

WORKSHOP 4: SYNERGIES OF THE COPYRIGHT INFRASTRUCTURE **16 February 2021**

Juka Hynynen, Family in Music: Ecosystem services for DIY artists **(translated from transcript in English)**

"...first phase of our development is creative production and IPR managers – record labels, publishers, and authors in the creative production: composers, lyricists, arrangers, artists. And often DIY artists – which we discussed – have all those roles. The next phase of scaling is in the IP licensing side and in the specialist services. And later, the live and the technology and the funding side is involved as well."

OK, good. Hello to everyone. So I am Juka Hynynen, CEO and founder of a start-up company called Family in Music. I have a 20-year experience in music entrepreneurship, and I originally started as a DIY, do-it-yourself, small independent worker, originally as a songwriter, artist, producer, and then I became a small entrepreneur in a production company and a studio worker – recording, mixing, mastering – and then I moved on to the record-label world, becoming a production manager, and I've also done concert booking and all sorts of stuff that a small entrepreneur must do to keep up creative operations, to make it professional. At some point, I worked in major companies as well; in the multinational EMI, I worked as a production manager in 2010-2012, but Jiffel Music Group is my own company that I have run as an entrepreneur for almost two decades. In 2019, we founded the Family in Music start-up that is the subject here, as is the story behind it. This leads us to the matter at hand – my background explains why Family in Music was founded and what problems it seeks to solve, and today, we will discuss DIY artists and data and copyrights and how they're linked with each other. So basically, my background is at the core of all those things.

So per se, the value created for a creative author in the music field, for example, ultimately boils down to copyrights, be it the composition, lyrics, arrangement copyright side of things or master rights – copyrights concerning recordings, for example. As for the professional's role – on top right, there's the music professionals – their business and revenue logic is ultimately almost always based on copyright factors. The third element is brands and musical content buyers or licensors – ultimately, they also deal with copyrights, and that's how prices are determined, and the whole basic logic is based on that. In fact, what Family in Music is in practically is a platform that combines these three actors: creative independent authors – including artists, songwriters, producers, different individual authors, be it small entrepreneurs or freelancers. Secondly, there are creative professionals – it says music professionals here, but that practically means small companies or individual entrepreneurship, or it can be a bigger company as well, but in practice, it is a company that seeks to find or refine creative authors or utilise them in their own profession, as well as their copyrights. The third element is the brands and commercial partnerships that seek to find either talents to become marketing partners for influencer marketing or professionals – or either – for example, licence

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partners to utilise creative works or, say, music works commercially. What we found out and what is the background for the birth of Family in Music is the big change that digitalisation brought about in the market after 2010. Actually, the old structures were revamped in production chains, which led to a big boom for DIY artists, since anyone can make music on their laptops, there is no need for expensive studios anymore, and channels of distribution and publication transformed, and anyone can publish their music digitally and globally, so it is not necessary to have big budgets or the professional structures of record labels anymore. But at the same time, we found out that the problem is that there are the X's between the parties, so all parties need each other, and their businesses need each other, but the world is missing a solution that would combine them, so they are quite the "desperados".

We want to create a platform that combines creative authors and professionals in the creative field as well as content licensers and buyers, with the help of different digital tools and solutions. Simultaneously, we solve some key problems to help the daily work of these operators – such as digital distribution or digital IPR management or digital contracting or data utilisation, both to increase the potential of one's own entrepreneurship or professional work or different types of market utilisation, such as marketing help. So there is a certain number of tools and so-called features, functionalities that support all the parties involved. Ultimately, we do matchmaking between these people, as well as different kinds of contracts, digitally, trying to linearise the relatively old-fashioned and difficult licensing processes, for example, related to copyrights.

What is topical and why we are currently discussing this phenomenon; I am mainly representing the music field and DIY artists in my presentation, so we can see the global phenomena: on bottom left, there is a graph that describes the digitalisation of the music field – the bottom was reached in 2013, and now there is a strong growth throughout the music field, which is based on the turning point of digitalisation which you can see on the chart on bottom right: with mobile technology and digitalisation, the bygone pirate market – for example – that practically had no copyrights or they were trampled or they missed structures – have become a global market, and with digital use and end use, the entire chain is changing. Therefore, data, its actual existence and efficient utilisation plays a key role in the authors ultimately getting the income that they deserve from the new market. But there is a positive future ahead, and I'm sure that's why we are trying to develop these things. The picture in the middle describes the segment that's growing most rapidly, which is independent DIY artists who represent a new operating model, and the annual growth has been more than 25 per cent in the past few years, and it seems that the pace is even picking up, so the big ones – India, China, Africa, and South America – are only entering the game, and their impact will be seen in the next few years. Here are some more of our findings from our investigations into the markets, and we found out that there's a need for services for versatile creative author in the world, so there currently is no ecosystem service based on data and platform in the world, and that is precisely what we want to create. So that's what the top-right

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corner represents, whereas on the top-left corner there are old-fashioned... it says traditional music business, so business models based on traditional copyrights – for example, old-fashioned, I mean, multi-national record labels, or on the bottom, indie record labels represent these, but the trend in the past ten years has been that a great deal of different kinds of SaaS-business-based digital services and platforms have emerged.

What I guess is the most easily recognisable is the digital distribution services that have reformed publishing opportunities, but different kinds of analytics and data services keep emerging. Now that the world is changing, we believe that what creative authors need is precisely a kind of all-in-one bundle, a single platform with the necessary tools. On the next slide, there is a summary of our idea, the set of tools which we perceive this need as. Networking and the services related to it is the basis of everything for us. And we want everyone to become users – from DIY artists to limousine drivers who want to deal with music, or songwriters or record label owners – all stakeholders linked with music either because they make, utilise, or use it.

We also have career development (Academy) means different kinds of training tools, and (Academy) is how we want to teach DIY artists, and for example, concerning copyrights, what the business logic is, what tools are needed, and what one must note in contracting, and things like that is what we go over at the (Academy). Business tools means that we offer tools to carry out these things in practice – for example, digital contracts, and IPR management or catalogue management of digital creative works. There is also the global distribution which we consider a necessary inclusion on our platform, and we also want to be involved with rights management and financial services; once we have copyright and distribution income streams, it enables us to help creative authors to get different funding models for making more creative content and bigger entities – for example, through advance funding. Talent scouting is on the left-hand side, which is cuts through our platform, so there, too, data... now that the number of individual creative authors is rapidly growing, the data is a very crucial part of how we can funnel or weed out or find suitable talent. And the goal of our platform is to combine, for example, DIY artists and professionals and provide them both with data to advance encounters between the right profiles, which creates value for the matchmaking.

Commercial partnerships are related to the copyright licensing side, for example, so brands can send briefs through the platform – concerning ad productions, for example – and authors can directly offer their own works and get direct licensing opportunities. So we're now dealing with **a growth engine project called Open Creative – a Business Finland growth engine** that continues from the point that we have reached. So the deeper we got into the subject, we found out there are lots of phenomena that don't pertain to just the music field but also to the creative sector at large. And other stakeholders in the creative field also become users of the platform, utilising copyrights or... and as a practical example, I mentioned earlier ad

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agencies, game companies, TV and film companies who do licensing and have a need for finding music contents and using them in their own products or services. Another similar sector is specialist services, such as lawyers and music video directors and photographers, who – in a sense – are stakeholders for the DIY artists, wanting to provide them with their own services, which are currently very hard to find on Google – say, a lawyer specialised in contracting in the music field or in copyrights lying in the background that could help new creative authors in this new global situation.

Simultaneously, there is a major thing that is probably on the daily agenda, one of the headlines, so there is constantly more value in the data platforms in the creative economy, because works often get published or stored or utilised through different kinds of digital platforms, which gives way to, largely, creative economy is more and more about data economy. The same trend can be seen with the growth of ecosystems: it is difficult for individual authors to survive in the global market – as an artist, for example. They need the ecosystem leverage and different kinds of networking and teambuilding, and that is an interesting challenge in the digital world that we at Family in Music want to tackle – how to turn the old analogue network of people into global, digitally driven network, and combine different actors, create added value together, which makes us stronger. We also want to keep the data... we consider it important that we have a domestic distribution platform on which IPRs are retained so that we can respond to big, multi-national, global actors also in data management. And ultimately, since the value is in the data for creative authors, too, in the future, it is important that we have domestic actors and platform economy for also creative fields, and that is what we're building as well. Maybe the final point, the next picture is titled description of the ecosystem, which leads to an even bigger picture as to what is our goal of scaling up the ecosystem in ten years' time, so what is still in the **middle of everything is the data and IP distribution platform**, the Family in Music platform, which also includes marketplace for IP rights between the operators, as well as networking solutions and different kinds of solutions regarding distribution and direct licensing. But the networking between the operators and their mutually growing business play a major role, so regarding the ecosystem that forms around the platform, the first phase of our development is creative production and IPR managers – record labels, publishers, and authors in the creative production: composers, lyricists, arrangers, artists. And often DIY artists – which we discussed – have all those roles. The next phase of scaling is in the IP licensing side and in the specialist services. And later, the live and the technology and the funding side is involved as well. That's my introduction as to what we do at Family in Music and why and what is our outlook on the future of DIY artists, freelancers in the creative field, and small entrepreneurs; we believe that a platform like this is needed to combine them and help building business based on copyrights and support them in practicing their profession with the help of digital tools.

All right, thank you very much, Juka, for the presentation. I'm extremely fascinated by the last picture and the many synergies that it describes; there is a clear trend that we have to exit our siloes and see the needs on a broader level and, above all,

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serve those who are in need of rights. For people tend to perceive copyrights as a complex system, both for the right holders themselves but also for the users. And now, utilising data, we really have the opportunity to make the management much more efficient but also do traditional copyright licensing, but it does indeed seem like that we'll get lots of new things out of this that we couldn't even imagine before – the benefits that come from having different operators together on the platforms. So in a way, the innovativeness is increased by just offering that opportunity – that's what I believe. But thank you very much.