

DOWNTOWN



TALK OF THE TOWN

Downtown has been the subject of intense music industry chatter this year – but, according to the company's UK MD, its focus remains fixated on its clients...

At various points this year, Downtown has been the most talked-about company in the music business.

Such gossip was more fevered than usual in April, when the New York-born publisher acquired over 170 Ryan Tedder copyrights, including cuts on hits by Adele and Beyoncé, for a reported \$65m+.

Downtown has also set tongues wagging over the past 18 months by signing a deal with global star Niall Horan, expanding its operations into Japan (by partnering with local giant Avex) and acquiring Nikki Sixx's complete Mötley Crüe publishing catalogue.

Downtown's UK base, meanwhile, has certainly been no slouch in the attention-grabbing stakes.

That was especially true back in February, when it signed a global deal with former Sony/ATV golden child Naughty Boy – who has enjoyed multi-platinum success during his career with the likes of Emeli Sande, Beyoncé and Sam Smith.

Downtown officially upped its game in the UK back in 2015 with the acquisition of Eagle-i Music, the independent publisher which administered the likes of Brian Jonestown Massacre, Deep Purple and Sir George Martin.

At the time, it looked like an intriguing move from Eagle-i boss Roberto Neri, now established in his third year as Downtown's UK MD.

Eagle-i was previously part of Eagle Rock Entertainment, the music video production specialist which was acquired by Universal Music Group in 2014.

So why did Neri (pictured) halt the ascent of his successful, self-sufficient indie in order to team up with US-based Downtown and its CEO Justin Kalifowitz?

"After Eagle Rock sold we had great clients and great staff at Eagle-i, and the business was funding itself," explains Neri. "But to really take it to the next level, we needed to team up with someone who could help us pitch for the big deals.

"The alternative would have been doing a deal with a VC – but I always wanted to have this US presence and be part of a real global machine. I knew that could be built with Justin and Downtown."

He adds: "I'd met Justin at Midem a few times and I knew he was on to something. We were both doing things in parallel with each other, like striking direct society memberships – just thinking outside of what traditional publishers were doing.

"It's not always common to find someone willing to take chances

on doing something new in publishing, and that's what I found in Downtown."

Since landing at Downtown, Neri's team has made some major A&R moves, including the competitive signings of both Naughty Boy and Saltwives earlier this year. Saltwives, aka Alex Oriet and David Phelan, have written for the likes of ZAYN, Iggy Azalea and Bebe Rexha, and arrived at Downtown via the firm's partnership with production team The Invisible Men.

In August, Downtown UK hired two respected British A&R figures: Daniel Lloyd Jones joined as SVP, Global Creative Services and Head of A&R from Sony/ATV, while ex-Roc Nation exec Jacque O'Leary was named Senior A&R Manager.

Daniel Lloyd Jones's first signing at Downtown, UK rap pioneer Kano, was confirmed in November. The artist said: "Dan is different to most. He gets it."

In addition, Downtown UK has invested heavily in expanding its operational side since the Eagle-i buyout. The firm recently launched a London-based Neighbouring Rights division, with clients including Ennio Morricone.

And in October, separate to Neri's Covent Garden-based operation, Downtown made another major international announcement by bringing online publishing admin platform Songtrust to Europe, based in Amsterdam and run by former Fintage House exec Mandy Aubry.

"For the right deal, we can be as competitive as anyone out there, as some of our signings have demonstrated," says Neri.

"We're extremely excited to have brought in Dan and Jacque, with the calibre of international experience they have, and that's only going to help us compete even harder. Our creative staff can offer exactly what any kind of client needs.

"Yes, we can match the cheques being offered by anyone in the marketplace, but what's really important to us is that songwriters actually want to come to Downtown thanks to the combination of what we can bring to their careers.

"We're building a reputation for unparalleled accuracy in our accounting – not to mention effective and transparent collection, a global sync powerhouse and creative services that work for every type of client. And in publishing, your reputation is everything."

Adds Neri: "As far as I'm concerned what really matters in this day and age, whether you're a major or independent, is whether you're equipped or ill-equipped to handle this age of music publishing. Downtown is built for the now and the future."

"Yes, we can match the cheques being offered by anyone – but what's important to us is songwriters want to come here."



Downtown launched a JV with The Invisible Men in January. First signing Saltwives regularly work with Zayn Malik

Neri got his big break in the UK business at family-run independent Bug Music, which was turning over around \$80m a year when it was sold to BMG in 2011.

LA-based Bug was a pioneer of the administration deal which has since become commonplace in music publishing – and a cornerstone of Downtown's approach.

Neri joined the tight-knit team at Bug in 2003 as Group VP of International and UK General Manager – absorbing the writer-first philosophy of Bug founder, Dan Bourgoise, over the next eight years.

At the time, Bug managed more than 250,000 copyrights for writers such as Johnny Cash, Bruno Mars, Willie Dixon, Kings Of Leon, Muddy Waters, Woody Guthrie, Wilco, Stevie Ray Vaughan, Pete Townshend, Iggy Pop and Ryan Adams.

"I've always lived in the world where the songwriter is at the centre of everything," says Neri. "At Bug we worked on very tight margins – that was the business model, because it put the songwriter first."

"A lot of the Bug deals were handshake agreements with no contract, and those that did have a piece of paper were out of date and rolling. People just wanted to stay there for the service."

"The slice of the pie songwriters get from streaming is unfair."

He adds: "You can see that philosophy, the idea of the songwriter and song as everything, at Downtown – but at a company equipped for the next phase of the music business. For me, it's not enough just to offer songwriters transparency – you've got to offer them value, and you've got to offer them truth."

Before working at Bug, Neri started his industry career at PRS For Music (then the MCPS/PRS Alliance) working as a junior exec in member services. The full-circle journey of Neri's promotion earlier this year to the PRS board is not lost on him.

Although he bemoans the continued prevalence of 'middle men' clogging up the global royalty distribution plumbing, Neri is cautiously complimentary about the UK's biggest performance licensing organisation.

"Any collection society should be rapidly adapting right now, and there's no doubt that we are privileged in that respect in the UK," he says. "Publishers are at the mercy of a lot of ineffective collection societies around the world; we are very fortunate that the PRS in the UK is able to distribute over trillions of lines of income, and is pushing forward with things like its joint venture with PPL to bring us maximum value."

He adds: "I would like to see fewer middle-men in publishing



Ryan Tedder sold over 170 copyrights to Downtown earlier this year

generally – they're often a hindrance or a roadblock to collecting income which we want to get to our clients. Certain societies out there just don't have the infrastructure to collect digital income and they're not paying it out as it should be paid out."

Neri also sits on the Board of IMPEL, oft-referred to as the 'Merlin of mechanical rights', which represents the commercial interests of independent publishers in territories outside of the US.

He is strongly convinced of the growing power of collective negotiation in the independent publishing sector – especially considering that, according to statistics from Music & Copyright, non-major publishers brought in 61% of global revenues in the sector worldwide last year.

"We, as publishers – and then as independent publishers – are often the last to negotiate with streaming services at the moment, but that's going to change," predicts Neri. "The songs we represent mean too much to consumers of Spotify, Apple, Amazon or YouTube for them to ignore us."

"As the independent market share increases, these services will have to start negotiating with us sooner rather than later."

"Looking at the projected rise in streaming numbers in the recent Goldman Sachs report, it seems obvious where this business is going in future – and that publishing will be very attractive for investors. That can only help amplify our voice when we articulate the fact that the slice of the pie publishers and songwriters currently receive from streaming is totally unfair."

As for Downtown, Neri is looking at the global overview to help bring the publisher's operation into key emerging markets.

He keeps firm details about any potential expansion under his hat, but tells us: "Downtown prides itself on offering real worldwide coverage for our clients, so we are monitoring these emerging markets very carefully."

"There's a lot of talk about China and India in the business at the moment, but I believe Africa is possibly the most exciting place for the future of the music business."

"Creatively, there are some incredibly talented songwriters coming out of Africa, and if you also consider the emergence of technology and the entrepreneurs that are now appearing in that part of the world, it's a market that people will be looking at much closer in the coming years."

The same could be said, of course, for Downtown itself.

"We know the word's getting out," says Neri. "We are very confident that we have the right mix between technology and creativity here, and that we can provide the necessary attention our writers need."

"You do hear that at some other places, clients don't ever get a call from their publisher – they aren't even congratulated when they're No.1. Hearing things like that upsets me on a personal level, let alone a business level."

"We care about songwriters at Downtown, and we never forget how privileged we are to look after them."

'They're at the forefront'

One of Downtown Music Publishing's key signings discusses why he inked a deal with the company – and left behind a successful agreement with Sony/ATV...

Shahid Khan, aka Naughty Boy, signed a worldwide deal with Downtown earlier this year after spending six years with Sony/ATV Music Publishing.

The feted writer/producer is now working with Downtown both as a creator and as an independent publisher in his own right: Downtown is operating on an administration basis for his Naughty Words company, covering all future signings.

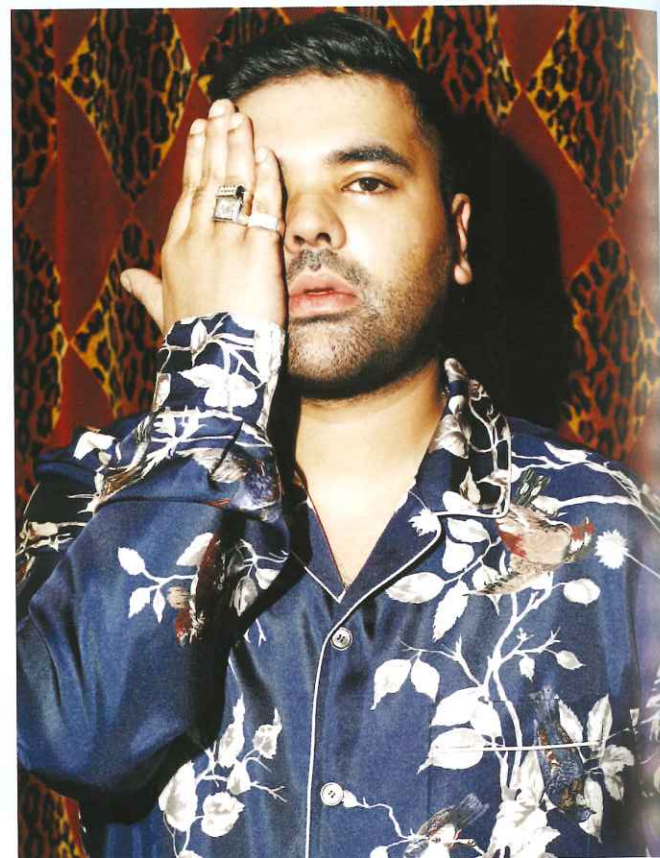
Here, Khan tells *Music Business UK* why he put pen to paper with Downtown – and where he wants to take his own company in the coming years...

Signing with Downtown wasn't a difficult choice to make. I've had some incredible years at Sony/ATV where I've learned a lot and have been part of many successes. For me, Downtown – in the UK especially – is a growing company, and they're growing fast.

How Downtown views the music publishing business in terms of technology and writer relations, they're going to change the game. And if I can be part of that with them, it's going to elevate what I do and why I do it.

Downtown is the next stage of publisher to me; they view things as an old school publisher but through the lens of new technology. The industry is only going to become more digital, and across Downtown and Songtrust, what they've built, it's like they've pre-meditated that change. They are at the forefront of how much publishers should be thinking about the future.

Downtown is how the modern music business should be; people should be taking chances and not taking their time about this stuff. It feels like the fastest-growing publishing company in the world right now, and if I can help it achieve something great in the UK and around the world, that's brilliant; me being just a writer for Downtown isn't enough, this has got to be about my vision for the next wave of where I want to take Naughty Words.



Justin [Kalifowitz] was my first meeting at Downtown; it's been a long time since I met someone like that, with fresh ideas – he's very intelligent, but he's also creative. Roberto was the final piece in the puzzle. The way he looks at music and the ideas he has are so refreshing.

People should know there was no pressure for me; I was out of my deal with Sony for a year before I signed with Downtown. Of all the new-school publishers, Downtown is the most ambitious.

The brand quality, the level they're doing it at, there's definitely a plan behind this.

This isn't just one of those snatch-and-grab situations where they build a company by offering more money than anyone else; it's deeper than that.

There are so many opportunities for me to explore with Downtown in Japan, Europe and America – it's very exciting for both of us.

As a writer, you never know what's going to happen with a song. You just keep going.

Downtown keeps the excitement alive in me about what can happen in the future.

"Downtown is going to change the game – and I want to be part of that with them."

WHAT I WISH I'D KNOWN

If you could go back in time and teach yourself a lesson, what would it be? Echo Beach founder Jill Hollywood has a message for her younger self...

I came into the music business when I was really young, knowing no-one; I was so green and impressionable. I worked for some really crazy characters when I was temping back in the mid-nineties, when it was pretty wild, and I certainly saw some instances where young girls were taken advantage of. I got myself into situations that were not ideal because I felt people needed to know that I was fun to be around.

Back in those days, there were a lot of Friday night lunches and risqué things happening because there was so much money around. In some ways, the money really affected behaviour. You can't blame a 25-year-old girl for being impressionable – it's only when you get older you realise in hindsight that you can actually do quite a bit yourself to stop those things happening simply by taking yourself seriously.

Women don't take themselves as seriously as men; they are not first in line to ask for promotions and don't feel as aggrieved if they are earning less than their male colleagues. You have to be self-aware and confident enough to ask to change those things. (You can be sure that the man sitting next to you won't be shy about doing the same.)

The other advice I'd give is to understand your limitations – it's okay not to know everything – and to try and find a really good mentor really early on. The happiest times of my career are when I've been working with someone who has been really good with me – and I've had some real asshole bosses over the years!

So I would think very seriously about who you work for. If you're in a position where you don't feel supported or where your boss isn't going to help you develop, then leave because it will hold you back. When you work for someone who is interested in you as a person and interested in your career, you will fly.

Jazz Summers was an amazing manager and mentor. By the time I'd gone to see him about the job at Big Life, I was eight months pregnant with my first child. I remember vividly getting the phone call from Jazz and him saying, 'Right,



"Jazz Summers was an amazing manager and mentor."

we've sorted it out internally, come and see us next week; we really want to work with you now.'

It had been a few months since we'd spoken about it, I put the phone down and thought, I'm going to have to ring him back and tell him I'm eight months pregnant. So I did, and he just said, 'Fantastic, congratulations, see you next Wednesday.' That was so encouraging and inspiring.

Jazz wasn't being Machiavellian, he did it because that was the character that he was, but it was very clever to inspire that much affection and loyalty from his staff from day one. I wanted to show him I was great and worked really hard for him and the clients on the roster.

I don't know a lot of other men in the business that would have hired someone into a new role when eight months pregnant. We made it work; I worked from home for the first six months so I could be around and had someone come in to help with the baby for four hours a day. Flexibility is so important. My experience of women that have had babies is that, if anything, it leaves them hungrier for success and for their families. Maybe Jazz was clever enough to know that it would make me a better employee.