

# Music360 platform Sustainable business model & Governance options

Deliverable 5.2

Sustainable business model. Deadline 31st october

# Business model: value proposition of the platform

- **Non-profit funded by subscription fees** by CMOs and other stakeholders.
- Value proposition
  - For CMOs: increases transparency & accountability towards members; understand equitable remuneration; agree on uniform data exchange format; establish relation between performer & author, and between recordings & works
  - For rights holders: Integrated view on performance data and revenue
  - For venues: insight in the impact of music on their business
  - For policy makers & other interested stakeholders: Aggregated info in music trends.

# Business model: Customers

- Potential customers include
  - **CMOs**, starting with European CMOs (individual & statistical info)
    - CMO pays subscription fee & implements & maintains the interface to the platform.
    - M360 platform provides spec of interface
  - **Right holders** that are member of those CMOs can use the platform if their CMO is member (individual & statistical info)
  - **Venues**: Shops, bars, restaurants, hotels, any place where music is played in public
  - **Other stakeholders** (statistical info only) can use the platform if they pay subscription fee.
    - policy makers,
    - lobby organizations,
    - Eurostat,
    - music distributors,
    - music branding companies,
    - background music providers,
    - journalists,
    - researchers,
    - etc.

# Member levels?

- **Founding members** pay an investment up front and then a subscription fee per year
- **Regular members** pay subscription fee only.

# Governance structure: Policy, management

- **Policy board meets 4 times/year**
    - Makes policy decisions.
    - Appoints management team
    - Delegates execution of the decisions to MT
    - Representatives of members (next slide)
    - Max size
  - **Management team**
    - Implements policy decisions
    - CEO: Liason with policy board
    - Director: Responsible for software arch, req, dev and maint
    - Director: Responsible for business development, marketing, PR, web site, external communications
  - **Staff:** secretary, finance.
- Full/part-time?
  - SW dev outsourced?
  - Staff services provided externally?

# Governance structure: representation

- **Policy board**

- Representation of all CMOs: by SCAPR and CISAC?
- Representation of other members:
  - EU representative?
  - Representative from lobby organizations?
  - Representative from venues?
  - Representative from data providers (audio recognition companies, background music providers)?
  - Representatives of streaming companies?
  - .....

Argument:

- Joint ownership by SCAPR and CISAC would be complicated, partly due to differences in size.
- And also would make it harder for non-CMO stakeholders to join.

# Next steps

- Make financial projection
- Definition of governance structure
  - Drawn up by a legal dept.
- Acquisition of founding members
  - ➔ make a slide deck including a value proposition, cost/benefit, gov structure
  - ➔ make a roadshow to visit interested CMOs
  - ➔ jurisdiction, place of establishment
- Assembly of policy board
- First meeting, definition of meeting schedule
- Assembly of an MT
- Software development
  - ➔ Using current software or starting from scratch?