

Assignment: Report
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1. Introduction

Utilising a range of sources, this report will offer a critical analysis of Brooklyn Music Group. Within the report, I will explore the history of Brooklyn and evaluate the methods that they employ to provide a first-rate service to their clients, additionally examining the strengths of their pricing strategy before suggesting areas for development. Following a section which outlines the practices of Brooklyn's competitors, my research will provide evidence for the potential impact of current micro and macro-economic circumstances on Brooklyn's business. The report will go on to assess the financial stability of Brooklyn, exploring potential areas for growth, before suggesting how lean start-up methodology might be applied to Brooklyn's practices.

2. A Brief History

Brooklyn Music Group was incorporated in 2006 by Richard Engler and David Rowell (Brooklyn Music Group LLP, 2006). They brought with them a combined 40 years of experience within the music industry (Macieira & Williams, 2019). This is significant as a crucial part of the service that Brooklyn provides involves bringing the most suitable

contributors into a project (Engler, 2020a). This task would not be viable without a comprehensive understanding of the music industry, as well as an exhaustive list of contacts. Ownership of Brooklyn, which has maintained its independence, has remained in the hands of Engler and Rowell (Engler, 2020a). The business, however, has developed over the years. Brooklyn was originally set up as several limited companies, including a management and a publishing group (Engler, 2020a). This approach can be advantageous as each branch is protected in the case that one arm is struggling. Nevertheless, Engler acknowledges the additional complications that this strategy brings, explaining that the financial crash of 2008 forced them to streamline the operation (Engler, 2020a). Brooklyn has begun to expand again, although new ventures tend to take place as collaborative partnerships (Engler, 2020a). For example, 2017 brought with it a tactical partnership between Brooklyn and Propaganda, a successful events company who welcome 20,000 people to their shows each week (Wilful Publicity, 2017). As a result, artists who were associated with Brooklyn gained direct access to captive audiences across the UK (Macieira & Williams, 2019). Brooklyn later established its publishing arm, partnering with Bucks Music Group to power its success (Music Business Worldwide, n.d.). Bucks Music Group have been accredited with launching the careers of major artists including David Bowie and Black Sabbath (Music Business Worldwide, 2019). This considered approach to partnerships is ubiquitous in Brooklyn's broader strategy, as is clear through their primary distribution channel. Brooklyn

changed distribution channels, establishing a deal with Believe, with whom they had a pre-existing personal relationship. While the direct financial benefits offered by one distributor against another are difficult to quantify, the personal relationship which Brooklyn have established with a distinguished distributor grants them quality assurance, as well as a direct line to ensure that any issues with distribution can be redressed efficiently (Engler, 2020a).

3. Products and Customer Base

Brooklyn Music Group is a consultancy, offering expertise in the creation of bespoke and engaging campaigns (Brooklyn Music Group, 2020). Brooklyn was an early adopter of the 'artist services' model, providing services often associated with record labels to artists without the added provision of a traditional label style deal (Macieira & Williams, 2019). This type of work involves some inherent risks. Amongst others, the demand for music released by any music company is unpredictable, as is the behaviour of the market (AWAL Recordings Ltd., 2019). The latter was demonstrated by the advent of peer-to-peer file sharing, which Napster first exploited, subsequently sending the music industry into a constant state of decline between 1999 and 2014 (Forte, 2019). Brooklyn have two methods to help mitigate the risks associated with the music business. Firstly, potential clients must meet two out of three criteria for Brooklyn to consider taking them on; The project must bring a financial

benefit, add credibility to Brooklyn, or lead to a new avenue of business (Engler, 2020a). Secondly, Brooklyn charge a retainer fee for the duration of a campaign (Engler, 2020a). This method is far more secure than traditional label deals, in which a project needs to make a profit before the company gains any money and often involves an initial investment in the form of an advance (Passman, 2019, pp. 67-120). While this structure provides short term financial security, once the campaign has ended, the money stops coming in. Brooklyn do also offer management contracts. However, these types of deals are only offered to a select group of artists. Feeder are beneficiaries of this style of deal. As a more established act with a strong track record, a long-term investment in their career comes with a more tempered risk than Brooklyn's other clients (Engler, 2020a).

The artists that work with Brooklyn span different genres and provide entertainment to vastly diverse audiences. The ability to reach these niche's requires specialist knowledge and a tailored strategy. Brooklyn achieves this in two ways. As a rule, they will not take on music which they don't understand. In 2019, for example, Engler noted that Brooklyn do not work with Grime acts, as this is a genre which neither himself nor Rowell have a sound understanding of (Macieira & Williams, 2019). In 2020, Callum Finlay became the newest member of the Brooklyn team (Engler & Rowell, 2020). Finlay has a passion for Grime music, and as such, Brooklyn is now more receptive to these kinds of acts (Engler, 2020a). In addition, Brooklyn utilise their contacts and industry knowledge

to bring on board teams who have specialisms in specific genre's and audiences. This ensures that every artist receives a bespoke campaign (Engler, 2020a). It could be observed that the effectiveness of a given campaign has little bearing on the financial position of Brooklyn, who will receive payment regardless of its ultimate success. However, the group rely entirely on word of mouth to generate new business, meaning their financial health relies on the enduring quality of their services (Engler and Rowell, 2020).

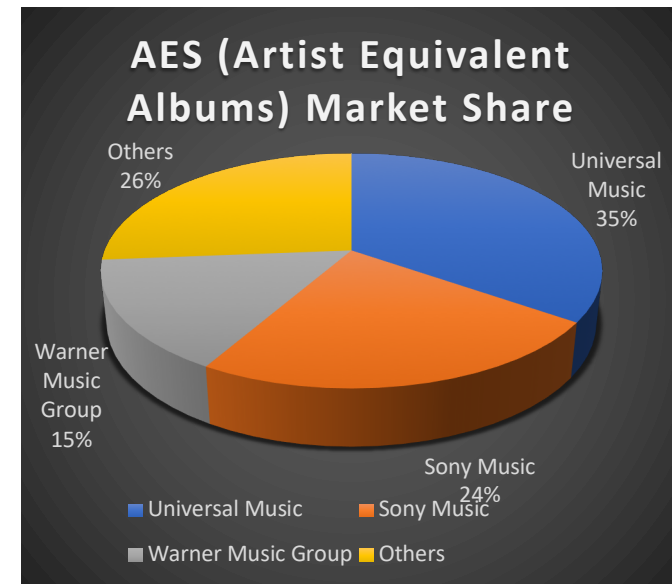
Brooklyn demonstrate a mature strategy to maximise their own performance, playing to their strengths and utilising the strengths of their collaborators to get the best possible outcomes for their clients. The payment structures used by Brooklyn are effective in minimising the risks which are an inherent part of any music business. It should be noted, however, that this short-term security comes at the expense of long-term potential growth. At this stage, it would prove beneficial to seek to expand the management arm of the business, investing in artists in the early stages of their careers. Despite the risks involved, Brooklyn have already demonstrated their ability to spot emerging talent, having been involved in the early careers of artists including Yungblud, Robyn and Ben Howard to name a few (Engler, 2020a).

4. Major Competitors

4.1 Universal Music Group (UMG)

At the time of this writing, UMG has achieved a market share of 34.9% of

Album
Equivalent
Sales (Music
Week, 2020,
p.36). This is
well
represented
by the
following
chart which
illustrates
their



performance with respect to other groups. Universal is run by CEO, Sir Lucian Grange (Universal Music Group, 2020). UMG is a profitable enterprise, achieving revenues of over \$8 billion in 2019 (Ingham, 2020a). It is possible to predict that UMG will outperform this figure in 2020, with the conglomerate seeing a 6.2% increase in revenues in H1 of this year up to June (Vivendi, 2020). The Vivendi owned label also saw a large inflow of cash after selling 10% of its shares to Tencent, who it hopes will help

the company achieve greater success in Asian markets (Sweeney, 2020). Tencent are expected to take up their option of a further 10% of UMG in 2021 (Financial Times, 2020). This will increase UMG's cash flow as they move towards an IPO in 2022 (Ingham, 2022). UMG's financial success is largely stimulated by streaming revenue (Dredge, 2020f), although their market dominance is most vivid in their chart success. During 2020, UMG artists held 9 out of the top 10 spots (Caulfield, 2020).

For independent companies, competition with majors like UMG is extremely difficult. The financial advantage that these international companies have allows for massive spending on artists, promotion and marketing. In 2012, major labels were spending an average of \$750,000 to \$1.4 million on developing new artists (Weiss, 2012). This figure is now likely to be far higher, as Ingham (2019) reports spending on A&R Marketing and Promotion increased by nearly 30% in 2017. Further evidence is supplied by Vivendi (2020), who outlined UMGs spending increase on artist advances and acquiring catalogues.

4.2 AWAL

AWAL is a leading independent artist services company who predominantly deal with distribution (AWAL, 2020a). AWAL was founded by Denzyl Fiegelson as an alternative to the traditional label structure (Ingham, 2019a). AWAL was then acquired by publishing giant

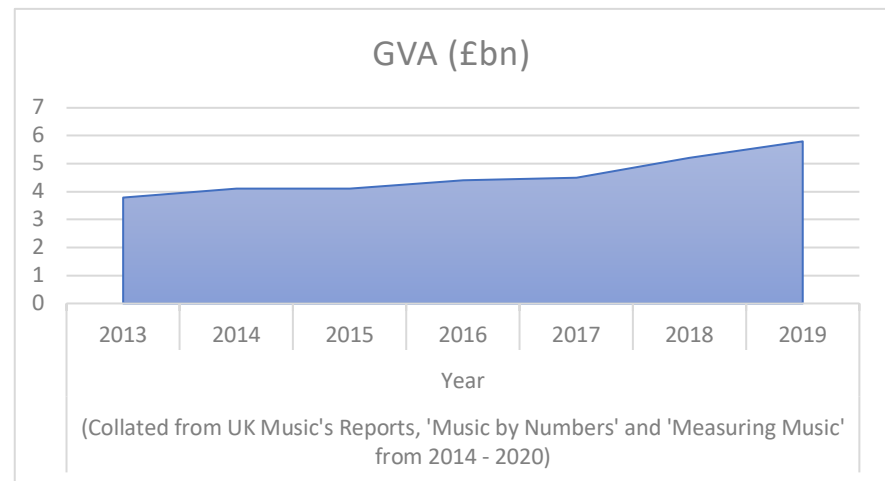
Kobalt in 2012 (Music Business Worldwide, 2012). Financially, AWAL perform well, reporting a revenue increase of 92.2% in 2019 (AWAL Recordings Ltd., 2019). Strategy is one of AWAL's key strengths. After reporting revenue of over \$100 million in 2019 (Homewood, 2019), profits remain low because they reinvest heavily into the future development of their artists. In 2020 they have recorded a 40% year on year increase in the number of their artists receiving over \$100,000 per year from streaming revenues (Homewood, 2020). The company remain very aware of potential risks, highlighting four main areas of concern; the unreliable demand of music, the unreliability of client acquisitions and retentions, the changes in the market environment and the currency risks of operating internationally. Their financial reports also outline their methods for mitigating these risks (AWAL Recordings Ltd., 2019). Kobalt's acquisition has proved to be greatly beneficial. AWAL received an initial investment of \$150 million which has allowed them to develop new technologies such as their artist-facing app (Homewood, 2019). Kobalt also provide the company with continuing financial support and stability

(AWAL, 2019). AWAL is similar to Brooklyn in that they defy the traditional label structure and tailor their services to the needs of their clients. AWAL, however do not work on retainer, and instead have created a tiered structure of involvement. AWAL artists fall into the categories of AWAL Core, AWAL + and AWAL Recordings (AWAL, 2020a). These packages range from simple distribution in return for a small percentage, to project funding and increased international promotion, while artists always retain their master rights and are free to leave with 30 days' notice (AWAL, 2020b). Through this structure, AWAL have constructed an imaginative way to maximise their profits whilst mitigating the risks associated with their work. In expanding their management operations, Brooklyn should strive to formulate a strategy which is equally imaginative yet tailored to their own needs. In this way, Brooklyn can ensure the sustainability and security of their growth.

5. Microeconomic Considerations

Brooklyn operates within a volatile and unpredictable market which is characterised by heavy risk and a surplus of demand. Nevertheless, the IFPI reports that 2019 saw the 5th consecutive year of growth for global music sales (Smirke, 2020). Every region recorded growth, while the UK music industry retained its position as the largest music market in Europe (IFPI, 2019, p. 16). An analysis of UK Music reports from recent years

shows consistent growth in music's GVA to the British economy which grew from £3.8 billion in 2013 to £5.8 billion in 2019.



Streaming has become an increasingly important revenue stream for artists and rights holders. In 2016 it was reported that paid streaming was the driving force of this growth (Dawson, 2016, p. 21).

Streaming revenues have continued to grow, with a 23% jump in 2019, meaning that global streaming revenues reached \$11.4 billion (Smirke, 2020). Streaming numbers should therefore remain at the forefront of any rights management strategies, although the data should be handled with care. Although we are seeing continued growth, this is beginning to slow in a number of regions including the UK. In Britain, the difference in H1 growth from 2019 and 2018

on the previous year was 10.91 billion streams and 11.67 billion streams respectively (Ingham, 2019b). In addition, streaming payouts are notably low, sometimes “as little as 15% of income generated” (Ivors Academy, 2020). Findings have prompted an investigation by the British government into whether artists are remunerated fairly for their work (Savage, 2020). Streaming retains its position as the lifeblood of the music industry. Those within the music market should however remain aware of changes to the stability of the streaming model over the course of the next few years. In addition, it is important to retain focus on alternative revenue streams such as live events and merchandise.

The structure of the music industry remains pyramidal, with 99% of streaming income distributed amongst the most popular 10% of tracks (Owen & O’Dair, 2018). In turn, 1.4 million artists vie for 0.6% of DSP streams (Dredge, 2020a). This has been largely driven by the formation of an Oligopoly. A small percentage of artists are privy to an exceptional financial boost from major labels who made up 67.5% recorded music revenues in 2019 (Dredge, 2020b). Because of this financial disparity, it is far more difficult for independent companies to achieve real financial success within the market. Streaming has democratised the system to an extent, which

is seen in the growth of the independent sector, which achieved the fastest growth last year of any market group (Mulligan, 2020).

Technological developments and trends have become increasingly important to the music market. As every aspect of release from creation to market delivery can now be analysed and tracked, indies need to turn to tech to be able to compete with major labels (Wills, 2017). The effective analysis of data can make marketing efforts more effective, whilst the provision of data analytics tools to clients increases the attractiveness of a music company (Ingham, 2018b). It would be productive for independent music companies such as Brooklyn to investigate how they may work with independent tech companies like FUGA, to harness the data now available to improve their services and market performance. It is also vital that indies remain vigilant to the emergence of new platforms and formats, finding new ways to exploit them. TikTok has already surpassed a billion users (Dredge, 2020c) and has become a key marketing tool to many musicians. Livestreaming has also become an extremely important medium, with 70% of those who have accessed Livestreams during the pandemic saying they will continue to watch them once live shows resume (Cooke, 2020a). A number of successful live streaming apps have emerged. StageIt reported

\$1.4m of revenue in April 2020, despite recording on \$500k throughout the whole of 2019 (Dredge, 2020d, p. 15).

In a diverse market which is rapidly evolving, it is crucial that independent companies remain aware of industrial trends and technological developments. This is made simpler by the tools provided by a number of trade bodies and publications. For example, CMU and IMPALA have just announced a new initiative to provide members with tools, seminars and reports on current music industry trends across Europe (IMPALA, 2020). In order to stimulate growth, I would suggest that partnerships with emerging or established tech companies could provide a flexible company such as Brooklyn with an edge to allow it to outperform competitors.

6. Macroeconomic Considerations

6.1 COVID-19

The creative industries have been hit particularly hard by the current pandemic, recording a combined £74 billion loss in 2020 (Oxford Economics, 2020), with the Music Industry predicted to contribute £3 billion less in GVA to the UK economy (Sweney, 2020). The experiences of the music industry are largely dependent on sector. The Live sector has

been hit the hardest, with 82% of venues at imminent risk of permanent closure and a predicted 3 to 4 years before the sector returns to pre-COVID levels (Radcliffe, 2020). The recovery of the live sector is largely dependent on the support it receives from the government. UK Music (2020) have set out an action plan needed for recovery which has been supported by other trade bodies (Radcliffe, 2020).

Alternative forecasts suggest that recorded music will prove to be more robust (PWC, 2020, p.5), while it is predicted that overall revenues could rise to \$39 billion by 2030 (Aswad, 2020). This will be largely fuelled by technological developments (The Music Network, 2020). As a result of the pandemic, we could see apps and online ecosystems become a primary channel of communication (PWC, 2020), suggesting areas for future investment. Of particular relevance to Brooklyn Music Group is the suggestion that the independent sector will experience continued growth, as the new model of short-term contracts has fuelled revenue growth of 6.6% (The Music Network, 2020). The pandemic, and the lack of certainty that comes with it, demonstrates the strengths of Brooklyn's use of retainer fees. As many of their clients don't rely on a live base for revenue, their business has remained largely unaffected, although the acts managed by Brooklyn have been limited by their inability to tour (Engler, 2020a). The physical element of promotion has also been hampered by increased social restrictions (Engler, 2020a). However, Brooklyn have offset this impact through an increased focus on digital growth (Engler & Rowell, 2020).

This strategy should continue throughout the pandemic and Brooklyn should seek to investigate further into the potential that lies within growth areas such as livestreaming which are predicted to prevail after the pandemic.

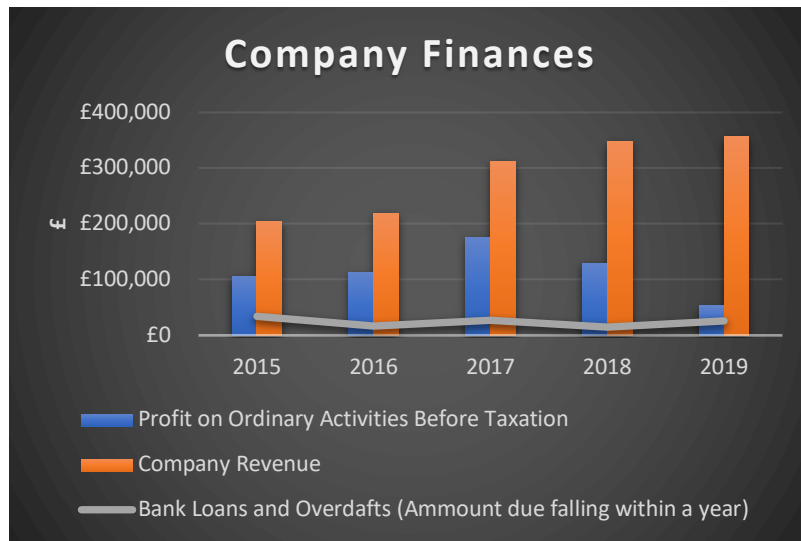
6.2 Brexit

There has been speculation as to the impact that Brexit could have on the music industry. The three key issues are the impact of Brexit on touring, the movement of physical goods and copyright law (Cooke, 2020c). Independent companies are expected to be most heavily affected, as big businesses are able to adapt more easily (Paine, 2020). Concerns about touring musicians could be allayed by a ‘touring passport’ which has been suggested by various groups but is yet to be confirmed (Forde, 2020). At the time of this writing, artists from the EU will be required to apply for a tier 5 visa when touring, in the same way that artists from outside the EU do (Kiehl, 2020). This could prove to be extremely problematic for promoters and tour management firms who may need to navigate the visa system for the first time (Kiehl, 2020). Issues surrounding touring, while problematic, should not damage the long-term health of Brooklyn, who have already demonstrated their ability to conduct business under conditions of severe restrictions to travel (Engler, 2020a). Imports will most likely be negatively impacted by Brexit, with the probable introduction of new tariffs on physical goods (O’Connor, 2018).

Additional guidance has been issued by the government and it is important that Brooklyn take a detailed look at the new ‘UK Border Operating Model’ released on 13 July 2020 (EY, 2020). With global physical sales declining a further 5% in 2019 (Smirke, 2020), Brooklyn should continue to increase their focus on a combination of Digital and Live, whilst conceiving of additional revenue streams for artists who have traditionally relied upon CD sales. Brooklyn will also need to be mindful of regulatory changes to the provision of services to EU member states as they Brooklyn work with a number of international acts from Europe (Engler, 2020a). Brooklyn can use the ‘selling services guides to each country’ to ensure they comply with the regulatory standards of each member state (Gov.uk, 2020). In addition, if Brooklyn wish to continue paying VAT on digital services through the current MOSS system, they will need to register in each relevant nation (Gov.uk, 2020). The most important course of action is to continue to watch out for developments in a trade deal, which Boris Johnson has now warned is very unlikely (Allegretti, 2020). In the meantime, Arts Council England have provided a comprehensive guide to for creative businesses to ensure they are fully prepared for the potential impacts of leaving the EU (Arts Council England, 2020). Centrip have also launched a specialised Brexit desk to provide businesses with tailored advice on how to avoid unnecessary financial disruption (Stassen, 2019). Utilising these tools will ensure that Brexit has a minimal impact on the financial health and workflow of Brooklyn.

7. Company Finances

An analysis of Brooklyn's financial records illustrates a robust immediate position, whilst suggesting areas for future growth which will impact on the long-term financial security of the company. As is



depicted in the graph, Brooklyn have seen consistent revenue growth across each accounting period of the last five years (Brooklyn Music Group, 2016; Brooklyn Music Group, 2017; Brooklyn Music Group, 2018; Brooklyn Music Group, 2019). It could be observed that this has not necessarily translated into increased profits, where dips in 2018 and 2019 may be attributed to significant spikes in sales costs (Brooklyn Music Group, 2018; Brooklyn Music Group, 2019). With

regards to 2020, Brooklyn have managed to avoid the financial challenges which have ailed much of the industry. This is a direct product of their utilisation of retainer fees as their primary source of income (Engler, 2020a) and their improved focus on digital, exemplified through their employment of a new digital manager (Engler & Rowell, 2020). Engler points out that this has been Brooklyn's busiest year to date, which he suggests is due to the increased time that prospective clients have had to create during lockdown (Engler, 2020a). In the short term then, Brooklyn could expect to see continued revenue growth.

Brooklyn's only limitation is their cash flow. The business makes use of an overdraft to finance operations (Engler, 2020b) and their cash flow issues are illustrated by their continued reliance on this feature (Brooklyn Music Group, 2016; Brooklyn Music Group, 2017; Brooklyn Music Group, 2018; Brooklyn Music Group, 2019). The potential impact of Brexit on the fluidity of their operations remains a cause for concern and Brooklyn should seek to replenish their cash reserves to safeguard their long-term financial security. The Bank of England has set base interest rates at 0.1% (Bank of England, 2020), which eases pressure on businesses with loans and overdrafts. However, this is not indicative of the long-term national

picture, and in the subsequent section, I will explore some methods for stimulating cash flow.

8. Financing Activities

Brooklyn was formed without any initial seed capital (Engler, 2020b). Each member utilised their own savings as a cushion to allow them to work on Brooklyn, which they initially did from their respective homes (Engler, 2020b). Once Brooklyn began to attract more clients, they began scaling their business by hiring staff and acquiring an office space (Engler, 2020b). While this will have moderated initial growth, this approach has allowed Brooklyn to operate with minimal risk of incurring debt, which has been a growing trend in recent years amongst music businesses (Dredge, 2019). Brooklyn have had to make use of a ‘hefty’ overdraft as a result of poor cash flow, caused by clients making late payments (Engler, 2020b). The use of an overdraft is an effective short-term solution to cash flow issues which increases the flexibility of a business (Esme, 2020). Nevertheless, the extended use of this feature can have a negative impact on a business’s interest rates. In addition, they carry an inherent risk as a bank may demand instant repayment (Esme, 2020). Decreasing Brooklyn’s dependency on this banking feature will require an improvement in their cash flow. Slow payment by clients is a recurring trend which is expected to get worse across 2020 (Hilton Baird Financial Solutions, 2020).

Interestingly, this problem can be exacerbated by the kind of growth that Brooklyn have experienced this year. Additional business increases payables and current expenses, which can result in the compounding of financial difficulties (Shirskinov, 2020).

Brooklyn should find creative ways of encouraging early payments to minimise their reliance on their overdraft. For example, it may be poignant to offer a discounted price to clients who agree to pay the majority of their fees upfront (Attard, 2020). Currently, Brooklyn has a very loose pricing structure which relies on the estimates of its owners (Engler, 2020b). In order for the discount tactic to work, this method would need to become more precise to ensure that in offering a discount, Brooklyn are still able to make a profit. In lieu of this tactic, Brooklyn might seek the aid of invoice finance. Through this system, a funding partner raises up to 90% of an invoice amount within a day of its issue. The final 10%, minus the fee for the partner, is paid to the business once the client has paid in full (Hilton-Baird Financial Solutions, 2020). While incurring additional costs, this method may be more time efficient. It would allow Brooklyn to continue to generate more business with increased flexibility, whilst improving their cash flow and reducing the need for their overdraft. Additionally, more simple methods are often overlooked in seeking to improve cash flow. VAT is often the third largest flow, and better management of VAT cash flows can increase working capital by 5% - 20% (KPMG, 2020b). “Simple changes, such as changing your VAT reporting schedule, reviewing

payments on accounts liabilities, or adjusting your VAT accrual process can maximise cash efficiency in your VAT process” (KPMG, 2020b). Improved cash flow will prove to be extremely important if Brooklyn decides it wants to expand its operations. The lower interest rates which may result from decreased dependence on an overdraft could help Brooklyn to secure a bank loan with more favourable terms. Bank loans are an effective method of purchasing assets or expanding a business’s operations. They are more secure than an overdraft as repayment terms are defined in advance of the loan and the bank cannot demand instant repayment (Esme, 2020). Securing venture capital could also be used by Brooklyn if they do seek to expand. This has become a more common method of funding for music businesses as the industry has generated consistent financial growth (Dredge, 2019). This, however, frequently requires businesses to relinquish a certain amount of control to the lending enterprise (Parker, 2020), a prospect which Brooklyn’s owners are reluctant to explore (Engler, 2020a). Given that there is no immediate need for expansion, or a defined goal which venture capital funding might help to achieve, I would suggest that this is an unnecessary step for Brooklyn to take.

9. Applying the Lean Start-up Methodology

This report has suggested that Brooklyn should consider expanding its management arm to increase its long-term financial security. This section

will briefly analyse whether, in doing so, it would be useful to apply Lean Start-up methodology to their management practices. It is also important to note that for the purposes of this analysis, we view the manager as an extension of the artist themselves. The manager is the entrepreneur. The artist is also an entrepreneur whilst also representing the start-up itself.

The methodology first postulated by Eric Ries is a scientific approach to managing successful start-ups through a constant process of experimentation, learning and product development (The Lean Start Up, 2020). Ries defined a start-up as “a human institution designed to create a new product or service under conditions of extreme uncertainty” (Ries, 2011, p. 27). By Ries’ own definition, it is possible to conceive of the career of an artist as a start-up. Applied correctly, this theory can be useful to developing an artist, although it should be handled with caution. It is my understanding that the methodology may be applied to every aspect of an artist’s career other than the music and the artist themselves.

A lean start-up must be built on a series of assumptions or hypothesis, the most important of which are the *value hypothesis* and the *growth hypothesis* (Ries, 2011, p. 61). The *value hypothesis* finds where your product fits within a market, making it valuable to consumers (Euchner, 2019, p. 2). The *growth hypothesis* acts as a plan for how you will continue to reach consumers (Euchner, 2019, p. 3). Between 2004 and 2005, Facebook was able to raise over \$12 million in venture capital

despite having only 150,000 registered users and generating very little revenue. Investors were attracted to two things. Firstly, they observed the amount of time that active users spent on Facebook (*value hypothesis* satisfied). They were also impressed at the speed in which Facebook had taken over college campuses (*growth hypothesis* satisfied) (Ries, 2011, p. 79). With regards to the management of artists, this strategy is a crucial step in mitigating the financial risks associated with long-term investments in an artist. Before signing an act, it must be clear how they add value and it is important to have a coherent plan for their growth.

The first tool that we need to test these assumptions is a minimum viable product (MVP). An MVP is the most basic version of a product which is produced using the smallest amount of time and resources possible to generate enough feedback from consumers (Mansoori, 2017, p. 818). Creating and releasing an MVP begins the process of experimentation. Once consumers begin interacting with the product, one can begin to learn and develop the MVP to better meet the needs of the consumers (Ries, 2011, pp. 57-8). The online blog, Stop the Breaks (2020), argues that this is particularly applicable to the contemporary independent artist, who navigates a musical landscape in which speed, and getting your music out to the masses are key. Brooklyn should handle this concept with great care for several reasons. As has been discussed, signing an artist to a management deal involves a certain amount of risk. This risk should be mitigated by collaborating with artists who are already showing signs of

success and have already released music. The concept of the MVP appears not to apply to them then. We may, however, observe this concept in the other areas of the artists career. A new signing, for example, may be getting hundreds of thousands of streams on each release, although may have no experience playing live shows. Here, we could see the live shows as the product we need to create. Instead of planning the perfect show over a long period of time, the artist and manager could create an MVP and gauge the audience reaction to develop the performance for the next show.

Once an MVP has been released and it is possible to analyse the feedback, the methodology enters a recurring process of ‘build, measure, learn’ (Burch, 2014). With each circulation of this process, the decision to either pivot or persevere with the current strategy needs to be made (Ries, 2011, p. 77). Once again, this theory needs to be interpreted in the correct manner. The act of pivoting should not be applied to either the music or the artists personality. Within the music industry, authenticity is essential to a successful career (Walsh, 2020). The music of any artist will develop over time, but any creator can only compose music that moves them at a given time. The same is also true of a person’s character, and it is important that we distinguish between the traditional start-up that Ries (2011) considers and an artist who is an actual person. These two things then must develop organically, although the vehicles by which these components reach an audience would benefit from The Lean Start-up

methodology. For example, we may apply this process to an artist's online presence or perhaps their merchandising operations.

10. Conclusion

To summarise, Brooklyn have established a robust business, built on the combined experience of its owners and the reputation it has built across more than a decade as an effective campaign management consultant. The immediate financial position of the business has been consistently strong. This can be largely attributed to the fact that they utilise retainer fees as their primary source of income, as well as their comprehensive criteria used to agree to new business. Of additional significance is their comfortability with their position within their market. As an independent business, they see their relationships with other independents as collaborative and remain friendly with the major players of the music industry, considering themselves as existing outside of that ecosystem (Engler, 2020a). Taking into consideration each section of this report, there are five key areas to which Brooklyn should pay attention.

1. Renew focus on technological developments.
2. Ensure Brooklyn is up to date on the latest developments surrounding Brexit.
3. Improve company cash flow.
4. Expand the management arm of Brooklyn.

5. Carry out additional research into the potential benefits of lean start-up methodology to assess whether these techniques could be applied to Brooklyn's practices.

The company has been fortunate to have sidestepped the full extent of the impacts of COVID-19, which Brooklyn should view as a warning of the potential effects of unforeseen global events on their business. In following this guidance, Brooklyn could expect to see a strengthening of their financial security, which would provide protection against future events which could have a detrimental impact on their operations. In addition, these steps provide Brooklyn with an effective foundation on which to build their potential future growth.

Word Count: 5,499

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Appendix

The company that I have conducted my report on have requested that an attempt is made to preserve their anonymity as far as possible. Throughout the course of this report, I have therefore used a pseudonym in place of their company name. I will also not provide the full transcripts of my interviews with the company owner, although these sound recordings have been referenced properly throughout. I would ask that the number of people who read this report are as limited as possible, and that this paper is not to be used as an example for future classes. Please do not create any unauthorised copies to distribute. Thank you for your discretion.