

The Pros and Cons of a Deal.

Record Deal: A record contract is between a record label and a recording artist. The artist makes a record for the label to sell and promote. Artists under contract are normally only allowed to record for that label exclusively; guest appearances on other artist's records will carry a notice "appears courtesy of (the name of the label)", and that label receives a percentage of sales.

Downside: The label pays for everything and you have to pay it back.

Distribution Deal: An agreement between one party and another, to handle distribution and collections of a product.

Downside: You have to promote your product.

Production Deal: This refers to a person who puts a transaction together. The production deal gets an artist signed to record labels simply through their affiliation with the label. Producers receive a 6 percent producer's royalty to produce an album. All costs are recoupable solely against the artist's share of royalties. Production deals require that the royalty is payable to the producer.

Downside: The production dealer is in control.

Recording Deal:

1. Copyrights, Payment and Royalties
2. The Term and Commitments
3. Exclusivity, Grant of Rights
4. Advances and Publishing
5. Creative Control and Cost Control
6. Accounting
7. Promotional Duties
8. Termination

Downside: Understanding the contract.

Publishing Deal: Songwriters and Composers have a relationship with a publishing company defined by a publishing contract. The publisher agrees to see to it that the Composers receive royalties from various uses of their compositions. They also provide substantial advances against future income. In return, the publishing company receives a percentage, which can be as high as 50% of royalties.

Downside: You can give up to 50% of your money.

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P&D Deal: An agreement to manufacture, promote and distribute a product.

Downside: You get 1 flat rate, Win or Lose.

Management Deal: A manager works for the artist and is paid by the artist.

He makes a service fee as well as a percentage of what the artist earns.

He coordinates the business for the artist in every way possible. Being well-connected, hard-working, energetic, assertive, and persistent is how he gets things done.

He relates the music business with other businesses and maintains close, long-term business relationships with the industry as well as the public.

Downside: The manager works for you.

Promotion Deal: The label is responsible for marketing and promoting your product and receives a percentage of sales plus expenses with interest on both expenses and other fees.

Downside: You pay for everything plus interest.

Subsidiary Deal: The main record label bears a logo that states, "XYZ™, is an ABC company". Everything is done for the label as they take the risk as well as the control over your catalog.

Downside: This is complicated by mergers and the label controls your brand.

Label Deal: When a label is a trademark or brand, not a company, then it is usually called an imprint. An imprint is marketed as being a project, unit, or division of a record label. Distribution, sales, marketing and manufacturing is done for you when you have a catalog of a certain size.

Downside: The label controls your brand.

Are you ready to make it?

What do you want?

How much do you want?

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