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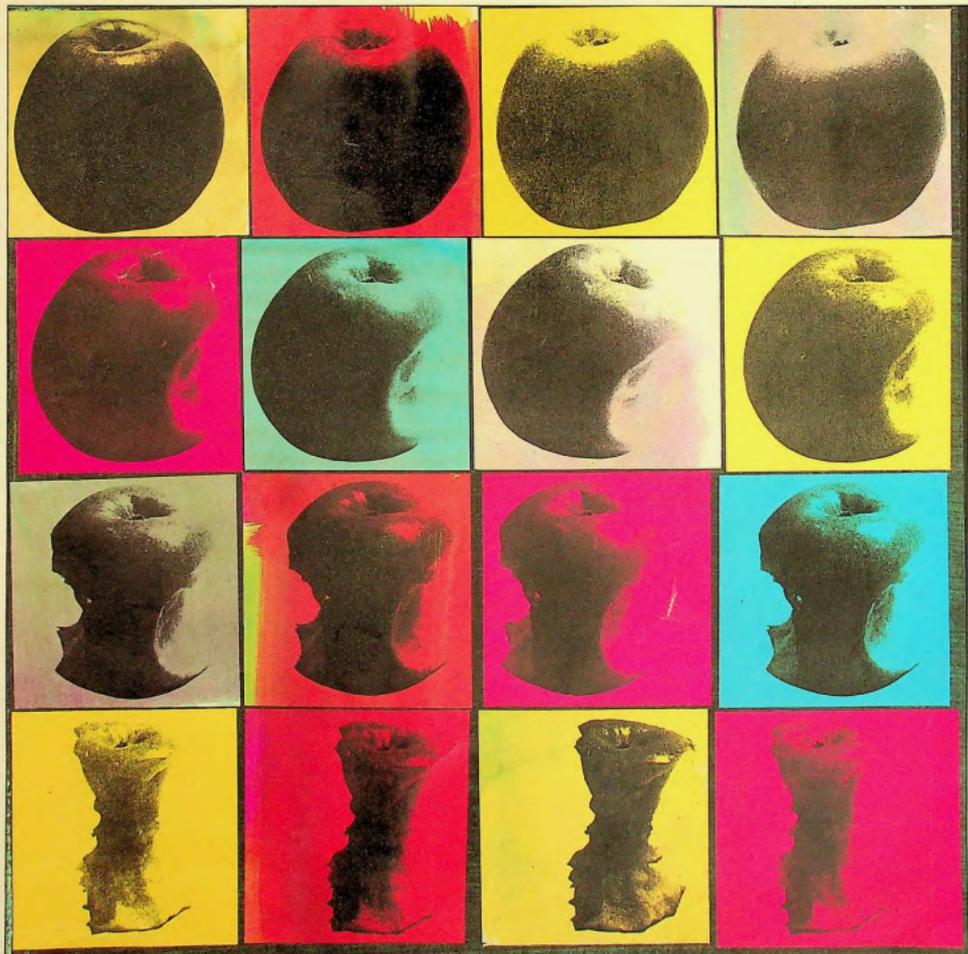
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NMS Special 13 JULY 1991

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By rights there ought to be some uncharacteristic smiles among the British contingent at the NMS this year: uncharacteristic because there isn't a whole lot to smile about in the depressed UK market place at the moment; but smiling because despite it all, the US market is looking as ripe as ever for the strongest UK talents.

As I write, EMF and Jesus Jones are challenging for the top spot in the US singles chart and British artists continue to have a disproportionate influence on the US dance charts with acts like Electronic, Nomad and The KLF all riding high.

In this context, the atmosphere of gloom which pervades the UK domestic market at the moment is far from justified. The British music business may be suffering short-term internal problems, but the scope for international success is greater than ever.

That is not to understate the problem. 1991 has claimed its victims, most prominently, three important independent distributors — Spartan, Pacific and of course Rough Trade.

The Rough Trade collapse was traumatic not just for the obvious reason that it saddled many labels with huge debts, but also because Rough Trade was a cornerstone of the whole independent label movement.



EMF

But just as the creation of the company proved the catalyst for many others to see if they too could do it, so the demise of EMF Rough Trade has caused a realignment within the whole indie sector.

On the one hand, key Rough Trade labels have rallied around the new co-operative marketing and distribution company, RTM; on the other, there has been a realisation that independence cannot be defined by who picks, packs and deli-

vers your records.

While at last year's NMS, a panel on UK majors turned on the old, old debate of independent labels versus majors, this year's event is far more likely to discuss the ways Indies and majors are working together.



Nomad

to ink a joint European distribution deal with one or more majors shortly.

To an extent such deals are born of economic necessity, but they also represent a realisation by some label bosses that the core of what they do is A&R and marketing and the logistics are best left to the majors.

At last year's NMS the new British music was the music of Madchester, the fusion of indie guitars and dance rhythms. To some extent Madchester is now old hat in the UK.

Nevertheless the indie-dance fusion is still a powerful idea, not least because in one new genre it has crystallised the two key musical strands of the NMS itself.

Inevitably in a fashion business fusion is followed by fragmentation and few of the UK performers at this year's New Music Nights gigs — with the notable exception of EMF — are operating in this area.

But it is an indication of the extraordinary vitality of the UK music business that the range of acts is so wide: from the rap of Caveman and the pop house of N-Joi to the indie revivalism of the Milltown Brothers and the punk 'n' roll of Birdland.

It is more than just optimism that suggests this year's NMS will be a strong one for the British. All the signs are that once more the UK contingent will show it can do the business.

Steve Redmond

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Incorporating Record Mirror

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White labels: the quick way up the A&R ladder

The demo tape has a rival in a handful of specialist shops which have taken over the key to the nation's ear. Russell Brown reports

If the UK's dance boom rattled many of the old assumptions about A&R, one development above all others has provided a challenge to established record companies: the white label trade.

Nomad, Alison Limerick, N-Joi and many others have won deals and, subsequently, national chart hits, not off the back of the traditional demo tape, but from records which had already sold well as personally distributed white labels.

A&R these days has a second front—in the handful of key shops which shift white labels in large quantities and the DJs who buy them.

The trade has a precedent of sorts in reggae pre-releases and independent soul releases, which went into many of the same shops. Dance music's market potency now lends an extra edge to charts fed by specialist shops (which may be based on relatively minuscule sales or simply staff confidence in a record) and DJs.

City Sounds in London handles 15-20 different white label titles a week, typically shifting 50-60 weekly across the "Top 10" and up to 2,000 a month on a really big title. Initial sales are almost exclusively to DJs, but the store contributes to charts for *Record Mirror Update*, *Blues & Soul*, *Echoes*, *Mix Mag* and Pete Tong's *Radio One* dance show, a major influence on consumer tastes. The first filtering has already been done.

"We sift out the shit—and we do get offered a lot," says City Sounds buyer Ray Keith. He estimates as many as 40% of the titles he takes lead to deals for the artists behind them.

Dance A&R specialists have long since taken the process in their stride and some, like firr's head of A&R, Pete Tong, are already part of the process as DJs. Tong says the white label trade has added "another dimension" to the dance scene.

"It has changed the face of A&R, but it has also made dealers more confused," he says. "Their total volume is probably about the same but it's spread over more titles. It might make record companies look slow, but we can't help that."

"Initial sales on white label have actually dissipated the effect of some records—Nomad and Alison Limerick needed to

come back a second time to get their dues. It's become like New York. There's the major labels and a whole lot of small labels running round selling directly into dance shops. It needs to calm down a bit—there's more out there but there's still a lot of rubbish," he says.

Tong won't reveal how and where he does his A&R, but says he hears about half the material which emerges on white label before the fact. Jeremy Lascelles, A&R head at 10 Records, says much the same—adding that he may choose to let a record he has signed up go out on white label anyway "as a kind of marketing scam".

Lascelles welcomes the world of DJ and retail charts as "a more exciting way of finding these records than listening to a demo tape in your office."

"There's a kind of proven quality in a record if it's getting a reaction from dealers and DJs. You're dealing a little more in the real world," he says.

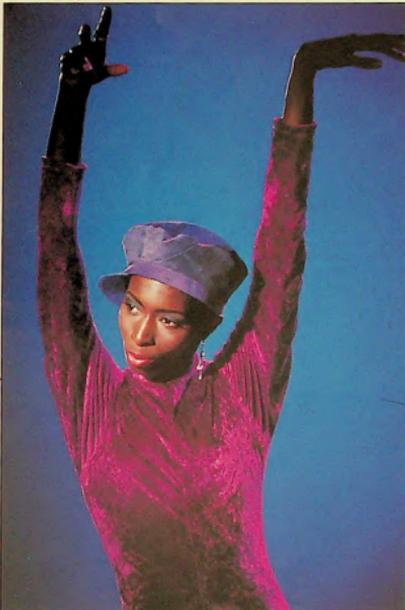
Some tracks may appear on white label purely as a "marketing scam", or because they contain uncleared samples, but most bedroom producers are after a deal.

Steve Hicks, of fledgling production duo Wintermute, does not expect his first record, *Composite by Continuity*, to be picked up because it contains too many samples, but hopes a good showing on white label will lead to interest from established labels.

Wintermute's "home studio" revolves around a single piece of equipment—the Apple Macintosh, turned by the Studio Session software package into an eight-track sequencer. A cheap



Pete Tong: influential



Alison Limerick: chart success on the back of a white label

low-resolution sampler and an "occasionally" used drum machine complete the array.

Some paid studio time to tidy up the recording turned into "a nightmare" for Hicks and his partner Trevor Giles and they plan simply to take the computer direct to the cutting room for the next record.

"You lose all context in the studio," says Hicks. "It might be a bit rougher cutting straight from the computer but you keep the energy. People don't mind if there's a bit of static on the samples."

Like most first-timers, Wintermute had 1,000 copies of *Composite* pressed. From there it was a slog, selling in around the crucial shops, and giving away

records to journalists and any DJs contributing to club charts.

"Most dance shops will take one or two of anything to try it out. Some places have taken 40 or 50 second time around, and the distributor, Movement Soul, has taken the last 300, so it's a success in those terms," he says.

Other hopefuls need more sophisticated technology than the hard techno-orientated Wintermute, but DAT recorders and MIDI keyboards are more affordable than ever.

Would-be stars still beat a path to the A&R man's door, but if their tape is lost in the crowd it's not the end of the world. There are other ears and other ways of proving you have what the dance public wants.

Competing with the majors on white labels is becoming increasingly difficult for independents. Labels manager Darren Malksi of Portland Productions, which distributes Tek Records and 8 Production among others, says: "The majors are giving far too much product away to clubs and shops simply because they can afford to, leaving the smaller labels in a situation where they are expected to give away a great deal of free product they can't afford. This then reduces the amount of cashflow available to spend on advertising and plugging for their commercial release."

US clubs find a new groove with UK vinyl

With cassette and CD now dominant in the US, DJs are exploring the UK talent still available on 12-inch vinyl. Dominic Foulsham reports

Will deals for UK distribution be thin on the ground at this year's NMS? Total Record Company managing director Henry Semmence says: "With no Rough Trade Distribution, Spartan or Pacific in attendance, there won't be homes for all the dance labels seeking deals—which hopefully will mean the quality of product will rise. The NMS is more useful to me than Midem because it has the type of people looking for distribution with a company like Total and provides the opportunity for me to set up foreign distribution and licensing deals for our UK labels. It seems I have to make the trip all the way to New York to meet various UK labels at the same time!"

In the early Eighties finding any significant British talent beyond the Stars On 45 sound-a-likes in the *MTV* dance charts was something of a challenge. Back then one or maybe two UK acts managed to crack the all-American cartel to reach the top positions. But now typically eight of the top ten are home grown.

While the same dramatic turn about cannot be argued for any of the UK charts, few deny the impact of British and European product on turntables and playlists from New York to L.A. Whether it's four-to-the-floor house or funky jazz, it seems that British product has been refreshing the charts our US peers can't reach.

Arista UK head of A&R Chris Cooke sees US over-cautiousness as a possible explanation for the lull in dance action Stateside.

"The US market is very static. The British advantage is that our market allows experimentation, the acts feel they have the opportunity to try new ideas, and even majors are prepared to extend that experimentation to an extent.

"The US labels think, and I agree, that American kids are more conservative than their British counterparts."

Earlier this year Arista signed Shawn Christopher, a US act, to the British label. After success in UK clubs, a track was imported into the US and became a number one dance hit there, as Another Sleepless Night.

The level of interest in UK product has reached the point where, according to Cooke, American licences are following UK releases almost instantly.

"We recently released Cola Boy's Seven Ways To Love," he says, "and already it's being bootlegged. The demand is like nothing we've seen before."

The dramatic demise of vinyl in the US which, according to Recording Industry Association of America figures, measured an 80% drop in both seven and 12-inch formats between 1987 and 1990, is contributing to the poor state of A&R. While most UK dance labels continue to see the importance of the 12-inch format for promotional purposes, in the US most multiple retailers no longer stock vinyl. It's ironic that in the renowned dance capital of

New York, vinyl titles are often far more readily available on import than on domestic release.

Judy Weinstein, managing director of For The Record, one of America's largest record pools, and head of Def Mix Productions, a production house for names that include remixer/DJs like Dave Morales and Frankie Knuckles, says: "The vinyl availability hasn't affected the DJs here yet, but it has affected the audiences. They'll go out to buy a record that isn't available, because those 12-inches aren't on general release anymore, and CDs do not generally support those tracks."

Although labels have heard the complaints, the US majors seem to be moving in the opposite direction. "Atlantic Records had a major cut back in its mailing lists by some 40% recently," Weinstein adds. "And what happens to those 40 DJs out of every 100? They're not getting Atlantic records."

"It's setting a tone for the other labels to follow."

This conclusion is supported by New York DJ Frankie Knuckles. "As a major player, a lot of the fresh stuff will reach me, but other, less fortunate, selectors will be pulling titles from narrower and narrower selections of vinyl. Many DJs didn't seem to realise this was going to happen."

"It's taking a complete slice out of dance A&R here as a lot of the DJs are relying increasingly on British product, as so far the market is still buoyant there," Knuckles says.

Although predominantly an underground market, tip sheets like the BRAND-X chart, operated by DJ Money Penny, continue to offer UK independents a performance showcase, and the majors an accurate guide to those all-important club/pop crossovers. The existence of independent charts like those operated by the much-in-demand Money Penny indicate an increasing demand for what British majors and independents see as a missing A&R strand in the US.

While a well placed selection of as few as 500 white label copies can act as a reasonable indicator of success in the considerably smaller UK market, US independents are faced with a much bigger problem. As Rhythm King managing director, Martin Heath, points out: "If you're a



Crystal Waters' *Gypsy Woman* took 12 months to score in the US

small independent US label and you have that smash hit record that's going to break the "boundaries", it's going to be very difficult to sell outside your own market. You'll possibly be dealing with as many as 20 different distributors and pools of

one sort or another. And it's made worse by the fact that most record pools only react to the majors.

Heath adds: "As far as nationwide marketing is concerned, some independents don't even get a look in. If you do get through all of that and have ▶

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► a hit then you're going to have to have a vast amount of money to press the records, pay for them yourself and then wait to get paid."

It remains true as ever that having a big hit on a small label can bankrupt it.

Perhaps it is for this reason that US independents are currently increasing prices for foreign licencing deals for their product. "As a producer," says Moneyenny, "I'm aware of a lot of the going rates for these tracks, and when I hear the amount that some of the New York labels are asking for territories like Italy and Belgium, they are frankly ridiculous. I think some labels think their music is way too important. The dollar figures are anywhere from the high thousands up to several tens of thousands, with no sliding scales. If you're talking about typical import volumes for some of these territories then the Italians are going to say, 'forget it, it's not worth putting out!'"

A continual bugbear to UK labels aiming for exposure in the US is the rapid system of formatted radio. Fringe formats like rap (excluding the Hammers and Vanilla Ices) or heavy rock, do not get played on national/broad network radio, with black radio almost consistently playing a diet of Teddy Riley/Janet Jackson sound-a-likes. It's a strange categorisation that means that

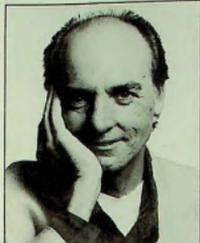


Watching the US: Chris Cooke (Arista) and Jazz Summers (Big Life)

British dance like Stevie V or Massive Attack will be broken first on contemporary hit radio far more commonly than urban contemporary format radio. Jazz Summers, managing director of Big Life and manager of acts that include Lisa Stansfield, has encountered the problem. "They seem stuck in the LA and Babyface syndrome. Everything sounds the same. It's actually quite difficult to break into black radio because you have to have 'that sound'."

"Whatever people say about Radio One we still have one of the most liberal radio networks in the world."

The current trend in the US is to overlook much of the indigenous talent in favour of



lucrative and immediate foreign licencing deals. When *Billboard* dance analyst Larry Flick mentioned Virgin US had passed on signing UK club doyenne Eve Gallager he received three calls from major labels interested but unaware of the British act.

"For all the ground that Soul II Soul broke, acts like those are still having a hard time with the US majors," he adds. "So it's hardly surprising to hear that the Gypsy Woman tapes were untouched for 18 months, that Soul II Soul were originally turned down with Club Classics Vol 1, or that one of the biggest UK club stormers last year, America's home grown Got To Have Your Love by Mantronix, bombed when released in the US."

Kiss FM DJ and Talking Loud label manager, Norman Jay, who has achieved success in the US with Galliano and Omar, has his own view on why American dance action has become lacklustre. "America has long held the tradition of the 'classic' singer-songwriter set-up, and the people who are still into that philosophy are still running the industry. The new breed are those graduates of the Eighties multicultural club era and the computer whizz kids who are into stripped-to-the-bone sounds. Here in the UK, we have a new generation of kids who have almost grown up with a pair of Technics (turntables) and a sampler in their bedrooms. People over here have a much wider choice, therefore, and a much greater tolerance of everything from acid house to acid jazz."

A new way of thinking has emerged in the UK, it seems. Cohesive international marketing strategy based on greater confidence in domestic dance talent is paying off. Arista's Chris Cooke says: "More and more money is being invested in these acts who are beginning to be recognised as artists with international success, acts who started their careers on the UK club scene. Major labels are not seeing them as short term disposable music acts anymore."

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Club hits pull top sales

Dance charts for 1991 so far show that the small labels, with figures as high as 300,000, can fight it out with the best of them, says Martin Aston

The dance market still has the power to defy financial and marketing conventions, and the fact that the top three best-selling dance singles of 1991 to date are independent releases from relatively unestablished labels is proof.

What The KLF's SAM Eternal, Nomad's (I Wanna Give You) Devotion and You Got The Love by The Source, featuring Candi Staton, had in their favour was that each was a massive club hit that crossed over on to daytime radio.

SAM Eternal, like its Top Five predecessor, What Time Is Love?, was an underground hit (in its original versions) when outdoor waves were at their peak in 1989.

The Source enjoyed cult status for nine months as a bootleg before True Love released it officially. It has now sold 217,000.

Radio One also initially spurned Nomad's (I Wanna Give You) Devotion, according to Rumour Records co-ordinator David Brooker. Club promotion to

400 key DJs and to specialist radio succeeded in pushing the record to number 75 in the charts before Rumour decided to try again in January this year.

"By the time we'd re-released it, the song had become a huge club record and we'd amassed back orders of 18,000. We also did a new mix to keep the momentum going, because DJs had been living with the record since September last year. We've now sold in excess of 250,000."

If dance singles are dominated

by the independents, then the album market is quite definitely the preserve of the majors. Every single Top Ten entrant is a major label release, bar The KLF's The White Room at seven, which had the benefit of three hit singles.

In the dance albums market it is the more mainstream and teen-orientated acts such as Whitney Houston, MC Hammer, Vanilla Ice and Alexander O'Neal which dominate.

Yet the number one dance album for the first quarter of '91

is an instrumental, image-less, ambient-based record by an unknown German outfit.

Enigma arrived in the UK with widespread European success just in time for the Christmas market, but the single's popularity — 300,000 and counting — and the MCMXC A.D. album defies the perception of Enigma as a "mere" novelty act.

Sadness' slower, more reflective groove appealed to an older audience as well as working on the dancefloor, where it is a perfect end-of-the-evening track. TV advertising at Christmas simply spread the word.

Virgin International label manager Steve Brown argues that Enigma's success isn't so bizarre. "Far from being a faceless concept, the music stimulated a lot of interest, because of its 'greener' aspects. We found that people responded to the introspective mood in what are troubled times, so to speak."

Dance music, as ever, has the power to move the soul as well as the body.

According to London dance emporium City Sounds new labels in the ascendant are: Rebel MC's Tribal Base, Phil Fearon's Production House, D-Zone and Shut Up And Dance. Acts to watch are: London duo Psychotropic on their own O label, The Ragga Twins on Shut Up And Dance and Moby on Outer Rhythm.

TOP 10 DANCE SINGLES

- 1 SAM Eternal, The KLF
- 2 (I Wanna Give You) Devotion, Nomad/MC Mike Freedom
- 3 You Got The Love, The Source feat. Candi Staton
- 4 Sadness Part 1, Enigma
- 5 Crazy, Seal
- 6 Hippychick, Soho
- 7 Gonna Make You Sweat, C&C Music Factory
- 8 Move Your Body (Elevation), Xpansions
- 9 Wiggle It, 2 in A Room
- 10 I'm Not Like, Quartz Intro, Dina Carroll

Sales period: 1 Jan to 31 March. Compiled by ERA from Gallup data. ©CIN 1991

TOP 10 DANCE ALBUMS

- 1 MCMXC A.D., Enigma
- 2 I'm Your Baby Tonight, Whitney Houston
- 3 Please Hammer Don't Hurt 'Em, MC Hammer
- 4 To The Extreme, Vanilla Ice
- 5 All True Man, Alexander O'Neal
- 6 World Power, Snap
- 7 The White Room, The KLF
- 8 EXCEL, R&B Stars
- 9 Dreamland, Black Box
- 10 And Now The Legacy Begins, Dream Warriors

Sales period: 1 Jan to 31 March. Compiled by ERA from Gallup data. ©CIN 1991

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Out of the bedroom: into the boardroom

Ten years ago the indies struggled to create an alternative to the mainstream. Today they are a fully wised-up sector of the industry. Martin Aston reports

The demise of Rough Trade Distribution may have undermined confidence in the independent sector, but there is no denying the many significant achievements made in the last 10 years.

"We've seen a number of independent labels evolve into companies that, in terms of performance, are closer to the majors than probably any of us would have dreamed of in 1980," says 4AD managing director Ivo Watts-Russell.

"The creation of the new Rough Trade Marketing company after the demise of Rough Trade Distribution also shows that the ideals of independent labels are as healthy and intact as ever," he says. "We still have the same motivation, that is to release records not just because they will sell."

By remaining with independent distribution, leading labels such as 4AD, Mute, Situation Two, Strange Fruit and Rough Trade stand to rebuild the foundations with the same spirit that has already taken them so far. The climate that gave rise to that spirit, Mute Records managing director Daniel Miller recalls, was instigated by punk's, "anyone-can-do-it mentality".

"I read an article by The Desperate Bicycles that inspired me to make my own record, and because it seemed so easy, I did," he says.

Miller (in the guise of The Normal) and the Buzzcocks (with their *Spiral Scratch* EP) led the



Happy Mondays: stalwarts of the indie system

way in independent singles. Although the majority of punk groups signed to majors, the next wave — Joy Division/New Order, UB40 and Depeche Mode among them — followed the indie route, by which time a distribution network had sprung into place to accommodate it. As indie labels started to have success, so the system grew with it. "And those groups who said, 'I want to stay with the system' are the ones who survived, pretty much," says Miller.

independent labels have taken have resulted in many casualties over the years. Those who have prospered most are, interestingly, the first fleet — Mute, Factory, Rough Trade, 4AD and Beggars Banquet, plus Creation from the mid-Eighties' indie heyday (commemorated by *NME's* C86 compilation).

Geoff Travis, MD of Rough Trade Records, attributes their success to the A&R skills of each label, but the early Eighties seemed a particularly buoyant time for independent music.

Thanks to video and computers' increased share of the leisure market, groups now face a smaller fan base, while majors are now more adept at enticing acts away from independents, "which eliminates the character and personality of the label," says Ivo Watts-Russell.

"4AD certainly prospered by our audience's loyalty and curiosity. Nowadays, groups are more professional and get involved with management quicker, who conspire to use the indie route as a stepping stone to create a buzz and get a better deal. In the mid-Eighties, people recognised why they were sticking to independents in the first place. Cash made the difference."

The collapse of Rough Trade Distribution has meant that the majors are better placed to exploit the independent sector's financial instability than at any time since the early Eighties, when Rough Trade lost Scritti Politti and ▶

According to BPI figures, in 1981, the independent sector was awarded a total of one platinum, six gold and seven silver discs on album, and three gold and 15 silver discs on singles. In 1990, the figures had risen to two multi-platinum, one double-platinum, three platinum, nine gold and 10 silver discs on album, plus four gold and four silver on singles. Note that many independent labels are not BPI members.



Crossover appeal: Scritti Politti, UB40 and New Order have all succeeded, now or in the past, in marrying mainstream success with indie status

INDIES THEN AND NOW

In the last 12 month period the average market share figure for independently distributed albums in the UK was 14.57%. Independents peaked in the second quarter of 1990 when they accounted for 16% of the total market. The average market share for independent singles during the last 12 months is higher at 18.47%, having declined from 21.2% in the second quarter of 1990 to 16.3% in the first quarter of '91.

► Artec Camera to Virgin and WEA respectively. Carter, signing to Chrysalis and The Sundays' open desire to sign a major deal may be evidence of an insecurity or lack of faith in the ability of the independent system to sustain their career.

The effects of Rough Trade Distribution's demise are already being felt. Financial prospects are now especially grim for the smaller labels, although even established companies such as Strange Fruit, reports managing director Clive Selwood, hasn't been paid in six months, while Fire Records has wondered whether the Grim Reaper might yet call.

"It's cost us a year of progress because we've had to hold back so many releases and not sign anyone," Fire general manager Dave Bedford estimates. "In the short term, labels will suffer or go under, and records will get delayed or simply not made, while suppliers will suffer. Some were already going out of business because of the recession."

Yet labels can afford to be optimistic. Bedford says: "If nothing had replaced Rough Trade, the result would have been dire, but the new RTM company and the possibility of a couple of new distributors in Pacific and Spartan, plus APT and Southern, puts a brighter light on things."

Daniel Miller also says he feels positive: "RTM accommodates nearly all the labels that were distributed by Rough Trade into a system where they have their own sales force, which is a very strong thing. We can choose which distribution to go through, and at the right time."

Ivo Watts-Russell feels it won't be a period of expansion but of consolidation. "But in the long term, that will contribute towards growth," he says. "Everyone has started behaving more sensibly. We now have to think twice about putting out records that won't break even for a couple of years but would have been an important part of our catalogue, which is how we've always existed. We need to get back to making records for £5,000."

Despite the misery of the last six months, that independent spirit is still alive and kicking. Just ask the majors. If you can't seduce groups like The Charlatens with a lucrative deal, why not get your own indie label?

"Everyone has their 'fake independent' these days," says Geoff Travis, his description for the tie up of labels such as Dedicated with BMG, Hutt/Virgin and Ultimate/Warners, in which the indie retains its credibility and eligibility for the independent charts by choosing indie distribution but is funded by the major. It simply recognises that there is something amiss about the way the majors deal with music.

The situation certainly begs the question again: what is an independent? From Savage



Depeche Mode have been able to achieve worldwide success on Mute

Records' point of view, distribution via Sony disqualifies it from the indie chart. "Yet Ultimate can have Levitation at number one," says general manager Laurence Bouvier.

"We prefer to have major distribution because you get paid and they also have stronger influence across the board. Sony handles a tenth of the lines that Pinnacle carries, so we're getting much better service, yet we have no financial ties with a conglomerate. If our product fails, we take the fall, not Sony."

Beechwood Music's new Forever Changes series, featuring major-affiliated acts, supports another alternative approach — "that independence shouldn't be who distributes you but how you sound," says licensing manager Tim Millington.

"Blur, for example, whose attitude and music you'd say was indie, should be classified as one. This series is an overrun from the Independent Top 20 albums because we felt it needed to be put together," he says.

"Whichever way 'independent' is typecast, the music has been resoundingly successful, here and abroad, although America is more resistant to UK trends than the rest of the world until the music is made more palatable and commercial. UK indies have consistently shown that they can break the right bands. And what does one make of the American major which has signed a number of UK indie bands but not one act from its UK repertoire?"

"Independents have allowed a real flowering of different sorts of music," claims Brenda Kelly. "The UK is still regarded as a

source of diverse and innovative talent. It definitely has something to do with the fact that the UK is where the independent system has been developed."

According to Daniel Miller, the music industry can't afford for the independent sector not to grow, simply because, "it has provided most of the new acts in the last 10 years who have been successful and lasted."

"That DIY spirit also exists more today than at any other time with the dance movement. People can record at home and shove it out," he says.

The Mute mentor, for one, ensures that that innovative spirit remains fresh — "I'm more interested in working with something that doesn't bear any relationship to anyone else, like Miranda Sex Garden," he says.

At this moment, the independent sector is a victim of shifting circumstances, but Geoff Travis has enough experience to know that, as fashions change, so does the view that independents are passe: "I've seen it happen so often, but it will come round again."

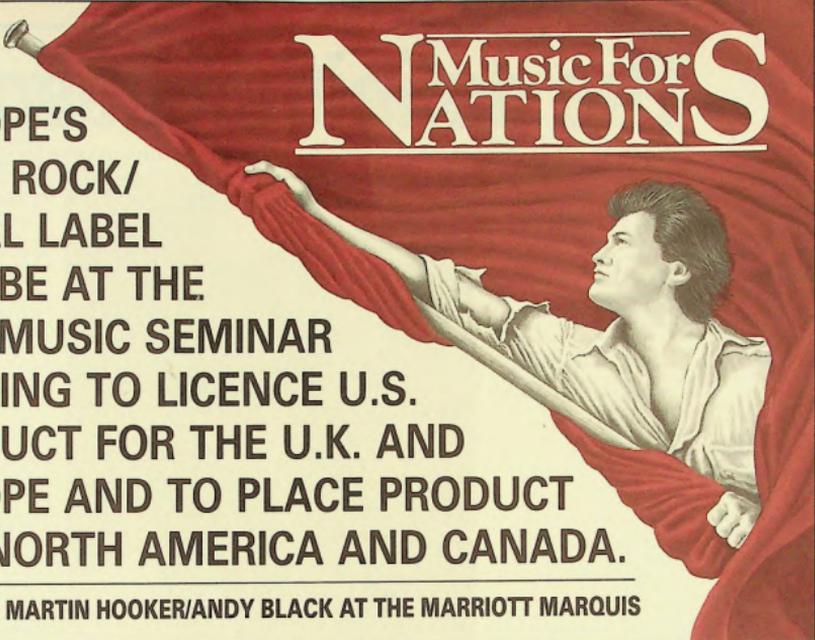
Clive Selwood agrees: "You can't knock the independent scene back because it's full of people with the determination and enthusiasm to get this music heard. My old boss at Elektra said, 'an underground stream, if strong enough, rises to the top'. Nothing can stop it — and there are very few industries about which you can make that statement."



Stone Roses: now with Geffen



Charlatens: happy at Beggars



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The definition of sound

Is 'indie' a credo still worth fighting for? Martin Aston surveys the protagonists

In 1981, the independent charts were dominated by The Exploited, UB40, Crass, Cabaret Voltaire, Misty In Roots, Joy Division, Depeche Mode and New Order. In 1990, The Stone Roses, The Sundays, Sonic Boom, Fugazi, Depeche Mode, Inspiral Carpets, The Breeders, The Pixies, The Soup Dragons, The Charlatans, Ride and Happy Mondays were among the chart-toppers. Progress has meant an increasing diversity.

Daniel Miller
Managing director, Mute Records

"On one level, being independent today means that we can put out whatever records we like. It means that no mystery figure in Tokyo or Hamburg tells us what to do. In other words, we still have to take into account the same economic conditions as everyone else, but it's up to us how we interpret those conditions and how we make decisions.

"It also means we constantly fight off companies who want to buy us, steal our bands, or attack us at a weak point. Once you've had success with an artist, you're under a lot of pressure because people will do whatever they can to get that artist.

"I've seen every trick in the book. You don't have to enjoy it but it's half the fun of being an independent business. You have to have an element of that as well as a love of music, otherwise you can't even survive.

"I think we've kept our artists because I'm straightforward with them, on a business and expectations level. I try not to make promises I can't keep. I don't build up their hopes.

"We're still a relatively small label in terms of the number of artists, so it's possible to keep contact with all of them. We're all working in the same direction. But we're still under threat. It's easy to say to bands, 'you haven't got distribution, Mute will get bankrupt, it's time to go'. So far, they're stuck with us."

Daniel Miller started the Mute label in 1977 to release his own single, under the name of The Normal. In 1991, Mute's roster includes Depeche Mode, Erasure, Nick Cave, Wire, Inspiral Carpets and Miller's latest signing, Miranda Sex Garden.

Geoff Travis
Managing director, Rough Trade Records

"I seem to think about what it means to be an independent most of my life. Right now, it means an incredible paradox. There's the nightmare of extricating ourselves from the demise of the old Rough Trade Distribution, and the excitement of the new Rough Trade Marketing company, with the bonus of having better independent distribution than has ever existed before.

The interesting fact is that a lot of labels involved in RTM are the owners of the company, rather than there being just one owner, namely Rough Trade, which makes an interesting change. Structurally, it's a massive change.

"Having Pinnacle help support us at this important time protects



Snub TV's Brenda Kelly: "The lines are blurred like never before..."

Brenda Kelly, co-director, Snub Television
"Being independent right now seems to mean being financially beleaguered.

Independent labels are not major multi-national corporations with diverse holdings in everything from leisure industry interests to hardware and armaments, so they're vulnerable. Most independent labels are still in the marketplace primarily to release music that means something on their and their artists' own terms.

"Independents have irrevocably changed the way things work. Artists have rights, which independents are more likely to acknowledge. Diverse sounds, faces, talents and musical centres are what the UK scene is about

OK, it's never been perfect, and all of us who have worked in the independent sector have our own horror stories, but the

our commitment to smaller labels. The danger is of Pinnacle having a monopoly in the UK there needs to be another system that can cope, and the new company is committed to that.

"The only way forward for big labels is to build a system that can support the smaller labels. That's been the independent

point stands. I don't agree with all these sniping comments about the end of an era.

"Some of the most innovative labels attached to majors right now have taken their cue from independents, certainly artistically. The lines are blurred like never before, but the existence of independents is crucial - new musics and new ways of working.

"Personally speaking, Snub being an independent means control over our own destiny, direction and output. It's harder but ultimately more rewarding."

Brenda Kelly edited the independent trade monthly The Catalogue for five years. Together with Peter Fowler, she formed Snub TV, one of the few music television shows committed to spotlighting artists outside the mainstream. The show is approaching its fourth series on BBC2.

credo. Any one of the larger independents could have made their own deal but each has chosen not to, except Rhythm King, which made its mind up to negotiate with a major months before the Rough Trade crisis. And Big Life, which is now partly owned by PolyGram, so it's hard to imagine they had as much free

choice as people might believe. So the fall-out has been remarkably small.

"Personally, I still believe in the whole concept of independence, which comes down to one basic thing, which is to have a sales force committed to getting product into the shops, which I don't think majors have in the same way. It's such a simple thing, but so important." *Geoff Travis opened the Rough Trade shop in 1975, adding a label in 1976 which released a single by Metal Urbain, France's answer to the Sex Pistols. Fifteen years on, Stiff Little Fingers, Aztec Camera, Scritti Politti, The Smiths and The Sundays have all earmarked the Rough Trade catalogue. Travis is also chairman of the new RTM.*

Clive Selwood
Managing director, Strange Fruit Records

"I don't know how to relate to this indie thing as I've always considered myself an indie, from the days of Elektra in the Sixties, when we worked out of one room and were distributed through a number of wholesalers. So nothing has changed.

"When I was at CBS, we considered ourselves virtually an indie. There's been a lot of nonsense talked about Big Life going to PolyGram. I find it hard to believe that being independent is determined by the people who pack your boxes. I think it's more your attitude toward the artists who walk through your door, although I agree that's a hard thing to quantify. But the independent chart has become irrelevant because, as of June 22, it now represents everything distributed by Pinnacle.

"The situation now is totally contrary to what 'indie' is all about. Somebody had better put their thinking cap on and come up with a better definition. I campaigned at Radio One to have an indie chart - they were interested in a chart that properly reflected the independents, but that week Sue Pollard from Hi-De-Hi was number one. I'm sure no-one would be happy to have that representing it."

The charts are just a marketing tool, but the indie trade needs marketing tools as it doesn't, as a rule, have a lot of money. Basically, the Rough Trade situation has thrown everything into a melting pot. I'm fiercely defendant of the independent ethos, except I don't know what it is!

Selwood started the Strange Fruit label with John Peel's backing. I released sessions from Peel's Radio One show. The label is now into its sixth year.

The pioneers' progress

The early label prospectors have moved on, but to where? asks Martin Aston

Not every prime mover of the original indie label boom has climbed the heights of ex-Stiff Records general manager Paul Conroy, currently president of Chrysalis Records.

But Conroy is not the only man to make the transition from indie to major; Bill Drummond progressed from running Liverpool's Zoo label to WEA's A&R department before returning to independence as The KLF, while Drummond's ex-partner Dave Balfe now runs Food, home of Jesus Jones and Blur, out of EMI.

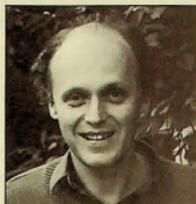
One label owner who disappeared from the frontline was Cherry Red founder Iain McNay, who admits he effectively left the label in 1987 when he "got into spiritual searching. I now run seminars on consciousness with my girlfriend. I used to love coming into work, but I changed, and the music wasn't as important to me anymore. The best thing to do is to employ young people who still like to go out four nights a week."



In: Chrysalis boss Paul Conroy

Based again in London, McNay is currently participating in label affairs: "I'm still enjoying the business side of things because it's playing with energy."

Also still in the business are Ted Carroll at Chiswick, now known as Ace (to acknowledge the various labels under its roof), and Conroy's old boss at Stiff, Jake Riviera, who runs the Demon operation. Meanwhile, Riviera's old partner, Dave Robinson, runs a new publishing company, Bastille Music, and acts



Out: spiritualist Iain McNay

as industry consultant (Solid Records' Irish roots-rockers Saw Doctors are a current interest).

"Publishing is great," he says, "because it deals with songwriters, which is what record labels should do. It's the future of the industry because technology will make labels redundant. They're all acting like redundant companies already, losing lots of money and whingeing about the recession."

In Scotland, Alan Horne, whose Postcard label first gave us

Orange Juice and Aztec Camera, is still managing Paul Quinn, having spent the last three years successfully extracting Quinn from his deal with London Records. Bob Last, whose Fast Product and Pop: Aural labels released debuts by The Human League, The Mekons and Gang Of Four, now produces music for film and video.

Says Last: "The exciting thing about the early days was that we were totally independent but still able to participate in that big market which the majors had temporarily lost control of. By the mid-Eighties, the independent scene had become a little ghetto on its own, while mainstream pop had also become boring. We were looking for things to release for the sake of it, so we stopped."

He admits he's toyed with the idea of starting another label.

"The whole scene is in great financial crisis, but things started getting exciting again around 1988 and 1989. I've had conversations with various majors about setting something up, but that's all."

Indies gone forever: Crass (Crass, Flux Of Pink Indians), Deptford Fun City (Alternative TV), Fetish (Clock DVA), Industrial (Throbbing Gristle), New Hormones (Buzzcocks), Rabin (Slaughter And The Dogs), Refill (The Desperate Bicycles), Small Wonder (The Cure), Step Forward (The Fall, Chelsea), Xcentric (Poison Girls and Y, The Pop Group, The Slits).

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Flying in the face of US import restrictions

Despite what many see as unfair legal obstacles, the UK's dominance of dance means there are still gaps for UK exporters to plug, says Stu Lambert

When American record company A&Rs get jaded, they take a trip to their favourite import store to check out the UK's talent mountain.

So say British exporters, who are coping with US import restrictions on mainstream products by pushing Britain's landslide of hard dance, reggae and remix 12-inches.

"The Americans are very much aware of the UK independents as a hotbed of talent," says Mike Gething, sales manager of Lightning Records. "The British industry has just as much kudos as it ever had. A&R departments over there have been looking at US imports and signing the acts directly."

Five years ago the major record companies in the US slammed the door on the repackaged, recompiled records by name acts who are the exporters' stock-in-trade in the rest of the world.

After a lawsuit involving the Harry Fox Organisation, Gem Records and Warner Brothers, no material which is already in copyright in the US can be imported without the written permission of the rights holders.



Success stories: records that have managed to circumvent America's Draconian import laws

"The permission is very rarely granted," says Gething, who accuses the American majors of "paranoia" over the effects of relatively small import pre-release sales.

More justifiably paranoid are the importers, who play safe with their orders rather than face the fearsome, perhaps fatal, prospect of meeting the likes of Warner or Sony in an American civil court.

It can be very difficult to ensure that a product has all the permission it needs, especially when the copyright in material on an album is shared between various composers and publishers. And a change of plan at an artist's US label can mean

a change of mind on allowing imports.

Pinnacle's import/export division Windsong was poised to follow up the export success of Presence's first single 'In Wonder' but got a phone call cancelling the entire US shipment of their second release, All I See, the day before it was due to go.

Customs "purges" are familiar; last-minute calls to put stickers on each record and sleeve play havoc with packing schedules.

"As of five years ago, our turnover to the States has dropped significantly," says managing director Steve Bradley. "Without major artist product, it's not worth trying too hard. We

prefer to push our independents, but we're doing orders of 200-300, whereas before the restrictions we did 3,000 no problem."

Many American importers were also discouraged, but in the last two years traders on both sides of the Atlantic have adapted, selling reissues and mid-price compilations which have dropped out of copyright, classical and spoken word product as well as indie labels.

The explosion of UK dance in the same period has given new opportunities to ship exciting records and exporters here are making the best of them.

"The Americans are jumping on anything coming out of the UK," reports Greyhound Records head buyer Mike McGuire. "Our business there is almost 100% independent street/dance product. They went underground, high bpm hi-rise stuff. Hard rave and minimalist techno like Black Dog are selling well."

Reggae also has its adherents. Portland Productions distributes and exports eight dance and reggae labels and has a partner in West Palm Beach, Florida. Says Portland proprietor Peter Malki: "If you make the *MW* dance chart it's easy to get a deal going in Europe — Germany, Spain, or the Netherlands for example, but it is very difficult in the US.

"Of course, if you do get something away the returns are big. You can do a deal in Miami, have a dance hit in Florida and mean nothing anywhere else in America and, with sales of 10-15,000, do the same business as in a whole European country." A more usual volume of trade is about 800 CDs, 800 cassettes and 500 vinyl albums.

As UK dance becomes established in the US, direct signings are eroding the potential to sell around the restrictions. A few specialists may prosper, but most exporters have turned their backs on America, tired of woolly arrangements.

Before the restrictions much of the product shipped over was aimed at the completist who was prepared to pay extra for bonus tracks.

The real losers are America's keen record collectors and, ironically, the artists whose product sells a few hundred less copies.

There is speculation among US importers that major record companies in the US are pressing for further restrictions on non-parallel imports. The new restrictions would apply to the importation of registered trademarks into the country, which would extend control to cover material released internationally by a company without ownership of US copyright.

"It will certainly be a topical point at NMS," says Mike Gething of Lightning Records. "The Americans are flooding other markets with their own non-parallel product, but trying to get this new measure through on the quiet."

Why visit this year's Seminar?

The lack of American and Far Eastern companies at Midem, due to the Gulf war crisis, has spurred the attendance of Windsong, because the NMS may be the only opportunity this year when it can meet all its customers under one roof.

Windsong import manager Paul Hallett says: "The import/export game is about contacts and who you know and looking after clients, so it's important to keep contacts and top them up." Since the NMS has become increasingly dance orientated, a specialist such as Contact UK finds the US of paramount importance.

"We're a more marketing orientated exporter than the likes of Windsong and Lasgo, as we play records over the phone to customers and send records to radio stations,"

says general manager Geoff Kite.

"We take a selection of records to the NMS, from UK labels we represent, who find America of major importance as airplay in the US tends to get a better licensing deal for their product."

Arabesque export controller Fran Beckerleg says: "America is a huge country with a lot of product that's just not coming into the UK. We will be attending NMS to show customers that you can get as good a deal with a smaller exporter, but with personal service."

In contrast, Caroline general manager Steve Sparks reports that the company will not go again: "Last year was the first we didn't attend, and we noticed no drop off in trade. Most of

our trips abroad are PR exercises, and for the price of an NMS trip, I can do three dedicated trips into France, Holland and Italy. I wish our American sales warranted our attention, but they don't."

European Music Services, which imports non-parallel rock and pop product from America, Japan, Australia and Europe, with the US delivering about 40% of the 9,000 titles it carries, will not be attending.

Director Mike Denton says: "It sounds like a fantastic place for people who are looking to sign product, but not for what we do. "We usually go to Midem and we globetrot a bit — we might be in New York next week — so with budgets the way they are we feel that's enough."

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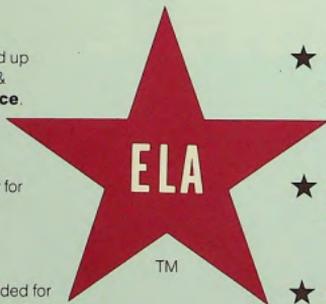
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Music is key, not law

UK professionals warn of the pitfalls of representing artists in the States

British lawyers and accountants with a vested interest in new talent have to make it their business to know how practices differ across the Atlantic. With the steady assault of UK and European dance music on the *Billboard* dance chart, more professionals are representing independent acts and labels in the US.

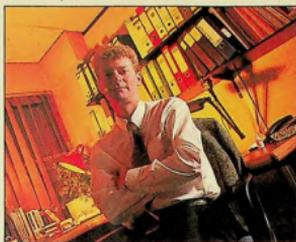
Most entertainment lawyers agree that a solid appreciation of how the American music industry functions takes priority over knowing the minutiae of federal and state law.

Solicitor Simon Long of The Simkins Partnership says: "If you are representing an independent in the US it's vital to know who the key players in the market are and where the system differs."

"For example, American reserves policies relating to releases on a sale or return basis are very different to the UK

"A 50% reserves policy is quite usual in the US whereas in the UK it's about 15%. This is an important point when it comes to negotiating royalty agreements for the UK artist in the States."

The US remains the most important territory in terms of producing income for a group and



Long (left) and Giacobbi, taking the US approach in the UK



financial factors are on a magnified scale compared to the UK. An act seeking to break in the US will need advice on the mechanics of touring, how royalties are paid, how co-ordination with American accountants can be organised and how the enormous potential of sponsorship can be tapped.

The scale of the US music industry dictates that business affairs management companies have a more involved relationship with clients and are paid a contingency fee — a

percentage of their client's earnings. In the UK, the relationship is on a different footing because the conventions of the British legal system dictate that solicitors are paid by their hourly rate.

One UK company operating in the American style is The Entertainment Law Association, a limited company set up last September by barrister John Giacobbi. Giacobbi's cv spans a long career working as an in-house lawyer for record companies including BMG and

Zomba, and he describes his operation as a legal company with a management bias.

"We service a lot of small to medium size record companies including Music Factory, Telydis, Champion Records and Motor City Records."

That service can mean moving into areas far beyond simple legal advice.

"We recently formed a jazz publishing company for jazz artists Jason Rebello, Julien Joseph and Cleveland Watkins — all of whom are signed to separate labels," says Giacobbi. "This was the best way to maximise their interests internationally."

Given the heavy two-way traffic between territories, the NMS provides a valuable communication link between UK and US business affairs specialists.

As Simon Long says: "If you meet some of your counterparts socially, you can find out how things work. And if you understand how things work, you're better placed to help your clients do business."

Why we need the professionals

ADRIAN BOSS

Manager, Carter The Unstoppable Sex Machine, Bassi, The Senseless Things
"A lawyer is needed as soon as a band starts talking to a record company. Even if it's a small indie they should try to hire a specialist in the music business."

"I contact my lawyer, John Statham of Statham Gill, regularly for all sorts of advice on issues such as bootlegging, promoters who won't pay, licensing and various day-to-day points. For example, Carter are planning to film a live video and no provision was made for that in the contract."

"The accountant also becomes important early on, because in most cases a band that has signed a deal will become registrable for VAT. Again, a music business accountant understands the medium and can draw up four budgets. The main advantage of an accountant is tax planning, that is where detailed knowledge really pays off."

SIMON GOFFE

Manager, Rebel MC, Double Trouble, Ragga Twins, Shut Up And Dance, Janet Sewell

"Our lawyers, Harbottle and Lewis, play an active part in

what we do. I speak to them about once a fortnight, more often if we are in negotiations."

"Our accountants (Ian Skolnick & Co) deal mainly with the day-to-day financial aspect of the business and much of what they do is standard procedure, but they can maximise the income of the artist and manager as they know the full potential of financial situations."

KEEDY



Singer, signed to Arista

"By keeping me from being bogged down by business, my lawyers and accountant give me the opportunity to spend more time being creative."

"It's very important to have a personal as well as a business relationship because I have to place an incredible amount of trust in them. Henry Root, my West Coast lawyer, often visits my home."

"My accountant, Roger Gerard, is the brother of Greg Gerard who wrote some of the songs on my album, so he's kinda family. He takes care of

paying all the bills, makes investments for me and he gives me an allowance each week. I know he's not going to let me get ripped off. I think a trusting relationship is vital."

ED STRATTON

Musician, Manchine

"My accountant is so expensive, if I can possibly avoid talking to him I will! If they get a letter for me from the taxman it costs me £50."

"My first track was a Top 10 hit (The Jack That House Built) so I felt I needed someone who knew the business to sort out a good tax position, but I haven't done any complicated deals."

"I'm very methodical so my receipts and invoices are usually in order. I only need the finishing touches. I think I could do quite well with just a High Street accountant."

"My publisher Charlie Gillett recommended a few lawyers when we signed with Oval Music. We picked John Kennedy on reputation but I really haven't had much to do with him since my first deal. I do read contracts myself; they're not all that hard to understand if you study them properly."

Compiled by Stu Lambert

At accountants
Marlin Greene

Ravden the operation is tailored to working with the music industry. Partner Lionel Martin says "One reason why US artists can't afford to be without a UK accountant is because the current withholding tax situation means that the Inland Revenue demands very detailed presentations."

THE SIMKINS PARTNERSHIP

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(Shelly)
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5. BANDELERO – PINCHERS
(Jammys)
6. YOU'VE CHANGED – SIR LLOYD/GILROY SIDDEN
(Preacher/Cleave/Gilroy)
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6. HUG ME UP – FRAGGA RANKS
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