

MBUS 1100

LECTURE 3: THE MANAGER AND MANAGEMENT TEAM

THE MANAGEMENT TEAM

Management can mean

Manager

Management company

“Day to day” manager

Management team may also include

Travel specialists

Business manager

Accountants

Attorney

THE MANAGEMENT TEAM

Not part of the management team:

The Agent

Agent and manager do two very different things

MANAGEMENT V AGENT



*Overrated, insignificant or rare events

THE MANAGEMENT TEAM

ALL YOU NEED TO KNOW ABOUT THE MUSIC BUSINESS

3 ***Personal Managers***

ROLE

The personal manager is the single most important person in your professional life. A good personal manager can expand your career to its maximum potential, and a bad one can rocket you into oblivion. When the job is done properly, a personal manager is the general manager and chief operating officer of your enterprise. (There are, of course, some artists without managers, but they are very much the exception, and they usually have one or more others on the team filling this role.)

The most important aspects of the manager's job are:

1. Helping you with major business decisions, such as deciding which record company to sign with, whether to make a publishing deal, how much to ask for, etc.
2. Helping you with the creative process, such as selecting a producer (we'll talk about who producers are on page 119), deciding which songs to record, hiring band members, selecting photographers, etc.

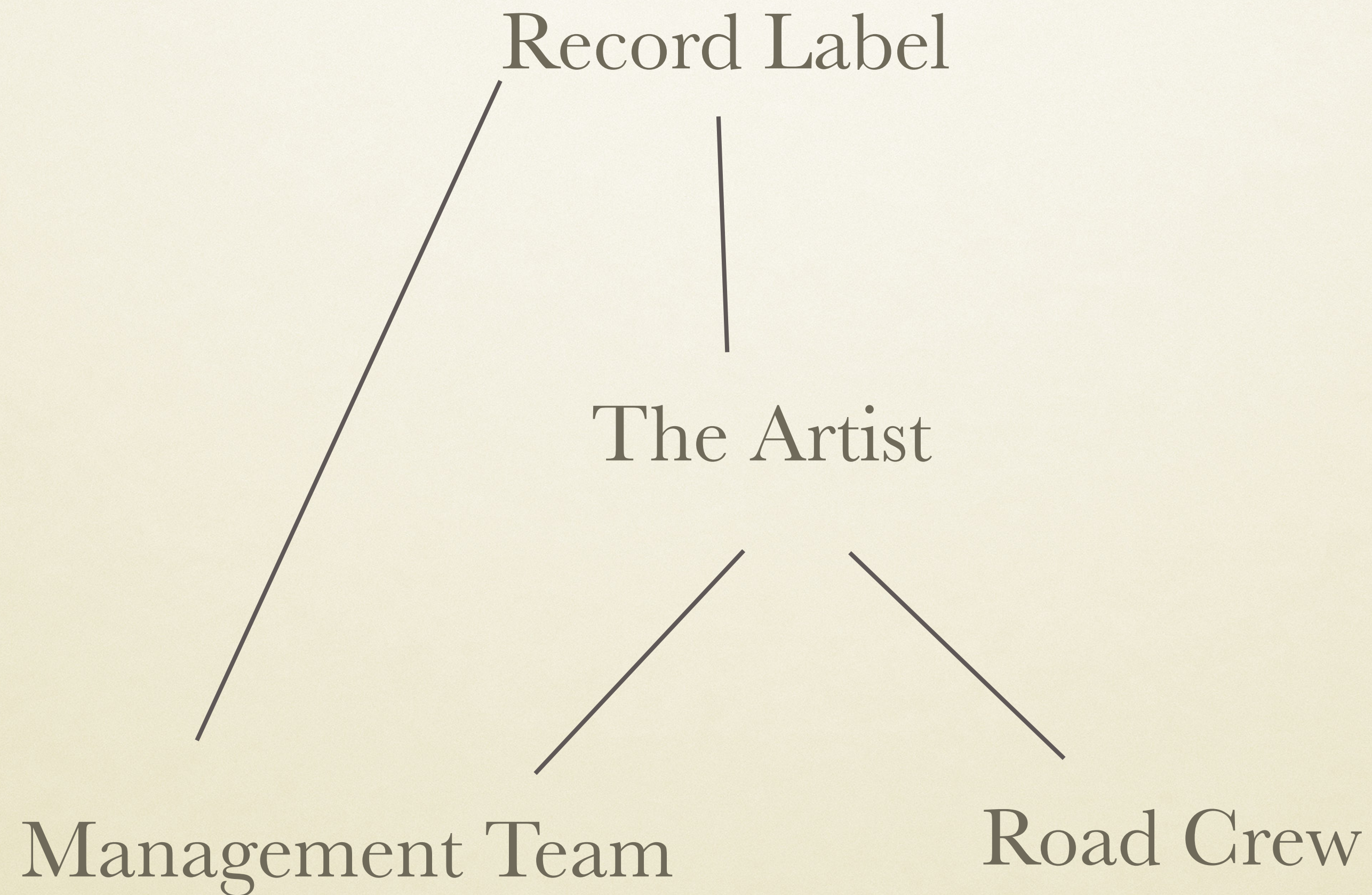
THE MANAGEMENT TEAM

ALL YOU NEED TO KNOW ABOUT THE MUSIC BUSINESS


3. Promoting your career by hyping you to everyone the manager meets, helping you coordinate a publicity campaign, etc.
4. Assembling and heading your professional team by introducing you to lawyers, business managers, and agents, and overseeing these people's work.
5. Coordinating your concert tours by working with your agent to make the best deals with promoters, routing the tour, working with your business manager to develop a budget, assembling your road crew, supervising the road and tour managers to make sure everything runs smoothly, etc.
6. Pounding your record company to maximize the advertising and marketing campaigns for your records, making sure your records are treated as priorities, screaming at them when they do wrong, praising them when they do right, etc.
7. Generally being a buffer between you and the outside world, such as fielding inquiries for commercial endorsements, personal appearances, charitable requests (both for money and for your smiling face), taking the rap for tough decisions that you make but don't want anyone to think you did, etc.

Let's first take a look at the structure of your deal with the personal manager, and then we'll talk about picking one.

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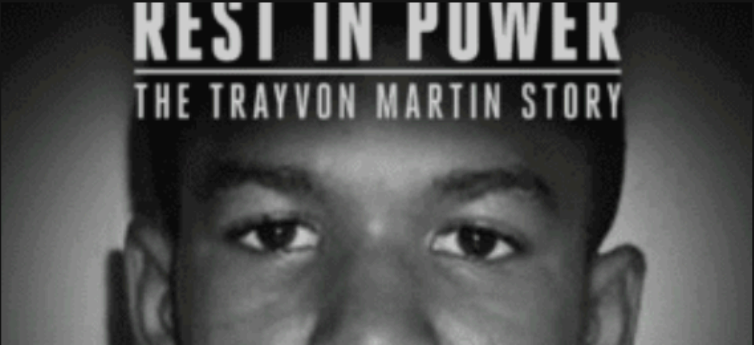
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Nashville

PO Box 120479
Nashville, TN. 37212

New York

276 Fifth Ave.
Suite 604
New York, NY. 10001

Los Angeles

9350 Civic Center Drive
Beverly Hills, CA. 90210

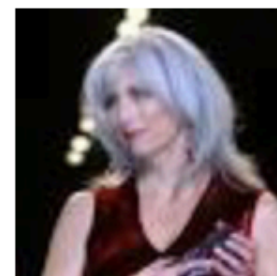
London

57B St. Dionnis Road
Second item
London, SW6 4UB

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According to musicrow.com

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Emmylou
Harris



Lyle Lovett



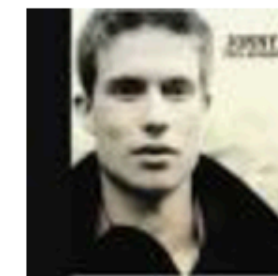
John Hiatt



Michael
McDonald



Lynyrd
Skynyrd



Jonny Lang



Patty Griffin

Vector's other clients include/or have included Emmylou Harris, Lyle Lovett, John Hiatt, Michael McDonald, Lynyrd Skynyrd, Jonny Lang, Patty Griffin, Trace Adkins, Trisha Yearwood, Craig Morgan, Hank Jr., Kid Rock, Peter Frampton, Bon Jovi and Kings of Leon. Jan 15, 2009

[Bentley Is Latest Addition To Vector Roster : MusicRow – Nashville's ...](#)

<https://musicrow.com/2009/01/bentley-is-latest-addition-to-vector-roster/>

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THE MANAGEMENT TEAM

Red Light Management.

Probably largest management company in US.

Hundreds of employees.

offices in NY, Charlottesville, LA, Nashville , Boulder and more

Started by Coran Capshaw

1986 was talent buyer at Trax in Charlottesville Va

Manages Dave Matthews Band personally

Co-founder of Bonaroo

ATO records

Started www.musictoday.com

Built venues

Breweries

Restaurants

MOGUL

THE MANAGEMENT TEAM

<div><div>RED LIGHTMANAGEMENT</div><div>NEWSARTISTSRELEASESTOURSPARTNERSHIPSJOBBS & INTERNSHIPSABOUT</div></div>			
<div><div></div><div>*</div></div> <div>*REPEAT REPEAT</div>	<div><div></div><div>E</div></div> <div>EASTON CORBIN ELLE KING EMANCIPATOR EMILY KING ENRIQUE IGLESIAS EVANESCENCE EVERETTE EVERYTHING EVERYTHING</div>	<div><div></div><div>L</div></div> <div>LADY ANTEBELLUM LANCO LARKIN POE LAURA JEAN ANDERSON LAUREN JENKINS LECRAE LEE ANN WOMACK LEE BRICE LEO KOTTKE LEONA LEWIS LES CLAYPOOL LEVON LEWIS WATSON LIGHTHOUSE FAMILY LINDSAY ELL LION LIONEL RICHIE LISSIE LITTLE PEOPLE LITTLE WHITE THINGS LOCAL NATIVES LOGAN BRILL LOS LOBOS LOWER THAN ATLANTIS LOWES LSDREAM LUKE BRYAN LUKE JAMES</div>	<div><div></div><div>R</div></div> <div>RANDY ROGERS BAND RAYLAND BAXTER REGINA SPEKTOR RHETT MILLER RHYE RIDE ROBERT RANDOLPH ROBIN MEADE ROMÉO RUTH B RYX RYAN KINDER</div>
<div><div></div><div>#</div></div> <div>3 DOORS DOWN</div>	<div><div></div><div>F</div></div> <div>FARR FERRY CORSTEN FICTION FAMILY FLIGHT OF THE CONCHORDS FLY GOLDEN EAGLE FRANZ FERDINAND FREE LOVE FRIGHTENED RABBIT FUTUREBIRDS</div>		<div><div></div><div>S</div></div> <div>SAINT ASONIA SAINT CLAIRE SAM COHEN SAM HUNT SAM TSUI SARA WATKINS SARAH CLOSE SEAN WATKINS SHAW-BLADES SHIFT K3Y SINDEN SKATERS SLASH SLØTFACE SLUISHIT</div>
<div><div></div><div>A</div></div> <div>AARON NEVILLE AC SLATER ADAM FREELAND ADAM HAMBRICK ADAM SANDERS ADIA VICTORIA AJ GHENT ALABAMA SHAKES ALFIE TEMPLEMAN ALL THEM WITCHES ALLEN STONE ALYNDA SEGARRA AMOS LEE AMY LAVERE AMY LEE ANGELIQUE KIDJO ANITA BAKER ANN WILSON ANTI UP ARCTIC LAKE</div>	<div><div></div><div>G</div></div> <div>GENE WEEN GOGOL BORDELLO GOMEZ GOWAN GRACE POTTER</div>	<div><div></div><div>M</div></div>	

THE MANAGEMENT TEAM

<div>RED LIGHT MANAGEMENT</div>				NEWS	ARTISTS	RELEASES	TOURS	PARTNERSHIPS	JOB & INTERNSHIPS	ABOUT					
BRYAN ELLIOTT BURY TOMORROW				JERRY GARCIA JESSE & JOY JESSE JO STARK JIM JAMES JJUUJJUU JOHN BUTLER TRIO JON FOREMAN JON PARDI JORDAN DAVIS JORDAN FISHER JORDAN RAKEI JOSEPH JOSH PHILLIPS JOSHUA HEDLEY JULIAN LAGE JULIAN LAGE & CHRIS ELDRIDGE JUSTIN TOWNES EARLE				NOAH GUNDERSEN NOAM PIKELNY				THUMPASAURUS TOMMY SHAW TRAVIS DENNING TREY ANASTASIO TUCKER BEATHARD TUNE-YARDS TUNJI IGE TURKUAZ TWIN PEAKS TYLER FARR			
CAITLYN SMITH CALEXICO CAMILO LARA / MEXICAN INSTITUTE OF SOUND CAUSE & AFFECT CAYLEE HAMMACK CEDRIC GERVAIS CENTRO-MATIC CHARLES KELLEY CHICANO BATMAN CHLOE MARTINI CHRIS JANSON CHRIS LORENZO CHRIS STAPLETON CHRIS THILE CLARE DUNN COLLECTIVE SOUL CONNER SMITH CORDOVAS CORINNE BAILEY RAE CORY HENRY COUNTING CROWS CRAIG MORGAN CRYWOLF CURTIS HARDING CUT CHEMIST CYMANDE				O.A.R. OBERHOFER ODESZA OLD 97'S OLSEN OOKAY OTHER LIVES OUTLAWS				VALERIE JUNE VICTORIA JUSTICE VIOLET SKIES VUSI MAHLASELA							
K				P				W							
KAISER CHIEFS KAREN ELSON KAYA STEWART KAYLIOX KELIS KI:THEORY KIMBERLY ANNE KING HENRY KIP MOORE KOJAQUE KOOL AND THE GANG KOPECKY KRISTIAN BUSH				PATTERSON HOOD PHISH PHOTEK PIXX PLUKO POISON PRESERVATION HALL JAZZ BAND PRIMUS PUDDLES PITY PARTY PUMAROSA PUNCH BROTHERS PUNCTUAL				WAY OUT WEST WEEN WHITE DENIM WHITE LIES WILLIAM CLOSE & EARTH HARP COLLECTIVE WITHOUT							
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NOT LISTED
KRISTIAN BUSH

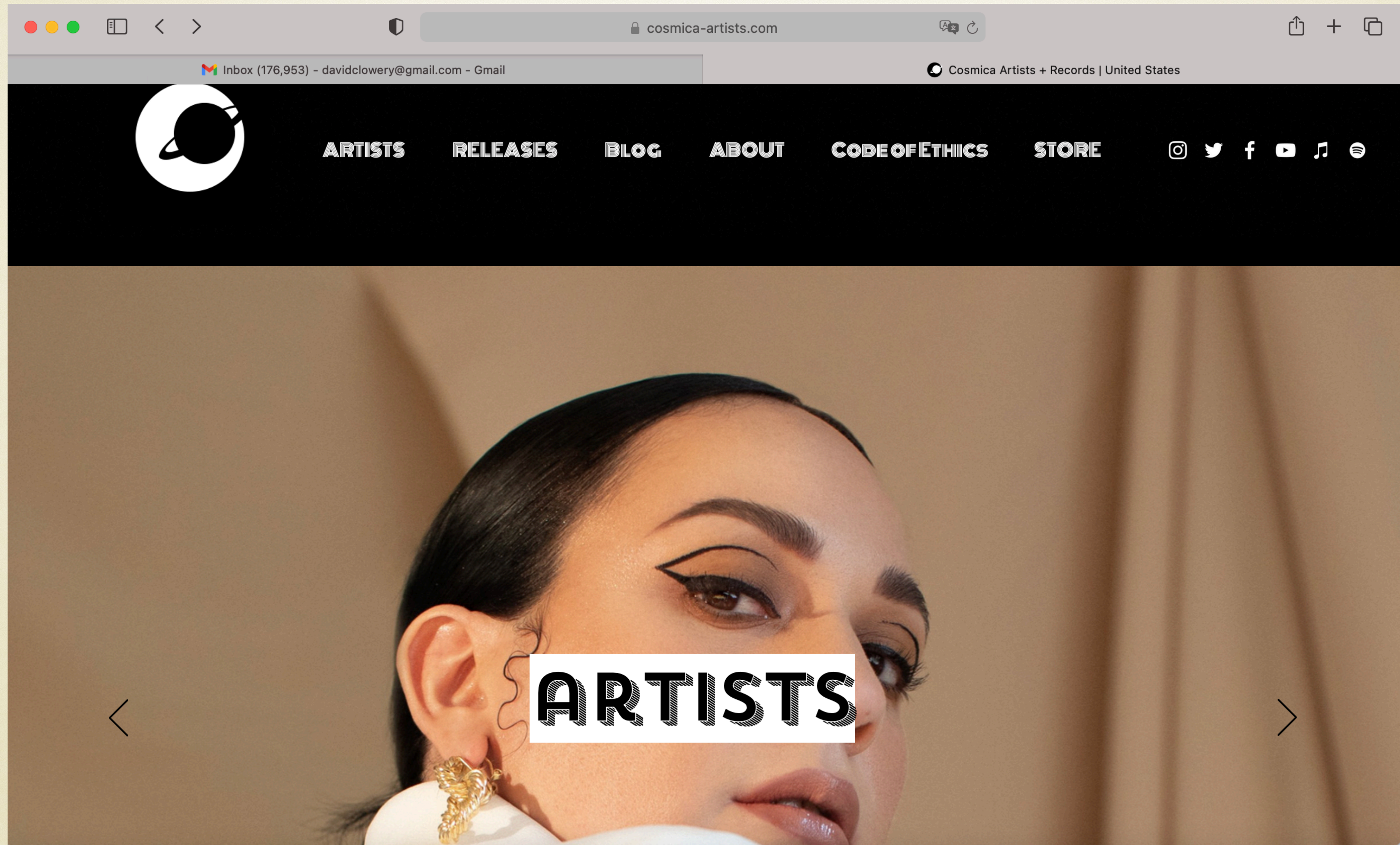
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ZELLA DAY

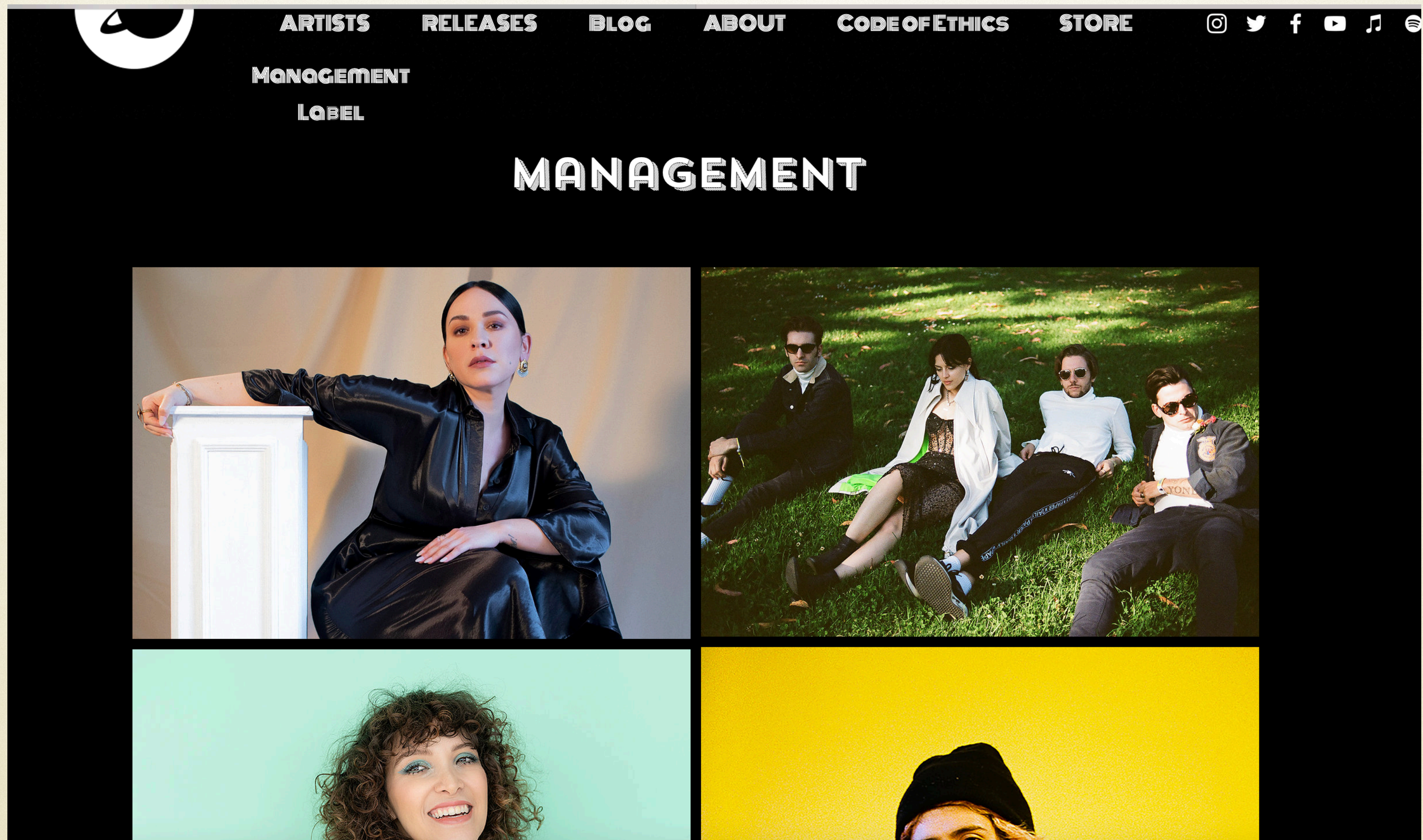
D

DAKTYL
DAVE MATTHEWS BAND
DAVID WAX MUSEUM
DEE JAY SILVER
DEEP DISH
DELILAH MONTAGU
DEVA MAHAL
DEXYS
DIERKS BENTLEY
DIRTY DOZEN BRASS BAND
DISTINKT
DJANGO DJANGO
DON FELDER
DOTCOM
DRAKE WHITE
DRIVE-BY TRUCKERS
DUKE DUMONT
DUSTIN LYNCH
DYLAN LEBLANC

New Emerging Model for Management



Cosmico Artists



Cosmico Management

cosmica-artists.com

Inbox (176,953) - davidclowery@gmail.com - Gmail

RELEASES | Cosmica Artists + Records | United States

RELEASES

Quiero verte hoy

Benjamin Waller / Vanessa Zamora

TIME

NO ME LLAMES

UISES HADIIS
GABY MORENO

despiertame cuando llegues |

cochella
(remix)

HUNTERS
OF THE ALPS

CUL DESAC

ELECTRICO

Jessica Zamora

Ansiedad

Me and My Baby

2020

TRANQUERO

CUMBIA DEL OESTE

TODO ES MENTAL

TITA

lonely girl

Kult Chair

KATZU OSC

COLOUR

AYER

Vanessa Zamora

ESTEREOMANCE

↑

Top

Cosmico Label

Independent Manager.

A lot of variation.
Small time to big time.
One artist or a dozen artists.
Solo works from home.
May have office and staff.



Bertis Downs manager of REM



“Fluffy” Camper Van Beethoven
manager
1988

Manager Duties: Everything

Manage Everything

Travel

Gigs

Money

Rehearsals

Crew

Recording

Record Deals

Band Psychiatrist

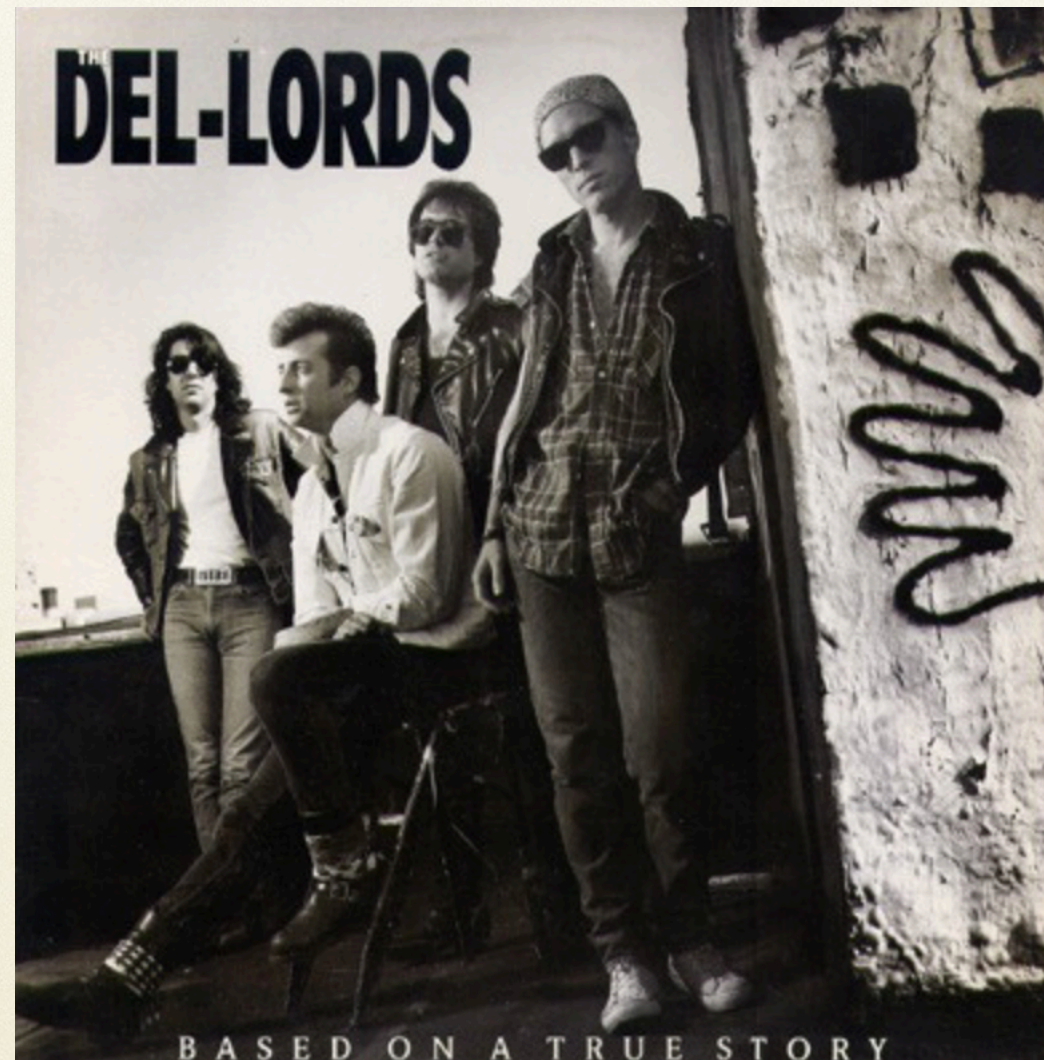
Band Nurse

Pimp

Pot Dealer

Actual management

Who did the Del-Lords
Pick as a manager and why?



HOW MUCH DO MANAGERS/ MANAGEMENT COMPANIES MAKE?

15-20% of gross live revenues
15-20% of net profit on most other things.

How much do managers/management companies make?

15-20% of gross live revenues

Examples

Band receives 1000 dollars to play a show.

management commission at 15%

\$150

Even if bands expenses were \$1100 for the show!

How much do managers/management companies make?

15-20% of net profit on most other things.

Band gets \$70,000 recording advance.

They spend \$48,000 recording.

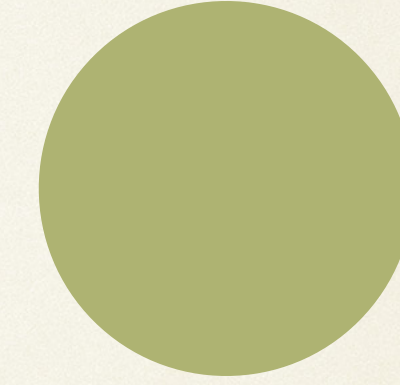
The band nets \$22,000 on the deal.

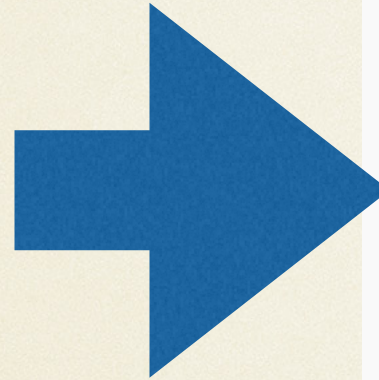
Management commission at 15%
means management gets 15% of \$22,000
or \$3300.

COMMISSION OVERVIEW

Managers typically get from 15% to 20% of your earnings, with the majority getting 15%. These percentages are generally applied to your gross earnings, before deducting any expenses. That means:

1. If you're an individual artist, the fee is pretty much what it sounds like for songwriting, publishing, records, etc. We'll discuss some of the finer points later, but basically the manager takes 15% of what you bring in. However, when it comes to touring, the 15% means much more than you might think. You'll see, when we discuss concert appearances (on page 351), that you're lucky to take home 40% to 50% of your gross income. That means a manager's 15% of gross can take a big bite out of your net. For example, if you earn \$100,000 and net \$40,000, your manager's 15% of gross (\$15,000) is almost 40% of your \$40,000 net.
2. If you're a group and you have more than five members, 15% of gross equals almost the same as, or more than, any one of you earns (assuming you're dividing equally). For example, if there are seven of you, everybody gets one-seventh; that's 14.28%, which is less than the manager's 15%. In fact, since the manager's percentage comes "off the top" before you divide up any monies, you





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only get one-seventh of the 85% left after the manager's 15%, which is 12.14%. And for touring monies, a manager's 15% of gross can be several times your individual share of net.

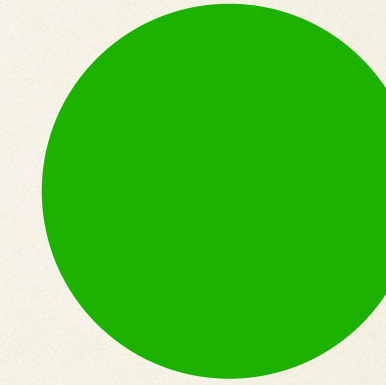
Because artists have found it, shall we say, "uncomfortable," to pay managers more than the artist makes, the classic "15% of gross" has softened over the last few years. Here's what's going down:

NEGOTIATING THE MANAGER'S DEAL

Despite the powerful personality of many managers (carefully designed to keep you in your place), it is possible to negotiate with your manager. However, just like any other negotiation, the result depends on bargaining power. If you're a major artist, bringing in \$10 million plus per year, the managers will follow you like floppy-eared puppies, delighted to take whatever treats you care to drop for them. On the other hand, if you're a brand-new band negotiating with a powerful manager, then you're the doggy.

Here are the points to discuss:

Compensation. The first and most obvious issue is the manager's percentage. You should try to limit the percentage to 15%, although some managers argue that the risk of taking on a new band is worth 20%. They say it will be years—if

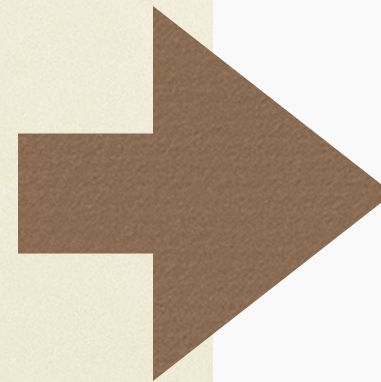
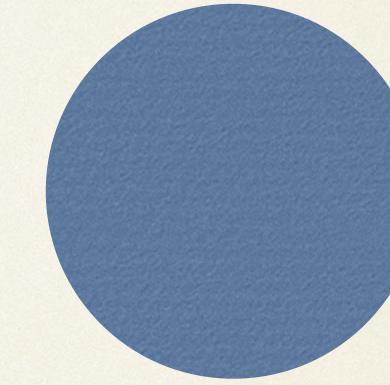


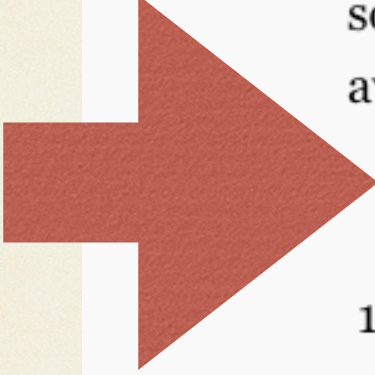
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ever—before they get paid for a lot of work (which is true). A compromise is to say the manager gets 15%, but it escalates to 20% when you earn a certain dollar amount (such as 15% of the first \$2 million and 20% of the excess). I've also seen the opposite, where the manager gets 20% up to a certain level, and then 15% after that. The theory is that the manager gets a bigger percentage when you're young and the manager can't make as much, but his or her cut drops to the 15% norm when you're successful. This seems a bit weird at first, because it looks like the manager has no incentive to make you more successful (the more success, the lower the manager's take). But it's really not true—all managers would rather have 15% of a big number than 20% of a small one.

Sometimes managers share in the net of an artist's earnings rather than the gross. This is much better for the artist—for starters, the manager won't get paid if the artist loses money, which is not the case in gross deals. In one deal I'm aware of, the manager got 20% of the net of a four-piece band, which worked out to about 8% of the gross. Another deal paid the manager on the gross for records and publishing, but on the net for touring.

When a manager has a deal on the net, they will sometimes ask for limits on the expenses. For example, artists who decide to go on the road and charter jets, throw parties in every city, put inflatable pools in their hotel suites, etc., can easily eat up the net while having a great time with their pals. Managers don't usually enjoy these parties quite as much. Thus, the agreement might be that the manager is paid on net





some try. So it's always a good idea to spell things out and avoid any misunderstandings.

Here's the list of no-no's:

1. Recording costs.

If the record company pays you monies, and you spend them on recording costs, you should not pay a commission. This is because the funds only pass through your hands (i.e., you don't keep them), and thus they aren't really "earnings."

2. Monies paid to a producer.

The reasoning is the same as with recording costs. This includes not only advances to the producer, but also royalties. (Producers are discussed on page 119.)

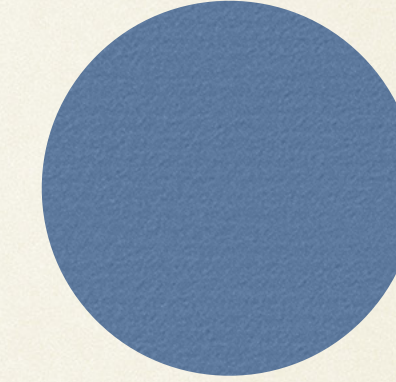
3. Co-writers.

When you write songs with somebody else, the manager shouldn't get paid on the other person's share of the song's earnings.

4. Tour support.

This is money paid by a record company to offset your losses from touring (see page 148). Commissioning tour support is a bit controversial. Some managers argue this is money you get from the record company, and, just like any other money, they should commission it. Most of the time, however, they'll agree it isn't commissionable, because it only compensates you for a loss.

5. Costs of collection.



If you have to sue someone to get paid, the cost of suing them to collect the money (“collection costs”) should be deducted before applying the manager’s percentage. For example, if a concert promoter stiffes you for \$50,000, and it costs you \$10,000 in legal fees and court costs to collect, the manager should only commission \$40,000 (the \$50,000 recovery less the \$10,000 collection costs). Another way to look at this is to say the manager bears his or her proportionate share of the collection costs.

6. Sound and lights.

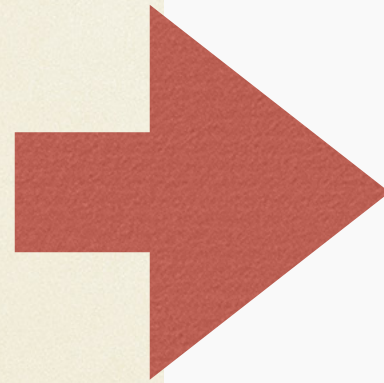
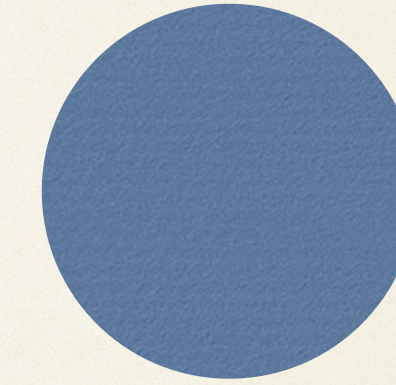
It’s common in personal appearance contracts for the artist to supply his or her own sound system and stage lighting. The promoter then “rents” the sound and lights from the artist for a specified dollar amount. Customarily, this rent money is considered an expense reimbursement (as opposed to a fee paid to the artist), and so the manager isn’t paid on the amount allocated to sound and lights. But you gotta ask for this one.

7. Opening acts.

When you get to the superstar category, your deal for a personal appearance may also include monies you pay to an opening act. Again, since this money just passes through your hands, it shouldn’t be commissionable.

Term

Historically, the term of a management agreement (meaning



Best way to become a manager?

Law Degree?

Radio/ Press background?

Tour Manager?

Failed Artist?

Work for big manager?

Just tell people you are a manager.

Just start managing your friend/brother/wife's band.

Business Managers

Not the manager

Oversees all money, investments, pensions, accounting and tax reporting
Will often protect artist from unscrupulous managers agents and record labels
charges by the hour
or charges 5% (bad deal)

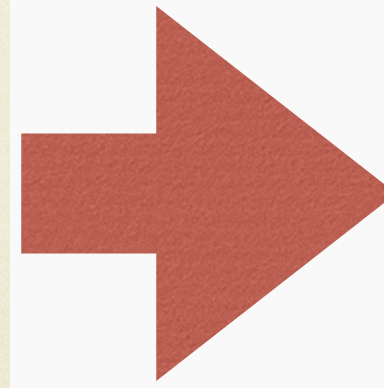
However. many famous cases of
business managers being the ones
who rip off the artist.

4

Business Managers

ROLE

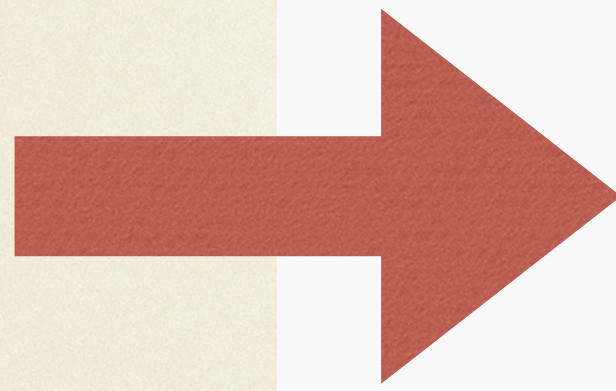
The business manager is the person on your team who handles all your money. He or she collects it, keeps track of it, pays your bills, invests it, makes sure you file your tax returns, etc.



Listen to me!!! Did you know that in California, a person needs no credentials whatsoever to be a business manager? Contrary to popular opinion, you don't have to be an accountant (much less a certified public accountant), and you don't even have to be licensed by the state. Technically, business managers who give certain kinds of investment advice need to be "registered investment advisors" (like stockbrokers, who are licensed by the federal government before they can sell securities to the public). However, very few are.

What this means is that you could be turning your money over to someone who has no more financial training than you do. And when you stop to think about it, that's pretty scary.

I know you wouldn't have gone into the music business if



numbers, you'd be in some back room with an electronic spreadsheet instead of winning your way into the hearts of millions. I also know that numbers make you nervous and may even intimidate you. On the other hand, there are parts of all of our lives that we don't like, and, while we can get other people to deal with them day to day, we have to be sure we choose good people to do it. For this reason, I urge you to *personally* spend some time investigating all of the people on your team, AND BE ESPECIALLY CAREFUL WHEN IT COMES TO BUSINESS MANAGERS. They can range anywhere from superb to slimebag, with all variations in between. And their bedside manner and office space may tell you very little of what they're really like—the bad ones can be like a shiny used car that's rusting underneath a new paint job. Financial disasters can come from someone who is an out-and-out crook, or they can come from an honest person, with the best of intentions, who is just a boob. My doctor once told me a story about an orderly he had when he was in the army. One day the orderly decided to go that extra mile and do something on his own initiative. So, with the best of intentions, he sterilized all of the thermometers by *boiling* them. SO BE EXTREMELY CAREFUL WHEN YOU PICK A BUSINESS MANAGER!

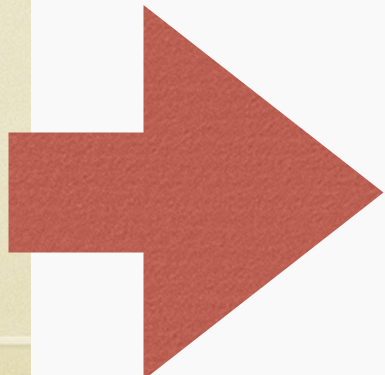
Hopefully I've now got your attention, so let's take a look at how to find the right person. Oh, and did I mention you should be careful?

HOW TO PICK A BUSINESS MANAGER

References

The other professionals on your team can be a great help in choosing a business manager. But remember, they may have their own agendas. For example, a personal manager may have a lot of control over a business manager because he or she handles some of the business manager's most important clients. This is a two-edged sword—it means you may get a lot of attention from the business manager, but it also means that, if you have a fight with your personal manager, the business manager is not necessarily on your side (if the business manager loses you, it's only one account; if they upset the personal manager, it could mean their whole career). This is particularly so when the business manager also does the personal manager's work. With reputable personal managers and reputable business managers, I have rarely found this to be a practical problem, but it's worth watching.

Family



Barring very unusual circumstances, inviting family members into your financial life is extremely dangerous. Most of them aren't qualified to do the job, and even when they are, it's

Whenever you hear that story about artists getting ripped off by the manager?

Remember it's usually the business manager.

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FEMAIL TODAY

Television icon Mary Tyler Moore dies aged 80 after 'being on a respirator for more than a week at a Connecticut hospital'

Beloved star



'A dear friend and a truly great person': Larry King leads tributes to Mary Tyler Moore after TV icon dies at 80

Comedic legend was ill for a week



Shock split! Scarlett



Alanis Morissette's former business manager admits stealing \$4.8m from her after claiming he invested it in illegal marijuana grows

Jagged Little Pill superstar's manager used 100s of transfers to steal money

Jonathan Schwartz will serve up to eight years in jail and pay back \$8.2m

Falsely claimed that the money had been used to open illegal marijuana farms

By ROSS MCDONAGH FOR DAILYMAIL.COM

PUBLISHED: 21:18 EST, 18 January 2017 | UPDATED: 08:46 EST, 19 January 2017

Share

40 shares

25

View comments

It's like stealing \$6.5million... but then having to pay back \$8.2million.

Alanis Morissette's former business manager has admitted to stealing \$4.8million

My Management Team

Manager: my wife

Tour Manager: David Basham

Band Business Management: Emily Franklin/Cathy Stemple
at KWCCPA in Virginia

Lawyer: Craig Harmon McGuire Woods. also happens to
be substitute keyboard player.

Answer ELC question

Read Chapter 6 on Agents