticated and global marketing, promotion and distribution networks (HRACS, Forthcoming). The majors also provided recording artists with a host of specialized business services including music publishing, production, sound engineering, and management (SCOTT, 2000; LAYSHON, 2009; HRACS, Forthcoming).

Figure 1: The Traditional Model of Specialized Activities in the Music Industry
During the corporate era music production became spatially concentrated and firms, musicians and music professionals migrated to access infrastructure, employment opportunities and industry buzz. In North America, the majors and the bulk of music production clustered in New York, Los Angeles, as well as Nashville to a lesser degree (SCOTT, 2000, 119). In Canada, Toronto became home to all five majors and the country’s largest concentration of musicians and music businesses (HRACS et al., 2011).

Over time, the vertically integrated system made musicians reliant on the services and networks provided by the majors. This reliance forced musicians to work within the

* Adapted from Scott 2000, 117
confines of the major label’s creative vision. This often meant surrendering authority over what songs to record, what producer to use, what studio to record in, what artwork to use and how to package, promote and distribute each album (HRACS, Forthcoming). To obtain record contracts, musicians were also forced to lock in exclusively with major labels for several years, surrender the rights to their music and have their earnings deducted from recoupable finances lent to them by their label. Thus, signed musicians exchanged power, spatial freedom, creative control and revenues for the opportunity to focus on being creative.

During the corporate era, major labels hired staff to service every aspect of an artist’s career and the individual roles became specialized. By handling the business side, managers played an important intermediary role between the musician and the label. While the personal manager dealt with the personal, creative, and day-to-day affairs of a musician other roles, such as tour and business management were delegated to agents, public relations representatives, and lawyers (SHEMEL et al., 2007). With record sales in the billions, personal managers collected between 15% to 25% of an artist’s income and just like labels, managers were paid from a musician's gross income (SHEMEL et al., 2007).

At this time, alternatives to major label hegemony were limited. In the 1980s when the first wave of D.I.Y. emerged from the punk scene, the internet, peer-to-peer software, and websites like MySpace did not exist and promotional outlets were limited to flyers instead of advertising media, word of mouth promotion, amateur ‘zine’ magazines and a network of college radio stations. Besides selling their music on street corners after live performances, indie musicians did not have the means to market and
distribute their music on their own (HESMONDHALGH, 1998). Leyshon (2009), for example, provides a detailed history of musical recording studios, studio technology, and software and argues that a lack of recording and distribution technology prevented musicians from entering the market as they were required to use costly recording studios often owned by major labels.

The ‘MP3 Crisis’ and Industrial Restructuring

In the late 1990’s the introduction of new digital technologies sparked a crisis in the music industry, weakened the power of the majors and radically altered the established system of music production, promotion, distribution and consumption (LEYSHON, 2009; HRACS, Forthcoming). In 1999, Napster popularized an illegal system of sharing music files over the Internet and catalyzed the ‘MP3 Crisis’ (HRACS, Forthcoming). From the vinyl bootleg era of the 1960s and 1970s, to the “home taping is killing music” scare of the 1980s and the CD-R influx of the 1990s, music piracy has always been central to music industry but the ‘MP3 crisis’ of the late 1990s was unlike anything the industry had witnessed in the past. While geographers have contributed to the now robust literature on the causes and consequences of this crisis (CONNELL and GIBSON, 2003; FOX, 2005; LEYSHON et al., 2005; POWER and HALLENCREUTZ, 2007; LEYSHON 2009; HRACS, Forthcoming), the important point for this paper is that Napster and its successors caused a structural shock to the North American music industry which slowed the growth of recorded music, caused billion dollar losses in revenue and mass layoffs to musicians, managers and other industry specialists.
In the immediate aftermath, the structures and power dynamics associated with the corporate era began to change. Long standing practices of distribution, pricing and retailing evolved and the major record labels lost power to a new breed of diversified digital and big box retailers such as Apple and Wal-Mart (for a more detailed review see FOX, 2005; HRACS, Forthcoming). The collapse of record sales also forced major labels to cut costs and layoff large numbers of artists and accompanying staff. Today, the majors are risk adverse and have shifted away from artist development in favour of extracting profits from their lucrative back catalogues and promoting a small number of proven sellers or ‘cadillacs’ including Bruce Springsteen, Celine Dion, and Madonna (POWER and HALLENCREUTZ, 2007). For managers, this contraction has meant layoffs and fewer opportunities to work within the major label system (LEYSHON, 2009).

The Rise of Digitally-Driven Independent Music Production

The introduction of digital channels of distribution such as iTunes and MySpace have lowered entry barriers and allowed independent musicians to enter the world of global marketing and distribution for the first time. Indeed, recent studies on how traditional distribution networks are being altered suggests that musicians are no longer reliant on major labels to promote and sell their music (BOCKSTEDT et al., 2006; FOX, 2005; McLEOD, 2005). Yet, the cost of high-quality recording has also declined because of digital and affordable ‘pro-sumer’ equipment. For those with the technical skills, the need to rent time at expensive studios has been eliminated and recording can now be done in home studios with personal computers. Moreover, with inexpensive and user-friendly software, editing, mixing and mastering digitally recorded music has
become accessible to a much larger number of musicians. Digital technologies have, therefore, democratized the production and distribution of music (LEYSHON, 2009; HRACS, Forthcoming).

These developments have transformed the independent model from a niche alternative centered on the punk ethos of D.I.Y. to a fully viable model that has become the dominant organizational form for up-and-coming musicians. During the initial stages of this transition digital technologies and D.I.Y. were hailed as an exciting opportunity for artists to reassert control over their careers and retain a larger percentage of the profits (THOMPSON et al., 2007). The relevant literature viewed technology as emancipatory. As Hesmondhalgh argues:

> It has been common for left-leaning musicians and their managers in the 2000s, for example, to speak of a more democratised set of production relations emerging from the chaos of digitalisation, wherein artists would be able to market and sell their products directly to audiences via the web, without the need for the mediation of entertainment corporations. (2007, 57)

**The Dark Side of D.I.Y.**

The main difference between the major label model and D.I.Y. is the division of labour but few scholars have critically analyzed the effectiveness of D.I.Y. as a model of organization or the extent to which the freedoms promised by digital technology are actually realized by typical independent musicians. Instead of an integrated system of services and supports, D.I.Y. makes musicians individually responsible for the traditional range of creative and non-creative tasks. However, digital technologies have also introduced new tasks such as web sites, digital distribution and promotion using social media. While some may argue that this increased workload is offset by greater autonomy, creative control and revenue share, there is little empirical evidence on how
all of these tasks get completed. Moreover, we know little about how musicians and bands acquire the skills required to perform technical, managerial and business tasks. The interviews with independent musicians in Toronto probed these questions and determined that D.I.Y. is an inefficient system that makes reaching a sustainable level of creative and economic success difficult.

Figure 2: The Tasks Associated with Contemporary Independent Music Production
Perhaps the greatest problem is the sheer number of demands imposed on D.I.Y. musicians. The typical work-day is chopped up into tasks which are often spread across space and musicians struggle to find the time to write new songs, maintain their online storefront, apply for grants, book shows and promote their products. Musicians must also acquire the skills to complete this diverse range of tasks. The research indicates that most individuals and bands have strengths and weaknesses based on personality and training. So, for instance, one band member might be technically
proficient enough to handle the recording while other members might be better suited to perform business or managerial tasks such as accounting or scheduling. Ideally, the band contains a diverse skill set and can create an internal division of labour that matches skills with tasks but in most cases the band has an abundance of creative capacity and few technical or business skills. As one musician put it:

The major advantage of having a large band is that we can spread the tasks around. One guy manages the MySpace page, the Facebook group and the e-mail. Another is good with Photoshop so he does all the posters and design work. I do all the scheduling of practices. So we are good at some things but one of our biggest problems is that none of us is good at cold calling to get shows or promoting our stuff. So we need somebody who is more like a manager in that sense, more assertive…We also don’t have anybody in the band that is really good at the technical recording side of things. We are learning and getting better but we are not good enough to do it ourselves. (Interview)

The interviews indicate that the most deficient skill set among musicians is a business acumen and strategic thinking – precisely what managers traditionally brought to the table. While musicians are creative and may become proficient with technical aspects of recording, promoting and monetizing their products proves a bigger challenge. Several key informants reported a general lack of business skills among the musicians they work with. As musicians soldier on the cracks in the D.I.Y. model begin to show. Lacking the skills and industry experience of an agent or booker, bands on tour often find themselves working with poor promoters at less-than-ideal venues. One musician described a self-booked tour that was an economic failure:

On our first tour out ‘West’ the first show was cancelled and the second show had like twenty people. We could not book a show in Saskatchewan, despite trying for months, so the real shows started in Edmonton. We played Calgary, Canmore, Kamloops, Vancouver, Victoria and Seattle. So that is a huge distance to travel before hitting a good show. We literally drove for five days before we played our first good show. It is frustrating and when you are relying on that to put food on the table it is really difficult. (Musician, Interview)
It is no surprise that musicians struggle to perform non-creative tasks but the time and energy that musicians allocate to them also diminishes their capacity to perform creative tasks. Writing about the employment conditions of independent fashion designers in the UK, McRobbie (2002) argues that the twin processes of de-specialization and multi-skilling result in the corrosion of creativity. For musicians, the myriad demands imposed by the D.I.Y. model reduce their ability to produce high quality creative content, which in turn reduces their ability to stand out in the crowded marketplace and make a sustainable living from music (HRACS, 2010). As this music producer argues, having your package down is meaningless if that package is not original:

I saw a band on Queen Street a few months ago. They were really good players and you could tell that they were practicing a lot because the songs were polished. They had all the moves and I thought there is no reason why these guys are not as good as almost any other band out there. Except it was boring because I thought ‘who cares?’ They’re not doing anything new. It just seems tired. You need to be unique and develop some kind of artistic vision. (Interview)

For musicians who are locked into the D.I.Y. model, there appears to be ‘no alternative’ and several respondents complained about the creative conundrum in which they struggle to allocate their time and energy to creative and non-creative tasks and end up with mediocre results on both fronts. It is easy to form a band and dabble in basic tasks such as performing and recording music but becoming a self-sufficient business entity requires mastering advanced functions such as financing, distribution, merchandising, public relations, marketing and branding. In light of these empirical examples the claim that digital technologies have emancipated musicians seems hollow and in fact many musicians in the sample resented the fact that they have become entrepreneurs who make music instead of musical artists.
Working Harder and Working Smarter: Strategies to Overcome the Limitations of D.I.Y.

How do musicians overcome the difficulties associated with the D.I.Y. model of independent music production? The research indicates that there are two dominant and interconnected strategies that musicians employ: becoming more disciplined and professionalized (working harder) and becoming more strategic and specialized by enlisting the support of collaborators, contractors and managers as intermediaries (working smarter).

Professionalization entails moving beyond bohemia and eschewing alternative and anti-market attitudes and practices in favour of professional personas and market-driven entrepreneurial subjectivities (HRACS, 2009). Musicians realize that creativity must be buttressed by a strong work ethic and business savvy to achieve success. As one manager put it:

Raw talent will be thrown in the garbage if the rest of the pieces are not together. There's a guy who is amazing but he canceled a North American tour two days before because he wanted to stay home and paint. You can't be that flaky and still be successful. (Interview)

For musicians, professionalizing means abandoning eccentric and erratic bohemian behavior and outworking the competition. As the imperatives of self-sufficiency take hold, however, self-exploitation, in terms of hours worked, can become a problem for creative entrepreneurs. As Banks argues “the popular idea that cultural workers need to suffer to make great art may further encourage individuals to self exploit to a level beyond that which would be imposed by the most fervent of capitalist employers” (2007, 58). For this reason, working longer hours and becoming more accountable is not enough to overcome the difficulties of D.I.Y.. Indeed, to reverse the corrosion of creativity greater efficiency, re-specialization and subcontracting is needed but how do
musicians, who have been conditioned by the market and neoliberal regimes to do everything themselves, break the cycle and get help?

The bohemian ethos provides a framework for support and bartering within local artistic communities. As Banks notes, “it is common to find fashion designers, graphic designers, musicians, artists, promoters and Web entrepreneurs undertaking reciprocal and non-monetized exchanges of goods and services” (2007, 171). Often, these exchanges are facilitated by long hours of hanging out in coffee shops and other third spaces (LLOYD, 2006). Therefore, musicians are accustomed to seeking assistance from family and community members. This system, however, is inefficient because it replicates skills - musicians supporting musicians provides more labour but not necessarily new skill sets. In recognition of this limitation, some musicians are replacing the bohemian practice of social networking with more strategic forms of what Grabher and Ibert (2006) call ‘connectivity networking’ (HRACS, 2010). This represents a shift in time management and an understanding that musicians need to get help from people who can provide complimentary skills and services. A greater number of musicians, for example, are working with fashion designers, web designers, visual artists and photographers (HAUGE and HRACS, 2010). The research indicates that there are two categories of helpers; individuals with strong ties or weak ties to the musicians and individuals with no ties who are contracted to perform a service. While collaborators with ties, family members or members of the broader artistic community, may be compensated with artistic credit, barter exchange or monetary exchange, contractors without ties are paid to perform specific tasks (HAUGE and HRACS, 2010).
‘Getting help’ represents an attempt to re-specialize and re-focus on making music and being creative. Musicians can spend a higher percentage of their time writing songs because their website, album artwork, merchandise and tour booking are delegated or outsourced. Asking for help appears to solve the core limitation of D.I.Y. but the research suggests that determining what needs to be done, who will do it and then coordinating and monitoring this growing enterprise generates new challenges – chief among these is how to afford help on low operating budgets. A musician might have a creative vision and a pool of collaborators and contractors to provide assistance but translating that vision into an executable operational plan requires managerial acumen.

Management Matters: Rediscovering The Value Of Intermediaries

~ The difference between being locked in stasis and attaining success is the implementation of a plan. (Manager)

Very little is known about what happened to managers in the wake of the MP3 crisis. Beyond limited evidence suggesting that many managers were laid off by major labels or their musician clients to cut costs we do not know if they left the music industry or tried to remain relevant by altering their business model to adapt to the rise of independent music production (LEYSHON, 2009). The research suggests that in the first few years after the MP3 Crisis, when labels were cutting staff and musicians were embracing the mantra of self-sufficiency, many typical managers without established credentials and successful client rosters struggled to remain employed in the industry. With fewer recording contracts available the contractual model of paying managers 15-
20% no longer made sense. Moreover, even if a new pay arrangement could be forged, the vast majority of musicians seemed content to seize the opportunity to call their own shots and manage themselves.

In recent years innovative members of both camps have reunited for mutual benefit. Musicians frustrated with the limitations of the D.I.Y. model have determined that getting from managers will improve their chances of success. Similarly, some managers have been willing to reformulate their business models to accommodate the new market and organizational realities of independent music production. The following section explains why musicians are turning to managers and what these new partnerships look like.

During the interviews, musicians were asked to describe the challenges they face and what strategies they used to overcome those challenges. In answering this question several musicians revealed a desire to work with a manager. As one musician put it:

Making a recording is the quintessential thing that every band tries to do but unless you know what you’re going to do with it, it is not a good strategy. You might think you will distribute your album online but there are billions of other alternatives and most bands don’t know how to promote their music…Right now I am on a manager hunt. We have been struggling to do everything ourselves and we need to turn it over to somebody who knows what they’re doing… This is the first step to not doing everything yourself. (Interview)

This quote illustrates the realization that producing goods and services without a plan is not enough to succeed in the competitive global marketplace. Indeed, managers are attractive because of their ability to identify, assess and drive market trends and translate creative content into marketable products. As Foster et al. (2011) explain, music managers play a critical role as brokers who mediate between artists and audiences and determine what creative content reaches the marketplace. Crucially,
contemporary managers perform these intermediary functions on the open market outside of the major label system.

To return to McRobbie’s ‘corrosion of creativity’, respondents explained that working with a manager allowed them to re-specialize on making music while also appearing more professional in the marketplace. As one musician put it:

Hiring somebody to help has been a good strategy. I have my own little time and money equation so it made sense for me to hire somebody to do some work for me. My manager has experience so things are easy for him and it takes a lot less time and effort because he has all the contacts and a good reputation. (Interview)

In asking managers what they perceive their function and value to be, several described the important coordinating role they play between musicians, collaborators and contractors. As this manager explained:

You can find a web designer and you can find a photographer. All these pieces are out there but without a plan it is all a crapshoot. So that is why they seek management. We guide those decisions and even though the manager does not perform all of those tasks we can facilitate their completion by connecting bands with the right people. (Interview)

Although managers are not doing anything that musicians cannot do on their own, they feel that their skills and experience generate better results more efficiently. Part of this efficiency stems from the trusted contacts that managers can offer musicians who would otherwise have to invest time and energy finding the right people for the job. Figure 3 illustrates the relationship between musicians, collaborators, contractors and the coordinating, brokering and curating function managers play.

**Figure 3: The Intermediary Functions of Managers**
To summarize, managers play multiple intermediary roles and adapt to meet the needs of their clients but their importance stems from the simple understanding that while ‘ideas are cheap, finished products have value’ (BILTON and LEARY, 2002). Indeed, managers help to identify the needs and skill deficiencies of their musical clients and then broker appropriate skill and service ‘matches’ with members of the local creative community or broader freelance market. Unlike the standardized packages that managers offered during the corporate era, contemporary managers are flexible, innovative and able to adapt to the evolving needs of their clients and the dynamics of the marketplace. As such managers are re-emerging as key intermediaries who can help independent musicians achieve their two primary objects – making a sustainable living from music and concentrating on their creativity.
'Show Me The Money:' The New Contractual Arrangements Between Musicians and Managers

As musicians discover the benefits of getting help and seek out freelance managers, new contractual and working relationships are developing between these creative producers and intermediaries. Both parties acknowledged the obsolescence of traditional full-time contractual models that paid managers 15% of gross earnings and indicated that new models were being formulated and tested. As this musician explained, as managers re-emerge as key intermediaries their function remains the same but the working relationship has been radically altered:

Managers can't work on 15% of indie sales…The guy I hired was a manager before but he couldn't pay his bills. So now he has developed a new model so that allows him to work with more bands. He can select his clients and can negotiate specific contracts with each artist depending on what they need. It is perfect for me because he provides the skills and services that I need and the artist is never asked to give up any rights or any revenue percentages. (Interview)

Articulating this transition in greater detail one of the managers I interviewed outlined the innovative business model he pioneered in Toronto:

We start off with a consultation. I take their goals and I translate it for them…Then I present a proposal to them based on what they told me. It is their goals and ideas but I create a plan with the proper language and steps…So then I outline what I would like to do to advance that plan and I break those down into specific costs. I always present a full package, in a perfect world this is what I want to accomplish. I show them all the fees which are relevant to them but I highlight the ones that I think are essential. I also list services that might be helpful down the road. So I prioritize the services for them. I let clients pay in three installments so that it can be affordable for these artists. I am not necessarily cheap but I am fair value. If you want to hire a publicist, for example, it is $3000 a month. A radio promoter is $10,000 for a six-month campaign, so what it boils down to is an average of $1000 a month for a whole range of developmental services. (Interview)

By providing à la carte services instead of full-time comprehensive support, this model provisions for the income uncertainty, varying skill sets and career goals of his clients.
The financial arrangement of the model also highlights how much the MP3-crisis has reshaped the marketplace for music-related products. Indeed, as he explains, the a la carte model is a new kind of development model that allows musicians to reach their goals and various plateaus in more realistic stages:

So $1000 to an artist who is not making much money, because they're playing crappy five dollars shows, sounds like a lot but if we implement the plan and the revenue starts to go up then it becomes much more manageable for them. Eventually paying $1000 a month becomes a joke and they come back to me with an increased budget and a larger goal. And of course my suggested price will reflect those larger goals. (Interview)

Rather than being plucked from obscurity and offered lucrative contracts, independent musicians march toward the new goal of financial sustainability (making enough money from music to support themselves without additional jobs) in a very incremental way. The stepladder approach also alters the power dynamics between musicians and managers. Whereas management fees used to be guaranteed by the major labels – managers got their piece of the pie before the musician did – managers are realizing that their own livelihoods hinge on how well they serve their clients. As one manager asserted:

The advantage of this structure for the artists is that it makes me their employee and more accountable to them. If I don't succeed in my job and they don't develop then I can't charge them for higher-end services so I am motivated. (Interview)

In this way managers need to prove their worth and convince D.I.Y. musicians to hire them. In line with Bilton and Leary (2002), freelance managers are being judged by their results and the ability to convert good creative ideas into revenue streams.

Ultimately, the a la carte model of management will only continue to attract frustrated D.I.Y. musicians if it delivers measurable benefits. Comparing within the research sample of musicians and managers, suggests that musicians who are getting
help from collaborators, contractors and managers are more successful than those who operate under the D.I.Y. model. Thus, musicians who work with intermediaries who can identify and harness the skills of others are more likely to achieve financial sustainability the freedom to focus more time and energy on their creative content.

**The Regional Dimension: Why Intermediaries Perpetuate Creative Clusters**

This section considers the spatial significance of intermediaries in the creative economy. It is argued that despite greater mobility musicians continue to cluster in the established centers of music production not because of traditional hard infrastructure or even large firms but rather to be close to skilled helpers and managers.

During the corporate era the North American music industry became clustered in a handful of production centers including New York, Los Angeles, Nashville and Toronto (SCOTT, 2000; FLORIDA and JACKSON, 2010; HRACS, 2011). As Lorenzen and Frederiksen (2005) point out, these locations featured concentrations of musicians, firms at different points in the production chain (recording, publishing, marketing and distribution) and pools of skilled specialists such as sound engineers and managers. Firms within these clusters benefited from shared infrastructure, lower transaction costs, pools of skilled labour, complementary industries and face-to-face interaction, which lubricate project coordination and completion (VAN HEUR, 2009). For signed and aspiring musicians, the established centers exerted a strong pull but the benefits of thick labour markets, specialized supports and the all-important hard infrastructure for the recording and manufacturing of music often outweighed the social and economic costs of relocation.
The music industry has a history of spatial concentration but in the early 2000’s the MP3-crisis and D.I.Y. threatened to scatter musicians and music firms across space. Major label contraction, the rise of home-based recording, marketing and distribution and the individualization of workers raised fundamental questions about the merits of continued co-location. Indeed, the research for this paper suggests that D.I.Y. musicians can operate anywhere they can find a laptop computer and a decent Internet connection. Recently, however, Florida and Jackson (2010) have demonstrated that the bulk of musicians, firms and production remain clustered in the established centers. In Canada, the 2006 census and interviews reveal that Toronto is still the largest and fastest growing home of musicians and music production. Yet as hard infrastructure and the major labels become less important, many geographers have raised the question of why this is the case (VAN HEUR, 2009).

It is tempting to assume that musicians continue to co-locate for community dynamics, face-to-face interaction, tacit knowledge and local buzz instead of hard infrastructure but the exact nature of this soft infrastructure needs to be unpacked (BATHELT et al., 2004). In Toronto, for example, the influx of musicians and decline of employment opportunities, both selling recorded music and performing live, has generated intense competition which limits the flow of information and support between musicians and reduces the importance of social networking (HRACS, 2010). Moreover, the organizational logic of independent music production individualizes musicians and limits the opportunities they have to collaborate with other musicians within local scenes and networks. Moreover, just as the incomes of musicians are declining at a rate of 25.9% between 1991 and 2006, the cost of living in Toronto continues to rise (HRACS,
Therefore, a refined question is why do musicians continue to cluster in expensive and competitive cities when digital technology allows them to live and work anywhere?

The move beyond D.I.Y. and the increasing importance of managers as key intermediaries offers one potential answer. While smaller regional scenes like Halifax, Canada offer a critical mass of musicians and performance venues, Toronto has size and diversity. Much like New York, Los Angeles and London, Toronto's creative economy features not only a variety of music genres but vibrant film, art, design and fashion sectors as well. This diversity offers musicians the dense pool of collaborators and contractors that drive the a la cart model. The thickness and diversity of Toronto's creative economy also supports a large number of emerging creatives and pseudo bohemians who are willing to volunteer on creative projects to earn social and cultural capital. These individuals are often students who use part time jobs and parental support to sustain their artistic aspirations (VAN HEUR, 2009). For independent musicians, the availability and willingness of these ‘free labourers’ is vital to the completion and quality of their own projects.

The existing pool of management talent in Toronto can also be traced back to the city’s thick and diverse creative sector. As the Canadian headquarters of the major labels, managers flocked to Toronto to work with signed and aspiring musicians. When many of these managers lost their music jobs and clients during the MP3 crisis, some found opportunities in Toronto’s other creative industries and remained in the city. Thus, the ability of disenfranchised D.I.Y. musicians to reconnect with managers is a byproduct of Toronto’s thick labour market. Moreover, the skills and local knowledge
that these managers now offer musicians accrued from experiences and networks in other industries. Indeed, the place-specific nature of managerial skills, networks, knowledge and experience with local market conditions may help us understand why managers stay and work with clients in clusters like Toronto (LORENZEN and FREDERIKSEN, 2005).

It is clear that Toronto possesses the right mix of musicians, creative helpers, free labour and managers to underpin the re-specialization of music production and the a la carte model but it appears that local market dynamics also helped to catalyze this innovative organizational shift. In other music scenes including Halifax (HRACS et al., 2011) D.I.Y. is more feasible and there are fewer alternatives. In Halifax, musicians still struggle to complete all the tasks on their own but lower levels of competition in the market, better opportunities to make money and a lower cost of live/work space insulate individuals. In these more benign markets D.I.Y. musicians struggle but they are not desperate for an alternative model. Moreover, management talent and diverse pool of helpers are simply not available in smaller scenes. In Toronto by contrast, higher levels of competition for paid work, a higher cost of living and lower levels of civic capital exacerbate the inefficiencies of the D.I.Y. model. Inline with Porter (1990) intense competition and the limitations of D.I.Y. forced musicians in Toronto to develop innovative solutions. Frustrated musicians began to get help from the diverse pool of fashion designers and artists and after noticing this trend some managers developed the a la carte model to reinsert themselves into the equation. For managers in particular, the model only works if they can provide limited services to hundreds of
clients, a threshold that only the largest cities including Toronto, Montreal and Vancouver can offer.

Has digitally-driven independent music production altered or reinforced regional hierarchies? If we compare two prominent music centers in Canada (HRACS et al., 2011) we see that during the corporate era Toronto was entrenched as the national hub while Halifax emerged as an important regional incubator of musical talent. As talent in Halifax developed it would relocate to Toronto or even larger centers of music production including New York, Los Angeles and London. In the wake of the MP3 crisis and the decentralizing potential of digital technologies a higher number of musicians choose to live and work in Halifax. At the same time, Toronto is still attracting the highest number of musicians and continues to be the ‘place to be’ for aspiring musicians in Canada. Upon closer inspection, and within the context of the findings of this paper, the type of musicians in these cities appears to be different. Whereas Halifax has become a popular location for musicians who prefer to work under the D.I.Y. model – because they are starting out, have not discovered an alternative or are established enough to make it work – Toronto attracts and supports musicians who are interested in developing and embracing new organizational models and strategic business practices. Therefore, the importance and presence of intermediaries contributes to the bifurcation of creative production models, between D.I.Y. and specialized, and perpetuates the dominance of established centers in an era of greater mobility.

**Conclusion: Only The Strategic Survive**

In the contemporary marketplace for cultural products global competition is intensifying and independent production is becoming the dominant organizational model
in terms of employment not revenue. Yet as this paper demonstrates, independent production does not always mean individual musicians or bands operating in isolation. The findings presented here support Bilton and Leary’s (2002) assertion that productive musicians are not the most talented but rather the most able to exploit their own strengths while also brokering deals with others to compensate for their personal and organizational deficiencies.

To overcome the limitations of the D.I.Y. model, musicians are working ‘harder’ by professionalizing and ‘smarter’ by re-specializing and getting help with creative and non-creative tasks from collaborators and contractors. In exploring the emergence of this new organizational model, the paper has paid particular attention to the important intermediary role that managers play in connecting, coordinating and curating these helpers. Managers also translate creative visions into operational business, interpret the marketplace and determine what creative products will reach audiences. Beyond identifying the strategic impetus for this merger, the paper outlined how the organizational and contractual relationship between musicians and managers has changed to reflect the realities of the contemporary marketplace. Contemporary managers provide a la carte management services to a large number of clients instead of working full time for 15%. The important role that local conditions and infrastructures play in driving the development of new organizational models and keeping musicians and music production clustered in space was also considered. Indeed, the regional analysis of these activities suggested that Toronto’s high levels of competition and diverse pools of creative and managerial talent helped to catalyze and sustain the a la cart model. This finding helps geographers to explain why music-related activities
remain clustered in established centers despite the decentralizing potential of digital technologies and independent music production. Ultimately, the paper suggests that a new spatial and organizational hierarchy may be emerging in which regional scenes like Halifax will continue to feature the D.I.Y. model and larger more diverse scenes such as Toronto will attract musicians who are willing to develop and embrace alternative models. By focusing on musicians and managers, this study provides insights into how we understand the organizational architecture within creative projects and the poorly understood relationships between producers and intermediaries in the contemporary creative economy.

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