

What is your opinion of streaming services?

You have to be aware of how people want to consume their music. It's not productive to argue about streaming royalties versus sales. We still have a way to go, but it's comparing apples and oranges... and it's not going back to CD's.

Do you work with new artists?

New artists are the future of the business. It's very rewarding when you help an act achieve success. Sure, it's a lot of work, but you can't just work with acts that are already established. I believe you have to hedge your business around new talent.

Today, fans seem to demand more than ever.

How do you deal with that?

You have to be honest with your artists on how to satisfy the marketplace. You have to be nimble and navigate what fans and consumers want. For example, I think a new record should be released every 18 months, instead of every three to four years, as it is now.

How has the Internet affected the business?

You can't change history. The fact is, it's made it easier and harder. But, it makes no sense to get nostalgic for what used to be. In fact, the biggest mistake the music industry made was sitting around for way too long, being upset with the Internet and what it has done to business.

What is special about your management approach?

We've never been a genre specific company. We're much more like a marketing and advertising company. Because of that, we need to understand who the fans are and we use various methods to do so, such as surveys, quantitative research and simply talking with them. That information can help you establish theories that can lead to new strategies.

Have you ever gone above and beyond for your artists?

I put my reputation on the line every day. If I have to piss off an attorney or business manager, so be it. I will always do what's best for my client. •



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STEVE GORDON

Steve Gordon Law stevegordonlaw.com

Steve Gordon is an entertainment attorney with over 20 years of experience, including 10 years as Director of Business Affairs for Sony Music. He spent time at a law firm representing Atlantic and Elektra Records, and was music counsel for a Hollywood studio. His

current and recent clients include entertainment companies such as MTV, Music Choice, Time Life Films and Soul Train Holdings; record labels such as Smithsonian Folkways and Shout Factory; television services such as PBS, Maryland and Louisiana Public Broadcasting; and established as well as up-and-coming artists, producers, indie labels and managers. Gordon is also the author of two groundbreaking books: *The Future of the Music Business* and *The 11 Contracts That Every Artist, Songwriter and Producer Should Know*. As an educator, he frequently lectures on entertainment law and music business issues.

How has management changed over the years?

Management's role has expanded considerably. They're doing much more than they used to do when record companies did most of the work. Additionally, many managers are going into business with their artists and even forming record labels.

With managers becoming so involved with their artists, are there issues that should be addressed?

If a manager and artist form a record company (or any other business) together, the manager should not get management commissions if they're sharing income from the business venture. That would constitute double-dipping. It may also be a conflict of interest, depending on the way it's set up and the circumstances.

What if an artist is already generating income from a pre-existing business?

If an artist has a pre-existing business, or getting income from acting, modeling or writing, they should "carve out" exceptions in the management contract. Unless the manager is well versed in the field and is taking an active part in it, they should not be able to commission those other sources. They did not create those opportunities.

Are record deals still necessary?

The new music business is different. Before, you needed a record deal to be successful. Now, an artist can catch fire without one. It's like an alternative universe. However, with some acts—especially in the pop field—major-label support can make that act explode worldwide. Major labels have a lot of power in the marketplace and are still the big banks.

What's the biggest issue facing the industry today?

That would be streaming services. The problem is that they don't seem to be paying royalties in a fair manner. YouTube is problematic in that regard. All too often the payouts are secretive, using different algorithms, without much explanation.

What should an artist do if offered a management contract?

They should contact an experienced music attorney. Never sign a contract without counsel. It is very difficult, if not impossible, for most people to understand contract language. You need an expert to guide you through it and protect your interests. 