



Transcript of 10-06-09 Interview with Tom Silverman

Jim Goodrich: I'm here with Tom Silverman, the founder of Tommy Boy Records and the New Music Seminar. First, I wanted to thank you for taking the time to talk with me. You started the New Music Seminars back in the Eighties and then for awhile it was dormant for about fifteen years or so, is that correct?

Tom Silverman: Exactly.

JG: What was the compelling factor to bring the New Music Seminars back?

TS: They...Just had a revelation about where the business was going and where the business wasn't going and I thought it was time for us to do something about it, so that we can have a forum to discuss this. I go to so many conferences around the world and nobody's talking about what we talk about here. Nobody's talking about what's going to happen next, nobody's talking about what artists need to do and how artists can help establish themselves in this difficult world. Uh, everyone's talking about label problems and label problems are almost irrelevant.

JG: Then the basic reason you're doing this is you're seeing it move more toward the DIY side, the Do It Yourself side. Is there going to be a place for a crossover, or do you see the labels becoming completely irrelevant and so you have to become your own everything, basically?

TS: No, I don't think artists are going to be able to become their own everything just [be]cause recording, writing songs, recording and you know, touring and blogging and tweeting and the other things that artists have to do are all they can possibly do. I think that somebody has to handle all of the other stuff and it's a long list of other things and that could be a manager, it could be a label or it could be services company, you can call it whatever you want to call it, but somebody has to do that. It could be ten different companies that do all the ten different things or it could be one company that calls themselves a label, but a label has to do, will have to do different things than they do now.

They'll have to be involved in helping to develop and manage the relationship between artists and their fans and helping them best monetize that. And in exchange for that, they'll get a share of that monetization depending on what deal they cut. Based on where the artist starts, you know and where they are in their career would depend on what that deal is. And the concept of how those deals will evolve is just in its infancy now because nobody's even thinking that way. Everything is still album centric.

JG: I would think that you would feel that this is what the New Music Seminars is all about. How do you see this progressing, its role in doing this? Right now it seems to be that the role of New Music Seminars is to get people talking about it. Do you see the New Music Seminars growing into even more than that?

TS: Yes. I would like to think so, but I think we're still a little ways away from it. As we get a little bit more clarity and all, and we get a little bit more momentum, they could turn into a lot more than that. They can actually turn into an active force for helping find the artists most on the verge of breaking. I believe there's probably hundreds of artists that are stuck in the glut of releases, the hundred and five thousand albums that come out every year that can't break through, even though they're deserving of it. I believe there are Elvis' and Beatles' that are being stuck, that can't get through because there's not...The economic engine that used to go find them is going away, so nobody's really looking there anymore and nobody's helping pull those artists out, but...And some of those artists are getting somewhere with Pitchfork and other things on the web to a certain level, but they need help going beyond that and there's nobody really there to help them. So we want to be, um, ones to help them and hopefully we can put together new technologies and, and new economic models that will help artists break out of that glut and break through.

It's the great failure of the Internet; everybody talks about the Internet as the greatest things for artists and for consumers because it's so democratic, anyone can put a record out able to make a record now. So, you know this year there will probably be a hundred and twenty thousand, up from a hundred and five thousand, up from seventy nine [thousand] the year before, up from twenty two thousand in 1992. So, where are we going with this? They predict three hundred thousand releases a year, like books. You know, that's not necessarily a good thing for consumers. Especially with seventeen thousand of the albums that came out last year only sold one copy. Seventy thousand of them didn't sell a hundred copies. So you're really talking about um, a noise floor of just, you know, insects and gnats that may mean nothing, but still get in the way of legitimate artists from breaking through.

Once an artist gets beyond ten thousand and only two hundred did that last year for the first time or less, um, then they're in a little different environment because there're so few that get there. So now you're only amongst a small group of two hundred. And some of them go on to sell half a million and some of them maybe only go on to sell twelve thousand. But even if they sell twelve thousand and they do all the things we're talking about here to monetize their fan relationship, they can earn a great living. So all...Anybody who gets beyond ten thousand albums in this day and age can um, can quit their day job and you know, be rescued from the sea of obscurity. But, you can even be uh, quit your day job below ten thousand, we talked about some examples today of artists who don't even sell that many, but are able to monetize their fan relationship enough that they can do this full time.

JG: From the, the seminar that we had today here in Chicago, what do you think is the top one or two takeaways that the people who've been attending should really come away with from here?

TS: Well, there's two kinds of people that attend, there's artists and then there's all the people who serve the artists. As I said in the beginning, artists serve fans and everyone else serves the artists. So, the people...From the artists, they have to understand that it's not going to happen by itself and that quantum events, uh, hoping that they're going to win the lottery is probably not a good strategy. Putting together a strategic approach to growing their business and looking at what they do as a business, to find and build fans and differentiate themselves from the competition, identify ways that they become successful, in redefining their success, that's what they can come away with. A new definition of success, a different paradigm for what the business, what business means today.

And then for the people on the other side, the business side, they have to look at the new paradigm too. How can we better serve the artist community in a world where we're not record-centric anymore. Records may be part of it, but that part is going to diminish and however we monetize music, or don't monetize music, we monetize fan relationships, so how do we do that? You know and what's the meaning of a song in that world. Everything changes, so it's so really hard when you come from a past mentality, almost everybody that's in it worked at a record company before or has, brings baggage with them, mental baggage that they have to release. And the seminar is about trying to knock them out of that baggage and change the new paradigm. And it's so funny, you talk with all these artists about this and then at the end of the day, they all come up and give me CDs to try to get me to sign them again anyways. [laughter] It's a, it's an interesting thing.

JG: To sort of bring this two together, you talked about the Internet and being more democratic, but not being everything that, that they need, so it's not just the Internet, it's not just the old school, the legacy system that's been there, is it an amalgamation of all this?

TS: It's not the Internet for two reasons. One, it creates more noise and two, it...People use the Internet as a filter to not hear anything they don't want to hear and only hear the things they're comfortable with. Whereas traditional Radio, people had to hear music they didn't like the first spin, the second spin and then it grew on them. Nobody ever lets music grow on them on the Web, because if you don't like it in twenty seconds, bang! You're on to the next thing. See the Atlantic Monthly article from last year [Does Google Make Us Stupid?](#) It's, you know with, you know, our time span is shorter.

I mean, I like to have a discussion with creative panelists "what about making songs, an album of songs that are ninety second long"? Let's say "Okay, here's a new genre, it's like haiku for songs". You know, you have ninety seconds to make your statement. Which is great because I could listen to ten times more songs that are ninety seconds long than are five minutes long. And I want to listen to a lot of songs. And guess what? If I like the ninety second songs maybe then I'll buy the four minute version. And for four minutes maybe I'll pay, maybe I should pay ninety-nine cents for an iTunes download of my ninety second song. If you want the four ninety-nine...You know four minute version you have to pay you know, \$2.99 for that version. If you want the album it's \$9.99, you know? We can have all different pricing models. Or, it may all be free anyway. Maybe we give away the ninety second version and let them buy the four minute version.

Really, people don't have that much time anymore; they're used to getting things fast. You know, we talked about it in one of the Movements about a, a Flash intro. Nobody waits for a Flash intro. You see a Flash intro, if you can't skip it, you even leave. It's too late. So, you know, people want to get to the point and want to get there fast, you know. Google has taught us we have to find what we want and we get 'X' amount of keystrokes in 'X' amount of seconds to get there. If we don't get there, we're on to something else. So you know we have to make it quicker, we have to make it easier for people to buy music from you, for people to discover music. That's something that the technology side has to improve. They have to be able to uh, do better uh, search. They have to do better uh, affinity engines, ways uh, you know uh, ways to, to track consumers' tastes. We were talking about "scrobbling" earlier. So, Technology has their assignment, artists have their assignment and the music business that serves the artists has their assignment.

And we talk about all three of those areas here at the seminar. And we do it in a positive way uh, not trying to point fingers or complain, but we say this is the work that we have to do. And these are the opportunities because the people who get it right, whether they be artists or, or music business people, or technology people, they'll become very rich. If they get it right.

JG: I don't want to take up too much of your time and I, I think you've answered all the questions that I had. Thank you very much for, for letting me talk to you.

TS: Sure, take care

JG: I will do so, have a good one.