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MANAGING AN INDEPENDENT RECORD LABEL

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\* The views expressed in this document are those of the author, and not necessarily those of the WIPO Secretariat or its Member States.

## Managing an Independent Music Label

My name is Laura Tesoriero and I am the president and main shareholder of EPSA Music, an Argentine independent record label.

I have been asked to speak about “managing an independent label”, but I want to start with a wonderful metaphor for the independent sector – the legendary tango.

The tango is the ultimate expression of the musical culture of Argentina. Enrique Santos Discepolo, an Argentine poet, wrote that the tango is “*una mezcla de rabia, de dolor, de fe, de ausencia, llorando en la inocencia de un ritmo juguetón*” - a mixture of anger, pain, faith, absence, crying in the innocence of a playful rhythm.

It began in the margins of society, in the poor inner cities; it became highly popular in the 1940s, with thousands of masterpieces created yearly. Since then, it has become an area where most artistic initiatives develop within the independent world.

But creators of modern tango music today face two big challenges: reaching a potential audience, and protecting their creation against those who use it without authorization.

In the past, many independent artists would record their music and bring the master they prepared, ready to replicate, to a CD plant. At this point these artists had copies of their recordings, but no way to distribute them. Their only option was to sell their recordings before or after their live shows.

In many other cases, talented musicians had not even made it to this point. They simply did not have the money to finance the recording of their music.

These musicians had the raw talent; the music, the poetry, the rhythmic cadenza. But they did not have the capital to make their creations available for others to enjoy. So their fantastic work went unheard and unknown.

They lacked something seemingly peripheral, but necessary, in the creative process. They lacked everything that makes an artistic work accessible to potential customers. They lacked what they needed to make an artistic piece add to the culture and education of society.

Let me give you an example. They say “it takes two to tango”. In my example, the first is the musician, the performer. The second is us, the record producers. Each is dependent on the other. And they both stand on one floor – which is the law that protects them against those that want to use their creations illegally. Copyright law.

We, the record producers, help these artists achieve the “missing link”. We help them reach their audience. We help them to reach not only an Argentine audience, but also people in other countries. Crucially, we help them make a living from their music.

Consumers can enjoy the creativity of our talented musicians and performers thanks to the role that record producers play.

I saw there, in what the artists needed, a huge possibility: to offer to these talented artists the possibility of making their work available. That was our first vision.

Epsa Music was founded in 1995. At that time, we were already very successful with Epsa Electrical Products, a tape and CD factory.

Epsa Music was dedicated to distributing the music of those artists we felt reflected Argentine culture and who had the talent to be commercially successful.

In time, we developed an ongoing search for that talent, undertaking a lot of research across the whole country looking for new artists and nurturing them from the start of their careers.

Our activity became an active part of the creative process.

It was at this point that we established the basis of the agreements with our artists and defined the rules we both operate under – a model which continues to this day.

Originally we offered recording facilities, but in the end we began to focus on searching for new talent. As our activities developed, our principles remained unchanging.

We were always committed to basic ideas about our rights, authors' rights and performing artists' rights—the intellectual property rights that are the bedrock on which our industry depends. We respected the principles of intellectual property even in the times when doing so was not profitable for us, due to the growing structural crisis in the industry.

Twelve years from our start, the result has been successful from all points of view:

- A business success (financial)
- Grew between 8 and 25% every year.
- A successful relationship with our artists (and new artists signed each year)
- More than 550 recordings, 130 new artists
- A successful recognition of the quality of our musical product (prizes won)
- 2 Grammys
- 21 Premios Gardel (Argentinian Music prize)

In developing countries, cultural resources are high, but economic resources are often low. In other words, it is easier to find talent than to find financing.

Developing an artist takes a lot of effort and a substantial investment of both time and money. The cost of recording is getting more accessible every day because of the advance of technology, but the marketing of an artist, making them known, still requires considerable resources.

I remind you that those that dance the tango need a solid floor on which to perform their dance--in our case, this floor is copyright law.

Copyright plays a fundamental role in our business. All of the parties involved are protected by copyright: the composer, the performing artist and the producer. We all depend on effective protection of our investment – investment of creativity, talent, time and money. We need protection from piracy – the stealing of that work and investment.

Piracy is the biggest threat to the music business. It is not just about loss of money. It is ultimately about the diminishment of culture. Piracy reduces the creation of new works and reduces the ability of companies like EPSA MUSIC to produce new recordings and promote new artists.

The challenge we face is the lack of education among our population about intellectual property. Our greatest barrier is the public's approach to our rights. Many people do not understand the nature of copyright and the importance of protecting it. Many ask – why should we respect others' rights in the music we enjoy?

Capif, the Argentinean music producers' organisation, started a programme in 2005 'Todo empieza con una canción' or 'Everything starts with a song', for students aged 11 and 12.

The main objective of the programme is to promote the discussion about the cultural value of music among young people and to give them the necessary tools to think about how important it is to respect creations based on copyright. To explain the simple fact that behind any musical piece is the creative work of many people. This is done in schools all over the country and after the 15-minute educational video is shown, the debate starts with popular artists interacting with the children in the audience.

This is part of the video. (Video)

We have to engage with consumers, young and old, to explain the importance of copyright as the basis of the musical culture they all enjoy. When people understand the investment of time and money that goes into creating a piece of music, they will respect it more.

If they respect the creative process and do not engage in music piracy, then our business and our culture can continue on a surer footing.

Thank you for listening.

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