



# MUSIC

## MEANS BUSINESS !

Spring 2004

### A WORD FROM THE PRESIDENT TAKING PRIDE IN CANADIAN MUSIC



On the charts in a recent issue of *Music Week*, the British music industry's trade magazine, 10 percent of the artists were Canadian. **Nickelback, Avril Lavigne, Nelly Furtado, Lynda Lemay and Lara Fabian** are just a few of the many SOCAN members enjoying international success. On 23 other international charts, from Argentina to Switzerland, the success of Canadian creators is further exemplified.

As a SOCAN customer, take pride in their accomplishments, and know that you have played a part in the success of these talented Canadian songwriters.

These successes don't happen spontaneously. They are the result of talent and determination on the part of the artists, and an industry infrastructure that supports the development of Canadian creators.

No matter how much they may achieve, almost every songwriter's career starts in the same way – alone, at home, creating a song. And the first step in most professional careers is to perform that song in public or have it performed by someone else – in a bar or club, or a recording on the radio. Once that happens, they begin to receive payments from SOCAN.

Many songwriters will tell you that their first cheque from SOCAN was often what kept them going in the early stages of their career.

So the next time you send your licence fees to SOCAN, remember that you're not only gaining access to virtually the world's entire repertoire of copyright-protected music but you're also giving a boost to the careers of young, immensely talented Canadian songwriters.

When the next Canadian songwriter breaks onto the world stage, you can boast that through your partnership with SOCAN, you played a part in their success.

*Earl Rosen*

### REACHING OUT SOCAN'S TELESALES INITIATIVE

What is the best way to reach the widest customer base possible, and do it cost-effectively? There is no doubt this is a challenge that faces just about every business today, and SOCAN is no exception. We looked long and hard at some of the most successful businesses around the world and came up with one common answer: telesales.

Widely used by many businesses selling everything from mutual funds to magazines, telesales specialists has also proven to be an effective method of getting the word out for other performing-rights organizations in Europe, Britain, the U.S. and Australia. So it was with great anticipation that we embarked on a telesales pilot project last May.

The first step was to hire professional telesales specialists. Once accomplished, we provided them with in-depth training in order to give them an understanding of what SOCAN is all about and what our customers mean to us. There is a lot more to telesales specialists than simply talking on the phone, but in fact,

that's where the rubber hits the road. Between June 1 (after the initial training period had taken place) and December 31, 2003, our telesales specialists made close to 13,000 phone calls. From those calls, they were able to make over 1,000 connections with real decision-makers and, from there, SOCAN welcomed over 200 new customers, all in the "Music On Hold" and "Background Music" categories. This result exceeded our expectations, and told us we were definitely on the right track.

This year will see an expansion of the project, with two more reps being added to our Toronto office and one to our Montreal office. Will the results be as encouraging as those of 2003? Only time will tell, but one thing is for sure: this year, whether it is a doctor's office or a retail store, more businesses than ever before will hear from SOCAN about the value music brings to their business, something you, our valued customer, knows all too well. —Laurence Godfrey



Photo manipulation: Simon Laque

## A WIN-WIN SITUATION SOCAN'S PARTNERSHIP WITH SPORTS ORGANIZATIONS BENEFITS EVERYONE

By Alexandra Lopez-Pacheco



Why do major and minor professional and amateur sports organizations across Canada have licensing agreements with SOCAN? To answer this, imagine a sporting event without music. "With music we are able to highlight many aspects of the game, and to not be able to do that would make for a much quieter experience for fans," says Nancy Gilks, manager of Games Operations for the Toronto Maple Leafs. Winnipeg Goldeyes Baseball Club's general manager Andrew Collier concurs. "We've had some games where we had problems with our sound computer and it was very quiet and noticeable," he says. "Music is a very important part of our game."

Today's professional sports events have become sophisticated entertainment experiences. "Nowadays, in the 21st century, game presentation in professional sports is all about show — it's not just about the playing of the game," says Glenn Wiun, director of game presentation with the Edmonton Oilers. The power of music is used at games in a multitude of ways that go far beyond simply filling in the silence during such quiet moments as intermissions and whistle breaks, from pumping up audience enthusiasm and celebrating goals to identifying players as they go on the field or up to bat.

"The players like to warm up to the latest hip-hop songs, so we have them suggest some of the songs they want to hear and

a lot of them are brand-new songs," says Paul McKenna, manager of game operations for the Toronto Raptors. "And even during the game, you want to play some Golden Oldies but you also want to play some current stuff because it gives that contemporary feeling — that a sporting event is a cool place to be."

"Music can also be used to fill in parts in what's going on in the game, and, where it's applicable, to tell a story," says Dave Imbach, director of entertainment, Calgary Flames. "The right music at the right time can be used in a humorous way, to pump up the crowd, to build suspense. It's just another tool we have to build the event and assist in the atmosphere."

All these teams have licensing agreements with SOCAN, not only because it's the law but also because they recognize that, as Imbach puts it, "In the last five to six years, music and sports have become so closely linked and even more important to each other." Collier adds, "With the licensing agreement, the artists are compensated and recognized for the music we're playing," which means the music creators are in a better position to make more music — and that, too, is good for the sports industry. With this kind of partnership between SOCAN and sports organizations, big and small, it's a win-win situation.

## WHO PAYS FOR MUSIC: AT CONCERTS, FESTIVALS, DANCES AND OTHER PUBLIC EVENTS

### Who pays for music?

Generally, any person using or authorizing the use of music — either live or recorded — needs a SOCAN performing-rights licence. This includes concerts, festivals, parades, variety shows, pageants, dances, beer gardens, exhibitions and fairs.

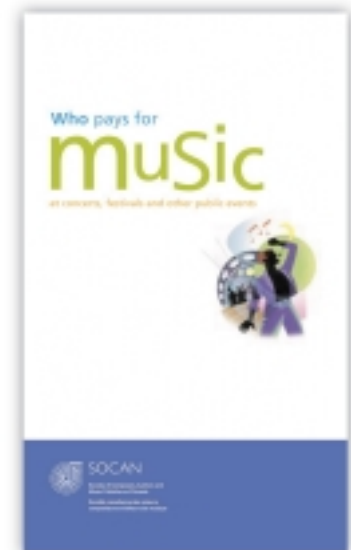
The SOCAN music licence is a cost of putting on a musical event, just as venue rental, ticket-takers and security are (or electricity and maintenance, if you are a venue owner). Fees vary according to the type of music use.

### I rent my venue to promoters — Shouldn't they be responsible for paying the SOCAN fee?

Yes, they are also responsible. If the promoter of an event doesn't obtain the necessary licence, the owner of the venue can be held responsible for the unlicensed performance. If music is used in your venue, simply contact SOCAN. It's easy to ensure that the right SOCAN licence is obtained.

### Public domain music

In Canada, a musical work enters the public domain 50 years after the year of the death of the last surviving composer/author of the work. No fee is due if all the works in a performance are public domain. However, you might be surprised to learn that some of the music we take for granted is not in the public domain. Make no presumptions; you are responsible for submitting a program to SOCAN for final determination.



## FAQs

**If I don't use Canadian music, do I still have to get a SOCAN licence?**

Yes, you still need a licence. A SOCAN licence allows you access to copyright-protected musical works created around the world and in all styles and genres. Performing rights exist worldwide, and we have agreements with other international performing-rights organizations to ensure the reciprocal collection of licence fees.

**Do I need a licence for music-on-hold?**

Yes. Music that is transmitted through phone lines requires a SOCAN licence.

**Doesn't my background-music supplier pay my SOCAN licence?**

Not always. And, when they do pay, it's for the use of the music as background or music-on-hold only. Any other use of that music requires a SOCAN licence.

**I'm producing a TV show that is carried on a community channel of a cable company and I'm using music on it. Do I need a SOCAN licence?**

No. Cable companies have a blanket licence with SOCAN that covers the transmission of pay, specialty and other services. We also license all radio and TV stations for the signals they broadcast.

## BNL'S STEVEN PAGE SOUNDS OFF ABOUT THE INTERNET



Photo: Grant W. Martin Photography

## 2003 PATRON OF MUSIC AWARD



Photo: Grant W. Martin Photography

2003 Patron of Music honouree Richard Stoker of the Government of Newfoundland and Labrador, Cultural Affairs Division with SOCAN's Gini Cornell (left) and Gina Pollock (right)

"The Internet has been a major boost to us," noted Barenaked Ladies front man Steven Page during a recent interview with Music Means Business, "since our career has been built in large part by word of mouth. By the late 1990s, the ability of the Internet to spread the word became huge, and it's now much easier to keep in touch with our fan base."

But the drawbacks of the exponentially growing Internet are perhaps equally disconcerting. "Between 1998 and 2000," he adds, "the whole climate shifted. During that time, a good percentage of what we could have sold was just given away on the Internet. There is a sense among downloaders that music doesn't have any monetary value, and that extends to it not having any emotional value either. These people see the Internet as the great equalizer, that the music industry has been a big scam all along and that music should be free."

Page continues, "If parents knew their kids were going into a hardware store and stealing hammers, or stealing jeans from a clothing store, they'd say, 'We're going to march right back there and give them back.' But most parents are not helping the situation. They think their kids are geniuses because they know how to download music for free, but they're not — it's ridiculously easy. It's like looting a store during a blackout."

Widespread downloading, as we read every day, has led to a dramatic drop in record sales, affecting the livelihoods of songwriters, composers and music publishers of every stripe, but Page believes we need to get at the root of the problem. "We have to work on ways of changing the mind-set," he argues. "Campaigns to stop illegal downloading don't necessarily work. From my perspective, it's not cool for bands to talk to their fans that way, so it's difficult. I believe there's something sacred about copyright, about the ability to hand down that right to your heirs. It's one of the most important developments in our culture, and it must be respected."

Visit Barenaked Ladies' official website at [www.bnlmusic.com](http://www.bnlmusic.com).

## MAKING THE CONNECTION SOCAN'S PRESENCE AT TRADE SHOWS

Trade shows are one of the many ways we try to connect with you. That's why we participate in a number of these events throughout the year. Here is a list of recent trade shows we participated in since January and where we will be in the coming months:

**Contact Ontario 2004**, Jan. 15-17, Sheraton Hotel, Ottawa, ON

**Bar & Beverage Conference & Expo**, Jan. 27-28, Stampede Park-Roundup Centre, Calgary, AB

**Hospitality Newfoundland and Labrador 21<sup>st</sup> Annual Trade Show**, Feb. 5-7, Mile One Stadium, St. John's, NL

**Salon HRI**, Feb. 8-10, Place Bonaventure, Montreal, QC

**Hotel Association of Canada Annual Conference and Trade Show**, Feb. 9-10, Fairmont Royal York Hotel, Toronto, ON

**Salon Rest-Hôte**, Feb. 29, Mar. 1-2, Centre des congrès, St-Hyacinthe, QC

**Food Service Expo**, Mar. 1-2, BC Place, Vancouver, BC

**Hospitality Expo**, Mar. 28-29, Saskatoon Inn, SK

**SAX**, Mar. 30, Casino Rama Entertainment Centre Rama, Orillia, ON

**ARFEX 2004**, Mar. 31- Apr. 1, Stamped Park-Roundup Centre, Calgary, AB

**Centrex**, Apr. 25-26, Winnipeg Convention Centre, Winnipeg, MB

**ORFA**, Apr. 28, Gryphon Dome, University of Guelph, Guelph, ON

**Nova Scotia Recreation Facilities Association Trade Show**, May 19, 2004, Amherst Stadium, NS

**Can-Fit-Pro Fitness & Business Conference & Trade Show**, Aug. 20-21, Toronto, ON

*We hope to see you there!*

## SOCAN'S WEBSITE: TUNED IN TO YOUR NEEDS

SOCAN is pleased to announce that Tariff 8 (Receptions, Conventions, Assemblies and Fashion Shows) customers can now apply for a licence and pay for licence fees online. These e-commerce initiatives eliminate delivery disruptions and lost mailings, save valuable time in processing invoices and cheques, and ensure on-time payments (which means no interest charges are incurred).

Our e-commerce initiatives and continuous upgrades have made it easier and quicker for customers to pay their licence fees.

All of SOCAN's licence fees can be paid using PC or telephone banking and many, including Tariff 8, can be paid using VISA or MasterCard. You can also enter tariff criteria, calculate fees and file reports online for certain licences. SOCAN's secure log-in and password system, along with its use of encryption technology for all financial transactions, matches business standards, which allows you to feel confident in paying fees online. In addition, SOCAN's Licensing department is there to double-check your calculations, ensuring you pay no more than the circumstances of your music-use require.

If you haven't gone to SOCAN's Website before, or if it's been a while since you last visited, you'll be surprised at how informative it is — as a customer, member or fan! SOCAN's site features the latest in industry news and events, offers a resource and education section, provides more detail about SOCAN and showcases the music of SOCAN members via audio clips. Last but not least, SOCAN's Website has a section devoted entirely to its customers.

Check us out at [www.socan.ca](http://www.socan.ca)



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