

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?
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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?