



Martin Hopewell opened the ILMC with his traditional "Flight Attendant's" speech. For two days, the international live music business was on board the ILMC8 at the Hotel Inter-Continental in London with all emergency exits barred, a well-stocked galley, the no-smoking signs off and the destination - unknown.

What started as a gathering of a handful of like-minded music industry professionals eight years ago, has grown into the most international convention of its kind. With 35 countries represented, the 600-strong delegate list read like a live music industry Olympics. In its eighth year, the ILMC gave a last opportunity for promoters to convene for a meeting of the European Concert Promoters Association (ECPA). But the ECPA, one of the first associations to emerge from the ILMC, was declared defunct due to lack of interest. On the positive side, a new association emerged from the Club's Club meeting - The Regional Promoters Association (UK), but, as Hopewell commented, the point of the ILMC is not what it achieves, but the taking part. "This is not a spectator sport - join in," he reminded the assembled executives.



Jules Frutos and Peter Grosslight.

The morning panel discussions were chaired by William Morris exec Peter Grosslight and French promoter Jules Frutos. The first subject was sponsorships. The panelists were executives from both sides of the sponsorship divide: managers John Glover and Jef Hanlon, with sponsorship agents Frank Van Hoorn (Van Hoorn Company), Martin Griffin (Cymbol Communications) and Francois Moreillon (Phillip Morris-Marlboro Music), sponsor Marijke Horensma (Heineken) and promoter Phil Rodriguez (Water Brothers Prod.). The central issues were who benefits from sponsorship and how to negotiate a win-win deal.

The relationship between the artist and the sponsor was the first angle to be subjected to the scrutiny of ILMC delegates. John Glover manages solo singer/songwriter Beverly Craven and did a deal for her UK tour two years ago to be sponsored by Tampax. It was the first time a voucher-for-ticket deal had been done in the UK as a "consumer thank you." Tampax-buyers fit the profile of Beverly Craven's audience and the deal was done on the basis of no-branding at the concerts. Apart from one hiccup, when the agency sent a truckload of Tampax to give away at one show, Hanlon says it was a very successful

arrangement. Another successful sponsorship relationship was the Phillip Morris-Marlboro Music partnership in Switzerland. Francois Moreillon explained how the company has overcome the tobacco taboo with an annual new talent competition which gives bands a launching pad.

Frank Van Hoorn pointed out that sponsorship was moving towards specific events and away from artists and tours. "Tour sponsorship started at a time when the sponsor's decision was made by top executives according to their personal preferences," said Van Hoorn. "Now it's made at a marketing level where they look at tour sponsorship and see where the clashes lie... This works against global sponsorship. Acts with global appeal don't have what the sponsor wants. They reach too broad an audience. The sponsor is looking for opportunities that deliver more to the client - sponsors are looking for ownership and control."

Marijke Horensma from Heineken backed this up, saying that as a sponsor, Heineken wants visibility - Heineken have achieved this through annual music festivals in Europe. It was an issue that threw up some classic tour horror stories like the one about Chrissie Hynde, a known vegetarian who arrived at the Rock and Roll Hall of Fame opening show in Cleveland only to find it was being sponsored by McDonalds.

The idea of buying an artist as a product endorsement was thrown right out the window. Martin Griffin said that any deal has to work as a partnership between the artist and the sponsor; testimonial sponsorship doesn't work anymore, but artists can make a lifestyle statement with a sponsor's products.

And what of venue sponsorship, which is in its infancy in Europe. The promoters grumbled that attaching the Labatts name to the Hammersmith Apollo didn't seem to make the rental fees any cheaper. But the promoters had plenty of other gripes with sponsors. Harvey Goldsmith stirred things up a little from their point of view when Peter Grosslight posed the question: "Why don't you [promoters] have your own sponsor - that pays you to promote a show?" Many U.S. promoters have sponsors. "We'd be locked out of the business. Promoters aren't allowed to make money," replied Goldsmith from the floor. "As an industry, we are brilliant at driving opportunities away... Sponsorship falls apart because promoters are not involved. The last thing we need is sponsors. It's a cost to us. We lose out on ticket deals, hospitality areas."

Goldsmith got the first round of applause of the day. Dutch promoter Leon Ramakers' experience raised the first laugh of the day. He named no names, but said the only concession he got from "a major German car company," which was sponsoring a rather large tour last year, was a discount on a second hand Volkswagen Golf. Mel Bush was one promoter who had no complaints. His deal with Swatch for Jean-Michel Jarre was a successful partnership, as is the ongoing deal for Vanessa Mae with MCM. "Everyone fully understands what's involved," said Bush. But when he said that Ms. Mae was more than happy to wear a hat with the sponsor's logo, it pushed the tone of the debate up a gear. "Hat-wearing destroys the integrity of the artist," said Van Hoorn. Bush angrily told him he was "talking rubbish." The room was diverted from pitfalls of sponsorship to situations where the sponsor is a crucial part of the concert industry. Phil Rodriguez and Hazel Feldman (Showtime Management, South Africa), who both put shows in developing



markets, said they couldn't survive without sponsorship.

Australia provided this year's map reference and promoter Michael Chugg at Frontier Touring presented a profile of the market with John Tyrrell, manager of Bjorn Again. The emphasis was that Australia can be a serious market if the tours are structured in the right way, with support from the record companies. Jeff Buckley and Roachford were two examples of artists who have broken through in the last year.

The marketing panel, which closed the morning session, featured: David Zard (Musiza, Italy), David Cooper (Magical Fox, US), Jens Michow (IDKV, Germany), Bill Lord (Blink TV), Roger Edwards (NEC, UK) and Carl Martin (Ogden, UK). The general tone of the discussion was a little slow, with the focus resting on whether the industry needed creative promotion or to sell tickets in the fastest possible time. Jens Michow presented a detailed market research report done on the German market which looked at the key media triggers for music consumers and ticket buyers. This revealed that posterage was the most effective means of advertising an event and that 70-80 percent of those polled were put off by a concert if ticket prices were too high. David Cooper pointed out the benefits of the Internet as a marketing tool. But even with these resources, as Carl Martin said, speaking for the venue operator: "When shows start to stiff, the venues get the blame."



Carl Martin, David Cooper, Bill Lord and Jens Michow.

David Zard provided the best example of creative promoting when he explained the unorthodox strategy behind his promotion of Michael Jackson. With weeks to go until the concert, the show wasn't selling well, but Zard decided to play the press at their own game. He told the Italian media the show was sold out, but that more tickets would be released once the stage plans had been finalised. He made a point of feeding stories to the press until Jackson became the hottest ticket in the country. At this point, he released the stage plans, announced the last 7,000 tickets would go on sale - and promptly sold 38,000 tickets.

On the Saturday afternoon, the panel discussions reached a point of high drama as the subject was the topical issue of government legislation and more specifically, this year's hot political potato, the German taxation problem. The chairmen of the session were Andrew Zweck (AZ Productions) and Marcel

Avram (Mama Concerts). But the choice of publishers at this year's "Job on the line" provided a few moments of contentious discussion of its own before things moved on to "Big Brother is ****ing you." The cast assembled to explain - and defend - the role of the publisher included Chris Parry (Fiction), introduced by Zweck as "The man who invented the triple commission" because of his role as manager, publisher and record company for The Cure; Dennis Collopy (Menace), David Wiberley (Chrysalis Music), and David Stark (Songlink).



Marcel Avram and Andrew Zweck.

The role of the publisher was described as "fundamentally an administrative job, and the need for publishing A&R departments was explained: bands still need help with songwriting. Baby Bird was given as an example of a young band which got a small publishing advance that enabled them to write and perform and after a year of hard work, they were last year's hottest unsigned ticket. It was inevitable though, that any discussion of publishing would veer 'round to PRS. The recent results of the MMC enquiry ruled that bands could collect their own performing rights fees. This will create a new set of administrative problems to contend with and a new can of worms for promoters.

Chris Parry said The Cure would be one of the first major artists to opt out of PRS for live performance royalties when they tour in May. As the promoter of that tour, Harvey Goldsmith expressed his concern at how this was going to work in practice. It was pointed out that bands traditionally known for original material will often perform covers in a live context. "I don't want to have to deal with 'thugs' from publishing companies settling up themselves for one song on the set list," said Goldsmith. But those in favour of opting out said it was necessary to change the way business is done and make the collecting societies accountable. Goldsmith was not pacified by Parry's suggestion that he would see first hand how the tax is collected on The Cure's tour. Steve Hedges (Primary Talent) said if the collecting societies could model themselves on American Express, then nobody would have anything to complain about. The discussion moved onto a shared concern of PRS rates in different territories. The promoters complained and the publishers defended the security of their role. "Publishers have the highest investment in the song. Don't demean the song.



Without it, there is no music business."

Marcel Avram meant business when he opened the discussion on legislation. "We have a big problem with taxes," he said. "We should lock ourselves in this room until we sort it out." The panelists were Thomas Johansson (EMA Telstar), Herman Schueremans (Herman Schueremans), Leon Ramakers (Mojo), Neil Warnock (The Agency), Paddy Grafton-Green, Harald Grams (Grams & Weber), Mark Robertson (Deloitte & Touche) and Gunther Farber (Gunther A Farber & Partner).



Herman Schueremans, Leon Ramakers, Thomas Johansson and Neil Warnock.

The story so far was presented by Neil Warnock and Paddy Grafton-Green who have been actively leading the British lobby against the German tax laws. Groups from Britain and Germany have already had meetings with the German minister of finance and are keeping up the pressure. Neil Warnock stressed that it was not just a German problem. "If artists don't tour, eventually there will be less income in the market. This will have a knock-on effect on business in other countries. It's not just a problem for German promoters." Grafton-Green said the problem has become acute and is compounded by the fact that Germany has 16 tax departments. He was grimly realistic. "The German tax authorities are aware that the old system was abused and that production costs were used to put money back into artists pockets." The key to the battle is to prove that the law is anticompetitive, he said, and one way of doing this is to take the issue to the European court.

Harald Grams said, "In my opinion, the German government will do nothing because they have got the rate to the level they want and they want their money. Until a groundswell of artists refuse to tour Germany because of the situation, they will do nothing. We have to convince them they will have no profits to tax." Dan Silver (VAT) spoke for many in the room when he commented from the floor: "We should politicise this issue. Nothing has come out of this conference in eight years. Let's do something about this." But the question raised was how to make a tax office understand what is involved in putting on a show. There was certainly no opposition to this stance, but the debate moved on to how to force a change. Henning Toegel (Moderne Welt) stressed the need for "one or 10 artists" to step forward

and go to the European Court as a test case. Warnock agreed. "Governments don't like publicity," he said. "They don't want this in their face".



Mark Robertson, Harald Grams, and Paddy Grafton-Green.

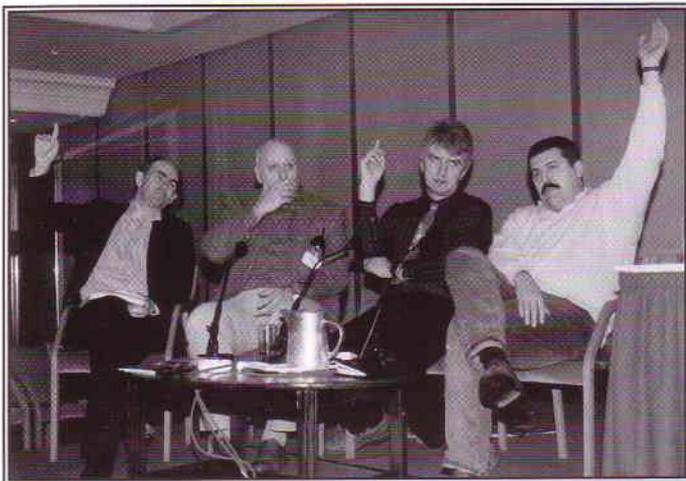
Ossy Hoppe (Marek Lieberberg Konzertagentur) commented metaphorically: "Instead of grabbing the bull's horn from behind, we should tickle its balls a little. Germany is in a financial crisis and the government will not bow easily. We have to combine forces." The issue was put on hold briefly while other political issues were put forward. Claudio Trotta spoke of the threat to Italian promoters presented by the increase in db limits which threaten a promoter with jail if a show goes on late. Mick Upton expressed concern over NVQs which, while raising standards in production companies, will create a lot of financial pressure because of the cost of implementing training programmes. Roger Barret updated the delegates on the situation faced by staging companies due to the Structural Engineers Report, which will hike up production costs.

But the tax issue wouldn't go away and Avram called everyone back in the room to organise a vote. It was a spontaneous and well-intentioned move to use the ILMC as unifying focus for the industry. Avram had in mind a lobbying group that would bring together all aspects of the industry to fight the German tax laws — not just UK agents and accountants, and German promoters, but other promoters and interested parties who would ultimately be affected by the issue. In a haphazard, hands-up vote, Neil Warnock was voted the agent's rep, Keith Ferguson as the production rep and then it came to choosing the promoters' rep. The situation was starting to look like a kangaroo court when Avram nominated Thomas Johansson (as a promoter and as manager of Roxette). Johansson appeared to be an unwilling candidate and clearly there was a need for the major German promoters to put their weight behind the lobbyists.

At one point, Avram suggested that he and Marek Lieberberg should work together and for a moment, it looked as if the two biggest promoters in Germany would put aside their differences and bury the hatchet in the name of a common cause. But this momentous occasion spiralled out of control when Avram qualified his offer, saying he would work with Ossy Hoppe



(Lieberberg's partner), but not with Lieberberg - as he had not replied to Avram's invitation to come and discuss the subject at the ILMC. Hoppe was forced to defend his absent partner and Avram allowed his relationship with Lieberberg to cloud the issue at stake, so that all hope of a unified front against the German tax authorities was lost in the mire of old promoter rivalries. Suddenly, all attention swung away from the issue of German tax and focussed on what will probably be remembered as a classic piece of ILMC drama. The dramatic content was fuelled further by Harvey Goldsmith commenting: "Why do we have to keep doing the dirty work for managers and lawyers so they can find more ways of screwing us?" It was a sad example of industry infighting and many left the room thinking that if the two biggest promoters in Germany could not agree to work together, then it would be an uphill struggle for others to convince the German authorities to change their minds.



The Vote: Paddy Grafton-Green, Mick Upton, Roger Barrett and Claudio Trotta.

After Saturday's drama and the evening's festivities, it was perhaps inevitable that the Sunday session would be an anticlimax. However, the breakout meetings were very successful and well-attended. The smaller format meetings gave delegates the chance to thrash out issues relevant to specific sectors of the business. In the Engine Room, production and venue pros got back to the subject of NVQs and who should foot the bill for re-training staff. Record company execs assembled for "On the Record" where sponsorship was thrown onto the table. The question of showcases was also addressed - should record companies pay the agent's commission? At the Festival Forum, promoters and bookers discussed the common problems of bidding wars and PRS. The Internet demonstration attracted a lot of delegates. The biggest breakout attendance was for the "Booking Ring", where the favourite ILMC subject of the agent's role elicited some gentle sparring over the issues of riders, festival packages and business loyalties. Hazel Feldman said that as a promoter, it is very difficult to make an offer without seeing a rider. Bob Gold quipped on loyalty: "As an agent, I will go as low as I possibly can to keep an act - 32 per cent! I can't speak for the others..."

The conference moved into a lighter mode with the 2nd

Arthur Awards ceremony. The Promoter's Promoter was Herman Schueremans; Most Strokeable Manager was Jef Hanlon; Liggers Favourite Festival was Glastonbury (again); Most Supportive Record Company, Sony; Second Least Offensive Agent, Barry Dickins (ITB); First Venue to Come Into Your Head, Brixton Academy; Most User-Friendly Artist, Pulp; and Plumber of The Year, Brit Row. Other winners of the weekend were Colin Claydon, Graham Wrench and Olivier Darbois for the Go-Karting Championships. Driving accolades were collected by Alvaro Ramos (R&B Productions), worst driver; Walter de Wit (Jan de Wit Autocars), best driver; Stuart Galbraith (MCP) for fastest lap and Geoff Meall (The Agency) for most spectacular crash. EMA Telstar's Lollipop Festival won the Street Poster competition, judged by artist Peter Blake.

The final conference session was chaired by Graham Wrench (Sheffield Leadmill) and Stuart Watson (Swat Enterprises). The theme of new talent and how to nurture it kicked off the session. Panel members were James Meeks (Meek Music Management), Fleur Sarafati (MTV Europe), Pete Elliot (Primary Talent), Willem Venema (Mojo Concerts), Jan Willem Sligting (Paradiso Club) and Mark Collen (EMI). The importance of new bands having a good agent was stressed although Peter Elliot said agents shouldn't be brought in too early in a band's career. What emerged was that in the UK, the live club scene is very healthy with new bands breaking through; but how to get on to the next level was a real concern. Members of the band Sidi Bou Said were in the room and put forward the artist's perspective on the difficulty of making the transition from clubs to bigger gigs. But there was no straight answer for this. By the time the record companies took the stand, many of the agents and promoters seemed to have disappeared and the final debate revolved around issues that were more about what direction record companies were going in and less about forging a closer relationship between the recording industry and the live music industry.

Additions to the panel were Jeff Halstead (Global Artists), Lothar Meinzenhagen (EMI Germany), Matthew Sztumpf (Sony UK) and Ray Cooper (Virgin). Contracts and territories were a key issue - how to cross-promote a band in different countries with the same level of efficiency. Bands should be able to sign with licencees in different territories said Jef Hanlon. "The artist should be available to sell his work wherever," he said. "It's immoral for the masters not to be available to the artist after deletion." One thing the record companies learned was the absence of agency contracts. As Martin Hopewell explained: "It's very hard to get successful bands to sign a contract. It's down to personal relationships and you hope you'll wake up in the morning and still represent the band. There are plenty of agents swanning around trying to poach acts."

Martin Hopewell summed up ILMC8 when he commented: "It was the closest we have come to since year one of the ILMC in terms of getting people to think about what the ILMC is about and to seriously make people think about the need for an overall industry voice." Certainly, the ILMC continues to be very much a conference by and for the industry. If at times during ILMC8, the level of interest in the main conference room was perhaps lower than in previous years, it still served as a platform for the business to focus on the hottest issues of this year.