

Takin' Care of (Freelance) Business

by Paul Sharpe, Director, AFM Freelance Services Division

Successful freelance musicians understand that a lot of time and effort must be spent constantly improving their musical abilities. There is simply no substitute for talent and good chops, but are they enough in themselves to guarantee any amount of success in the music business? Of course not--they don't call it "The Music Business" for nothing. Anyone considering a career in the live music business must learn that "Takin' Care of Business" is much more than a '70s rock anthem.

Three Entities

The three basic forms of business entity are: sole proprietor, partnership, and corporation. Most musicians carry on business in one of these forms. For the purposes of this article, I'm going to provide a very basic introduction to the terms. I recommend that you seek detailed information on the subject. Doing so may help you to avoid many of the most common pitfalls.

Sole Proprietor. A sole proprietor's career may be truly freelance in nature, where income depends on attaining work from different sources. They might work in the local music store during the day or teach guitar from home; work as a solo artist or for a wide variety of gigs; and/or do some local pit or session work. Basically, a sole proprietor shows up, does the gig as defined by the appropriate AFM Agreement, gets paid, and then starts the cycle over again. While this business model seems straight forward, it requires the same attention to detail as any successful business.

Partnership. A partnership exists where two or more persons carry on business in common with a view to profit. While most musicians have nothing but the best of intentions upon the establishment of a new group, things can go wrong from time to time. The first order of business should be to define in writing how the partnership is going to operate.

A Partnership Agreement can address many issues. Does each member of the partnership have equal rights and obligations? Who owns the band name? What happens if the band does a self-produced demo or releases a self-produced CD? What happens if a member leaves or the band dissolves? Don't wait for situations to arise before addressing them. Seek advice when necessary. Your local can assist or provide a professional reference when required.

The Corporation. The establishment of a corporation may be necessary for a variety of reasons at some point in your career. Generally speaking, an artist or a group of artists/musicians often form a corporation to attempt to limit their personal liability within the corporation. Knowing when, and at what point, to consider incorporating your business is best left to the sound advice (pun intended) of an entertainment lawyer or other qualified professional resource.

Getting the Gigs

Booking Agents and/or Managers. Booking agents and managers can bring some excellent, yet different, skills to the table that may benefit your career.

Booking agents arrange personal appearances and live gigs for musicians. It is the AFM's policy to assist members in securing the services of fair, honest, and scrupulous booking agents, and to protect AFM members against unfair dealings. AFM-franchised booking agents are signatories to the AFM's Booking Agents Agreement. A complete list of AFM-franchised booking agents can be searched and viewed on the afm.org website. Printed copies of the current Directory of Franchised Booking Agents are available from your local.

Also, be sure to download a copy of the US Booking Agent Agreement from the afm.org website or request a copy from your local. The updated Canadian version will be posted on the AFM website soon and will also be available through Canadian locals. These agreements define all of the terms and conditions pertaining to business relationships with the AFM. How much is the commission on a club gig? How much can an agent charge for a one-nighter? It's all there.

Even though you may acquire some or most of your gigs through other means, build a healthy working relationship with AFM signatory agents whenever possible. In the vast majority of cases, it's a mutually beneficial decision.

Managers assist in the development of musicians' careers by providing artistic and business advice. As expected, these "value added" services come with additional costs to the artists. The AFM's Booking Agent Agreement provides for an additional 5% commission to be paid to signatory booking agents who have also negotiated a Personal Management Agreement with members.

Non-signatory managers can negotiate a commission structure between the artist(s) and themselves, which is typically in the range of 20% to 25% (of gross earnings), depending on the experience and bargaining power of the manager. Keep in mind that these commissions are in addition to any required booking agent commission.

In the early stages of your career you probably don't need a manager unless you lack the necessary time and skills to develop this side of your career.

AFM Booking/Referral Programs. All AFM locals are required to actively participate in an employment referral or booking program in accordance with Article 5, Section 15 of the AFM International Bylaws. Effective local referral services or booking agencies provide positive long-term results to their members. Finding and securing additional employment opportunities is an invaluable asset for both members and locals.

Make sure your local knows exactly what musical services you and/or your group provide and how much you charge for those services. This information is absolutely essential for the local to effectively assist members in getting more gigs. Keep in touch with your local and make sure they have your complete and current promo package on file.

As the largest organization of professional musicians in the world, the Federation represents the finest live talent. In August of this year, the AFM established an international online booking/referral service (GoPro Music) to better inform entertainment purchasers about the Federation's talented members and of the benefits of hiring them. Best of all, the service is available without cost to all members of the AFM. Live music obtained over the Internet is fast becoming routine, and the website has grown by leaps and bounds since its launch. Consumer traffic continues to build to significant levels.

AFM GoPro Music offers members the ability to post (in real time) a title, a full biography/description, up to five graphics, up to four linked sound files, as well as full contact information including an e-mail and external website links. Once a listing is in place, it can be updated as often as needed.

To register and place a listing on GoPro Music, visit www.gopromusic.com and click on the "Get Listed Here" link near the bottom of the home page. Members will need a valid AFM-provided username and password to proceed. If they do not currently have a username and password, visit www.afm.org and click on the green "Members Register Now" button. Once registered, click on the GoPro Music banner at the top of the members-only page to register and post listing(s) on GoPro Music.

Other Necessities

Contracts. AFM contracts are the bedrock of our members' professional lives. The Federation offers a wide variety of engagement contracts to cover every possible type of live gig. Get to know them and use them correctly. They are legally binding agreements between the musician(s) and the purchaser/engager.

It is good business to clearly define the terms and conditions of the gig in writing. Should a default occur, the local and/or the Federation help enforce the contract. It is almost impossible to defend those agreements unless a proper contract is on file.

Among the best member advantages offered by the use of AFM live engagement contracts are pension contributions made on behalf of members. US members can access the March 2003 IM for further details. It contains an article by Secretary-Treasurer Florence Nelson on the Form LS-1 Contract. (Archived issues of the IM are available online through the AFM website.) Canadian members should check with their locals regarding a recent notice issued by AFM-EPW Fund (Canada) on how to properly negotiate pension contributions on freelance gigs.

Marketing. Marketing is the process of answering the question: Who is the target (purchaser) and how do I reach that person? The keys to successful marketing are creativity, persistence, and people skills--all things that musicians typically have in strong supply.

If you don't already have a website, get one! Be sure to register a domain name that is easy to remember. Spend the extra money required to make your site as professional as possible. Avoid services that offer free web hosting. Nothing turns a prospective client off more than to be greeted by annoying advertising.

Please contact me at psharpe@afm.org if I may be of assistance. Remember, "Takin' Care of Business" will always be an essential element of success in the music industry.

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