

Beggars Music Group

Economic, Planning and Finance

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Abstract

Economic analysis of Beggars Music Group reveals a company reacting to several different market influences; causing both positive and negative impact. The harmful disruptions affecting Beggars Music Group, and the wider industry, are the COVID-19 pandemic and Brexit. These challenges are critically disrupting the company's ability to operate at maximum potential; consequently, the company is experiencing a decrease in income and profits. The rapid development of technology within the music industry, and the way that music is consumed, due to the rise of streaming services, has allowed the music industry to grow its revenues back to its 2001 financial highpoint. Beggars Music Group experiences a positive impact on this trend. However, profit resulting from the streaming of music is complex, and there exists an adverse, or negative impact, for companies such as Beggars Music Group. The income paid to artists per stream by streaming services is low in comparison to the income generated during the late 90s and early 2000s. Beggars Music Group use lean business models to adapt to positive and negative economic influences and remain financially stable and agile.

Introduction

This report will begin by providing analysis of Beggars Music Group. Beggars Music Group is an umbrella company that covers XL Recordings, 4AD, Matador, Young Turks, and Rough Trade. It will review the company's history and recent changes, including entry to new and emerging markets, the launch of new products, and other strategic changes. This report will also review the Macro and Microeconomics of the Beggars Music Group businesses, including products and customer base, major competitors, pricing strategy, and the market that Beggars Music Group operates within. There will be an analysis of the company finances, including major short-term financing, the current structure of its long-term financing, the recent major financing and investment activities, and alternative ways of financing. Finally, there will be an evaluation of lean business modelling and how it can be applied to, and improve and benefit, Beggars Music Group.

The History of Beggars Music Group

Beggars Music Group has humble beginnings. It began as a record shop called Beggars Banquet in 1973 in Earls Court, London, founded by Martin Mills. After gaining success, they decided to create a record label in 1977 with the release of the 7" 'Free Admission Single' by "The Lurkers" (Beggars Group). Over the next decades, Martin Mills would build what began as a record shop into the largest collective of independent labels in the world. Slowly over the years, he would lay the foundation for the Beggars Music Group which contains several of the biggest "Indie" labels in the U.K. and globally; these are XL Recordings, 4AD, Matador, Young

Turks, and Rough Trade. Beggars Music Group own 4AD outright, and they retain a 50% stake in each of the other labels within the group (Beggars Group). Martin Mills collected these record labels over the years which span across all genres of music with artists such as Prodigy, Radiohead, Dizzee Rascal, Gil Scott Heron, The xx, and their most significant commercial success under XL Recording, Adele.

Beggars Music Group is a founding, and the largest member of, Merlin, which was created in 2000. Merlin is an organisation that manages the rights and interests of independent record labels.

Merlin is the global digital rights agency for the world's independent label sector. Merlin represents by far the most commercially significant set of rights outside of the three major labels. (Merlin, 2020)

In 2018, Spotify launched its IPO (initial public offering) on the New York Stock Exchange. Merlin held a 1% ownership stake within Spotify (Music Business Worldwide), which they had received in 2009 as part of the platform's initial run of rightsholder deals with other labels and publishers. In 2018, after Spotify went public, Merlin sold their share for an estimated \$130 million (Music Business Worldwide). Beggars Music Group received a significant payment from this large sum, and they distributed the money to their artists. This quote, taken from an article in Music Business Worldwide, describes how they went about this;

"After allowing for recoupment on advances, 44% [of the total Spotify proceeds were] paid out in cash," says Beggars, adding: "Certain other companies apparently distributed these revenues based on the artist royalty rate, meaning they would have paid out a far lower percentage irrespective of recoupment". (Ingham, 2019)

Two of the major labels also sold shares from Spotify, but as mentioned above, used a different method for distributing the cash;

The announcement of Merlin's Spotify stock sale comes a fortnight after MBW revealed that Sony had banked around \$750m by selling 50% of its shareholding. Last week, Warner announced that it had sold 75% of its Spotify shares, to the tune of approximately \$400m. (Ingham, 2019)

In August 2020, Beggars Music Group spoke openly about the massive impact of COVID-19 upon operations within the music industry. Furthermore, candidly noted that a "no-deal" Brexit would cause significant supply chain issues, especially if a "no-trade" deal were agreed upon before the end of the transition period. These are two of the most prominent challenges currently facing the music and entertainment business.

There are eleven officers including Martin Mills registered on Companies House. Martin Mills is the Company Director and remains the only shareholder according to Companies House, which states that Martin Mills owns 75% or more of the shares within Beggars Music Group. There was the addition of a Chief Technology Officer in 2018, which would have been to meet the growing Tech influence within the music industry. (Beggars Group, 2020)

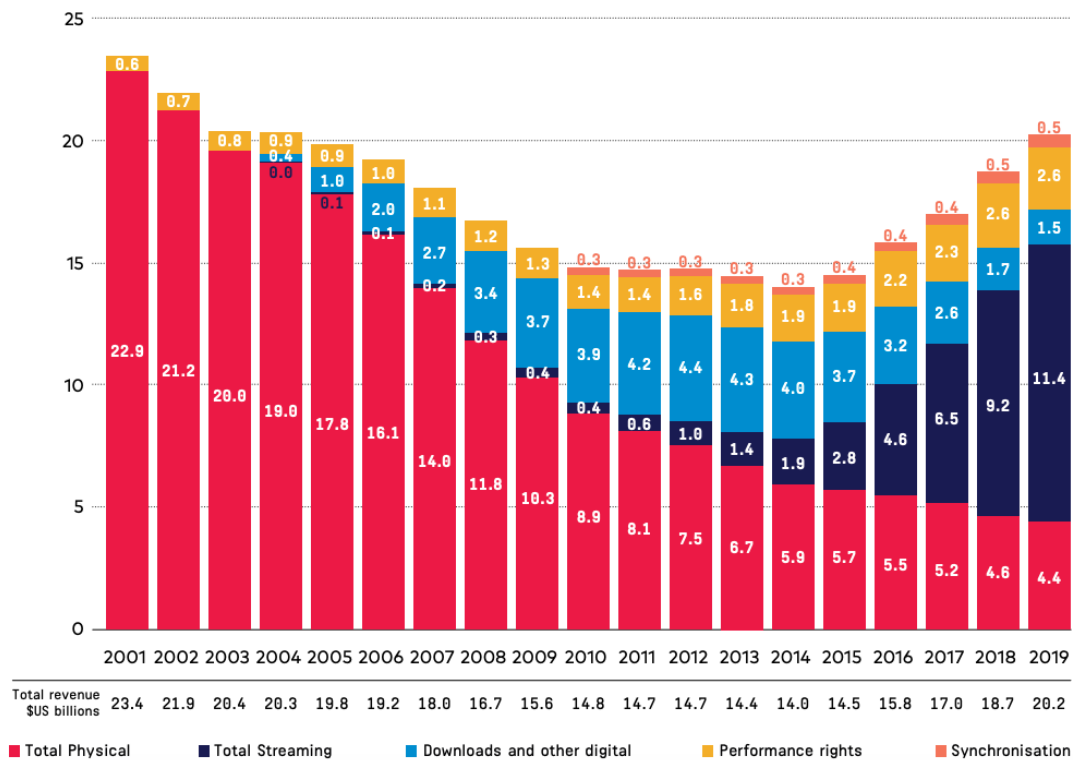
Beggars Music Group has not entered any new markets. It remains primarily a record company whose main annual product is the release of singles and albums, and so they continue to release new products. Beggars Music Group releases a large number of new albums per year; in 2019 they released 40 albums compared to 2018 where they released 36 albums. (Beggars Group, 2020)

Economics

The Market

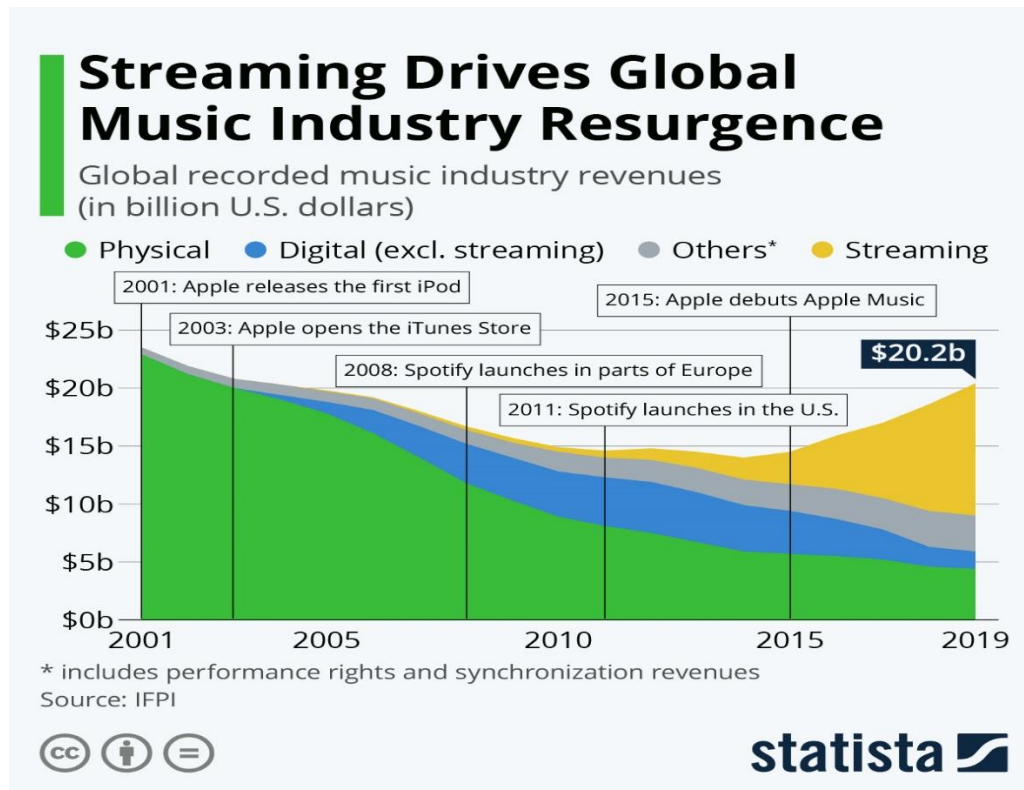
The music industry is an always changing and adapting market that has over recent years changed massively due to the significant technological improvements that have continued to advance in leaps and bounds. In the last 20 years, the music industry has evolved enormously, with significant changes happening almost every five years. After the CD golden era in the 1990s, which allowed the music industry to reach its highest recorded revenues globally, in 2001 the global music industry's revenues were \$23.4 billion according to the IFPI (International Federation of the Phonographic Industry). The majority of the revenue in 2001 came from physical sales, which included C.D.s, vinyl, and cassette tapes. However, then there arrived the MP3 file, the internet, iTunes, and the iPod and the dynamic of the music industry market transformed. Between 2001 and 2010 the revenue from the sales of physical music dropped 60%, losing \$14 billion in annual revenue. This was a massive issue for major record labels. During the same period, digital sales grew from \$0 to \$4 billion; however, this did not provide sufficient revenue to offset the massive loss of revenue from physical sales. Below is a graph from the IFPI showing the last 20 years of revenues for the music industry. (IFPI, 2020).

Global Recorded Music Industry Revenues 2001-2019 (US\$ Billions)



(Graph Source: IFPI)

According to the IFPI data, in 2014, the music industry hit its lowest point, reporting \$14 billion in revenue with only \$5.9 billion accrued from physical sales. The overall revenue was almost \$10 billion less than the music industry had made in the 13 years prior. Over the next five years there followed a year on year decline (Y/Y) in the amount of revenue generated by the sale of physical products. This would continue, and by 2019 the revenue generated by physical sales would reach \$4.4 billion (IFPI), down \$18.5 billion over 18 years. This began to improve with the complete release of new major technology and applications; a new era would be born and would start the “resurgence” of global music revenues. This graph shows the timeline;

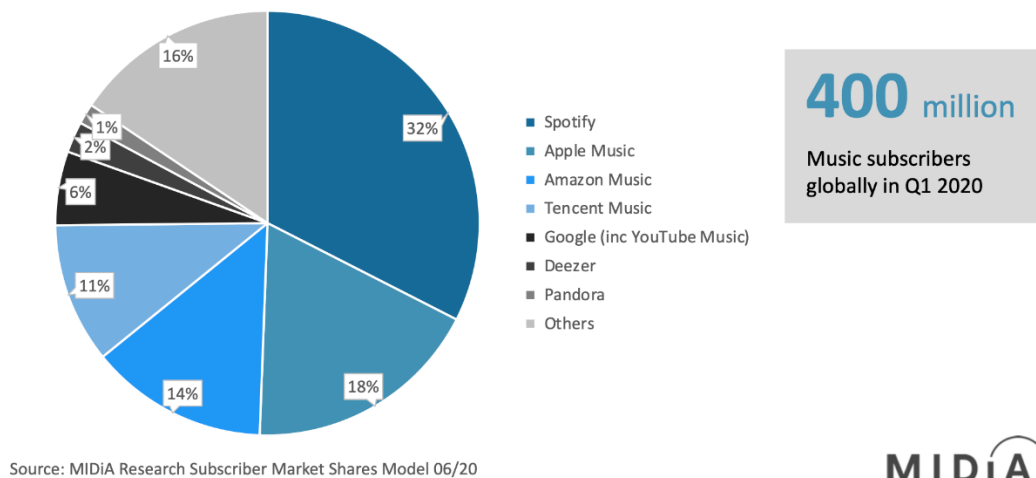


(Graph Source: Statista)

From 2014 onwards, the overall yearly revenue began to grow again. This was primarily due to the move to new subscription-based streaming services such as Spotify and Apple Music, who are the two primary streaming services. Spotify has 320 million users overall, of which 144 million are paid users, Spotify has the largest market share with 32%, and Apple Music, with 18% market share. Apple Music offers a paid service following a 3-month trial period. They recorded 60 million users as of June 2019. Their last official statement although MIDiA Research estimates that Apple as of Q1 2020 has reached 72 million users.

This chart shows all the market shares of the streaming services.

Despite strong growth from Amazon and Apple, Spotify retains the same global music subscriber market share in Q1 2020 as Q1 2019



(Graph Source: MIDiA)

From 2014 only \$1.9 billion of the \$14 billion in revenue was generated from streaming but by 2019 streaming revenue had grown to \$11.4 billion, 20.2 billion of the overall global revenue. Streaming saved the music industry and allowed it is yearly revenues to grow back to the near highs of 2001 before the crash of the physical CD. It is crucial to consider the projected forecasts and how streaming revenues could grow the overall global music industry's revenue. In May 2020 Goldman Sachs, one of the world's leading financial institutions, published a report on the forecast of the music industry revenue and growth. A significant point they identified for 2020 was that the overall industry would suffer a major decline of 25% in comparison to 2019 due to COVID-19, the lockdowns, and social distancing measures implemented around the world. However, and significantly, streaming would continue to grow because more people than ever were at home listening to music on devices using streaming services.

Goldman Sachs's report states the following;

We expect streaming revenue, which accounted for 56% of the recorded music market in 2019, will continue to grow at a healthy rate of +18% in 2020 (vs. +21% prior and +23% in 2019). We expect paid streaming growth to remain resilient at +19% (vs. +20% prior and +25% in 2019) while ad-funded streaming will likely be more impacted by the weaker advertising demand (GSe +15% vs. +21% prior and +18% in 2019). (Goldman Sachs, 2020)

Goldman Sachs forecast 20/21 total streaming revenue to be \$25.4 billion and by 2030 growing to \$75 billion. They have also predicted that music publishing will grow 3.5% year on year from 2019 to 20/21. This forecast optimistically shows that despite COVID-19, the music industry will survive and continue to grow. (Goldman Sachs, 2020)

A challenge and area for growth are identified by the fact that Spotify is only active in 79 markets in comparison to Netflix, which operates in 194 markets, so there are many more markets that these streaming services need to enter to enable record labels and artists further their global reach. On the other hand, services like YouTube create challenges to the music industry by claiming that they are not responsible for content uploaded to their platform and refusing to fairly pay out royalties from the massive revenues generated from music on YouTube. This is an urgent issue where big groups like Beggars Music Group need to continue to use their influence as part of Merlin and the AIM (Association of Independent Music) to lobby for change for the greater good and success of their artists and their business.

Overall, the music industry market is predicted to bounce back, grow, and continue to evolve. Beggars Music Group must consider the current and future market landscapes and manage the inevitable impact risks associated with COVID-19 and Brexit to grow and continue to be profitable. They would benefit from continuing to build a larger streaming market for their business; this could allow them to grow their market share year on year.

Products, Services, and Customer Base

Beggars Music Group offers different services and products to a wide range of customers globally. The services that Beggars Music Group offers are the production of records, promotion, licencing, distributing, merchandise, and the growth and development of artists under their labels XL Recordings, 4AD, Matador, Young Turks, and Rough Trade. Across these labels, they offer different settings and niches for different genres depending on the artist's preference. Beggars Music Group use PIAS for their digital and physical marketing and distribution services. PIAS is one of the leading distribution services for independents.

Beggars and PIAS aims to place artist's music onto Spotify and Apple Music playlists, radio stations, sync deals within T.V., film, adverts, and video games. Video games are one of the new, ultra-profitable routes to grow and promote an artist and to gain the most income.

Beggars Music Group's primary product is the artist's music that is released from one of the many labels that are part of the group. These main products would be either in the form of singles or albums. In 2019 Beggars Music Group released 40 albums compared to 2018, where they released 36 albums (Beggars Group, 2020). The current market climate allows a more extensive customer base to be reached and have easy access to all the new and old releases due to streaming services such as Spotify, which is available in 79 markets across the globe. The future projections mentioned earlier shows that the upward trend in the audience, and new emerging markets, will continue over the decade. This trend will benefit the Beggars Group's position.

Pricing Strategy

In the last 20 years, there has been a complete change in the way the pricing of music has been structured. In 1999 the average album would cost \$18.39 according to the RIAA (Recording Industry Association of America). By 2014 this would reduce to \$11.97. Due to changes in ways that consumers started to acquire their music, either using iTunes, which allowed for the purchase of individual songs at \$0.99 or \$1.29, or YouTube or illegally downloading the music or, by 2014, the use of streaming services like Spotify and Apple Music. It was not until the new subscription-based streaming services that the pricing would change even more dramatically. Now consumers no longer had to purchase the single, album, or an individual track from an album on iTunes, they could pay a monthly subscription fee to access large catalogues of music. This has completely revolutionised the way music is consumed. Now, it is common to pay \$9.99 a month for the standard single subscription to both Spotify and Apple Music, and both offer student and family bundles at \$5 and \$14, respectively. (Apple Music, 2020)

According to a Ditto Music article, this process is quite complicated, and there are many different factors including; “The listener's country and location, whether the listener has a paid subscription or free account, the specific artist's royalty rate, the relative pricing & currency in different regions.” (Ditto Music, 2020)

The average per-stream is \$0.00437 for Spotify and \$0.00783 for Apple Music. There are several much better-paying streaming services like Jay-z owned Tidal, which pays \$0.01284, but the amounts being paid are still far too low. (Ditto Music, 2020)

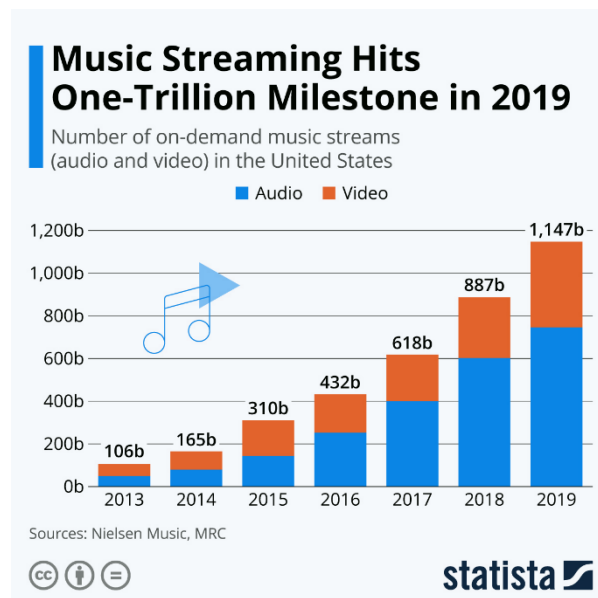
Beggars Music Group would benefit from continuing to press for higher revenue per stream using its place within the independent music world and attempt to lobby government and businesses. Another way in which Beggars Music Group could help secure better pay-outs for their artists is by looking forwards to research and development in the future technology solutions like blockchain, which allows for data, secure and instant payments.

The Macro Environment

The music industry continues to grow year on year, with demand increasing. In 2019 the Nielsen End of Year Report noted that Americans had streamed audio and video-based music totalling nearly 1.15 trillion songs; this was a 24% increase from 2018. Early reports from 2020 predict that as a result of the COVID-19 pandemic, this figure is expected to grow further.

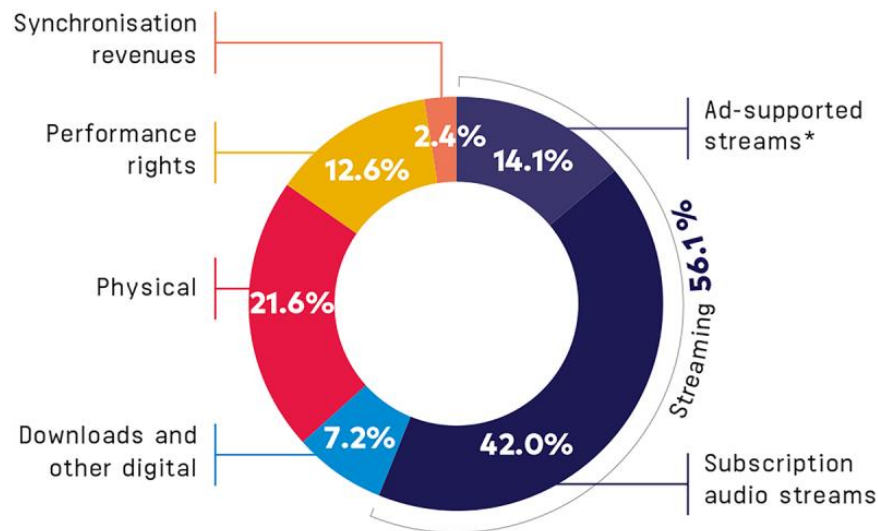
The IFPI Global Music Report for 2019 said that “Respondents typically spend 18 hours per week listening to music – up from 17.8 hours in 2018. This equates to about 2.6 hours (or the equivalent of listening to 52 three-minute songs) daily.” (IFPI, 2020).

The graph below shows the year on year increase since 2013. (Statista)



(Graph Source: Statista)

For Beggars Music Group, it has become easier to increase their profit margins due to streaming despite physical products and digital downloads continued to decrease in 2019. According to IFPI, physical products down 5.3% and digital downloads down 15.3% but streaming audio had increased 22.4% from 2018. (Graph Source: IFPI)



* Includes ad-supported & video stream revenues

The graph above shows the breakdown of the 2019 revenue segments with streaming accounting for 56.1%, well over half of all revenue generated by recorded music and as mentioned earlier, these figures are expected to continue to grow Y/Y consistently for the next decade. This is being helped along by older generations who are starting to join the streaming services and move away from the other avenues of purchasing and consuming music such as buying physical copies or digital downloads; “Older age groups increasingly embrace audio streaming services.” (IFPI)

The IFPI then continued with the statistics they had gathered over 2019.

The highest rate of growth for engagement is in the 35–64-year-old age group, with 54% of that group accessing a music streaming service in the past month (a rise of eight percentage points in 2018). (IFPI 2020)

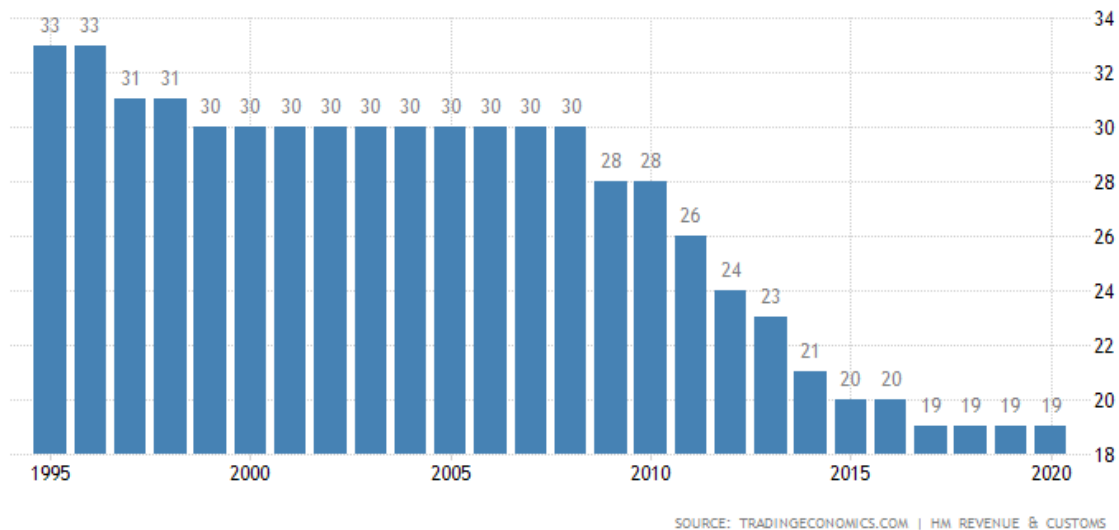
However, a significant challenge still facing the music industry is copyright infringement; people illegally downloading music from services on the internet. Since 2000 the birth of the internet, this has been a prevalent threat, and while streaming has done a decent job at steering people away from piracy, the IFPI report notes:

More than one-quarter of all respondents (27%) used unlicensed methods to listen to or obtain music in the past month. 23% used illegal stream-ripping services, the leading form of music piracy. (IFPI 2020)

The use of blockchain technology, previously mentioned, could be a way of in the future of helping to reduce the problems of piracy within the music industry and would help Beggars Music Group protect their revenue/profits for them and their artists. Because Beggars Music Group primarily uses digital distribution, they are not affected by the high costs of production of physical products and the cost of storage and distribution of these physical products. Creating a digital file incurs 0 marginal

cost and digital distribution incurs a low cost. However, overheads remain, including employee costs. This allows Beggars Music Group to increase their profit margins in contrast to previously when the cost of creating, storing, and distributing large quantities of records was much higher and also included unsold stock that would reduce profit further.

Beggars Music Group is a company with several offices around the world, meaning they are subject to tax laws within those nations. However, as they are headquartered and primarily based in the U.K., they are subject to U.K. corporate rates of tax on their business and VAT (value-added tax). In 2020, the current corporate tax rate set out by the chancellor in the budget is 19%. (GOV. U.K.) This rate was set in 2015 and has remained at the same percentage rate. This is a very appealing tax rate for business and remains consistently at the lowest ever in U.K. history. This attracts new businesses to operate in the U.K., boosting the U.K. economy. The graph below shows the steady drop in corporate tax rates over the last 25 years since 1995.



(Graph Source: Trading Economics)

Due to global trading, Beggars Music Group can also have problems with exchange rates, as these are continually fluctuating and are currently very volatile with COVID-19 and Brexit. Profit might be negatively impacted, and precautions need to be taken by Beggars Group to protect their overall Profit/loss.

Two factors currently influencing the Macro situation of the music industry are COVID-19 globally, and here in the U.K. and Europe, Brexit.

The global pandemic, COVID-19, is a major concern that is affecting almost all the world. COVID-19 has limited, or indeed completely halted, live shows. It has been reported recently that Live Nation revenues have dropped 95% in Q3 in comparison to last year. The impact of the pandemic on international travel, social distancing measures, and the lockdowns has massively restricted artists from being able to meet and work in recording studios for long periods during 2020 and possibly into 2021.

Beggars Music Group addressed the COVID-19 crisis in the summer with the release of their report on Companies House where they issued a statement discussing the impact upon their artists and business;

“There will be a financial impact both in terms of reduced sales, but also short term reduced costs from deferring those releases or limited promotional activity,” said the company. “However, Beggars Group has the benefit of a strong back catalogue generating a significant portion of its sales. Whilst we are expecting a slowdown in certain channels – for example, physical sales, synchronisation and performance income – we are expecting streaming to be least affected”. (Beggars Music Group 2020)

Beggars Music Group will benefit from developing lean strategies to help manage post-covid-19 recovery.

The second impactful event is Brexit and according to a BBC News report;

Well, they have ground to something of a standstill. Negotiations got underway in March, but progress has been fitful. Over the summer, the E.U.'s top negotiator Michel Barnier said a deal seemed unlikely, while the U.K. said it was not afraid to walk away from the negotiating table altogether. (BBC, 2020)

The overall outlook is not optimistic with the deadline for a deal approaching rapidly, and the reality of a no-deal Brexit is looking increasingly likely. Due to the use of global streaming services like Spotify and Apple Music, Beggars Music Group should remain stable because these services are not heavily impacted by Brexit. Specific legal issues relating to copyright from the E.U. courts and how this legislation will be enforced in the U.K. remains unknown. This remains a real concern for labels and artists alike. The element of touring around Europe for artists may become harder due to border restriction and visa requirements plus the COVID-19 situation, which is likely to continue, at some level, into 2021.

Beggars Music Group released a statement on the issue of a no-deal Brexit in their report in Companies House in the summer;

There may be an administrative burden placed on artists and agents and agents for touring and promotion when there is no longer free movement of U.K. citizens in and out of the E.U. We are concerned with the uncertainty around post-Brexit plans for passing legislation like the Copyright Directive passed by the E.U. last year. We believe such laws are needed in the U.K. also to protect I.P. rights. International customer base and the borderless global streaming market act as a limited hedge against disruptive elements. Nevertheless, we continue to work hard on behalf of our artists to ensure that the independent sector is heard and represented. (Beggars Music Group, 2020)

Major Competitors

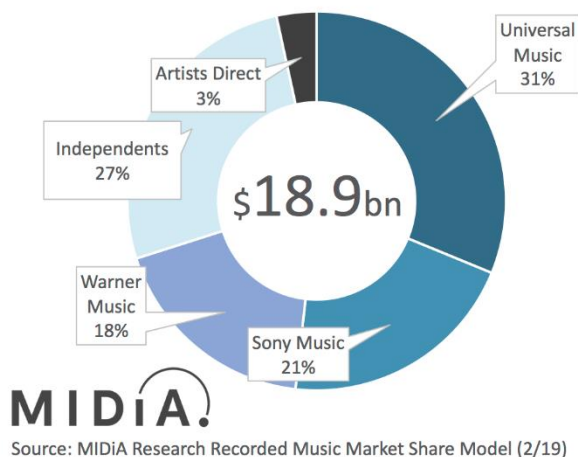
Two of Beggars Music Groups' closest rivals are Kobalt Music Group and the major Warner Music Group. The last 25 years have massively changed the market share of major labels with now only three major labels left; Universal Music Group, Sony, and Warner Music Group. As the record industry changed in the early 2000s, so did the landscape of the record labels, with some smaller ones folding or being purchased by the "big three".

The most current market share diagram available is from MIDiA (2018), displayed below, showing independents controlling 27% of the market.

2018 Was a Strong Year for the Majors as a Sector, With Artists Direct Also Making up Further Ground

Global Recorded Music Market Shares, Label Trade Revenues FY 2018

Global Recorded Music Market Shares FY 2018



Universal Music and Warner Music both gained 0.6 points of market share in 2018, up to 30.3% and 18.3% respectively⁽¹⁾ ⁽²⁾

With Sony Music losing 1.5 points of share in 2018 ⁽³⁾, Universal's market share lead over the second placed label is now an impressive 9.7 points

Artists Direct were the big winners again in 2018, far outpacing the rest, growing by 35% to reach \$643 million

Notes:

1. All currency conversions done at quarterly current rates
2. Major revenues include independent labels distributed by majors & major owned companies
3. Sony Music revenues were reduced in 2018 due to implementing a new method of revenue recognition

Kobalt Music Group

As the largest of the independent labels, Kobalt Music Group, are a significant competitor to Beggars Music Group, and the one that Beggars Music Group seeks to overcome as its most direct rival. Kobalt has created a modern approach to the record label business, having started in the last decade. Kobalt offers label services that operate a fee driven model without taking ownership of the masters from the artist. They are also a severe competitor to Warner and Sony. Kobalt is currently the largest publisher in the U.K. and second only to Sony/ATV in the USA.

As this Tech Crunch article explains;

Kobalt Music Group is driving the music industry to provide more transparency and faster royalty payments to musicians and challenging the traditional record labels and publishers with its alternative service offerings

that do not take ownership of copyrights. Competition and market size are headwinds in its future growth. (Peckham, 2019)

Many new start-ups are attempting to deliver this same business model, and using the strategy that Kobalt has pioneered, have begun to appear and disrupt the market of the majors and the big “Indies” like Beggars Music Group. Whilst Beggars Music Group operates more like a traditional label, they both focus on artist control over shareholder's returns and profits.

Warner Music Group

The smallest of the “Big Three” major labels, Warner Music Group, with a market share of 18% (MIDI), are the major label that Beggars Music Group is in the most competition with and have the best chance of disrupting their market positions. Nevertheless, unlike Kobalt Music Group and Beggars Music Group, Warner Music has a massive current artist line up and an impressive back catalogue because the company has spanned six decades. Warner Music Group has substantial financial support from owners, American multinational industrial group, Access Industries, who purchased Warner Music in 2011 for \$3.3 billion (Forbes). Here is their company description on Bloomberg;

Access Industries Inc operates as a holding company and offers investment services. The company specialises in natural resources, chemicals, media, telecommunications, and real estate businesses in the United States, Europe, and South America. (Bloomberg 2020)

Access Industries Inc. operates in the traditional way a record label operates and in the same style that both UMG and Sony operate. Artists sign and give up full creative control and are subject to long term 360 record contracts. This is where Beggars Music Group remains firm in their influence to disrupt, attracting larger numbers of artists to come to them as the more “artist-centred” environment.

Finance

Beggars Music Group is in a strong financial position, with all labels under the company performing well. Their fiscal report on Companies House for 2019 showing £63.1 million (\$83 million) in turnover generated, especially XL Recordings which generated the most revenue out of all of their joint ventures, creating £39 million (\$51.5 million) in revenue. Beggars Music Group was down £11.1 million from 2018. This difference would be due to the 2018 sale of Spotify shares. Beggars Music Group's total annual operating profit amounted to £3.7 million (\$4.9 million) last year, down from £11.95 million in 2018. However, again, this could be due to the sale of Spotify shares boosting revenue and profit in 2018. Beggars Group paid £850,493 (\$1.1 million) in tax in 2019. Their total profit after EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation) in 2019 was £2.4 million. At the end of 2019, Beggars Music Group recorded £24.9 million (\$32.9 million) in cash, down £4.2

million on the £28.7 million in cash Beggars Group recorded at the end of 2018. (Beggars Group Financial Statement for 2019, 2020)

Beggars Music Group received a large income from the sale of their shares in Spotify. Merlin held a 1% ownership stake within Spotify which they had received in 2009 as part of the platform's initial run of rightsholder deals with the other labels and publishers. In 2018 after Spotify went public, Merlin sold their shares for an estimated \$130 million (Ingham, 2019). Beggars Music Group's share of that amount is unknown but is believed to be a large amount.

Beggars Music Group remains a privately held company owned by founder Martin Mills. Mills is still the sole controlling shareholder of Beggars Music Group. He has always tried to self-finance all of their operations using income generated from their business ventures and other investments. They are refraining from using outside finance methods like private equity, venture capitalist, and investors. These methods would usually mean lowering your control over the company due to having to sell company shares. If cash were required, which is not currently necessary, then the options listed above could provide viable solutions. Recommendations for Beggars Group would be to work with private equity or new investors who would share the company's ethos and hold the best interest of the company in mind.

Lean Business

As this American Express article explains, a Lean Business model is;

Traditionally, being "lean" has meant doing more with less, but the concept has expanded. Today, a lean business model is a strategy that streamlines processes to address customer requirements rapidly. It involves fast cycles of surveying customers about their needs, developing and prototyping new products and services accordingly, and adapting to shifts in demand. (Levit, 2018)

The use of a Lean business model allows Beggars Music Group to adapt readily to new situations and be ahead of the ever-changing business world. Beggars Music Group needs to stay lean in the way it operates to keep itself viable, especially during such changing and volatile times.

With all business models, there are pros and cons, but as this modern is a progressive model, it is fair to say that the positives of lean business heavily outweigh the negatives.

Beggars Music Group, as a smaller company, can behave flexibly and be agile with their decisions and therefore be ready and prepared to adapt to changing situations with very few people needing to authorise decisions. In terms of progressing this model, a small team could be created to evaluate and plan the strategy of the lean model needed for the company to maximise its profitability at present. The team could then frequently review and update these plans and the strategies that are needed to keep Beggars Music Group lean, efficient, and profitable.

Summary

To summarise, Beggars Music Group is continuing to grow, and despite COVID-19 and Brexit, they are in a favourable position to be able to continue this upward trend. If Beggars Music Group continues to operate and develop as they have over the last few years, with stable cash flow, smart investments, and healthy cash reserves, they will remain profitable.

The further development of technology in preventing piracy and growth in streaming will help Beggars Group secure more revenue for their business and their artists. They will benefit further if they incorporate lean planning into their business model to ensure their business strategies adapt and change in line with the industry and their competitors, to ensure that they remain prominent and relevant within the music industry's independent landscape.

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