

(PREVIEW) THE INDEPENDENT MUSIC GRIND

Chapter 4: Music Revenue Streams and Financing



REVENUE STREAMS: If you are constantly giving away free music without selling anything, then you are not a **BUSINESS MAN**, you are a **HOBBYIST**. The key to success, as an independent artist or producer, is to develop a self-sustaining business model. Fees for promotion, studio time, photos, graphic images, production, music videos, CD duplication, flyers, etc are some of the overhead expenses, which independent artists incur in the operation of their record label or music brand. An artist must generate enough revenue to cover these expenses and perhaps make a profit. In today's music climate, there are many ways by which independent artists and producers can generate income with their music.

HERE ARE SOME IMPORTANT QUESTIONS TO PONDER: What is your revenue model? How does your music business generate income and pay expenses? Are you receiving publishing Checks? Do you sell merchandise? Do you sell digital downloads? Are you getting paid from show performances? Have you generated revenue by licensing your music? Have you obtained funds from endorsements or sponsorships? Do you get paid from doing song features? What is your distribution network?

Do you keep track of the money you spend and the money you generate regarding your music? Do you pay taxes based on income generated from your musical endeavors? How much did you earn last year

from your music movement? How much do you expect to earn this year? How much did you invest in promotion last year? How much do you plan to invest in promotion this year? These are some very important questions, which you must take into consideration regarding your music brand.

If your goal is to become a professional working artist or producer, then it is imperative that you understand the multiple revenue streams in the music business. Thousands of independent music artists and producers are generating tremendous amounts of revenue from their brand and so can you.

You have to be progressive and determined. You must know the value of your brand. The Internet has greatly improved independent artists' access to the marketplace. It is important that you think on a global scale. Explore international markets for fan development and the generation of revenue.