

EXPORT READY, EXPORT CRITICAL:

MUSIC PUBLISHING
IN CANADA



CANADIAN MUSIC
PUBLISHERS ASSOCIATION

ASSOCIATION CANADIENNE
DES ÉDITEURS DE MUSIQUE

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1 EXECUTIVE SUMMARY

This study provides a detailed description of an increasingly key area of activity for Canadian music publishers: export. Primarily based on interviews with members of the Canadian Music Publishers Association (CMPA) and l'Association des professionnels de l'édition musicale (APEM) and their international counterparts, we break down what the booming international trade in musical works (“songs”) looks like, learning that it is both distinct from the export activities of other parts of the music industry ecosystem, and consistent with a global context in which the role of music publishers has evolved in recent years, in an ever-more-competitive field.

A professional music publisher is the “first business partner” of songwriters, lyricists and composers (collectively “songwriters”). They come to represent songs and writers through contracts with writers, and by purchasing existing catalogues of musical works. Their principal activities as managers of songs and representatives of songwriters are:

- **Administration:** ensuring payment for use of a song;
- **Songwriter development:** helping writers hone their craft and manage their careers; and
- **Business development:** maximizing income for songwriters and publishers.

In a market the size of Canada, there is simply not enough volume – of writers, catalogues, deals, or copyright royalties – for a music publisher to thrive by focusing these activities on the domestic market alone. Regardless, international trade simply makes sense in a world that is flat on a digital level.

To establish an international presence, publishers employ a mix of **travel, satellite offices or consultants, and sub-publishing arrangements**, whereby one publisher represents another for certain territories, sometimes on a reciprocal basis. Those tools garner them the all-important **market intelligence and relationships** that allow them to compete successfully in foreign markets to find and acquire new talent, catalogues and sub-publishing deals, and to **land opportunities for songs** to be co-written with international writers, recorded, performed, synchronized (synced) in audio-visual works (films, TV, commercials, trailers, videogames, webisodes) and added to radio or online playlists.

Songwriter development – which includes advances, equipment, strategic writing and co-writing activities, and help with career management – as part of an export strategy means sending writers to other territories to take advantage of publishers’



market intelligence and relationships, and to build their own reputations. Co-writing with international collaborators, whether at home or abroad, is a vital element of export everywhere, both for its creative boost and because a co-writer's publisher is equally – or even potentially more – motivated to pitch the result through their own international network. For writers who are performing artists as well, touring in foreign markets can have knock-on effects in radio, sync and performance income.

The roles publishers play have been expanding in recent years, as they look to fill whatever gap they can for clients, especially in the **A&R** or development stage, if it could pay off in increased publishing activity in a market. They might produce an album, find a foreign label partner to release an album, or finance an international tour or promotional activities. Publishers are beginning to acquire **additional copyrights** as well, such as master recording rights, making it easier for licensees anywhere to work with them.

In terms of **priority markets for export**, the United States looms large due to market size, proximity, language and cultural affinities. Los Angeles is the global hub for pop and urban music, and for film & television sync placements, and publishers universally agree they have to be there regularly to succeed. Other desirable markets are those – like Europe and Australia – with healthy copyright frameworks, where royalties are high in proportion to market size, and with sound collective management organizations so usage can be reliably tracked and royalties collected. China, India and Africa are important **emerging markets**, where problems with copyright protection are the main obstacle. Asian countries are of interest but challenging because of language and strong domestic markets.

The fundamental elements of publishing success anywhere in the world are having the right songs and the right relationships, with each of these elements feeding the other. Both require extensive investment that is often risky and, although necessary, can be hard to link directly to long-term outcomes.

- **Songs:** Whether acquired as part of a valuable catalogue (which might sell at 10-15x multiples) or by signing or developing a hot writer, the right songs open doors internationally and generate regular income that allows publishers to re-invest in repertoire and exporting it. International competition for good writers and catalogues of hit songs is fierce.
- **Relationships:** This cornerstone of publishing success requires publishers to invest in extensive travel and presence on the ground internationally, for trade missions, co-writing activities, nurturing sub-publisher relationships, participating in awards shows and conferences like MIDEM for key B2B networking, or hosting potential licensees at showcases or concerts.



All publishers reported they would invest more in these areas if they had the financial wherewithal. Many smaller publishers in particular – in Canada and internationally – are unable to access sufficient **capital for catalogue acquisitions, for the quality staffing and technological infrastructure that increase a publisher’s international reach and revenue, or for advances** to attract and retain writers, all of which would grow and sustain their businesses, allowing them to better compete on the global stage.

The challenges and opportunities facing music publishers are common the world over, as the industry has become global in nature. Canadian publishers of all sizes are in many respects fortunate to have the legal and commercial infrastructures they do, but attention must be paid to strengthening these frameworks in order to protect our publishers’ ability to grow and sustain their companies. There is an opportunity to extend **professional skills development** in a more formal way to empower publishers to maximize both the likelihood and impact of financing. Perhaps most importantly, as the basic currency for music publishers and songwriters, publishers told us **copyright protection for musical works needs to be robust** both at home and in foreign markets so they and their songwriter partners can continue providing the world with the songs we all love.



2 INTRODUCTION AND METHODOLOGICAL NOTES

2.1 Mandate

Export has become a major driver of growth for Canada’s music publishing industry. Among the members of the Canadian Music Publishers Association (CMPA) and L’Association des professionnels de l’édition musicale (APEM), who generate the substantial majority of the revenues of active Canadian music publishers, more than two-thirds of revenues in 2015 and 2016 came from foreign sources.¹ A 2005 study had pegged that level at less than one-third,² meaning this is a complete reversal of business activity, and one with a bottom line impact: the CMPA/APEM members in that 2005 study reported revenues of \$87.6 million, while ten years later revenues reached \$200 million. Statistics Canada surveys, which include all music publishing companies, found total industry revenues were \$118.6 million in 2005 and \$282 million in 2015.³

This study explores the specifics of this new international trade reality and of promising avenues to continued export growth. Through a series of interviews with Canadian music publishers, we aimed to develop a detailed description of this increasingly key area of publisher activity, looking at what publishers do now, what they wish they could do, and whether there is a dominant approach, or a wide variety. Conversations with foreign counterparts – publishers and trade organizations – helped us put the Canadian experience in a global context.

With a better understanding of their members’ needs and opportunities, CMPA and APEM can most appropriately target their industry development activities to help music publishers compete on a global scale.

These objectives are consistent with Ontario’s Culture Strategy: goal #3 is to “fuel the creative economy”, including growing “the economic and cultural impact of our creative sector internationally.” The federal government, too, recognizes the value of supporting Canada’s creative industries to reach international audiences:

¹ See Appendix A: Circum Network Inc., *Profile of Members of the Canadian Music Publishers Association and of the Association des professionnels de l’édition musicale, 2017: Statistical Report*, July 31, 2017.

² Paul Audley & Associates Ltd. and Circum Network Inc., *A Statistical Profile of the Canadian Music Publishing Industry*, December 13, 2005, page 23.

³ See CANSIM Table 361-0005 and CANSIM Table 361-0034.



- Mélanie Joly, Minister of Canadian Heritage (PCH) announced on September 28, 2017 that the Creative Canada Strategy would include an investment of \$125 million in Canada's first Creative Export Strategy, including a new Creative Export Fund.⁴
- Minister Joly is quoted in an April 7, 2017 press release about the government's goals for Canada's creative industries on the world stage: "The Government of Canada understands the importance of giving Canadian creators and artists every chance to seize opportunities provided by international markets and audiences, and we are proud to showcase Canada's art and cultural industries to the world. These investments will benefit Canadian creative exporters by increasing their competitive position on the international stage, ensuring their sustainability and contributing directly to Canada's overall economic and social prosperity."⁵
- During Question Period in the House of Commons following the Creative Canada announcements, Prime Minister Justin Trudeau commented: "Canadians have world-class content creators and creative industries. We know that investing in them, and supporting our creators is the best way to ensure not just that Canadians hear our stories but the people around the world hear the stories that Canadians have to tell."⁶
- Innovation, Science and Economic Development Canada (ISED), which shares responsibility for copyright with PCH, has a mandate to "help make Canadian industry more productive and competitive in the global economy, thus improving the economic and social well-being of Canadians."⁷

2.2 Methodology

It was decided at the outset that interviews would be the most appropriate tool to learn about the experience of Canadian music publishers with respect to their international trade, so with the assistance of CMPA and APEM, a list of publishers was identified that would reflect as much as possible the range of publisher export experiences. We were ultimately successful in concluding interviews with 12 CMPA and APEM member publishers. The executive directors of the two associations were also interviewed.

With further input from CMPA and APEM, we reached out to several international music publishers and trade associations, in the end conducting interviews with 12

⁴ <https://www.canada.ca/en/canadian-heritage/campaigns/creative-canada.html>

⁵ <http://www.newswire.ca/news-releases/promoting-canadas-creative-industries-on-the-world-stage-and-seizing-the-potential-of-new-international-markets-618687293.html>

⁶ <http://www.ourcommons.ca/DocumentViewer/en/42-1/house/sitting-208/hansard#Int-9676950>

⁷ https://www.ic.gc.ca/eic/site/icgc.nsf/eng/h_00018.html



contacts in Australia, Belgium, France, Germany, the Netherlands, the United Kingdom, Sweden and the USA, and including the heads of two international publisher associations: the Independent Music Publishers Forum (IMPF) and the International Confederation of Music Publishers (ICMP).

A complete list of interviews is included as Appendix B to this report. Appendix C provides copies of the interview guides used for the study, which were developed in consultation with both CMPA and APEM.

Secondary research sources are identified wherever they are cited in this report.



The balance of this report is organized as follows:

- Section 3 of the report provides a brief overview of how the music publishing industry works.
- Section 4 breaks down what publishers do to generate revenues from the foreign markets they target for export.
- In Section 5, publishers' comments on what fuels – or could fuel – the growth of this part of their business are explored.
- Our findings on experiences elsewhere in the world are reported in Section 6.
- Conclusions are presented in Section 7.



3 MUSIC PUBLISHING 101

3.1 What Do Music Publishers Do?

On CMPA and APEM’s websites, there is a short animated video that describes a professional music publisher as the “first business partner” of songwriters, lyricists and composers (collectively “songwriters”).⁸ The video goes on to identify the many activities that publishers undertake in order to develop, promote and invest in songwriters and songs, and to ensure that all money owed for uses of those songs is paid. It also acknowledges that publishers have a “structural role”, contributing their artistic sense to the crafting and use of songs, generating economic benefits, and representing writers and songs internationally. Following is a more detailed outline of the main activities professional music publishers undertake and invest in.

ADMINISTRATION

Songs are protected by copyright, which means the songwriter must authorize any third party who wishes to reproduce a song, perform it or communicate it to the public, to publish it in printed form, or to translate or adapt it. A music publisher represents the songwriter in negotiating the terms of these uses with third parties and ensures payment is made. In many cases, the terms of use and royalties are set by industry-wide tariffs, and payment flows through the copyright collectives that fight for and administer tariffs on behalf of writer and publisher members.

SONGWRITER DEVELOPMENT

Creative: Publishers set up co-writing sessions with other songwriters, send writers to song camps, retreats or workshops, facilitate training,

“A publisher is like a manager of songs.”

—Diane Pinet, Bloc-Notes Music Publishing Inc.

“Music publishing is about how to breathe new life into existing songs, how to create songs that work in other markets.”

—Jennifer Mitchell, Casablanca Media Publishing and Red Brick Songs

“As a composer, you’re limited if you also need to look for your own work. When you finish a gig, you might not have anything else lined up – you just have to wait for the next train!”

—Paul-Étienne Côté, Circonflex

⁸ <http://www.musicpublisher.ca/music-publishing-animated-video/>



find custom music gigs, and even participate themselves in the artistic process.

Career: To start with, a music publisher may be the first person to scout a potentially talented songwriter and help them initiate a career. Where a songwriter is also a performing artist, their publisher may help them produce an album, find or work with a manager or record label, and support promotional activities, showcases and touring. In some cases, singer-songwriters come to compose as well for film and television or for other artists with their publisher's support. Publishers may pay advances to songwriters that enable them to focus on song writing now in anticipation of future income. Publishers can also be an important source of information on legal and commercial aspects of a writer's career.

BUSINESS DEVELOPMENT

Using their expertise, contacts, and charm, publishers seek opportunities to get songs recorded, performed, synchronized (synced) in audio-visual works (films, TV, commercials, trailers, video games, webisodes) and included in radio or online playlists. Each publisher works at persuading the artists and labels who record music, the music supervisors and ad agencies who select music to combine with visual media, and the programmers who set playlists, to use their writers or songs. The more a song is used, the greater the income it generates for writers and publishers, who share that income according to the terms of their contract.

The Canadian music publishing companies interviewed in this study made clear that they employ a different mix of these activities to serve the writers with whom they partner and the catalogues of songs they represent, depending on the nature of the writer, the song, the use, the publishing company, and of course, the territory.

Two-thirds of CMPA and APEM members are primarily music publishing companies, and such companies account for 99% of music publishing revenues in the industry. Many of these companies are secondarily record labels, producers of master recordings, or management companies.⁹ As with the range of publishing activities described above, these other activities may be a different part of the mix for any given writer, or not, depending in good measure on whether they are also a performing artist.

Publishers are involved more often than in the past in an Artist & Repertoire (A&R) role, taking on the very early expenses of finding and developing new writer/artists.

⁹ Appendix A



Respondents to CMPA's 2017 member survey reported that they spent \$16.1 million in the prior year on the development of songwriters. For most of them that amount represented an increase compared to five years prior.

Our interviews revealed that publishers are increasingly expanding their activities beyond the traditional publisher role, largely as a way to support those very publishing activities. A&R increasingly includes cutting fully mastered recordings, touring, videos, promotion and marketing (generating 'buzz'), and shopping for distribution deals and management, much of which would otherwise have been done by a record label.

3.2 Monetizing Musical Works

Songs generate revenue through copyright, which is a series of rights for creators of intellectual property, like music, to control and profit from the use of their work. Canada's *Copyright Act* sets out two main categories of rights in musical works that publishers monetize: the rights to reproduce them, and to perform them, including any translation of a work.¹⁰ Reproduction includes what are known as mechanical rights – the right to make physical or digital copies of a song, and synchronization (sync) rights – the right to incorporate a song into an audio-visual production, as well the production of sheet music. Performing rights are the rights to perform a work in public, including live performances and communication to the public by telecommunication.

Music publishers come to represent songs and writers through two principal means: acquiring ownership or control of copyright in musical works through contracts with individual writers, and acquisition of copyright in existing catalogues of musical works.

The three most common types of music publishing contracts were described in the above-referenced 2005 CMPA/APEM study and are still the standard agreements.¹¹

Standard Agreement – writer-to-publisher deal

- Writer and publisher share 50/50 in all royalties earned, or according to a different split where writer shares in the publisher's half of royalties (often referred to as a 'co-publishing' agreement, and may also include an administration fee for publisher)

¹⁰ The Act also provides moral rights for musical works, entitling writers to protect the integrity of their work by prohibiting modifications or morally offensive uses, and to be appropriately credited as the author.

¹¹ Paul Audley & Associates Ltd. and Circum Network Inc., *A Statistical Profile of the Canadian Music Publishing Industry*, December 13, 2005, page 5.



WHO WRITES THE SONGS?

Most people assume that the song they are listening to was written by the person performing it. With the help of SOCAN (Society of Composers, Authors and Music Publishers of Canada - the organization responsible for collecting and distributing performance rights royalties to songwriters, composers and publishers) we have been able to shine a light on the widespread practice of collaborative song writing.

Using their extensive database, SOCAN analyzed BDSradio Canada's Top 20 All Format chart for a randomly selected week in spring of 2017. The results:

- All 20 songs had non-performing songwriters – 56 of them! In other words, not one of the Top 20 was written solely by the performing artist.
- In total, 90 writers were credited for the 20 songs, 17 of whom were Canadian (5 of the 20 songs were performed by Canadians).

More recently, Music Reports, a technology company involved in the administration of copyright transactions, analyzed the American Billboard Top 10 songs for each of the past six decades using their Songdex catalogue registry. They found that the average number of writers on hit songs has increased from 1.87 writers in the 1960s to 4.07 in the 2010s.¹²

SOCAN's data also show that not all of those songwriters are performers – far from it. Here's what SOCAN found when they looked at their top-earning¹³ songwriter members:

- 35% are non-performing songwriters and lyricists;
- 50% are audiovisual composers, writing score and background music for TV and film; and
- Combining non-performing songwriters and audiovisual composers, fully 68% of their top-earning writer members are non-performers.

¹² <https://www.musicreports.com/musicreports/pages/press.php>

¹³ SOCAN compiled a list of the top two-thirds of all earning writer members (excluding publisher members) by current earnings from May 2016 through February 2017 and manually categorized them as a) performing song writers, b) non-performing song writers, or c) audiovisual composers.



- Exclusive (all works produced in a specified period) or non-exclusive (covering only specified compositions – even for a single song)
- Typically for the term of copyright

Administration Agreement – business-to-business deal

- An administrator (could be a publisher, lawyer or artist manager) contracts to collect royalties on behalf of an original publisher (commonly a writer's own publishing entity or one set up by an audiovisual production company) in return for an administration fee, usually a percentage of income, with no advance
- Typically limited duration (2-3 years), no transfer or sharing of copyright ownership
- A more limited publisher role than in Standard or Co-publishing arrangements – creative role usually limited to sync

Sub-publishing Agreement – publisher-to-publisher deal

- A publisher assigns publishing rights in its musical works to different, local publisher – the 'sub-publisher' in a specific territory or territories, in return for an advance and a percentage of income earned in the territory/ies
- For a set term, commonly 3 years

The type of agreement an artist enters into with a publisher will depend primarily on the range of activities they wish the publisher to be involved in, which in turn affects the level of investment that publisher makes in the writer. All of the activities outlined above are expensive, and there is no guarantee of return.

The other way publishers come to manage songs is by acquiring catalogues of musical works from other publishers or investors. Such catalogues are expensive, so this is not an option for all publishing companies, and those who do engage in acquisitions commonly do so with the help of an outside investor - private equity firms, venture capital funds, pension funds – who then take a share of the income generated by the exploitation of the catalogues. In recent years, some very well-financed publishing companies have built successful businesses through extensive acquisitions. London-based Kobalt Music, which claims to manage \$3.5 billion in assets connected to 8,000 writers, has over US\$100 million in outside equity.¹⁴ Canada's own **ole** has concluded over US\$540 million in acquisitions and controls a catalogue of over 55,000 songs and 60,000 hours of TV/film music, backed by private capital including early investment from the Ontario Teachers' Pension Plan,

¹⁴ <http://www.fyimusicnews.ca/articles/2017/01/05/savvy-investors-lured-song-catalogue-rois>



and they recently secured a US\$500 million credit facility from 12 US and Canadian banks.¹⁵

Quality publishing catalogues have been proven to generate stable cash flow, which is what makes them such valuable investments. Publishing catalogues tend to be a safer investment than, for example, producing albums, because so much of a recording's value depends on sales in the first six months or year, whereas the underlying song can produce good returns for much longer, upwards of 20 years. Publishers can use their share of that income to reinvest in the creative and career development of their roster of writers, and to sign new writers.

The price or value of a catalogue is typically a multiple of the average Net Publisher's Share (NPS) of royalties (that is, excluding the writers' share) over a given period. Several publishers we spoke with advised that publishing catalogues are valued in the range of 10x-15x NPS lately. *FYI Music News* reported earlier this year that multiples for established classic catalogues are indeed 10x-15x while newer and lesser-known ones are valued between 5x and 10x NPS.¹⁶

Publishers are also starting to add other rights to their acquisitions, such as neighbouring rights, an important set of performer rights internationally.¹⁷ Just as producing masters can improve a publisher's licensing prospects and grow revenue, so can the acquisition of catalogues of performer rights.

“Our catalogue is a mix of songs that have already been exploited and commercially released, plus an underlying base of songs not yet exploited – from both still-active and legacy songwriters who might no longer be on the roster – plus a massive film and TV catalogue from a great composer base, like Hans Zimmer and John Williams.”

—Chris Giansante, *ole*

“You are looking for catalogues with big hits to market so the revenue is stable. The four or five percent of the catalogue that is well-known songs will generate 90% of the revenue.”

—Daniel Lafrance, Editorial Avenue

¹⁵ <http://www.majorlyindie.com/about.php>

¹⁶ <http://www.fyimusicnews.ca/articles/2017/01/05/savvy-investors-lured-song-catalogue-rois>

¹⁷ <https://www.musicbusinessworldwide.com/kobalt-buys-fintage-house-expand-neighbouring-rights-empire/>



3.3 Why Do Publishers Export?

The collection of publishers who participated in this project reflect the range of Canadian publishing companies in terms of size, structure, and approach to music publishing. Like the industry overall, they are medium, small or micro-sized businesses.¹⁸ Most of them are helmed by their founders, some of whom are themselves songwriters. Some have been in business over 20 years, others are just starting out. Some are extensively involved in sub-publishing, others not at all. Some are specialized in a certain genre, others run the gamut. Three have label parent companies, and one is the Canadian office of a multinational publisher.

But they all export.

For music publishers, the term ‘export’ is not perhaps a good fit to describe how they generate revenue from foreign markets. ‘Export’ conjures images of warehouses, bubble wrap, transport trucks and containers being loaded onto cargo ships bound for faraway places. Music publishing rights, and increasingly recorded music, are not tangible goods. They are, however, part of a booming international trade.

Certainly international trade is an expensive pursuit. The investments music publishers make at home to grow their businesses are already high in terms of both dollars and risk. Layer on top of that just the hard costs associated with travel and accommodations alone, and the same activities conducted abroad become even more challenging. By all accounts, repeated trips are required to establish the relationships that will eventually pay off in a cut or a placement, sometimes years after an initial contact with a potential licensee. So why do music publishers export?

One answer is that it is risky *not* to do it. It has become a truism to say that it is risky for a business to generate all of its money from one market or territory. In a market the size of Canada, music publishers have learned that growth comes from export.

“If our only sources of revenue were Canadian album sales, streams, and downloads, only the Tragically Hip and Sara McLachlan would survive. Our market is too small to financially support most of the artists in our catalogue. For our writers, there are currently not enough domestic projects to support a living wage. We don’t produce or sell enough records in Canada for it to be viable. We have to think and act globally.”

—Neville Quinlan,
peermusic Canada

¹⁸ Appendix A



In a small market, competition is intense for the opportunities that do arise. One comment I heard repeatedly in interviews is that, in the pop music market, there are five writers or five producers who get “all the work”. One Ontario-based publisher who has worked in the industry almost thirty years has only ever had one cut in Quebec, others have had similar experiences out-of-province – regional markets can be fairly closed unless one knows the right people. If size and success help you to compete at home, international opportunities are one way to attain that competitive edge.

The low volumes of a small market also compound the problem that fees per use of a musical work in Canada are in some cases low compared with international territories. Performing rights and sync rights are both commonly higher in other markets. At the time of our interview, one publisher was finalizing a sync placement in Turkey that would reportedly be 15 times more valuable than anything comparable in Canada.

Even setting aside the specifics of the Canadian market, though, international trade simply makes sense in a world that is flat on a digital level. One hit song in a foreign market, one television commercial in Australia, or one placement in a movie that is played all around the world, can make up two-thirds of a royalty statement. Why would music publishers *not* export?



4 HOW DO MUSIC PUBLISHERS EXPORT?

All of the categories of music publishing activity described in Section 3.1 above are also part of the export mix: management of songs, creative development, career development, and maximizing income. And as with domestic business, the particular mix of activities is driven by the same variables: writer, song, use, publishing company and territory. After a brief overview of which countries or regions publishers identified as priority markets, this Section of the report describes in more detail what their activities look like in those territories, and in so doing reveals the variables driving publishers' choices.

4.1 Priority Markets

In the course of our interviews, publishers identified which countries were priority markets for them – places where they succeed most in generating revenue – and why. Many acknowledged that Canada itself was a priority market, but the focus of this study is the rest of the world. Not surprisingly, publishers made clear that different markets were important for different reasons, and not always for obvious reasons.

Most commonly cited as priority markets were the United States, Australia, and Europe, including Denmark, France, Germany, the Netherlands, Sweden and the United Kingdom. Asian countries were by and large considered more challenging, though Vincent Degiorgio's CYMBA Music Publishing specializes in that part of the world. Countries that were identified as 'emerging' or 'development' markets included: Brazil/South America, China, Poland/Eastern Europe, India and North Africa.

It is no surprise that the United States is a primary export market for Canadian music publishers. The US is linked to Canada through geography, language, culture and massive bilateral trade, and has a population ten

“Three things:

- 1. Sync - we have staff who receive briefs and send 5-10 songs that fit the bill, all day, every day;**
- 2. Very effective collections and administration;**
- 3. Composers write to briefs for custom work – like scoring TV shows and film trailers.”**

—Patrick Curley, Third Side Music

“There is no holy grail. It's trying to find the right thing and put the pieces together – sync is one piece of the puzzle, that's all it is. It can't be the puzzle, it's only a piece of it.”

—Jodie Ferneyhough, CCS Rights Management



times our own. But in interviews, publishers revealed a more nuanced view of what does and doesn't work there, and why.

As the biggest production market, Los Angeles is the undisputed centre of the universe for sync placements in film, television and trailers. It is also the epicentre of pop music but, even more so than within Canada, publishers bemoaned the closed circle of writers that are tapped to write for pop stars. For both sync and pop songs, to succeed in LA means a publisher and/or writer being there frequently, staying for long stretches, or even opening an office there, to cultivate the relationships that will eventually get your writer or repertoire a foot in the door.

Nashville has long been known as the top locale for writing country music. It has more recently become a hot destination for song writing in a much broader range of genres.

Publishers are less enamoured of the US when it comes to radio. Because it is such a data/research driven market, you have to spend a lot on promotion to break an artist or hit song. It is also not a great territory for live performance royalties – only the very highest-grossing tours or acts generate decent royalties, as compared, for example, with Europe.

Both mechanical and performance royalties are healthier in Europe than in North America, and even medium-profile North American artists can do very well there. There is a bigger market for production libraries than in Canada and they typically include a combination of real artists ready to sync, and pre-existing library tracks composed for screen.

France is a large revenue generator, but they are very particular about what works. Linguistic and cultural affinities help. Television commercials and international films are especially desirable. Québec publishers often look to French labels for releases.

Germany is another big revenue generator, in large part because it's a large market. It can be tougher to enter than other parts of Europe, but Germans are also influenced by Canada and the US musically (R&B, rock) and interested in tapping into the North American market themselves, so they like to collaborate and will write in English. Radio stations provide more opportunity than in the US – individual programmers have the scope to select what goes into heavy rotation, and some stations are public so they are less driven by a need to please advertisers. The royalties are good there if you break, and long term success is possible because fans tend to be faithful.



The Netherlands is similarly open to breaking artists and songs. Says Mark Jowett of Nettwerk: **“They don’t necessarily need to see a massive history of success to take a chance on a great song.”**

Like France and the US, the UK has the advantages of shared language, history and culture. It is also a big revenue generator, with relatively high performing rights, even though works are made available through a blanket licence (without individually negotiated authorization or compensation). Sync placements are desirable because the ‘back end’ performance royalties are decent. It also has a sizable market for custom or bespoke music. Although slightly less than in other parts of Europe, radio play is still more open and less political than in North America.

Australia has many similarities to Canada as well, including of course language. It is also a small market but can generate decent fees on television shows and commercials.

Among Asian markets, Japan was identified as a great one, especially for mechanical royalties, but one that is difficult to break into without a local partner – otherwise the market is so unique that your likelihood of failure is high. For two decades, Nettwerk never had a sub-publisher, taking care of its own needs internationally... except in Japan. Writing there is all about local ‘J-pop’ acts. Typically a Japanese writer will translate your lyrics or co-write, and a local group will cut your track.

Emerging markets are those where the infrastructure and/or copyright framework are not evolved enough to generate much opportunity at present, but where things are developing in the right direction and, as Jennifer Mitchell put it, you want to “get on top of it” for future potential.

North Africa can be a source of interesting co-writes even now, but with a mobile-heavy market, it is a difficult territory for collecting. Jérôme Payette, the executive director of APEM, explains that Africa is the next major market for French-language music, but it needs better copyright laws, collectives and enforcement.

Brazil, China and India still have challenges with copyright law but they are all expected to progress substantially – with massive populations and music consumption, it is essential to “take notice” of these markets. The International Confederation of Music Publishers (ICMP) recently shared with Canada’s Department of Trade some issues in the current copyright framework in China that are still cause for concern among music publishers: collective management organizations lack transparency; compulsory licensing prevents rights-holders from entering into freely negotiated agreements with third parties; there is insufficient enforcement against



internet piracy; performing rights licences are difficult to enforce; and sheet music is subject to unauthorized reproduction and piracy.

In fact, many CMPA and APEM members extend their reach well beyond these 'priority' markets. Through their networks of partners, publishers are exporting to Central America, Israel, Korea, Mexico, Russia, South Africa, Taiwan... everywhere.

4.2 On the Ground

Among music publishing activities, there are a few that are central to export, and support multiple activities. These relate to how a publisher will be present in a market. While it is increasingly possible to conduct international business – including song-writing – by email and video-calls, an important theme that emerged from the interviews was the irreplaceability of face-to-face contact to cultivate the cornerstone of the music publishing business: relationships.

“Music publishing is a relationship business – it’s about the people.”

—Jennifer Mitchell

Another export success factor that is garnered 'on the ground' abroad is market intelligence (intel). A good music publisher first learns and then leverages this intel to brief writers on how to compose for specific territories, and to tailor their own approach to pitching songs for any use in a given market.

The principal ways publishers maintain a presence on the ground in foreign markets are through sub-publishers, international offices and, of course, travel, travel and more travel.

“The difference between Berlin and Hamburg is immense. Music can or can’t work in those two cities.”

—Jodie Ferneyhough

“You can’t pitch a purely Western-written song to Japan because most of the songs in Japan are written for artists who will be performing on television. So every 16 bars they’re changing the camera shot, so you’ve got to have something exciting happening in the song.”

—Vincent Degiorgio

SUB-PUBLISHERS

For many small music publishing companies, there are simply not enough staff or hours in the day to be sufficiently present in other countries to effectively administer their catalogues, let alone develop new business there. The most common way this challenge is addressed is through sub-publishers – in effect extending your team by



partnering with another publishing company in a foreign territory, in exchange for a percentage of income generated in that territory. Ideally a sub-publisher will understand and take care of a publisher's catalogue like they would themselves in that territory.

Canadian companies may choose a different sub-publisher for each country – concluding anywhere from one or two to upwards of 40 separate agreements in some cases. Others opt for worldwide or multi-country representation through a single sub-publisher, such as a major or multinational publishing company or even another indie that in turn has its own extensive sub-publishing network. Finding and managing relationships with multiple sub-publishers can itself be a lot of work for a small organization, but depending on a publisher's needs and depending on the market, it can pay off.

Language, time zones and culture might all make it difficult to manage a foreign market oneself. For example, without a partner, it is apparently notoriously difficult to do business in Italy or Germany. Corruption is an issue in some markets as well, making it more difficult to do business without a local sub-publishing partner. Good policing of the use of your catalogue is an important element of administration there.

“We want them in there and fighting for it, policing it and making sure that it's being used legally. We have the theme song from the kids' animated TV show *PAW Patrol*. It's a big property. That theme song gets used everywhere. We need to make sure that it's not being illegally licensed to products. I need my sub-publishers very much watching what's out there. You never know what's going on in some territories. We licensed a commercial for *PAW Patrol* milk in Spain, but I'm not watching Spanish TV. Someone is not calling me and saying 'Hey, I saw your *PAW Patrol* on a milk commercial, did you license that?'”

—Jodie Ferneyhough

The choice of a particular sub-publisher within a market will be driven in large part by the nature of the Canadian publisher and the needs of their roster and catalogue. Which activity or activities do they most want help with – management, songwriter development, or business development? And which local publishing company can best fit the bill?

Good administration is a minimum requirement for any sub-publisher, and if a publisher's catalogue is strong, solid administration may be the top priority in a partner – someone to do a good job of registering their copyright accurately in a



foreign territory, knowing what tariffs or licensing arrangements are in place, what organizations to sign up with, and collecting and remitting in a timely and accurate manner.

If writers are a company's strength, that publisher will seek the right partner creatively. Such companies want a sub-publisher who will find, create, or collaborate on opportunities for their roster to co-write with other writers or write for local artists. An important aspect of songs co-written with writers from other publishing companies, whether they are written in Canada or in another country, is that there are instantly multiple publishers with a direct interest in generating revenues by getting the new song cut and placed in other territories. Commitment to maximizing income is essential in addition to either good administration or a creative partnership. They need to show up at shows with music supervisors, find opportunities for existing songs, know the artists well and stay informed on them, and get out there and pitch.

Sub-publishers are invaluable as a source of creative market intel, which can inform new writing projects or how or where a song is pitched, and can save publishers money by preventing failures.

That local knowledge could include a useful network in the wider music industry. A Canadian publisher might have multiple works recorded on an album that has not been released in a foreign territory. With that as a direct incentive, publishers are able to tap into their foreign sub-publisher's connections to push an album with local labels. Once an album is released, airplay, tours (perhaps booked by a local agent your sub-publisher knows) and more can follow, generating export revenue for everyone involved with those tracks and artists.

Particularly for those publishers looking for creative partners in a sub-publishing arrangement, or for smaller publishers, a very active, collaborative relationship between the two companies is important.

Some sub-publishing partnerships are in fact reciprocal, with the Canadian partner in

“We are in constant communication with our partners. We are very, very people driven. We have people in those places that listen to the music we send them, and they have relationships with us whereby they know that we are flexible, and clear music very easily. If we get a request from them, we are immediately on the phone to our partners. My #1 rule as a business owner is: if you don't reciprocate, you're not for us. My expectation is 'Let's create money as a unit.'”

—Vincent Degiorgio



turn representing the sub-publisher in Canada or other territories. This provides added incentive to take care of each other's catalogues and writers.

As valuable as sub-publishing relationships can be, however, they are not the only way to be 'on the ground' abroad. Circonflex has no need for sub-publishers because of their focus on original/production music. Third Side is building capabilities in-house to manage foreign markets, as **ole** does wherever possible, and Nettwerk did in the past. Sub-publishers come at a cost – if you can do without them, you get to keep that percentage of your income.

OFFICES

Some music publishers choose to set up satellite offices in other territories, sometimes starting from scratch, and sometimes by acquiring or partnering with another business – a related label, perhaps, or a local publishing company. An office might house one or more staff members to oversee the administration of a catalogue in a complicated territory, work with local or visiting writers, and to pursue local prospects on a timely basis. It also provides a base for business meetings and networking events – building those all-important relationships.

Given the comments we heard about the importance of going to and staying in Los Angeles, particularly if you specialize in pop music or film and television, it is not surprising that it is a common location for a publisher to open an office... or three, as **ole** has, because both the city and their clients are so spread out and it is hard to get from place to place. **ole** also has offices in New York City and Nashville, as well as two in London, UK. With their focus on sync, Third Side has three full-time staff in an LA office, as well as rotating Canadian personnel visiting clients and hosting meetings there, sometimes for a week or two at a time.

Nettwerk's offices are primarily used by the label side of their company, but available to the publishing arm as well. In addition to LA, their foreign offices are in Hamburg, London and New York City, though the latter is fairly small because so much of the music industry there has migrated to LA and internationally. Previously they had an office in Nashville as well, which they found useful "if you have the right people." Six Shooter does have an office in Nashville that, although it is not staffed, is nevertheless well-used by both their label team and solo publishing staff member when travelling there.

With roughly a quarter of their business generated in France, Circonflex is now looking for office space in Paris where their first French employee could wine and dine ad agencies and record voice-overs. It has taken a number of years to be present enough in the market to be able to make use of and attract a full-time employee. Having a registered business in France with an address is also useful if



SUB-PUBLISHING IN CANADA

Casablanca Media Publishing is one of Canada's largest independent music publishing companies. It was co-founded by Jennifer Mitchell in 2001 with Ed Glinert, and Mitchell remains co-owner with Ed's estate since his passing. Casablanca essentially built its very successful business on representing international and domestic sub-publishing catalogues. Mitchell is also the Founder and President of sister company Red Brick Songs, which has a focus on discovering and developing writers.

"Through Red Brick we just started developing our own roster, so domestic activity still dwarfs export, though it's growing every year. We can't duplicate the success of Casablanca's enormous catalogue overnight. Casablanca had fewer writer signings, but Red Brick is focused on building our own worldwide catalogue. Sub-publishing still pays the bills, though. With no giant investment fund to fund your growth, you have to fund it somehow!"

Neville Quinlan explains that, as part of a small multinational publishing company, peermusic Canada is responsible for its own well-being, and sub-publishing is a huge way to supplement the company's income.

"We represent some other publishers just for Canada, but it often happens that if we do a good job in this territory, we can end up picking up other territories. We did this with the Tom Waits catalogue. We started in Canada, but over the years we grew our relationship and representation to South America, France, and the Baltic States. Even though we are often overlooked by the Americans, an advantage to being in the Canadian marketplace is that we can often be a testing ground for relationships with major US companies. Because Canada is often overlooked there is always a lot of administrative clean up to do."

Nevertheless, the prospects for sub-publishing are fairly finite and competition is significant. Younger Canadian companies find it hard to break into this side of the industry, until they can establish the relationships and credibility to allow them to compete with those – like Casablanca, peermusic and Bloc Notes – who have been doing it for many years for important catalogues, including those of major international publishers.

What makes a good Canadian sub-publisher? The same things that make a good international sub-publisher. Quinlan acknowledges that it can be difficult to make a real impact on the bottom line of a large US company in this small market, but that you can often exceed expectations and become a valued partner to the publisher and their artists. On the flipside, there is a lot of pressure in the sub-publishing relationship: foreign publishers expect lots of attention and perfect administration in an increasingly complex business. You really have to know where the money is and how to collect it. What makes the difference, he says, is feet on the ground, connections in the marketplace, and love and respect for the songwriter and the song. **Relationships.**



you want to hire locally, or qualify for a production tax credit or other local supports. Third Side would similarly love to have an office in Paris eventually, or acquire a small publisher there, as France represents their third largest market. Because it is such a distinct market, an office in France would be desirable, but should be run autonomously by French staff, in Mark Jowett's view.

peermusic Canada is part of a global network of 32 peermusic offices in 28 countries, built up over 90+ years in music publishing. Interestingly, Neville Quinlan commented that some of his hardest sales have been to his own company's foreign offices: **“It's a misconception that if you're a multinational, the door is already open. It's not necessarily so. The staff in another office might specialize in a different genre. If there is only one Creative Manager in a regional office, they might only specialize in a particular genre, and if you are outside of that, you have an uphill battle to educate them on the writer you are promoting.”**

Many publishers find it either unnecessary or unaffordable to open satellite offices. They might, however, work with contractors or consultants in foreign markets. CCS has a contract song plugger in LA, a permanent consultant in Germany (in addition to their subpublisher), and a contractor in the UK whose office space is also available as needed. Editorial Avenue shares an A&R employee in Paris with another publishing company, to research labels and sync prospects, find French singers to place songs, and sign writers in France.

“People travel. We find we get more done creatively in one place and prefer to stay nimble.”

—Jennifer Mitchell

TRAVEL

Publishers travel a lot. Nothing replaces face-to-face contact – particularly engaging with sub-publishers, local songwriters and producers to expand publishers' and songwriters' networks, and to maintain and improve relationships on the ground.

Daniel Lafrance travels ten times a year, and his A&R staff as well, almost every month. Vince Degiorgio was in Taiwan for the twelfth time in June to close a deal. As one of his most important markets, he prioritizes visiting every time either he or his sub-publisher there hires a new creative staff member. This year Chris Giansante, who oversees worldwide royalty collections, travelled to several European countries multiple times and across the US, while others at **ole** were in Australia, Asia, and also



across the US – they travel consistently, several times a year for creative and business development.

Most publishers interviewed talked about the need to travel to find and to maintain good relationships with the sub-publishers who represent them, and with the publishers they in turn represent. It helps to keep the partners informed and excited about new work and new placements. Visits with sub-publishers and with collectives help to ensure transparency, and allow a publisher to stay on top of any new developments or outstanding issues in the market requiring action. International industry conferences, especially the annual *Marché International du Disque et de l'Édition Musicale (MIDEM)* event in Cannes, France, are important events for publishers, where they can forge and strengthen business connections for multiple markets at a single destination.

On the creative side, publishers are also meeting with sub-publishers and other publishers to set up creative development activities like co-writes. They travel to facilitate the careers of songwriters by fostering existing relationships with co-writing partners, hosting or participating in song camps or other writer collaborations, and attending award shows.

Travel also feeds business development, improving publishers' ability to acquire catalogues or find and sign new songwriters, and allowing them to meet music supervisors and other current or potential licensees at their offices or at conferences or other industry events they attend and find out what projects they're working on next that might work well for their writers or songs.

From a business perspective, publishers clearly find that the investment in travelling to meet people in person pays off. In a competitive landscape, those relationships are what will open doors and keep a certain publisher and their catalogue and roster top of mind.

Publishers also invest extensively in sending their writers to other territories, typically covering the costs of travel and accommodations. Whether with a publisher or on their own, writers travel for co-writes and song camps, and to become known by potential collaborators and licensees. One of CYMBA's writers has written in at least ten different countries, including Belgium, Germany, Italy, the UK, Japan, and all of Scandinavia. Those trips have resulted in cuts in Argentina, Brazil, Japan, Korea, Portugal, Russia, and Spain.



And like publishers, writers sometimes benefit from spending extended stretches in a foreign market to establish their creative reputation and relationships. Ultimately that extended commitment can result in a writer having flexibility in the longer-term as to where they can work.

“The way to open the door and get people to support or pitch the work is to be physically present with your artist – not just one visit – you need to be there a lot. For example, we have a drummer and producer who is not known as a writer up here. We went to LA twice. By being in their face, he’s now in Kanye West’s studio with his own writing room. Now his door opens, but we have to keep him there! There’s no scheduling, you just have to be ‘in the room’ till he gets established. It’s high-risk venture capital to get him started – paying rent, rent on the studio, a car – for 6 months to start. And we could end up with no cuts, peer makes zero income. It’s super-risky.”

—Neville Quinlan

4.3 Export: Creative and Career Development

As outlined in Section 3.1 above, the writer-focused activities of music publishers are aimed at developing both specific creative outputs and, in the longer term, a songwriter’s career. This Section elaborates on what some of those activities look like in an international marketplace.

CO-WRITING

Co-writing has clearly become the norm in popular music. Not every co-writing session, or multi-day song camp results in a hit song, though. Music publishers play a critical role in putting together the best possible combinations of writers, through their knowledge of their own roster, confidence in the skills and knowledge of as wide a network as possible of publisher colleagues, and being attuned to client preferences and market trends. The copyright in the new work is shared by all of the participants, so everyone has a stake in seeing that song get cut and distributed, placed or performed. When those collaborations happen with writers and publishers from other countries, the odds of generating any revenue, but especially ‘export’ revenue, multiplies.

With its legacy in the country music tradition, Nashville has a history of being “the only place in the world” where artists do covers. These days it is a popular international co-writing destination. If you write and successfully pitch a country song



EXPORT TRAILBLAZER

President and Founder of CYMBA Music Publishing, Vincent Degiorgio is not just a publisher, he's also a poster child for international song-writing careers. Formerly an International A&R VP for RCA, his greatest successes as a songwriter have come relatively late in his career, with a focus on writing for export markets. His works have been recorded by international superstars in 11 different languages, selling over 30 million units in innumerable countries, though most Canadians have never heard of him.¹⁹

How does he do it? He's obviously a talented writer, but it takes more than that.

"I went over to Japan for the first time in 1999 when I was at RCA – and my assistant said that there was this Japanese woman looking for songs. I ended up finding out that she was basically J-pop royalty. I hired a translator, I met with the A&R person in New York and we became great friends. I ended up getting two songs on that record. That was the beginning of my career in Japan. We just confirmed another song this morning that will be cut by an artist named Taemin who is in a Korean boy band called Shinee that is huge in Japan. And that's just the way it happens. It's connections, it's relationships, it's friendships."

How does he help his roster of CYMBA writers do it?

"We tend to focus on what some would consider secondary markets. That's the reason we are who we are. The sports rationale is that 'you hit 'em where they ain't' and that's what we've done for 24 years."

Degiorgio has his writers travel as widely as he does himself, generally avoiding the competitive LA pop music scene, although pop is in fact his shop's specialty.

He works very closely with a hand-picked worldwide network of equally collaborative sub-publishers, first to pair and coach writers to produce hit songs, and then to get them cut or placed.

"How did I get my music to Brazil? Easy, I got on a plane, I flew to Rio de Janeiro, and I met with my sub-publisher. The first thing we did was we got 10 songs placed there, and then what happened after that was getting to tour the movie studios because the publishing companies are owned by them, meeting the people at the record label... basically, letting them know that we're ready to play ball."

¹⁹ <https://www.cymbamusic.com/#/artist/MTQ0NjEtZDlzMzZm/>



that ends up being a hit, it can be very lucrative in the US, where there are thousands of country radio stations. It has also become a great market for co-writing adult alternative and indie rock – the White Stripes and the Black Keys are based there.

In urban music, international co-writing can look different. Third Side has learned how to collaborate with LA-based producers and rappers who are looking for beats or samples. They have found greater success in that market with their legacy catalogues of 1960s-1980s hits than with writing or plugging a song with a big pop artist.

An important benefit of international co-writes is their ability to help a writer break habits and diversify their writing by pairing them with collaborators from different musical traditions. It's very expensive (roughly \$12,000 a pop to send a writer to the UK, according to one publisher), and high-risk: a session could get cancelled or bumped at the last minute, or might not produce any hits. Nevertheless, we heard that there are no shortcuts or alternatives to sending artists around the world.

Daniel Lafrance makes a point as well of having a target or objectives for his writers when sending them to songwriting camps in Paris, London, LA, or Berlin, which he does a lot, mixing Québec writers with international writers. Co-writes may be either for one of Editorial Avenue's own artists or another specific artist.

MARKETING/PROMOTION & TOUR SUPPORT

Writing camps or sessions might conclude with a performance showcasing the songs just composed, but showcases are more commonly a tool for promoting performing artists. When those artists are also writers, or when a publisher's writers have contributed extensively to the artist's recordings, publishers have their own incentive to set up showcases and use them to promote their catalogues and rosters. Music supervisors are invited to showcases to meet artists and talk to them, building a rapport that might keep those artists and songs top of mind when it is time to choose music for a production.

Publishers will use tours in the same ways, to promote songs and writers with potential licensees, as well as to generate royalties. Sometimes a writer/artist

“ Songwriting camps are a good exercise. They give writers a lot of experience – it gets them out of their comfort zone, into other genres, with other producers. But the better camps are the ones where writers are writing for a goal. We sit down and have a strategy with each writer – some are artists, others are interested in film, and so on...”

—Diane Pinet



doesn't have a label, in which case the publishing company might finance a tour themselves. Even if a label is paying for a tour or for album promotion, it can make sense for a music publisher to supplement what the label does, or at a minimum to bring music supervisors to the show to meet the band and pitch the songs, and maybe take them out for dinner before the show.

4.4 Export: Maximizing Income

It could be argued that, apart from helping to create great music, everything music publishers do is about maximizing income. Following are some illustrative examples publishers gave in interviews of such business development activities in foreign markets.

SONG PLUGGING AND SYNC PLACEMENTS

Song plugging – actively searching for an artist to record, release and perform a song – is an important part of a Canadian publisher's export activities, as is pitching recorded works for synchronization in audiovisual productions. As discussed in Section 3.3, Canada has relatively small markets for both recordings and film & television production, so publishers need to look to other markets to maximize such uses of their catalogues. Here again their experience and relationships in foreign markets are key.

Publishers might also pitch an older song internationally for a new cover version, perhaps in another language. For up-and-coming writers who are also artists, it is more about seeking appropriate sync placements, bringing music supervisors and ad agencies to showcases and sending new albums to them.

International sync placements seem to be considered a necessity, if not always a silver bullet. Depending on the market and the visibility given to the musical works used in film, TV, video games, or a commercial, sync can bring in both revenue and valuable promotional exposure.

- Sync placements in TV or film are particularly worthwhile if there is an accompanying soundtrack, or the song is used in the title or closing credits.
- Commercials may or may not provide valuable exposure for an artist, depending on whether the product featured in the commercial is itself a hit.
- Trailers are a separate sync market from the films they promote, but a successful trailer sync could lead to later scoring gigs.
- The right sync can generate new interest in a new market, and drive streaming and download numbers.



Fees for sync rights, however, have gone down in recent years and continue to go down, which is one reason the larger US market is so desirable.

“The US offers way higher fees because it’s a bigger market and they have bigger budgets. Fees have gone down across the board, even in the US. With everything going straight to Netflix or streaming now a lot of these shows are not getting to cable TV, which is fuelled by ad revenue. So basically licensees pay a diminished one-time fee now, and publishers are not getting those back-end royalties they used to get from SOCAN for every cable TV play around the world. For film and TV composers, that was really big. Now that’s basically done. Not completely done – if you can get cable TV syncs on a show that airs worldwide, there is still a huge payday.”

—Kim Temple, Six Shooter Records

Paul-Étienne Côté lands international advertising accounts in Paris more than in Montreal, and is able to collect performing rights royalties on advertising in Europe, whereas here “SOCAN isn’t collecting from broadcasters for work on TV under 60 seconds, so it doesn’t generate any royalties.” peermusic has one staff member spending upward of 50% of her time seeking sync placements, and the higher US fees, and audio-visual mechanical royalties in Europe from an ad or a TV show theme song are especially targeted versus the lower revenues available from domestic television or internet placements. Productions with global distribution, like the popular Canadian series *Degrassi*, also pay off in international royalties.

PLAYLISTS

Streaming has become the dominant way of consuming music and the dominant player, Spotify, has directed that consumption toward playlists, as opposed to singles or albums. Playlists can be curated by anyone in the world, which makes it a complicated endeavour to find and influence programmers to include your music. It is just as challenging to attract listeners in a foreign market to a playlist you might design yourself.

Unfortunately for publishers and songwriters, it is a reality of the streaming market that the copyright in musical works has been given a relatively low value. That provides less incentive on the part of both the services and the publishers to work together on programming.



RADIO PROMOTION

Radio programming is, in contrast to streaming, centralized enough for publishers to promote recordings of their works to those responsible for selecting music, though this seems to work best with a label's involvement, preferably a local one. Here again a publisher's international network of sub-publishers can play a big part in coordinating such efforts.

In discussing their priority markets in Section 4.1, it was made clear that there was both more scope to influence radio programmers and to earn radio royalties in Europe versus North America. Publishers pointed out that international airplay is valuable to publishers beyond direct royalties as well because when a song is on the radio, it increases the odds of getting a tour or sync placement in that market, generating incremental revenues – otherwise very rare.



5 GROWING EXPORT

Successful exporting means that revenue has been generated in a foreign market from the use of your catalogue, but music publishers report that it can take many years and multiple points of contact along the way to result in revenue. They may never know which particular contact tipped the scale. Publishers therefore also count as successes all of the positive steps and contacts they generate that *can* lead to revenue down the road.

Among Third Side's international successes are getting Tanya Tagaq into an Apple commercial, BADBADNOTGOOD into the beginning of the first episode of a new season of the TV show *Better Call Saul*, and landing a corporate video opportunity for an independent artist from Vancouver that pays so well it will finance the next few years of their career. But Patrick Curley notes it can be hard to make a direct link between a given activity and those successes, like when he sends samples to a producer or artist and only six months later gets a request from them.

Ultimately, any success in music publishing owes a great deal to the intangible skills of the publisher in identifying the potential in a writer or song, and persuading others of both their own skills and the music's value.

“A couple of cuts with a girl group in Japan, a #1 cut in Italy, a national or worldwide ad, European or Australian TV shows, but also touring bands getting known in local markets, reps pushing them... sometimes a song has a life of its own and gets found and used.”

—Jennifer Mitchell

“A record label receives songs for an artist who doesn't write songs, like Céline Dion, but before those songs arrive there, the publisher has to work with the writers and the writers have to create the songs. Publishers research the style and preferences of the artist, then the writers might go in studio, publishers listen and comment on the melody and lyrics, the writers go back... it's a lot of work and investment for the publisher, it takes time.

—Diane Pinet



“You have to have quality people writing for you, financial support in the early stages, and good acumen.”

—Mark Jowett

The fundamental elements of success in publisher export activity are thus the same as for domestic success: the right songs and the right relationships. We’ve seen as well throughout this study how each of these elements feeds the other.

This Section takes a look at how Canada’s music publishers might increase their success internationally on both fronts. We also look at other internal and external factors that affect the ability to grow exports: government support, industry initiatives, and copyright law.

5.1 Songs

Acquiring rights to the right artists (those with a proven history of generating income or who do especially well in bigger territories) at the right time not only opens doors, it creates openings to feed other music into the same channels. It also generates regular income for a publishing company, allowing them to invest in exporting their existing repertoire and developing new repertoire. As described in Section 3.2 above, acquiring rights generally means either signing writers or buying catalogues, both expensive propositions.

In the competitive international market for talented songwriters, advances are an important tool publishers use to sign talent. This can tend to work against smaller Canadian publishing companies who cannot afford to compete with the level of advances provided by the majors and other large international companies. Not only will they lose out on chances to sign new artists, they may also lose the ability to *retain* an artist, and maximize their return on a history of investment.

Third Side has sometimes managed to level that playing field by putting together six-figure advances with good cash flow from their catalogues and a line of credit from Société de développement des entreprises culturelles (SODEC) – enough to attract writers in the early days of their career. If that writer produces hits that end up licensed in commercials, they can generate over a million dollars a year, easily

“It’s hard to find talented composers. One in a hundred makes the cut. It’s easy to make music these days, with technology, a piano and a guitar, but it can be very difficult to find talented writers who are also lightning fast, patient, and collaborative.”

—Paul-Étienne Côté



justifying the investment. In Jodie Ferneyhough's experience, small recoupable advances can tend not to be as good an investment – an artist for whom \$25,000 is an attractive advance is less likely to be able to repay their publisher than an artist who garners a six- or seven-figure advance.

The valuable catalogues that can generate regular income for publishing companies are also harder for small businesses to acquire, but Chris Giansante explains that such catalogues carry additional big benefits in the world of export: **“It gives you clout internationally. We can walk into an office in Germany and even if they’re not familiar with ole, our catalogue content is familiar. Everyone knows Rush and Taylor Swift, but we can also say we have the entire Sony Pictures Entertainment catalogue, and Miramax, and MGM... we get senior attention, we get taken seriously. They want to get their songwriters to write with ole’s songwriters. That foot in the door is an extremely important part of trade. We get into conversations and markets because of that.”**

Hits are clearly important. The same songs are likely to generate the most revenue for a publisher year after year, even after an artist or writer dies, or a band breaks up. Beyond ongoing radio airplay or sales of a hit recording, the songs continue to get covered, included in compilations and used in syncs. For as long as they remain popular, hits will generate a disproportionate return for the same amount of effort.

If Canadian music publishers are to seize the export opportunities available from growing their repertoire, they will need improved access to capital. ole's investors have clearly understood that publishing catalogues are a good investment, just as Asian and Middle Eastern investors recognized the upside of acquiring shares in EMI's publishing catalogue, alongside Michael Jackson's estate and Sony/ATV.²⁰ At the moment, Canadian publishers find it hard to get a loan or find an investment partner to help them acquire catalogues or offer competitive advances, but they express hope that if awareness of music publishing and its value can be raised, those opportunities will increase.

5.2 Relationships

As the other fundamental success factor in music publishing, relationships hold the potential to unlock greater trade opportunities for Canadian companies. The publishers we spoke with were clear that, to foster those relationships, there is no

²⁰ <http://variety.com/2017/music/news/emi-music-publishing-sale-investors-jho-low-1202489317/>



way around the need to have the right staff in-house and the right network abroad, cultivated through extensive travel.

It is an industry-wide challenge to have the resources needed to meet face-to-face to build and exploit international relationships. Small companies in particular find it hard to finance those trips, but equally they have fewer staff that could grow their trade by being in more places more of the time.

Publishers frequently have to trade off whether to send a writer to an international event to take advantage of a writing opportunity, or a publisher to focus on business development. They also have to trade off which international networking events to attend over the course of a year. These choices are a greater challenge for young companies who might not yet have developed relationships with sub-publishers or other colleagues in foreign territories who can be trusted to represent their interests. For those companies, and for publishers who prefer to have direct relationships internationally, it is essential to develop a team of creative professionals.

Having the best professionals in your company is even more important for trade than travelling. Skilled staff represent a good investment when they are capable of generating income exponentially larger than their salaries. It can be an important turning point for an emerging company even to be able to afford an assistant to help maintain all of the publisher's relationships while they are travelling.

“Even if you have a good catalog, it’s not easy to break into the sync market. You have to have the ability to grab their attention, and persuade them to give you work and send you money – that’s hard.”

—Paul-Étienne Côté

5.3 Tools for Growing Export

Canadian publishers have access to some tools that help them compete internationally, including government funding programs and industry initiatives organized by rights societies and trade associations.

GOVERNMENT SUPPORT

Relevant government funding programs referenced in this Section of the report are summarized in Appendix D. Following are some indications of ways that publishers use these programs, and some of their thoughts on how government supports could best be focused to mitigate constraints and maximize opportunities for growing publisher export activity.



FEDERAL

Qualifying Canadian music publishers access grant funding from the Canada Music Fund (CMF) either through the Music Entrepreneur Component (MEC), or through FACTOR or Musicaction. Companies generally can access only one CMF program at a time. Which program a publisher chooses to access will depend in part on the size of the company and their activities.

For larger publishers receiving MEC funding, the support is welcome but the maximum contribution of \$75,000 represents a proportionately small share of their budgets. The maximum for labels of a similar size, by comparison, is \$550,000. Further, the most successful Canadian publishing companies are in fact not eligible, just as they enter the most competitive tier of the international publishing industry.

In January 2017, the federal government increased its funding for music industry export initiatives for two years, but publishers have had difficulty accessing any of the funds because they were made available through CMF programs administered by FACTOR and Musicaction that do not target core music publishing activities but instead focused on touring and recorded music. Publishers hope that support through the very welcome five-year Creative Export Fund announced in the Creative Canada strategy is made available in a way that can also maximize opportunities for publisher activities.

Another welcome Creative Canada announcement is the addition of dedicated personnel at key consulates and embassies who focus on culture, through the Trade Commissioner Service. CMPA accessed valuable support from the Canadian consulate in LA and the embassy in Berlin during their recent trade missions.

Music publishers are also beginning to recognize that they can qualify for federal funding that is not targeted at the music industry, but is earmarked for export initiatives. CanExport matching funds are available to any small or medium business to develop new export opportunities and markets, especially in high-growth emerging markets.²¹

PROVINCIAL

At the provincial level, the Ontario Music Fund that is administered by the Ontario Music Office through the Ontario Media Development Corporation (OMDC) received widespread praise from publishers. In particular, they appreciate that publishing companies share equal access to funding with all other qualifying music companies,

²¹ [http://international.gc.ca/trade-commerce/funding-financement/canexport/about-
apropos.aspx?lang=eng](http://international.gc.ca/trade-commerce/funding-financement/canexport/about-
apropos.aspx?lang=eng)



including record labels. Funding is also available for a wide range of publisher investments that have been shown through this study to have an impact on international success, including technology, staff, songwriter development, and travel.

Music publishing activities are not eligible for music industry programs provided by OMDC's counterpart in Québec, SODEC. Nevertheless, Third Side has been able to persuade SODEC that they are an equally good investment to the film companies who have access to gap financing through SODEC. With a growing record of demonstrated success, Third Side's line of credit at SODEC has been an extremely useful tool when they've needed access to capital to fund growth initiatives, such as advances.

In other parts of the country, new funds are becoming available for which publishers are or may be eligible. In February 2016, British Columbia created a two-year \$15 million BC Music Fund, which is now administered through that province's creative industries agency, Creative BC. And in May of this year, an industry report called for the development of a regional Atlantic Canadian Music Fund that would provide resources to complement existing programs, attract investment, and promote reinvestment by musicians and music-related businesses in Atlantic Canada.

GOVERNMENT PROGRAM DESIGN CONSIDERATIONS

Publishing in Context

In general, Canadian publishers believe that a more detailed understanding of music publishing activities and investments would serve to modernize the design of government support programs for this segment of the music industry. Programs that are designed equally for all music companies, like the OMF, or designed specifically for publishers, better ensure that music publishers can access the funding they need to grow their international publishing activities.

Size and Infrastructure

Publishers told us that their ability to compete internationally is greatly affected by their ability to grow quickly and then to remain competitive, whether that be as a small 'boutique' publisher, or a company large enough to compete directly with the major multinationals. Music publishing companies of various sizes all have value in Canada's music ecosystem and economy. Strategic investment in infrastructure – for example, for building out administrative systems in the early days, and skills training for staff – would assist in growing the industry internationally.



Flexibility

International publishing efforts have even more moving parts and uncertainty than domestic activity, but funding programs can have a hard time accommodating changes to approved plans. Publishers would prefer that programs could build in the flexibility to accommodate changes in the tactics a publisher might need to use to accomplish a funded strategy. If a writer gets sick and can't travel as planned, or a label or distribution platform changes their needs, a publisher may even need to increase the investment, and needs the ability to adjust the game plan.

INDUSTRY/ASSOCIATION INITIATIVES

Publishers' export activities also benefit from industry resources, which are often in turn supported by government through funding to industry organizations and sector-wide initiatives. CMPA receives funding from the Canada Music Fund, Global Opportunities for Associations (GOA), and the Ontario Music Fund for such initiatives.

TRADE MISSIONS

Last November, CMPA ran the first 'CMPA Create' event in Los Angeles, with funding from the CMF. Over three days, eight Canadian songwriters collaborated in co-writing sessions and recordings with five LA-based songwriters, while seven Canadian publishers simultaneously interacted with American music publishers, record labels and music supervisors at a series of networking and information-sharing events. By facilitating development of both repertoire and relationships, this variation on a traditional trade mission was extremely effective for Canadian publishers and songwriters looking to develop business in this key market for television, film and music productions.

The initiative was such a success, a follow-up was planned for Fall 2017 in LA, and another for Berlin, timed to coincide with Reeperbahn, one of Europe's largest music industry festivals and conferences. Canada was the 2017 festival's partner country. Although trade missions can generally be more valuable for junior companies with fewer of their own connections, both LA and Germany are by reputation particularly difficult markets to break into, making these destinations strategically desirable for all CMPA members. Other destinations of interest to publishers are Nashville, Tokyo, London and Paris.

APEM would also like to organize international trade missions, particularly in francophone markets, but is unable to access funding from the Canada Music Fund or elsewhere to do so.



SYNC SUMMITS

CMPA and other industry partners also co-ordinate publisher meet-ups with international music supervisors at home, to help them generate sync placements for Canadian songs in international TV programs, films, games and advertising. At Canadian Music Week in the spring, they support the ‘Sync Summit,’ where publishers can hear from and meet high profile international music supervisors, gaining valuable market intelligence and building new business relationships. At the Toronto International Film Festival, CMPA hosts the Canadian Music Café, with support from industry partners including the Canadian Independent Music Association (CIMA). It includes a showcase for a curated group of Canadian artists and networking events for Canadian publishers and songwriters to meet with international music supervisors.

TECHNOLOGY SUMMITS

Both CMPA and APEM have organized educational events in recent years on technological developments and their implications for music publishers. Many publishers we interviewed expressed a need for help in knowing what technological innovations are coming and navigating those developments. The ‘Sommet musique et technologie’ and the ‘Tech Summit’ expose publishers to key national and international players in digital music distribution, rights management, data analytics and other evolving technological elements of the industry.

Publishers need to know how to manage their own digital assets in order to be able to interact with international networks successfully. Some are trying to build technological solutions in-house, and others are choosing from among existing third-party solutions. Either way, these are expensive undertakings, and if you get it wrong, it makes it that much harder to close deals internationally, and to collect royalties when you do successfully export. Publishers have in effect very little control in the digital world, where music gets used but that use can be very difficult to monitor or monetize.

“All problems in data continue to grow. Almost all societies are having challenges with the amount of data they have to process, which can prevent accurate distributions. One has continued to invest a substantial amount of resources – time, manpower and money - to build a technological solution to ensure we have the capability to take different data sets and conform them to one viewpoint. It has to be accurate, efficient and effective for analytics, collection, reporting and distributing. Export is not just about sending something out, export is when money comes back in.”

—Chris Giansante



MENTORING AND COLLABORATION

Most industry-wide events that support export inherently include an element of mentoring and collaboration among Canadian music publishers, even just by gathering publishers in one place. This is important so that up-and-coming writers and publishers don't repeat the mistakes of trailblazers, potentially wasting chances to grow Canadian content and businesses. The industry within Canada is itself competitive, but at the global scale, there is room for everyone to succeed, particularly if they collaborate.

With an oft-mentioned scarcity of skilled staff, specialized skills training programs would be in the whole industry's interest. In 2017/2018, OMF will be funding a mentorship program for CMPA companies as well as a research study to assess the need for skills training in the industry. The study will be undertaken by CMPA in cooperation with WorkInCulture and the report will recommend options for the delivery of any recommended skills training programs.

TRAVEL ASSISTANCE – EXPORT AND IMPORT

A notable example of financial support from within the industry is the SOCAN Foundation awards and grants, which are in turn partly supported by private sector sponsorships and charitable donations. As of 2017 the Foundation is accepting applications from music publishers and songwriters for up to \$1500 in travel assistance to attend domestic or international professional events.²²

On the other side of the equation, the industry can also help publishers cut their export costs. An example cited several times in interviews is shared writing rooms or accommodations to host Canadian writers and publishers abroad, and to host international colleagues at home for collaborative activities.

SOCAN members have access to SOCAN House LA, Paris House and Nashville House. The apartments offer accommodations for writers and publishers visiting those cities on business. The SOCAN House in Paris is available once per year for a member who is already linked to at least one recognized professional structure in Europe, such as a publisher, agent, booker, label, manager, promotional team, etc.²³

At home, publishers agreed it would be valuable to have some kind of accommodations and writing rooms available on a shared basis for “the importing of export” - bringing people here to write with Canadian writers and then share in the marketing of the resulting song in their own home territory and through their own international networks. Not all Canadian publishers or writers have a spot of their own that co-writers can work out of.

²² <http://www.socanfoundation.ca/grants/>

²³ <https://www.socan.ca/creators/member-benefits>



COPYRIGHT

Copyright is the basic building block of the music publishing industry. There is no avenue to publishing success domestically or abroad without a robust legal framework protecting the rights in musical works. Throughout this study

Canadian publishers have commented on the respective value of export markets with copyright regimes that are in some cases healthier than Canada's, and in other cases insufficiently developed to warrant fulsome trade relationships. This is an area where government and industry players need to focus attention not just internationally, to encourage trading partners to implement and enforce copyright protections for Canadian works, but also in Canada, to ensure our publishers can earn the bread-and-butter income needed to start, grow and sustain businesses.

The publishers we spoke with expressed concerns with the level of remuneration flowing to music publishers and songwriters everywhere for many of the online music services feeding the world's growing

appetite for music. One publisher pointed to how long some services have continued to use music without entering licensing agreements, and it is an industry-wide concern that streaming, now the most popular form of music consumption, results in publishing revenues that are a fraction of what royalties used to be. One singles out copyright law as the number one challenge to their ability to grow.

“Everyone’s monetizing, nobody’s paying.”

—Jennifer Mitchell

“Royalty rates are still quite low – and it’s not that people don’t want to pay, but it reflects a lack of understanding of what the publisher/songwriter community contributes in today’s marketplace and its corresponding value.”

—Chris Giansante



6 CANADA IN CONTEXT

Our interviews with publishers and trade organizations in Australia, Belgium, France, Germany, Sweden, the UK and the US pointed to all of the same issues identified by Canadian companies as drivers of their export strategies and tactics.

Music publishing has clearly become a global enterprise, so it is not surprising that our interviews confirmed international publishers share the same fundamental business activities as Canadians: rights management, songwriter development, and business development. In order to accomplish these activities abroad, they, like their counterparts here, employ a mix of travel, satellite offices or consultants, and sub-publishing arrangements in foreign territories. Those tools garner them the market intelligence and relationships that allow them to compete successfully for cuts, placements, airplay, tours, and other uses of songs that generate income for songwriters and publishers in foreign markets, as well as for writers, catalogues, and sub-publishing deals.

Even though the publishers we spoke with live in different parts of the globe and speak different languages, there was remarkable consistency in what their priority export markets are. Europe, all agree, is desirable because of its better performing rights revenues vs. the United States, in proportion to market size. Nevertheless, LA is the acknowledged hub for both pop music and sync placements, and everyone agrees they have to be there regularly to succeed. China, India and Africa are likewise identified as the important emerging markets, in which problems with copyright protection are the main obstacle. Asian countries are of interest but challenging because of language and strong domestic markets. Canada is acknowledged to be a distinct market from the US, and profitable for its size. We also heard that a lot of countries want to work with Canadian or American ‘top line’ writers, to provide a melody or lyrics to layer over tracks created by foreign producers.

“Sub-publishing is an international exchange program.”

—Philip Mortlock,
Australia

“ Brazil has a strange system of performing societies – they have twelve of them! You have to understand how it works, but it’s huge if you can crack it.”

—Simon Platz, United
Kingdom



“As technologies have grown, it flows far easier than it used to between countries. I wake up in LA in the morning and could quite easily have four or five briefs from countries outside of the United States. Could be Canada, France, Germany, the UK...”

—Michael Eames, United States

When it comes to maximizing income, foreign publishers are pitching and responding to briefs just like Canadians, for syncs, songs, and top lines, looking for the right openings for writers and for their back catalogues. We heard familiar comments as well regarding the importance of having hits in your repertoire. MIDEM is confirmed to be the preeminent industry conference for business connections, including with the all-important sub-publishing network.

“With a good back catalogue you can make a little bit of money with everything, everywhere, but a big hit from time to time makes the difference. You really feel the effects.”

—Pierre Mossiat, Belgium

Creative and career development occurs through essentially the same activities as in Canada, though the mix varies from one artist to the next. It could include advances, showcases, equipment purchases, career management as needed and, inescapably for export, travel. Touring in foreign markets is desirable for its knock-on effects in radio, sync and performance income. International co-writing was described as a vital element of export everywhere, both for its creative boost and the built-in publisher collaboration on pitching the result for international use.

“It doesn’t matter if the publishing company for a co-writer is working with us or not. Everyone keeps their share – we’re not fighting about rights, we’re fighting for the best song. It’s better to have 10% of a hit than 100% of a flop.”

—Rolf Budde, Germany

Interviews confirmed as well that the roles publishers play have been expanding in recent years in all markets, as they look to fill whatever gap they can for clients, notably in the development stages, if it might pay off in increased publishing activity. The trend toward acquiring additional rights, such as master recording rights, is also not limited to Canada. As in Canada, this shift seems not to be widely understood by



government or the financial community, leaving smaller publishers in particular unable to access sufficient capital for infrastructure, advances and catalogue acquisitions, all of which could reliably grow and sustain their businesses.

There seems to be agreement among smaller publishers worldwide that it is in their collective interest to collaborate and support each other in order to improve their odds of succeeding alongside larger publishers. The Independent Music Publishers Forum represents small and medium sized independent music publishing companies worldwide on relevant policy and legislative issues, and provides a network and meeting place for indies to share experiences, best practices and information. They also promote artistic, cultural, linguistic and commercial diversity for songwriters and publishers.²⁴ At the International Confederation of Music Publishers (ICMP), the “global voice” for music publisher associations, one of their three priorities for 2016-2017 was unity, the other two being copyright reform and the so-called copyleft.²⁵

Much of the support available to publishers in other countries comes through their government and industry organizations, as it does in Canada. There is commonly an opportunity to join a country stand or otherwise reduce the costs of attending MIDEM and other industry conferences. Canada is not alone in organizing trade missions, led by government or industry, that include music publishers, nor is it unique in having more funding available to record labels and artists than to publishers. Typically publishers are competing against not just other publishers, but other players in the music ecosystem for funding, and in the case of industry-agnostic export funding, with other more traditional exporters, such as manufacturing and natural resource industries. As in Canada, most funding covers a percentage of the budget for export activities.

“We need money for travel, we need capital to acquire catalogues, and we have to address the value gap.”

—Niclass Björlund,
Sweden

In Australia and France there were some examples of less-typical supports for music publishing that encompass export activities. These are described briefly below.

AUSTRALIA

As noted in Section 4.1 above, Australia has many similarities to Canada that make it an interesting point of comparison beyond language, such as musical preferences, distance from most other markets, and provincial or state industry support that varies across the country.

²⁴ <http://www.impforum.org/#about>

²⁵ <https://www.icmp-ciem.org/sites/default/files/2017-ICMP-AR3.pdf>



At the national level, there is a music market development initiative called Sounds Australia, created jointly by the Australia Council for the Arts and APRA AMCOS (Australia’s songwriter/publisher collecting society), with support from the federal government, state government agencies, and trade associations. Sounds Australia activates a stand and networking reception at MIDEM that is predominantly for publishers, but publishers are also eligible to be included in any events they coordinate around the world, such as showcase events that feature Australian artists and facilitate networking with potential bookers, buyers, agents and promoters. Their other activities include providing export training, resources and strategic market knowledge through activities at domestic industry events. ²⁶

Sounds Australia is also part of a research team conducting an ongoing major international study, funded by the Australian Research Council: *The Economic and Cultural Value of Australian Music Exports*. The project aims to assess:

- the cultural and economic value of Australian music exports, including music publishing exports;
- how government and industry programs help international development of Australian artists; and
- the impacts of globalization and digitization on music export.

CMPA participated in one of the study’s ‘stage 3’ interviews that focused on comparative analysis of international markets. The final report will definitely be of interest to Canadians, though it is not clear the extent to which music publishing will be featured in it. ²⁷

FRANCE

Le bureauexport, a non-profit professional organization, has a similar mandate to Sounds Australia for “Made in France” artists, but a broader offering of supports. In addition to promotional, networking and professional development activities related to export, they have offices in Paris, Berlin, London, New York and São Paulo, and administer funding programs, three of which can be accessed by publishers: ²⁸

- for specific export activities (400 to 5,000 euros up to 50% of budget);
- for overall export strategy for a single artist in one or more territories over several years (10,000, 20,000 or 50,000 euros up to 50% of budget); and
- for exporting Classical or Jazz music (400 to 5,000 euros up to 50% of budget).

²⁶ <http://soundsaustralia.com.au/index.php/about/>

²⁷ <http://soundsaustralia.com.au/index.php/export-research/>

²⁸ <http://www.french-music.org/aides-services.html>



It is worth noting that the higher funding amounts are only available for projects where a publisher is working together with a record label and tour promoter.

L'Institut pour le Financement du Cinéma et des Industries Culturelles (l'IFCIC) is mandated by the Ministry of Culture and the Ministry of Economy and Finance to contribute to the development of cultural industries in France, including the recorded music sector, by facilitating their access to financing. They offer up to 1 million euros in guarantees on loans for business development, typically 50% of the amount of the loan. Publishers can also apply to the IFCIC Fund for medium-term loans to partially finance the growth of companies or their adaptation to market developments – up to 70% of the budget to a maximum of 1.5 million euros per company, repayable over up to 5 years. Examples of eligible publisher activities are:

- production, advances, acquisition of catalogues, promotion and marketing;
- investments in tangible and intangible assets; and
- expenses related to company growth or restructuring.

The support may be participatory (quasi-equity) for certain activities, including international development.²⁹ Given the level of support on offer, it is not a surprise to learn that IFCIC funding is very difficult to obtain and involves a rigorous application process.

²⁹ <http://www.ifcic.fr/vous-etes-une-entreprise-culturelle/musique/musique-enregistree.html>



7 CONCLUSIONS

The discussions and research in this study highlighted some very consistent views on the international trade of both Canada's music publishers and their partners around the world.

- **Export is essential** not just for growth but for survival in a competitive international industry.
- **Market intelligence and relationships** are key, and can only be built and sustained by regular and extensive presence 'on the ground' in foreign markets.
- **Travel** is expensive but irreplaceable both for publishers and for writers to develop that intel and those relationships.
- **The role of a music publisher has expanded** in recent years around the world to meet songwriters' needs, notably in A&R investments, because it can pay off in increased publishing activity.
- **Audio-visual licensing** has increased in importance for all markets, including music use in videogames, trailers, and commercials.
- **Copyright protection and collective licensing infrastructure** are big factors in the relative attractiveness of a market, including Canada.
- To succeed anywhere, publishers need the right songs and the right relationships. Both require **extensive investment**.
 - **International competition** is fierce for good writers, catalogues of hit songs and opportunities to sub-publish for others.
- **The more money publishers have, the more they invest.** But with little understanding in the financial sector of the economics of music publishing, access to capital is limited, especially for smaller publishers. This makes it difficult to finance the catalogue acquisitions, staffing, technological investments, and writer advances that would make Canada's publishers of all sizes more competitive.
- **Federal government funding** for the music industry and for export are currently not designed optimally for growing publisher export activities.
- **Industry-wide initiatives** that support export through the trade associations, like publisher/songwriter trade missions, B2B networking events, and technology summits, are very effective.

Canadian publishers are in many respects fortunate to have the legal and commercial infrastructures they do, but to foster growth of the sector's export activity, attention must be paid to strengthening both frameworks.



COMMERCIAL:

- **Companies need access to capital** in order to develop the infrastructure and repertoire that will enable them to compete internationally. Publishers find that their intellectual property assets are difficult for potential investors to evaluate. As one said: “You can’t take a good ear to the bank.” Around the world, some private equity investors and pension funds have learned that there are good returns to be made on music publishing, but there are very few such investors in Canada. This leaves Canadian businesses that do manage to put together valuable repertoires vulnerable to foreign acquisition or control, which ultimately cannot best serve Canada’s cultural or commercial interests.
- If it is possible to unlock financing sources for Canadian music publishers, the potential impact of such investments could be maximized by enhancing existing **professional business skills development** programs and expanding such offerings. That professional development could in turn increase the likelihood of accessing further investment – a virtuous circle.

LEGAL:

- Perhaps most importantly, as the basic currency for music publishers and songwriters, publishers told us **copyright protection** for musical works needs to be robust both at home and in foreign markets so that they and their songwriter partners can continue providing the world with the songs we all love.



**APPENDIX A: PROFILE OF MEMBERS OF THE
CANADIAN MUSIC PUBLISHERS
ASSOCIATION AND OF THE
ASSOCIATION DES
PROFESSIONNELS DE L'ÉDITION
MUSICALE, 2017: STATISTICAL
REPORT, JULY 31, 2017, BY
CIRCUM NETWORK INC.**



Profile of Members of the Canadian Music Publishers Association and of the Association des professionnels de l'édition musicale, 2017

Statistical Report

Report prepared by Circum Network Inc. for the Canadian Music Publishers Association

Written by Benoît Gauthier and Lisa Freeman

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1 INTRODUCTION

The Canadian Music Publishers Association (CMPA) and the Association des professionnels de l'édition musicale (APEM) needed a disciplined read of the key issues and priorities of their membership. CMPA and APEM asked Circum to update a survey design implemented in 2016 to provide this information and analysis.

The study focussed on the profile of the music publishing industry. Topics included revenue sources (including exports), corporate structure, employment, and genres of music. Many of the questions requested information from five years ago as a benchmark to contextualize the current situation. Data from 2016 was also available for many questions.

This information will enable CMPA and APEM to align their supports and activities to best serve Canadian music publishers.

The rest of this report is organized as follows:

- » Study methodology;
- » Current revenue structure and comparison to five years ago;
- » Current corporate structure and comparison to five years ago;
- » Employment generated now and five years ago; and,
- » Genres of music focussed on now.

2 STUDY METHODOLOGY

2.1 Questionnaire Design

The questions relevant to this report are available in Appendix A. It was built based on the information requirements of CMPA and APEM, and borrowed from past questionnaires, in particular from the 2016 CMPA/APEM member survey and the 2005 study conducted by Paul Audley & Associates and Circum Network.¹

Questions were organized thematically, in the following order:

- » Corporate structure;
- » Corporate revenue structure;
- » Employment; and,
- » Genres of music.

Where feasible, respondents were asked to report on the current situation as well as on the situation five years ago.

The questionnaire included mainly closed-ended questions but also offered five open-ended questions where respondents could provide detailed answers.

The questionnaire was pre-tested in 2016 by three music publishers (from companies of various sizes). Minor adjustments were made to the questionnaire based on pre-test results. No survey responses were collected as part of the pre-test. Changes introduced in 2017 did not require further pretesting.

The questionnaire was professionally translated into French.

¹ The 2005 questionnaire is available at <http://www.musicpublisher.ca/music-publishing-survey-2005/>. The report on the study is available at <http://www.musicpublisher.ca/statistical-profile-of-the-canadian-music-publishing-industry/>.

2.2 Population of the Study

The theoretical population of the study was initially all music publishers operating in Canada who are members of CMPA or APEM. Contact information was made available for current CMPA and APEM members as well as a limited number of ex-members of CMPA.

The study aims to represent the situation and views of Canadian music publishers who are or have recently been members of their trade association. The actual survey list included 92 companies.

2.3 Data Collection

Data collection was entirely performed on the Web. The questionnaire was programmed in the CallWeb software and offered in both official languages.² Technical tests were performed by the Circum team to ensure that the delivery of the questionnaire was flawless.

CMPA and APEM issued information messages to all potential participants on the list on April 11, 2017. On April 12, 2017, Circum issued individualized e-mail messages to all companies included in the study. The message re-explained the purpose of the survey and provided assurances of confidentiality. It also informed participating companies of the logistics of completing the questionnaire and supplied them with a link to their own survey form. Separate links were provided for the English and the French versions of the questionnaire, although respondents could toggle between the two languages. Reminder messages were sent to non-respondents on April 25, May 9, and May 22.

Non-respondents were approached by e-mail to motivate them to complete the questionnaire.

The survey fieldwork was concluded on July 27. A total of 48 questionnaires were completed out of 92 companies in the study, for a global participation rate of 52%. Some 32 questionnaires were completed by CMPA members or past members for a participation rate of 59% while 18 questionnaires were completed by APEM members for a participation rate of 44%.³ Note that 3 respondents indicated that their organization received no revenues from music publishing in their most

² <http://callweb.ca>

³ Some companies had current or past memberships with both APEM and CMPA.

recent complete year of operation; they were excluded from the rest of the survey, leaving 45 publishers in the active sample.

2.4 Data Quality

The dataset compiled through this survey comprises more than one-half of the companies that are members (or recent past members) of the two most important trade associations in Canadian music publishing. This is a very good level of participation for a survey of this type, particularly one conducted in good part during the summer.

Most of the larger companies did complete the questionnaire – although not all of them; that fact offers comfort that the situations depicted and the views expressed as part of the study represent a substantial share of the revenues in Canadian music publishing. It does, however, suggest that the results are somewhat biased in favour of the perceptions of larger corporate entities. Thus, ***we have not attempted to project the results of the survey to all association members or to the whole of the music publishing industry; we have taken a more prudent approach, simply reporting the answers provided by respondents.***

All in all, the results of this survey provide a useful profile of the current challenges and opportunities in Canadian music publishing.

3 CORPORATE STRUCTURE

This section describes the corporate structures reported by CMPA and APEM members. It deals with the following topics: the company's primary activity, whether it is a subsidiary, whether it is Canadian- or foreign-controlled, the location of Canadian headquarters, and involvement in administering or sub-publishing the works of other publishers.

The vast majority (64%) of respondents indicated that their organization is primarily a music publisher, and these companies accounted for 99% of reported music publishing revenues (findings regarding revenues are summarized in section 4 of the report). Record companies were the second most common primary designation (20% of respondents), but less than 1% of publishing revenues accrued to such companies. The data in Table 3.1 below suggest that there was no significant change in primary designations over the past five years.

Table 3.1 - Please check below the primary designation (in terms of revenue) which most accurately describes your organization.

Results obtained in 2017	Distribution now		Distribution 5 years ago	
	Share of companies	Share of most recent year revenues	Share of companies	Share of most recent year revenues
Music publisher	64%	99%	58%	99%
Record company / label	20%	< 1%	22%	1%
Record production company / production of master recordings	2%	0%	2%	0%
Broadcasting	4%	0%	2%	0%
Other	9%	0%	16%	< 1%
Total	100%	100%	100%	100%
Responses	45	37	45	37
Results obtained in 2016				
Music publisher	71%	96%	69%	96%
Record company / label	16%	3%	21%	3%
Record production company / production of master recordings	3%	0%	3%	0%
Broadcasting	3%	<1%	3%	<1%
Other	8%	<1%	5%	0%
Total	100%	100%	100%	100%
Responses	38	32	38	32

One-quarter (29%) of respondent organizations are subsidiaries or affiliates of another organization. These organizations account for 47% of the music publishing revenues of all organizations who answered the questionnaire. This situation is unchanged from five years ago.

Almost 9 out of 10 companies (89%) have controlling interest in Canada; these companies account for 56% of music publishing revenues. Here again, the situation is unchanged from five years ago.

One-half of Canadian headquarters of responding organizations are located in Ontario (58%) and another third are located in Quebec (33%). Music publishing revenues, however, accrue largely in Ontario, with 92% of revenues being associated with Ontario headquarters.

92%
of music publishing revenues
are from companies
headquartered in Ontario

Table 3.2 - Where are your Canadian headquarters located?

Results obtained in 2017	Distribution now		Distribution 5 years ago	
	Share of companies	Share of most recent year revenues	Share of companies	Share of most recent year revenues
Ontario	58%	92%	56%	86%
Quebec	33%	7%	29%	7%
Elsewhere	9%	< 1%	11%	6%
No answer	–	–	4%	< 1%
Total	100%	100%	100%	100%
Responses	45	37	45	37
Results obtained in 2016				
Ontario	50%	94%	47%	89%
Quebec	34%	3%	34%	3%
Elsewhere	11%	3%	11%	3%
No answer	5%	< 1%	8%	5%
Total	100%	100%	100%	100%
Responses	38	32	38	32

Seven out of 10 respondents (73%) administer the works of other music publishers and/or function as a sub-publisher for other music publishers. These music publishers account for 93% of all reported music-publishing revenues. This situation is unchanged from five years ago.

4 REVENUE STRUCTURE

This section focusses on the most recent year of music publishing revenues and their sources.

\$202M

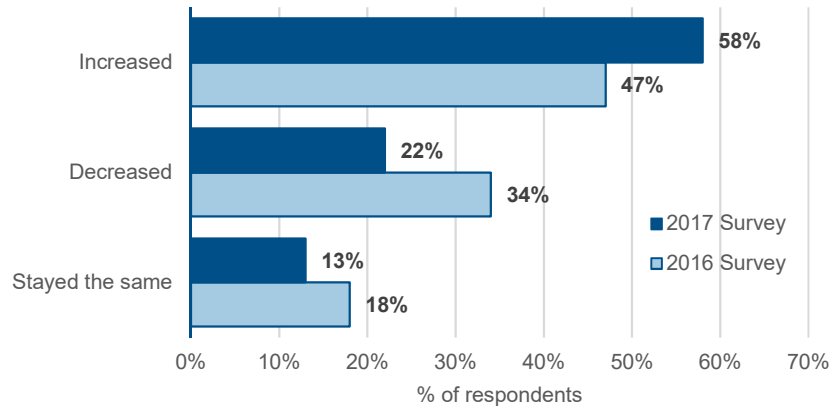
music publishing revenues in
the most recent year

Thirty-seven of the 45 respondents provided the amount of their gross revenues from music publishing before royalty disbursement or other expenses in their most recent complete year of operation. We report these answers as provided, with no attempt to impute missing values or gross up the revenues to any other level beyond the respondents to the survey.

The \$202.4 million reported for 2016 revenues from music publishing appears equal to the \$199 million reported last year concerning 2015 revenues. However, among respondents who provided an answer in both 2015 and 2016, the total revenues increased from \$177.8 million to \$187.7 million, a 6% year-to-year increase.

About one-half (58%) of the 37 respondents reported that their revenues from music publishing had increased over the past five years, while one-quarter (22%) indicated that they had decreased.

Figure 4.1 - Compared to five years ago, have your organization’s music publishing royalty revenues increased, decreased, or stayed about the same? (2017 n = 45; 2016 n = 38)



32%

music publishing revenues
from domestic sources

Out of all music publishing royalty revenues received, 32% were from domestic (as opposed to foreign) sources in the most recent complete year of operation (from 37 respondents); it was 27% in the 2016 survey. While we exercise extreme caution in breaking down results (because of limited sample size), it is notable that revenues from domestic sources represent 31% of revenues for companies based in Ontario compared to 42% of revenues for companies with Canadian headquarters outside of Ontario.

Performing rights constitute the majority of the revenues (59%); they are more significant for companies headquartered in Ontario (61%) than outside Ontario (36%). Mechanical rights come second with 19% of music publishing revenues from this source, followed by synchronization licensing fees (13%). Outside Ontario, results from the 2016 and 2017 surveys are different, with higher sync fees and lower performing rights overall; this is due to a change on the composition of the sample rather than to a real change in the economic landscape.

Table 4.1 - Out of all music publishing royalty revenues received, what proportion was from each of the following sources in your most recent complete year of operation?

Results obtained in 2017	Share of most recent year revenues		
	All respondents	HQ in Ontario	HQ Elsewhere
Performing rights	59%	61%	36%
Mechanical rights	19%	19%	19%
Synchronization licensing fees	13%	10%	44%
Print licensing fees	< 1%	< 1%	< 1%
Other rights	9%	10%	< 1%
Total	100%	100%	100%
Responses	37	21	16
Results obtained in 2016			
Performing rights	56%	55%	64%
Mechanical rights	22%	22%	13%
Synchronization licensing fees	16%	16%	19%
Print licensing fees	< 1%	< 1%	< 1%
Other rights	6%	6%	3%
Total	100%	100%	100%
Responses	30	17	11

Note: These results are weighted by revenues.

5 EMPLOYMENT

This section presents study results related both to the number of employees of firms involved in music publishing, and to investment in songwriters.

65%

increase in employment in music publishing over five years

The 44 responding companies collectively employed 310 individuals, as compared with 182 five years ago, however, only 6 of 44 indicated employing more than 10 people. Not all of these individuals spent all their time on music publishing; the equivalent of 203 individuals worked full time on music publishing compared to 123 five years ago, for a five-year increase in music publishing employment of 65%.

Table 5.1 - Number of employees, working proprietors, and other staff

Results obtained in 2017	All personnel	Personnel attributable to music publishing
Now	310	203
Five years ago	182	123
Responses	44	44
Results obtained in 2016		
Now	305	184
Five years ago	161	123
Responses	37	37

\$16.1M

invested in songwriter development

In the most recent complete year of operation, 35 survey respondents reported investing a total of \$10.6 million in the development of songwriters. Forty-three percent of that investment was made in Ontario. More than one-half of respondents (56%) indicated having increased the investment made by their Canadian offices in the development of songwriters compared to five years ago; 9% indicated having decreased their investment. An additional \$5.5 million was invested by foreign

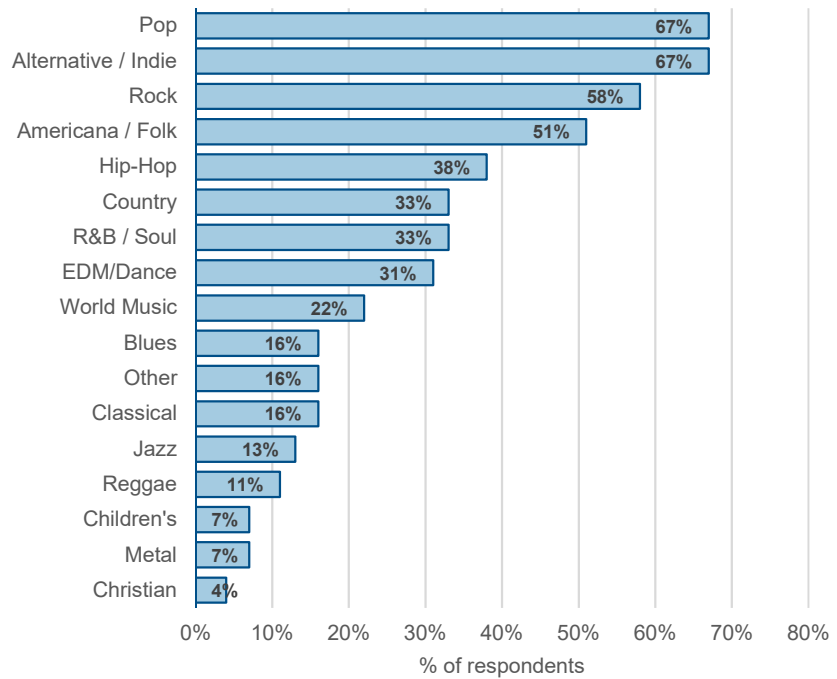
parents in the development of songwriters based in Canada or from Canada but based elsewhere.

6 MUSIC GENRES

This section documents the music genres in which music publishers are involved.

Pop (67%), alternative/indie (67%), rock (58%), and Americana/folk (51%) are the genres targeted by a majority of companies. Firms located in Ontario are more likely than those headquartered elsewhere to mention placing a focus on most categories, but particularly on Christian music, children, country, and metal.

Figure 6.1 - Which of the following genres of music does your organization primarily focus on? (n=45)



APPENDIX A QUESTIONNAIRE

2017 Questionnaire

Thank you very much for your contribution to this study!

Circum Network Inc. has been awarded a contract by the Canadian Music Publishers Association (CMPA) to conduct an online survey of key issues and priorities for members of CMPA and APEM, both current and recent. The study is being financed by the Ontario Music Fund.

The objective of this survey is to provide information and insights that will enable CMPA and APEM to best target their activities in support of the industry. In filling out this questionnaire, please refer **only** to the Canadian operations of your company unless otherwise specified.

No statistics will be published, or released to any party other than Circum, which would divulge information obtained from this survey that relates to any identifiable business. Data reported on this questionnaire will be treated in confidence, used for statistical purposes and published in groupings only. No personal identifiers will be used, and any personal information you may supply is protected under the federal Privacy Act.

Revenues

- 1. Please check below the primary designation (in terms of revenue) and secondary designation which most accurately describes your organization.**

PRIMARY DESIGNATION NOW

- Music publisher
- Record company/label
- Record production company/production of master recordings
- Film production
- Film distribution
- Broadcasting
- Television production and/or distribution
- Management company
- Other, specify

PRIMARY DESIGNATION FIVE YEARS AGO, IN 2012

Same categories

SECONDARY DESIGNATION NOW

Same categories

SECONDARY DESIGNATION FIVE YEARS AGO, IN 2012

Same categories

2. In its most recent complete year of operation, has your organization received any revenues from music publishing?

Yes

No (Thank you for your interest in this study. Unfortunately, this questionnaire is addressed to companies with revenues from music publishing. TERMINATE.)

3. Does your organization administer the works of other music publishers and/or function as a sub-publisher in Canada, or other territories you control, for other music publishers?

NOW: yes/no

FIVE YEARS AGO, IN 2012: yes/no

New Question 4. In its most recent complete year of operation, were any of your organization's works administered or sub-published by another Canadian music publisher?

Yes

No

New Question 5. IF YES: In its most recent complete year of operation, has your organization received any music publishing revenues from works or licensing your organization administered itself?

Yes (Please respond to this survey only with respect to the works or licensing administered by your organization itself, not those sub-published or administered by another Canadian publisher.)

No (Thank you for your interest in this study. Unfortunately, this questionnaire is not addressed to companies with revenues only collected by another Canadian publisher. TERMINATE.)

4. In the most recent complete year of operation, what were the gross revenues of your Canadian operations from music publishing before royalty disbursement or other expenses? (Provide an estimate.)

Gross revenues:

No answer/Don't know

5. Out of all music publishing royalty revenues received for works your organization either owns or co-owns, sub-publishes or administers on behalf of other publishers, what proportion was from each of the following sources in your most recent complete year of operation: (The 10 values should total 100%.)

Performing rights

Mechanical rights

Synchronization licensing fees

Print licensing fees

Other rights

6. **Out of all music publishing royalty revenues received for works your organization either owns or co-owns, sub-publishes or administers on behalf of other publishers, what proportion was from domestic (as opposed to foreign) sources in your most recent complete year of operation:**

Proportion from domestic sources:
No answer/Don't know

7. **Compared to five years ago, have your organization's music publishing royalty revenues increased, decreased, or stayed about the same?**

Increased
Decreased
Stayed about the same
No answer/Don't know

8. **What are currently the priority markets of your organization in developing your international publishing revenues (or export sales)? (Select all that apply)**

None, we don't have priority markets for international publishing revenues
United States
Mexico
Brazil
Central/South America
United Kingdom/Ireland
France
Germany/Austria/Switzerland
Belgium/Netherlands/Luxembourg
Nordic Countries (Denmark, Finland, Iceland, Norway, Sweden)
Italy
Spain/Portugal
Other countries in Western Europe
Eastern Europe
Japan
Australia/New Zealand
South East Asia
China
All other countries

Ownership

9. **Is your organization a subsidiary or an affiliate of another organization?**

NOW: yes/no
FIVE YEARS AGO, IN 2012: yes/no

10. Indicate the country in which controlling interest of your organization is held. In the situation where the reporting business is subject to the financial and operational control of a parent and/or holding organization, indicate the country in which the ultimate control resides.

NOW

- Canada
- United States
- Other, specify
- Don't know/No answer

FIVE YEARS AGO, IN 2012

Same categories

11. Where are your Canadian headquarters located?

NOW:

- Newfoundland-and-Labrador
- Nova Scotia
- Prince Edward Island
- New Brunswick
- Quebec
- Ontario
- Manitoba
- Saskatchewan
- Alberta
- British Columbia
- NWT and Nunavut
- Yukon
- Don't know/No answer

FIVE YEARS AGO, IN 2012:

Same categories

12. Which of the following genres of music does your organization primarily focus on? (Select all that apply.)

Alternative / Indie
Americana / Folk
Blues
Children's
Classical
Christian
Country
EDM/Dance
Hip-Hop
Jazz
Metal
Pop
Reggae
R&B / Soul
Rock
World Music
Other, specify

Employment

13. Indicate the average (typical) number of employees, working proprietors, and other staff (working under direct contract) in your organization in Canada:

NOW:

FIVE YEARS AGO, IN 2012:

14. Indicate the approximate percentage of their work attributable to music publishing.

NOW:

FIVE YEARS AGO, IN 2012:

15. In the most recent complete year of operation, how much, if anything, did the Canadian offices of your organization invest in the development of songwriters? (Provide an estimate.)

Examples of expenses to include: advances, writing/co-writing activities, showcases, demos, studio expenses, PR, travel, radio promotion, design/graphic artist/photography costs, etc. Do not include: staff and other in-house/overhead expenses.

\$ invested in the development of songwriters

No answer/don't know

16. [IF SOME INVESTMENT] What kind of activity did you invest in to develop songwriters?

New Question 17: Compared to five years ago, has the investment made by the Canadian offices of your organization in the development of songwriters increased, decreased, or stayed about the same?

Increased/Decreased/Stayed about the same/No answer/don't know/Not applicable

New Question 18: Where applicable, how much, if anything, did the foreign parent of your organization invest in the development of songwriters based in Canada or from Canada but based elsewhere, in the most recent complete year of operation? (Provide an estimate).

Examples of expenses to include: advances, writing/co-writing activities, showcases, demos, studio expenses, PR, travel, radio promotion, design/graphic artist/photography costs, etc. Foreign parent companies should also include: origination fees, commissions, credits, quality of earnings adjustments or comparable consideration being attributed to the Canadian office. Do not include: staff and other in-house/overhead expenses.

\$ invested by foreign parent company in the development of songwriters based in Canada or from Canada but based elsewhere

No answer/don't know

Not applicable

New Question 19: Compared to five years ago, has the amount invested by the foreign parent of your organization in the development of songwriters based in Canada or from Canada but based elsewhere increased, decreased, or stayed about the same?

Increased/Decreased/Stayed about the same/No answer/don't know/Not applicable

Questionnaire 2017

Merci beaucoup pour votre participation à cette étude!

Le Réseau Circum a reçu de la Canadian Music Publishers Association (CMPA) le mandat de mener un sondage en ligne sur les enjeux et priorités des membres actuels et récents de la CMPA et de l'APEM. L'étude est financée par le Fonds ontarien de promotion de la musique.

L'objectif du sondage est de fournir des renseignements et des points de vue qui aideront la CMPA et l'APEM à choisir leurs activités en appui à l'industrie. À moins d'indication contraire, vos réponses à ce questionnaire devraient porter **uniquement** sur les activités canadiennes de votre entreprise.

Seule Circum aura accès aux données recueillies dans le cadre de ce sondage qui permettraient d'identifier une entreprise. Ces données ne seront ni publiées, ni divulguées à des tiers. Les données fournies seront traitées en toute confiance; elles ne seront utilisées que pour des fins statistiques et seuls des regroupements de données seront utilisés. Aucun identifiant personnel ne sera utilisé et toute information personnelle que vous pourriez fournir sera protégée par la *Loi sur la protection des renseignements personnels*.

Revenus

1. Veuillez cocher la désignation principale (selon le revenu) et la désignation secondaire qui décrivent le mieux votre organisation.

DÉSIGNATION PRINCIPALE ACTUELLE

- Éditeur de musique
- Maison ou étiquette de disques
- Entreprise de production de disques ou d'enregistrements originaux
- Production de films
- Distribution de films
- Radiodiffusion
- Production ou distribution télévisuelles
- Société de gestion
- Autre (veuillez préciser)

DÉSIGNATION PRINCIPALE IL Y A CINQ ANS (EN 2012)

Mêmes catégories

DÉSIGNATION SECONDAIRE ACTUELLE

Mêmes catégories

DÉSIGNATION SECONDAIRE IL Y A CINQ ANS (EN 2012)

Mêmes catégories

2. Au cours de sa plus récente année complète d'exploitation, votre organisation a-t-elle tiré des recettes de l'édition musicale?

Oui

Non (Merci de votre intérêt pour cette étude. Malheureusement, ce questionnaire s'adresse aux compagnies qui ont des revenus d'édition de musique. METTRE FIN AU QUESTIONNAIRE.)

3. Votre organisation administre-t-elle les œuvres d'autres éditeurs de musique ou agit-elle à titre de sous-éditeur au Canada, ou dans d'autres territoires sous votre contrôle, pour d'autres éditeurs de musique?

ACTUELLEMENT : oui/non

IL Y A CINQ ANS (EN 2012) : oui/non

Nouvelle question 4. Au cours de votre plus récente année complète d'exploitation, est-ce que l'une ou l'autre des œuvres de votre organisation était administrée ou sous-éditée par un autre éditeur de musique canadien?

Oui

Non

Nouvelle question 5. SI OUI: Au cours de votre plus récente année complète d'exploitation, est-ce que votre organisation a reçu des revenus d'édition de musique pour des œuvres ou des permis que votre organisation administre elle-même?

Oui (Veuillez répondre au sondage en faisant référence seulement aux oeuvres et aux permis administrés par votre organisation, à l'exclusion des oeuvres et permis sous-publiés ou administrés par une autre éditeur canadien.)

Non (Merci de votre intérêt pour cette étude. Malheureusement, ce questionnaire ne s'adresse pas aux organisations dont les revenus proviennent uniquement d'un autre éditeur canadien. TERMINER.)

4. Au cours de votre plus récente année complète d'exploitation, à combien se sont élevés les revenus bruts de vos opérations canadiennes en édition musicale, avant le versement des droits d'auteur et les autres dépenses? (Donnez une estimation.)

Revenus bruts :

Pas de réponse/Ne sais pas

5. **Parmi tous les revenus de droits d'auteur sur l'édition musicale tirés des œuvres dont votre organisation est propriétaire ou copropriétaire, ou encore sous-éditeur ou administrateur au nom d'autres éditeurs, quelle proportion provenait de chacune des sources suivantes au cours de votre plus récente année complète d'exploitation?** (Le total des 10 valeurs doit être de 100 %.)

Droits d'exécution
Droits de reproduction mécanique
Droits de permis de synchronisation
Droits de permis d'impression
Autres droits

6. **Parmi tous les revenus de droits d'auteur sur l'édition musicale tirés des œuvres dont votre organisation est propriétaire ou copropriétaire, ou encore sous-éditeur ou administrateur au nom d'autres éditeurs, quelle proportion provenait de sources domestiques (plutôt qu'étrangères) au cours de votre plus récente année complète d'exploitation?**

Proportion de sources domestiques :
Pas de réponse/Ne sais pas

7. **Au regard d'il y a cinq ans, les revenus en droits d'auteur tirés de l'édition musicale par votre organisation ont-ils augmenté, diminué, ou sont-ils demeurés à peu près stables?**

Ils ont augmenté
Ils ont diminué
Ils sont demeurés à peu près stables
Pas de réponse/Ne sais pas

8. **Quels sont actuellement les marchés prioritaires de votre organisation pour le développement de vos revenus internationaux d'édition (ventes à l'étranger)? (Cochez toutes les réponses qui s'appliquent.)**

Aucun; nous n'avons pas de marché d'exportation prioritaire
États-Unis
Mexique
Brésil
Amérique centrale et du Sud
Royaume-Uni et Irlande
France
Allemagne, Autriche, Suisse
Belgique, Pays-Bas, Luxembourg
Pays nordiques (Danemark, Finlande, Islande, Norvège, Suède)
Italie
Espagne, Portugal
Autres pays d'Europe de l'Ouest
Europe de l'Est
Japon
Australie, Nouvelle-Zélande
Asie du Sud-Est
Chine
Autres pays

Propriété

9. Votre organisation est-elle une filiale ou une société affiliée d'une autre organisation?

ACTUELLEMENT : oui/non

IL Y A CINQ ANS (EN 2012) : oui/non

10. Indiquez dans quel pays les intérêts majoritaires de votre organisation sont détenus. Si l'entreprise déclarante est assujettie au contrôle financier et opérationnel d'une organisation parente ou d'une société de portefeuille, indiquez le pays où réside le contrôle ultime.

ACTUELLEMENT

Canada

États-Unis

Autre (veuillez préciser)

Ne sais pas/Pas de réponse

IL Y A CINQ ANS (EN 2012) :

Mêmes catégories

11. Où se trouve votre siège social canadien?

ACTUELLEMENT :

Terre-Neuve-et-Labrador

Nouvelle-Écosse

Île-du-Prince-Édouard

Nouveau-Brunswick

Québec

Ontario

Manitoba

Saskatchewan

Alberta

Colombie-Britannique

TNO et Nunavut

Yukon

Ne sais pas/Pas de réponse

IL Y A CINQ ANS (EN 2012) :

Mêmes catégories

12. Sur quels genres musicaux votre organisation est-elle principalement axée? (Cochez toutes les réponses qui s'appliquent.)

Alternatif / Indépendant
Americana / Folk
Blues
Musique pour enfants
Classique
Rock chrétien
Country
Électro / Danse
Hip-hop
Jazz
Métal
Pop
Reggae
R & B / Soul
Rock
Musique du monde
Autre (veuillez préciser)

Emploi

13. Indiquez le nombre moyen (normal) d'employés, de propriétaires exploitants et d'autres membres du personnel (sous-traitants directs) de votre organisation au Canada :

ACTUELLEMENT :
IL Y A CINQ ANS (EN 2012) :

14. Indiquez le pourcentage approximatif de leur temps de travail associé à l'édition musicale.

ACTUELLEMENT :
IL Y A CINQ ANS (EN 2012) :

15. Au cours de la plus récente année complète d'exploitation, combien (le cas échéant) les bureaux canadiens de votre organisation ont-ils investi dans le développement d'auteurs-compositeurs? (Donnez une estimation.)

Figurent notamment parmi les dépenses possibles : les avances, les activités d'écriture ou de coécriture, les présentations promotionnelles, les démos, les frais de studio, les relations publiques, les déplacements, la promotion radio, les coûts de conception et réalisation graphiques et de photographie. Ne pas inclure le salaire du personnel et les autres frais généraux ou internes.

Montant investi dans le développement d'auteurs-compositeurs :
Pas de réponse/Ne sais pas

16. [S'IL Y A EU INVESTISSEMENT] Dans quel type d'activité de développement d'auteurs-compositeurs avez-vous investi?

Nouvelle question 17 : Au regard d'il y a cinq ans, les investissements des bureaux canadiens de votre organisation dans le développement d'auteurs-compositeurs ont-ils augmenté, diminué, ou sont-ils demeurés à peu près stables?

Ils ont augmenté / Ils ont diminué / Ils sont demeurés à peu près stables / Pas de réponse / Ne sais pas / Sans objet

Nouvelle question 18 : Si votre organisation est une filiale d'une organisation étrangère, combien cette organisation parente a-t-elle investi (si c'est le cas) dans le développement d'auteurs-compositeurs soit établis au Canada, soit canadiens mais établis ailleurs, au cours de la plus récente année complète d'exploitation? (Donnez une estimation.)

Figurent notamment parmi les dépenses possibles : les avances, les activités d'écriture ou de coécriture, les présentations promotionnelles, les démos, les frais de studio, les relations publiques, les déplacements, la promotion radio, les coûts de conception et réalisation graphiques et de photographie. La société parente étrangère devrait aussi inclure les commissions de montage, autres commissions, crédits, rajustements de la qualité des bénéficiaires ou contreparties comparables attribuées au bureau canadien. Ne pas inclure le salaire du personnel et les autres frais généraux ou internes.

Montant investi par la société parente étrangère dans le développement d'auteurs-compositeurs soit établis au Canada, soit canadiens mais établis ailleurs :

Pas de réponse/Ne sais pas

Sans objet

Nouvelle question 19 : Au regard d'il y a cinq ans, le cas échéant, les investissements de votre organisation parente dans le développement d'auteurs-compositeurs soit établis au Canada, soit canadiens mais établis ailleurs ont-ils augmenté, diminué, ou sont-ils demeurés à peu près stables?

Ils ont augmenté / Ils ont diminué / Ils sont demeurés à peu près stables / Pas de réponse / Ne sais pas / Sans objet



APPENDIX B: LIST OF PUBLISHERS AND INDUSTRY ASSOCIATION CONTACTS INTERVIEWED

CANADIAN MUSIC PUBLISHERS AND TRADE ASSOCIATIONS:

Paul-Étienne Côté, Circonflex Music Agency

Patrick Curley, Third Side Music

Vincent Degiorgio, CYMBA Music Publishing

Marcello Favia, Arts & Crafts Publishing Inc.

Jodie Ferneyhough, CCS Rights Management

Chris Giansante, **ole**

Mark Jowett, Netzwerk Music Group

Daniel Lafrance, Editorial Avenue

Margaret McGuffin, Canadian Music Publishers Association

Jennifer Mitchell, Casablanca Media Publishing and Red Brick Songs

Jérôme Payette, l'Association des professionnels de l'édition musicale

Diane Pinet, Bloc-Notes Music Publishing Inc.

Neville Quinlan, peermusic Canada

Kim Temple, Six Shooter Records

INTERNATIONAL MUSIC PUBLISHERS AND TRADE ASSOCIATIONS:

Niclass Björlund, Edition Björlund, Sweden

Kirsty Booth, Music Publishers Association, UK

Rolf Budde, Budde Music, Germany

Coco Carmona, International Confederation of Music Publishers

Philippe Daniel, Melmax Music, France



Michael Eames, PEN Music Group, and Association of Independent Music Publishers,
USA

Millie Millgate, Sounds Australia

Philip Mortlock, Origin Music Publishing, Australia

Pierre Mossiat, Strictly Confidential Music Publishing, Belgium, and Independent
Music Publishers Forum

Matthew O'Sullivan, Australasian Music Publishers Association

Simon Platz, Bucks Music Group, UK



APPENDIX C: INTERVIEW GUIDES

CANADIAN PUBLISHER / ASSOCIATION INTERVIEW TOPICS

What are your (members') priority markets? Why?

Where do you / your members have offices? Where would you / they like offices?

Where do you / your members have sub-publishers? What makes a good sub-publisher?

Describe the export activities undertaken by companies like yours / your members, and explain the strategies or objectives behind those activities.

- To strengthen relationships with existing contacts
- To establish new business relationships
- To open a new territory (for placements, sub-publishing, co-writing, etc.)

Have you / your members experienced success?

- In which markets?
- What helped you get there?

What barriers are you / your members facing?

What do you see foreign competitors / partners doing differently?

What does or what could CMPA/APEM do in terms of events, programs, or initiatives that would best help you achieve your goals for international markets?

- What if you had to pick one area to focus on?

Do you / your members currently receive any kind of support from government aimed at increasing your exports and presence internationally?

- Programs
- Services

What is your experience with these support mechanisms?

- What does and doesn't work?
- What role should government play?
 - Early stage development: market intelligence, mentoring, etc.
 - In-market support for Export Ready Business: Providing relevant contacts in foreign markets



INTERNATIONAL PUBLISHERS / ASSOCIATIONS INTERVIEW TOPICS

Describe the export activities undertaken by companies like yours / those you represent.

What are the strategies or objectives behind those activities?

- To strengthen relationships with existing contacts
- To establish new business relationships
- To open a new territory (for placements, sub-publishing, co-writing, etc.)

What barriers are you / they facing?

Have you / they experienced success?

- In which markets?
- What helped you /them get there?

What are your / their priority markets? Why?

Do you / they currently receive any kind of support from government aimed at increasing your / their exports and presence internationally?

- Programs
- Services

What is your / their experience with these support mechanisms? What does and doesn't work?

What role should government play?

- Early stage development: market intelligence, mentoring, etc.
- In-market support for Export Ready Business: Providing relevant contacts in foreign markets



APPENDIX D: OVERVIEW OF GOVERNMENT SUPPORT FOR MUSIC PUBLISHER EXPORT ACTIVITIES

FEDERAL CANEXPORT

[http://international.gc.ca/trade-commerce/funding-financement/canexport/about-
apropos.aspx?lang=eng](http://international.gc.ca/trade-commerce/funding-financement/canexport/about-
apropos.aspx?lang=eng)

- Five-year, \$50-million program
- Direct financial assistance to small and medium-sized Canadian businesses (SMEs) to develop new export opportunities and markets, especially high-growth emerging markets
- Reimburses up to 50% of eligible expenses, applicant must match funds one-to-one
- One project at any given time
- Minimum contribution \$10,000 (minimum total cost \$20,000)
- Maximum contribution \$99,999 (maximum total cost \$199,998)

THE CANADA MUSIC FUND (CMF)

- Publisher activities only eligible for one CMF component (including FACTOR/Musicaction)

Music Entrepreneur Component (MEC): Aid to Canadian Music Publishing Firms - Canada Music Fund (CMF)

[https://www.canada.ca/en/canadian-heritage/services/funding/music-
fund/publishing.html](https://www.canada.ca/en/canadian-heritage/services/funding/music-
fund/publishing.html)

- Financial assistance awarded on competitive basis to support:
 - promotion of Canadian works in Canada and abroad
 - songwriter/composer development: showcases, co-writing, demos, non-refundable advances
 - business development: improve business processes, attend industry conferences
- Maximum annual contribution: \$75,000 (increased from \$50,000 in 2016)
- Not to exceed
 - 50% of eligible expenses



- total net revenues from Canadian works
- \$30,000-\$40,000 for salaries/benefits
- 10% overhead
- Minimum 3 years incorporated or 1 year + 5 years management experience in publishing
- Revenues greater than \$25,000 and less than \$5 million, EBITDA less than 20%
- Net revenues from works by owners/shareholders less than 25% of total

Music Entrepreneur Component (MEC): Aid to Canadian Music Industry National Service Organizations - Canada Music Fund (CMF)

<https://www.canada.ca/en/canadian-heritage/services/funding/music-fund/service-organizations.html>

- Funding for Canadian not-for-profit organizations serving Canadian artists and entrepreneurs in the music industry to support:
 - promotion and increased visibility for Canadian music or artists content and the Canadian music industry; or
 - development of services for the Canadian music industry
- Up to 75% of eligible expenses up to \$650,000 per fiscal year
- Eligible activities include music showcases, promotion and marketing of music content, positioning of Canadian music content, training/professional development and conferences, trade show kiosks, and analysis & monitoring of evolving industry trends and issues.

FACTOR (Foundation for Assisting Canadian Talent on Recordings)

- Administers funds from CMF and Canadian private radio broadcasters, for anglophone music projects
- Support for Eligible Music Companies Program
 - Annual funding for business development initiatives that supports the marketing and promotion of the company and its services, and staff business travel to support the company's development objectives
 - Not to exceed 50% of budget up to \$7,500/\$20,000 depending on company rating
 - 15% administration fee/overhead permitted
 - changes to proposed activity permitted up to 25% of budget
- The Songwriter's Workshop Support Program
 - Helps Canadian professional songwriters (i.e., primarily writing for other performers) pay for the cost of attending domestic and



international songwriting workshops and seminars on the craft and business of songwriting.

- Up to 75% of total budget to annual maximum of \$750, lifetime maximum of five grants

Musicaction

- Administers funds from CMF and Canadian private radio broadcasters, for francophone music production
- Démarchage (business development)
 - Supports company or trade organization travel for up to seven days to develop new national and international markets
 - Up to 50% of costs to a maximum of \$10,000 per year
 - Publishers not eligible for 'Producteur reconnu' status with \$75,000 annual maximum
- Commercialisation internationale (international marketing)
 - Focused on activities linked to distribution and marketing of sound recordings
 - Applicant must control rights to master
 - Up to 50% of costs to a maximum of \$25,000, \$10,000 per showcase/show or trip, \$20,000 per project

THE CANADIAN TRADE COMMISSIONER SERVICE

Global Opportunities for Associations (GOA)

<http://tradecommissioner.gc.ca/funding-financement/goa-oma/index.aspx?lang=eng>

- Funding to support national associations undertaking new or expanded international business development activities, in strategic markets and sectors, for the benefit of an entire industry (member and non-member firms)
- Up to 50% of eligible expenses from \$20,000 to \$250,000
- Eligible activities may promote products or services, improve market access, or generate market intelligence



PROVINCIAL

ONTARIO MUSIC FUND

http://www.omdc.on.ca/music/the_ontario_music_fund.htm

Music Company Development

- Funding for Ontario-based music companies to support new or expanded business activities, including strategic business and market development, in the form of investments and undertakings.
- Minimum 2 years operation or three years' experience in senior role in industry
- Maximum 50% of eligible costs up to \$750,000 per cycle for companies with revenues of \$100,000+
- Up to an additional \$250,000 for strategic activities to grow company and market share in Canada and internationally for companies with revenues of \$5,000,000+
- Eligible activities include: recording & production, marketing & promotion, touring & showcasing and business development.

Music Futures

- Aimed at stimulating entrepreneurship and providing support to develop Ontario's diverse and emerging music industry with potential to grow professionally if provided with business mentoring, skills development and working capital to expand recording, touring or A&R (artist and repertoire) capacity
- Maximum 75% of eligible costs up to \$50,000 per cycle for companies with revenues of \$30,000-\$100,000
- Eligible activities: recording and production, video production, marketing & promotion, touring & showcasing, business development

Music Industry Development

- Funding to recognized music associations, organizations, training institutions and/or company consortiums, to engage in strategic initiatives with long-term impacts on the growth and sustainability of Ontario's music industry.
- Maximum 75% of eligible costs of at least \$10,000, up to \$350,000 annually
- Eligible activities: music education/training; professional development; digital innovation; market development; strategic development; group marketing; and research activities.



ABOUT LISA FREEMAN

In addition to her current role as the Executive Director of the Canadian Private Copying Collective, Ms Freeman has a private practice (since 2013) providing research, strategic planning and program and project management to clients in the cultural industries, including Access Copyright, Canadian Musical Reproduction Rights Agency, Canadian Private Copying Collective, Department of Canadian Heritage, Ontario Media Development Corporation and Screen Composers Guild of Canada, in some cases partnering with Circum Network Inc.

In 2011-2012, Ms Freeman spent a year as Acting Manager of Research, Strategic Planning and IT, for the Ontario Media Development Corporation (OMDC), the provincial agency responsible for providing innovative programs, services and funding for Ontario's film and television, book and magazine publishing, interactive digital media, and music industries. At OMDC, Ms Freeman's responsibilities included providing direction and leadership for research supporting the development and growth of the cultural media industries through commissioned initiatives, research project funding provided to industry trade organizations and other stakeholders, and ongoing publication of sector profiles.

Prior to this (2001-2012), Ms Freeman worked as a Consultant with the Paul Audley and Associates Ltd. (PAA) team, where she provided research and analysis in support of the strategic directions of government and industry organizations in the areas of copyright, music and sound recording, broadcasting, publishing and film. PAA provided strategic, policy, communications, and business planning advice; authored reports; prepared project proposals, methodologies, budgets and schedules; and carried out statistical and financial analysis. The firm was retained by copyright collectives to work on strategy and all general responsibilities for Copyright Board proceedings. Ms Freeman also assisted with the development and drafting of studies and reports for l'Association des professionnels de l'édition musicale, the Canadian Academy of Recording Arts & Sciences, Canadian Music Publishers Association, Canadian Songwriters Hall of Fame, Department of Canadian Heritage, Telefilm Canada, and Women in Film and Television – Toronto.

Ms Freeman completed her Master of Business degree in Arts & Media Management at the Schulich School of Business in 2000.





CANADIAN MUSIC
PUBLISHERS ASSOCIATION

ASSOCIATION CANADIENNE
DES ÉDITEURS DE MUSIQUE

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