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SCOTLAND ON TOUR:
STRATEGIES FOR PROMOTING THE SCOTTISH MUSIC
INDUSTRY WITHIN AND OUTWITH SCOTLAND

AHRC Cultural Engagement Project Report

Adam Behr and Matt Brennan

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List of abbreviations used:

ASCAP – American Society of Composers, Authors and Publishers

BG – Business Gateway

CEO – Cultural Enterprise Office

CIFAIG – Creative Industries Framework Agreement Implementation Group

CMJ – CMJ Music Marathon (a showcase event run in New York by CMJ Holdings, Corp. a music events/publishing company)

COSLA – Convention of Scottish Local Authorities

CS – Creative Scotland

CPL – Cathouse Promotions Ltd.

DF – Dance Factory, a live music promotion company and venue operator

HIE – Highlands and Islands Enterprise

IP – Intellectual property

MIDA – Music Industry Development Association

PCL – PCL Presents, a live music promotion company and venue operator

PRS – The Performing Right Society (operating as PRS for Music)

SDI – Scottish Development International

SE – Scottish Enterprise

SAY Award – Scottish Album of the Year Award

SCIP – Scottish Creative Industries Partnership

SMIA – The Scottish Music Industry Association

SXSW – South by Southwest

UKTI – UK Trade and Investment

EXECUTIVE SUMMARY

This report is the result of an Arts and Humanities Research Council (AHRC) 'Cultural Engagement' project, conducted between February and May 2013 with the aim of identifying the strengths and gaps in provision of development support (including but not limited to financial support) provided by the state for Scottish music businesses.

A primary criterion for the Cultural Engagement research was that it involve a non-academic partner. In this case, that partner was the Scottish Music Industry Association (SMIA). Board members and non board members of the SMIA were interviewed as were representatives from the support agencies in Scotland.

We also conducted an online survey of the SMIA members regarding their knowledge of support provision and experiences of trying to access it. The SMIA co-operated on this research by advising on interviewees and by sending the online survey out to its membership.

The main recipient of this report, then, is the SMIA itself. Representative rather than exhaustive, its primary purpose is to provide the SMIA with information to assist it in developing strategies to promote Scottish music businesses domestically and abroad, and in developing its relationship with both its members and with government bodies.

Key Findings

- The provision of support for the Scottish Music industry is extensive but has leaned towards the *ad hoc* at the expense of a more strategic vision for music specifically. In particular, there is a lack of joined-up support at the local level, which can cause delays.
- There is a need for clarification of the relationship between 'music' and other 'Creative Industries', particularly 'digital', on the government and funding side of the equation.
- The predominance of small to medium sized businesses in Scotland's music industry means that many practitioners fall between two stools, being neither appropriate recipients for support from Creative Scotland nor of sufficient scale to fit into the tailored support offered by Scottish Development International.
- Economic benefits from musical activity also become conflated with, and thereby masked by, other sectors – for instance, tourism.
- Although there are limited human resources that it can devote to music specifically, there is nevertheless a willingness on the part of SDI to engage in dialogue with the music industry to work toward addressing these issues.

- Time poverty is a factor across all stakeholders, notably so at the SMIA. Board members serve in a voluntary capacity on top of the pressures of running their own businesses. This could be alleviated by the presence of a full-time officer but there are not currently resources for one. Nevertheless, activities like the SAY Award are broadening the organisation's reach and, having survived an initial period of turbulence, it is moving towards its long-term goal of being broadly representative of Scotland's music industry as a whole.
- Showcasing is a key activity for both businesses and artists but there has been an overemphasis, with regard to music, on South by Southwest. It has grown in scale to the point where attendance for artists is expensive – not least due to visa requirements – without an easily quantifiable return on investment, although wider benefits from networking still accrue.
- This is compounded by a need for clarification over who is responsible for provision of support for South by Southwest. Whilst 'Artist Development' and 'Business Development' are in theory distinct, this distinction has proved difficult to maintain in practice.
- There are benefits for business people, including those travelling individually as delegates, which are not maximised for the music industry due to (a) SDI support being geared towards the kind of figures that are difficult for even successful music businesses to illustrate, and (b) Creative Scotland taking the lead where 'music' is cited as a core business.
- A significant proportion of SMIA members operate internationally, but whilst there is a general awareness of support provision amongst music industry practitioners the flow of information tends to be based around informal rather than formal networks.
- The music industry, along with the creative industries sector in general, does not consistently provide accounts of its activities that align easily with the formal and statistical systems used in government.
- This is not a state of affairs unique to Scotland but ties into a wider debate about the definitions applied to creative industries – notably SIC codes – in which UK Music is active.
- Scotland's music industry is currently underrepresented in these conversations at Scottish and UK levels but the prevailing atmosphere is conducive to dialogue and engagement.
- The production of the Scottish Government's Growth Sector report is aimed towards clarifying the creative sector and opportunities exist for the SMIA to represent Scotland's music businesses to policy makers and to leverage this role to have more of a voice at UK level.

KEY RECOMMENDATIONS

General Recommendations:

- The SMIA is well placed, given its diversity, to act as an impartial advisor – a ‘signpost’ – for people seeking funding. It should sit in between Creative Scotland, SDI (and UKTI) and those seeking a presence at showcases and use this to drive membership.
- The SMIA should engage more actively with the Cultural Enterprise Office and COSLA with a view to joining up support across Scotland for music businesses.
- The SMIA should consider dialogue with UK Music and the Welsh Music Foundation regarding increasing its presence at UK level as well as with music industry development organisations (as represented by MIDA) across the UK.
- SDI’s specific support for music businesses is limited, due to its remit, but UKTI is more active in this regard. Whilst SDI and UKTI work closely together, there is scope for SDI to draw on its UK counterpart’s *focus* on music, including over businesses that are unsuccessful in direct applications to SDI, helping to direct them elsewhere if it is unable to provide direct support.
- SDI may also want to consider that growth in the longer term and employment, particularly self-employment, for the Scottish music industry can be generated by comparatively small investments in businesses whose model does not match large growth projections or exhibit high turnover in comparison to other sectors.
- Given the recent overemphasis on SXSW and the considerable expense it involves, the SMIA should look towards making a wider range of domestic and international showcasing provision as beneficial for as wide a range of people within the music industry as possible. Where it is financially viable, this should include ‘on the ground’ support at events as well as guidance in what events will be useful to apply for and attend.
- Creative Scotland should continue to take the lead in provision for artists at showcases, but efforts should be made to educate both artists and the public about a wider range of events. Scottish acts should continue to receive support for showcasing activities abroad, but resources may be better directed at forging connections once they are there.
- A robust channel of communication should be established regarding the movement of personnel, either across organisations or when a member of staff departs and is replaced. Creative Scotland, SDI, Cultural Enterprise Office and Scottish Enterprise to inform SMIA of relevant staff movements. The SMIA should keep an updated list of these, made available to members.

Short-term/low cost recommendations:

- SMIA to provide a member to sit on SDI's Industry Leadership Group.
- SMIA to suggest 'leads' to SDI of member businesses that might benefit from 'one to one' support.
- The SMIA should work towards producing a more regular and standardised newsletter for its members.
- It should also actively seek out positive news stories and provide the Scottish government and its associated agencies with a regular digest of news. This should include data and stories derived from industry research and the wider research community that illustrate both the cultural *and* economic value of Scotland's music businesses. (The forthcoming Commonwealth Games will shine a light on Scotland and provide a good opportunity to promote its music industry to government and others in this way, and Culture Secretary Fiona Hyslop has recently spoken out in a speech on 5 June 2013 about the need for emphasis on the cultural importance of the arts rather than reducing their value to mere economic impact).

Longer-term recommendations:

- Roundtable discussions between key stakeholders (SMIA, SDI, Creative Scotland, Scottish Government, Cultural Enterprise Office) to facilitate a closer relationship between the SMIA and the members of Scottish Creative Industries Partnership. Discussion points could include:
 - What specific types of data are necessary for promoting the music industry?
 - What can be done to help provide these data?
 - How can the interplay between music and digital business models be facilitated to open up further opportunities in this area and to keep IP revenues in Scotland?
- The SMIA should look towards employing a full-time officer but needs first consolidate its position and strengthen its voice. This will include expanding its appeal to, on the one hand, new small businesses and, on the other hand, the larger players from the live sector. The continued success of the SAY Award may provide opportunities to drive both membership and inward investment (such as, for instance, by charging a production fee).
- A more formal chain of information needs to be established, with Creative Scotland, SDI and UKTI making the SMIA aware in detail of the type of presence they are prepared to support, and how this support will work. Specifically appointed

members of each body should liaise in this exchange of information, to an agreed timetable of updates.

- These should include:
 - Specific events at which they have a presence
 - What level of prior activity will be a pre-requisite for support (financial or otherwise)
 - Expected turnaround times for applications
 - What kind of follow up information will be required, and how it will be used
 - Templates for what they would hope to see on a successful application

- The SMIA should push this information out to its members and then act as a guide regarding where they should apply, with help (within the limits of its available resources) in making that application. It should act as the primary destination of information about funding and other support for music, and a significant source of it. This role should be actively promoted as a benefit of SMIA membership.

- The Scottish Government Creative Industries Team and SDS could provide detailed guidelines for micro and small businesses on how to provide information (beyond statutory requirements) that will benefit the sector as a whole for SMIA to pass onto its members.

METHODOLOGY

This was primarily qualitative research. We conducted interviews with a representative selection of key stakeholders from policy, funding and music business sectors. Key government and support agencies represented were the Scottish Government Creative Industries Team, Scottish Development International, Creative Scotland, UK Trade and Investment and the Cultural Enterprise Office. Record labels, promoters, management, musicians and digital businesses represented the music industry including SMIA members and non-members as well as SMIA board members and non-members. (A complete list of interviewees is available in Appendix A).

These interviews were supplemented with desk-based research into the policy and funding landscape in Scotland and the UK and off-the-record conversations with stakeholders to provide background information.

All quotes, unless otherwise indicated, are derived from interviews with the author.

Further background information was provided by an online survey of the SMIA's membership regarding their awareness and experience of support provision. The SMIA board was consulted on the shape of the survey and assisted in emailing the link to its members. There were 25 responses from a total of 82 members (from a list provided on 24th January 2013).

After initial questions about the territories in which the respondents operate and whether or not they had tried to access development support, the survey then split into two sections for those who *had* or *had not* attempted to access support. Respondents were asked for basic information about what support they had tried to access and then asked to assess statements according to a series of grades (strongly agree/agree/neither agree nor disagree/disagree/strongly disagree) regarding either a) their experience of accessing support or b) their awareness and feelings about support provision. All respondents were asked open-ended questions about their feelings on the subject and the results are summarised in the following report. (A complete breakdown of the answers is available in Appendix B).

INTRODUCTION

The primary focus of this report is the provision of development support for music businesses in Scotland that comes from the state – the devolved Scottish government and its associated agencies. Our goal is to provide an overview of state support for music business activities. Although a good deal of musical activity is state subsidised, our main emphasis is on the field of commercial (popular) music since this aligns most closely with the topic of foreign showcasing that our partner in this research, the SMIA, identified as one that was a live issue and one where investigation would be fruitful.

As our partner in this project, the SMIA is the primary recipient of its findings. It is anticipated, however, that the report may also be of use to government and government related bodies that have an interest and a role in promoting the growth of the Scottish music industry – key examples are Creative Scotland and Scottish Enterprise, particularly through its activities via Scottish Development International (SDI), and Business Gateway (BG). Another related organisation is the Cultural Enterprise Office (CEO), a non-profit organisation supporting creative endeavours, which also works alongside BG, offering specialised advice to clients referred by BG.

This research draws on prior research into Scotland's, and the UK's, music industries, not with a view to updating or critiquing the findings, but to provide a sense of necessary context for the more specific focus on the relationships discussed herein. Although the implications and background to this work are inevitably economic, its *emphasis* is operational in that it is an investigation of how the different bodies discussed communicate and interact.

It is our intention that this report serves not as a definitive account of a set of stable relationships, but rather that it provides a snapshot of situation in flux. The Scottish music industry, the SMIA and the government bodies with which it interacts are in a period of change and the specific focus of the research conducted here allows for that snapshot to highlight concerns and areas of both strength and weakness that can be side-lined in more wide-ranging assessments.

The stakeholders interviewed were from a range of backgrounds, and their interests and experiences therefore varied greatly. But their willingness to speak frankly, and draw upon their full histories as practitioners was invaluable in providing a picture of where these different interests overlap and, in some cases, diverge. The music industry in Scotland, and elsewhere, is multi-faceted, its internal relationships as complex as those with the rest of the business and social context in which it operates.

Whilst it is beyond the scope of this project to map out and delineate that complexity exhaustively, it is borne constantly in mind that it is both a backdrop and an operational feature of the activities of the SMIA, its members and its potential members.

Many of the challenges and opportunities facing music related businesses in Scotland stem from the peculiarities of working in a field that straddles industrial, cultural and personal activities. Whilst this can cause a lack of clarity in both broad ranging policy and specific

operational contexts, it is also a source of strength, and one of the reasons for the continuing and determined sense of not just a music scene but a *Scottish* one. In examining the relationship between the SMIA, its members and the surrounding business and policy landscape, that dichotomy underlies our conclusions and informs a sense that whilst it is something that sometimes needs to be unpicked, it is also an inevitable consequence of the way music is both made and monetised, and worthy of being preserved.

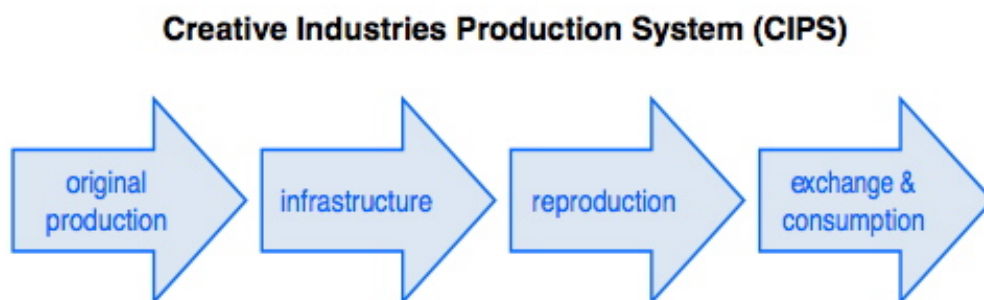
1) BACKGROUND – the Scottish Music ‘Industry’ or ‘Industries’?

It is one of the characteristics of the music industry in Scotland, as elsewhere, that it is in many ways better thought of in the plural than the singular. Musical endeavours are not represented by a single set of practices and businesses, but rather by a plurality of activities and interests that are not always aligned.¹

Some of the ramifications of this feed into the situation described in this report, notably the distinction between those areas of music related activity that deal with live and recorded music but increasingly in the blurred boundaries between ‘digital’ and ‘music’ related businesses.

Another key distinction is between those businesses primarily involved in content creation, and those with the exploitation of the rights. This is comparable to the situation across the creative industries and can be looked at from various perspectives.

The illustration of the value chain depicted below could be broadly mapped onto the music industries:



(Creative Scotland Research- Scoping Study into the Economic Impact of the Arts and Creative Industries in Scotland, 2011, p. iii)

This type of broad description, like the Department of Media, Culture and Sport (DCMS) and Scottish Government sectoral definitions is useful as far as it goes, but inadequate in capturing the fine-grained reality.

The 13 sub-sectors in the Scottish definition name, like those of the DCMS list, ‘Music’ as a sub-sector along with, for instance, ‘performing arts’, ‘TV and radio’, ‘interactive leisure software’ (Scottish Government 2009, *Creative Industries: Key Sector Report*).²

¹ For a teasing out of the implications of this in broad terms, see: Williamson, J. and Cloonan, M. (2007), ‘Rethinking the music industry’, *Popular Music*, 26:2, 305-322

² The DCMS is currently conducting a review of the way in which classifies the creative industries. *Classifying and measuring the creative industries (2013) DCMS website*, 21 May 2013. Retrieved from: <<https://www.gov.uk/government/consultations/classifying-and-measuring-the-creative-industries-consultation-on-proposed-changes>> [Accessed 25 May 2013]

Whilst delineation is necessary, the overlaps, in terms of live music and the synching of music in other sectors, are obvious.

There is the clear distinction between those businesses that deal with live music and those whose priority is recorded output and its associated rights, to say nothing of the large amount of practicing musicians and associated business people (such as managers) whose livelihoods depend on both.

Also at play are the growing divisions within how the rights that accrue from musical activity are made use of. The supply chain, which has long included labels and studios as a link between performance and publishing, has been disrupted such that a growing number of musicians are entering the market themselves. Distribution and retail have been similarly disrupted, digital distribution and marketplaces occupying wallet share previously held by established infrastructure and the high street. The recent well-publicised travails of HMV are a good example of this change.³

Whilst this poses a challenge to 'traditional' facilitators, it has provided opportunities for new businesses to position themselves between performers and the burgeoning new outlets for music. SMIA member EMU Bands is a good example of this. Crucially, whilst some of these businesses facilitate the distribution of music, their primary business model has little to do with musical production or performance.

The rise in digitally oriented distribution and retail has blurred the lines between 'musical' and 'digital' business models. Whilst developments in the digital sphere have made the retail of recorded music more challenging, there are ever more opportunities in publishing due to new digital media platforms and businesses that consume music. (Business to Business revenues for UK recorded music, for instance, grew by £18 million in 2011⁴ and PRS revenues are also rising in general due to an increased vigilance in enforcing the licensing of venues).

Intellectual Property (IP) therefore remains central to the music industries overall, but the means by which it is transferred and monetised are putting increasing pressure on the systems in place to classify them, which originated in a pre-digital era of analogue reproduction and were built upon the exchange of physical goods. This is particularly acute in areas, such as music, where there has long been a tension between the associations attached to 'creativity' and 'industry' and is borne out in the difficulties that creative practitioners often experience in accounting for their work in business terms.

The Scottish music industry is, then, something of a hybrid both in terms of the variety of businesses it encompasses and their size relative to one another. That this has long been the case is evident from the last published substantive survey of Scotland's music industry, produced in 2003 by the University of Glasgow, the University of Strathclyde and the then Queen Margaret University College (with Sano Music), commissioned by Scottish

³ HMV: Where did it all go wrong (2013), *BBC website*, 5 April 2013. Retrieved from: <<http://www.bbc.co.uk/news/business-22042687>> [Accessed 20 May 2013]

⁴ Brookes, N. (2012), *Adding Up the Music Industry 2011*, PRS for Music, 1-2

Enterprise.⁵ This report appears to have achieved relatively little traction. It is perhaps unsurprising that key government creative industry stakeholders interviewed for this project were unaware of it, given that a decade has passed since its publication. In any case, the report is now out of date – iTunes had only just launched in the UK, for instance, Spotify was unheard of and the likes of Facebook, Twitter, Soundcloud and other social media and online platforms which have positioned themselves as new intermediaries were not yet created.

However, the report's authors later noted that a lack of consensus on how to define the music economy actually resulted in difficulties over disseminating the report effectively,⁶ demonstrating a history of disagreement over the boundaries and nature of the music industry which affects both the SMIA's members and the policy landscape in which they operate. A more recent report produced by EKOS Ltd for Creative Scotland and providing a 'Music Sector Overview' is, as of the writing of this report, yet to be published, partly as a result of related complications that we shall address shortly.

1.1) The current landscape:

The current landscape, then, is more complicated than ever. Nevertheless, Scotland enjoys a relatively high profile and well regarded music scene. Artists across genres such as Emeli Sandé (R&B), Calvin Harris (dance), Biffy Clyro (rock) and Nicola Benedetti (classical) are well recognised, and recognised as Scottish, internationally. Festivals such as Celtic Connections and T in the Park, the latter now in its twentieth year, have also enjoyed wide recognition and longevity, as have venues like King Tut's Wah Wah Hut and the Barrowlands.

The provision of state support for music is relatively widespread, although uneven in some regards. Music businesses, composers and performers are supported primarily through two overarching and overlapping categories – general support for businesses and support specifically aimed at the Arts and Creative Industries.

In policy terms, government is guided in the first instance by its manifesto, with the minister for that part of manifesto responsible for taking it forward. The relevant minister in this case is Fiona Hyslop MSP, Cabinet Secretary for Culture and External Affairs. The manifesto is administered in the Civil Service by the Director-General for Strategy & External Affairs (Ken Thomson) under which is the Director of Culture and Heritage (Aileen McKechnie) and the Deputy Director for Culture. Within this are several teams, including that of 'Broadcasting and Creative Industries'⁷ into which music falls. Also relevant are the 'Cultural Diplomacy' and 'Cultural Excellence' teams, the latter being the sponsor for Creative Scotland (CS).

⁵ Williamson, J., Cloonan M. and Frith S., (2003), *Mapping the Music Industry in Scotland 2003*, Report produced for Scottish Enterprise

⁶ Williamson, J., Cloonan M. and Frith S., (2011), 'Having an impact? Academics, the music industries and the problem of knowledge', *International Journal of Cultural Policy*, 17:5, pp. 463-464

⁷ Broadcasting is distinguished here because it is regulated by the UK Government.

Scotland, of course, does not operate in isolation in either musical or policy terms. Most significantly it is still a part of the UK, which means that at policy level the decisions and operations of the DCMS are pertinent. Likewise, some of the UK wide support provision, particularly from UKTI, is also applicable in Scotland. There is representation for music related businesses on the UK government's Creative Industries Council (a policy advisory group) from UK Music and also Paul Latham (of Live Nation, and Creative and Cultural Skills). Other relevant representatives include the Arts Council England and Warner Brothers but there is no specifically Scottish body on the council.

The Scottish government Creative Industries Team is aware of this and is looking towards working more closely with the DCMS. It is also investigating the possibility of a Scottish Creative Industries Council.

[W]e've got good infrastructure potential here, we just need to understand it better, exploit it better. And we think that UK also has a good system as well, and we're trying to work closer with DCMS in learning from them and understanding, particularly their Creative Industries Council. How is Scotland represented on that, should we have our own Creative Industries Council? (Diane Campion, Scottish Government Creative Industries Team)

These goals are aligned to the overarching aim of clarifying the relationships between the various Scottish bodies through the Growth Sector Report, as described in the following section. Government related bodies sit on the Scottish Creative Industries Partnership (SCIP) but this does not mirror the UK's Creative Industries Council in that there is not direct representation from industry bodies, like the SMIA, themselves.

1.2) Key Organisations

Key supporting bodies in Scotland are:

- **Creative Scotland (CS)** was established by statute and given the statutory lead for that sector. It started operating in 2010, inheriting the remits of the Scottish Arts Council and Scottish Screen.
- **Scottish Enterprise (SE)** is also relevant to the music industry – as businesses. It is a non-departmental body established in 1990 to encourage and support businesses in the south, centre and eastern parts of the country.
- **Highlands and Islands Enterprise (HIE)** performs this role for the north of Scotland and the Scottish Islands
- **Scottish Development International (SDI)** is a part of Scottish Enterprise, its core purpose being to promote and assist Scottish businesses abroad and drive inward investment to Scotland. Its focus is on assisting companies to grow their exports (also a key governmental aspiration).

- **Business Gateway:** Business Gateway is often a first port of call, especially for lone practitioners and smaller businesses with whom it works at an early stage of the support process, and can assist before other organisations, like SDI, are brought on board. Whilst CS, SE, HIE and SDI have broad coverage across Scotland, assistance at a local level – for lone practitioners and smaller businesses – is delivered by Business Gateway in each of the 32 local authorities throughout Scotland. Lacking a national approach, it liaises with the **Convention of Scottish Local Authorities (COSLA)**.

These roles are laid out in the Scottish Government *Creative Industries Framework Agreement* (2009) and brought forward by a short-life working group, the 'Creative Industries Framework Agreement Implementation Group' (CFIAG), which is jointly chaired by the Scottish Government and COSLA.

Other bodies that intersect with these are:

- **Skills Development Scotland (SDS):** another non-departmental body established in 2008 to support businesses and individuals in gaining, developing and applying their skills.
- **UK Trade and Investment (UKTI):** A UK Government department body that exists to promote growth abroad and investment for businesses in the United Kingdom. SDI performs UKTI's role in the Scottish context.
- **Cultural Enterprise Office (CEO):** A not for profit company delivering business support for micro companies in the creative sector, operating closely with Business Gateway and supported by Creative Scotland and the City Councils of Edinburgh, Glasgow and Dundee.
- **Enterprise North East Trust:** A not for profit company that delivers Business Gateway services in the North East of Scotland
- **Local authorities across Scotland,** and the bodies and charitable institutions associated with and operating in tandem with them - for example Glasgow Life.

The **PRS Foundation** works with UKTI to provide support for music related businesses but not currently in the devolved regions of the UK

The **British Council** supports musical activities but primarily from a cultural or educational perspective. Its remit is to develop artistic and educational collaborations rather than support creative businesses *per se*.

The **Scottish Further and Higher Education Funding Council (SFC)** is the national, strategic body that is responsible for funding teaching and learning provision, research and other activities in Scotland's colleges and universities.

Members of the public sector **Scottish Creative Industries Partnership** (SCIP) are: COSLA, CS, HIE, SE, SFC, SDS.

Again, Scotland does not operate in isolation from the UK and therefore UKTI in particular is also relevant to Scottish businesses. Although SDI takes the lead in foreign development for Scotland, UKTI is still available as a resource. It works alongside SDI, as it does with the various regions in England, and makes Scottish bodies aware of its various trade missions abroad. Phil Patterson (UKTI's Music Specialist) noted that Creative Scotland, the SMIA and international trade advisors in all the regions, including at SDI, are notified of upcoming missions, as are any companies that have been on missions in the past and that Creative Scotland, for instance, sent a representative to a UKTI mission to Brazil in 2012 and are looking towards engaging on Scottish creative industries missions as a result.

UKTI's music activities are conducted, then, with Scotland in mind as part of the UK as a whole, where it sits on a level with regions in England and Wales. Their aim is to be inclusive, particularly in passing on information about missions, and opportunities exist for Scottish bodies to capitalise on this.

There are, however, differences between how provision works at UK level and in Scotland. Notably, UKTI works through the PRS Foundation to provide funding for international showcasing, whilst Wales and Scotland currently fund their artists from separate pots of money, although there are ongoing discussions with regard to how the PRS Foundation and devolved regions can work in the future.

With regard to the devolved government in Scotland, the most recent significant publication of direct relevance to the music industry was the 2009 *Key Sector Report on Creative Industries* (which came out of the economic strategy formulated in 2007). Its primary purpose was to "articulate what the Creative Industries is, what it's made up of and how we can work together in the public sector, primarily, to help the sector understand itself, us to understand it and to formulate a way of enabling growth" (Diane Campion).

The follow up to this is in response to the economic strategy of 2011, which identified 'growth sectors', enabling growth and internationalisation, of which 'Creative Industries (including digital)' was one (others including universities, tourism, energy and life sciences).

The purpose of the Growth Sector Report is not only to update the 2009 publications, but to clarify the roles of the bodies named within it, which in several cases – notably Creative Scotland – are relatively young.

As the Scottish Government Creative Industries Team's Diane Campion put it,

It became very clear to me that various parts of the public sector... were doing very similar things. And some organisations were doing stuff that I'd question, 'Why are you doing that?' So what I wanted to try and do was formulate more robust policy by giving each of those organisations an opportunity to review, 'Who are they? What is their purpose? Where are they going?' And looking back to 2009 say, 'Where was it

that you thought you'd be by now?'... It seem to be that not all, but some of the organisations mentioned had a lack of clarity about their purpose... It needs to be clearly articulated, by themselves and to others.

The Growth Sector Report is now due in the summer of 2013, its composition and publication having been delayed by various factors, not least a reorganisation following intense public debate surrounding the role and activities of Creative Scotland.

1.3) Recent instability at Creative Scotland

Part of the background to the policy and funding landscape – as well as this report – is that Creative Scotland has been in a period of crisis. Although still delivering on many of its key commitments, including co-operative activities with the SMIA, it faced intense criticism from a large segment of the arts community in Scotland which included an open letter from 100 leading practitioners, prompting high-level resignations over 2012 and a shake-up, which is now in its finishing stages.

Despite this lending an air of uncertainty to the funding atmosphere overall, there is scope for cautious optimism. Creative Scotland has continued to work closely with the SMIA in delivering outcomes for music. It is plausible to look at the period of criticism as a 'baptism of fire' for the relatively new organisation, resulting in a wide-ranging series of consultations which included 'open sessions' to allow sector voices to be heard. Further, given the general atmosphere of retrenchment around funding across the UK, it may be that Creative Scotland has dealt with some of the longer-term issues 'up front', albeit in a fashion that failed to avoid conflict.

Ian Smith, Creative Scotland's Portfolio Manager for Music and IP Development makes the case thus:

At the moment the money that we get from the Scottish Government is subject to around 5.8% operational savings over 3 years, which isn't bad. And the reason we're seen to be faring better than other arms length government bodies, because that's what we are, is that we took the big hit when the Scottish Arts Council and Scottish Screen became Creative Scotland which is a new business, which is important – it's not just throwing the two together. We saved around 34% which equates to losing about 60 people. So we did the pain early, if you like. And then when the Scottish Government, along with the UK and the devolved governments in Wales and Northern Ireland followed the Westminster mantra, which was 30% saving over 3 years, we'd already done that. We'd already exceeded it... So we took that very painful hit up front.

As part of its 'Action Plan for Change' Creative Scotland will be clarifying its funding programme. The new programme, launched in April 2013 has 7 key strands, available from a

single location on its website, an indication that CS is moving towards clarification of its public facing provision at least, this being in line with Ian Smith's comments in March.⁸

The aim of the board and the senior management team, by 1st of April 2014, there'll be one door, one route in... There are 19 routes on the list at the moment, which we are going to get down, significantly, probably to single figures. (Ian Smith)

1.4) The position of the SMIA

This, then, is the background in which the SMIA is operating. It is worth noting before moving onto the specific interactions between the SMIA and the policy and funding landscape, that it is both a reflection of the mixed nature of the music industry that it is, itself, finding its feet after a period of flux following its formation.

The Mapping Report of 2003 was ambivalent about the viability of such an undertaking⁹ although noted that it would be a useful step forward in dealing with government.

The SMIA has adopted this role, combining elements of previous organisations such as the Scottish Record Industry Association (SRIA) and New Music In Scotland (NEMIS).

It is both a source of strength and a problem for the SMIA that it attempts to cover a broad cross-section of activity. Tam Coyle (former Chair and Board Member of the SMIA) gave the example of a 2012 proposal by the PRS to put up the tariffs for live entertainment: band managers would have gained from such a move and supported the proposal; live promoters on the other hand, would have incurred significant extra costs. The largest businesses in the live sector are also at a different level to the SMIA's membership in relation to tax brackets, properties and turnover and, effectively, able to lobby on their own behalf.

Nevertheless, despite a relative lack of the major live players (e.g. DF, CPL, PCL, Regular) amongst its membership, the SMIA appears to have achieved a degree of stability through long term planning (its business plan launched in 2011 projects until 2016) and diversity, having survived an initial period of the kind of turbulence which undid its predecessors.

There is a recognition that the process of widening its membership to encompass both smaller and larger players will be one that takes place over time, as the SMIA articulates its role within the industry.

In line with this, recent high profile SMIA initiatives, notably the SAY Award, are providing a means by which it can encourage the participation of a full range of stakeholders in the

⁸ Revised funding programmes launched for 2013/2014 (2013), *Creative Scotland website*, 16 April 2013. Retrieved from: <<http://www.creativescotland.org.uk/news/revised-funding-programmes-launched-for-20132014-16042013>> [Accessed 20 May 2013]

⁹ Williamson, J., Cloonan M. and Frith S., (2003), *Mapping the Music Industry in Scotland 2003*, Report for Scottish Enterprise, 102

music industry – and the creative sector more widely – without making the kind of requests that don't immediately benefit the bigger players. Nominators for the SAY award, for instance, include Donald MacLeod of CPL, Mark Mackie of Regular Music, Dave McGeachan of DF Concerts and Paul Cardow of PCL as well as venues, promoters, journalists, DJs and other stakeholders from the full spectrum of musical activity.

Perhaps the SAY award is as good an example as any of an initiative that is hopefully going to help in that process in the longer term, because we're reaching out to a lot of people in a very undemanding way. We're not setting out conditions through which they can or can't take part in the SAY award. Members and non-members alike are being asked to take part in the SAY award and hopefully through that quite benign inclusive process, maybe that's the way that we will slowly bring people into what we're doing. My mum had a phrase, 'You don't catch flies with vinegar'... you have to demonstrate your worth and your credibility first in the hope that these people will come on board of their own choosing, rather than constantly tugging at their sleeve and asking for them to step up. (Stewart Henderson)

The background to this report, then, is that there is considerable provision for the Creative Industries in Scotland, from several bodies with different but overlapping remits. This can, and has, led to a certain lack of clarity in the past. However, the main stakeholders appear to be aware of this and are working towards addressing it.

The situation, which includes widespread retrenchment and a period of reassessment – especially at Creative Scotland – is currently rather fluid.

However, this has created opportunities for recalibration and reappraisal, as exemplified by the Growth Sector Report, and the SMIA, representing a broad cross-section of private sector music activity in Scotland (although not one that is entirely comprehensive) is in a good position to take advantage of this.

2) THE SMIA MEMBERSHIP – SUMMARY OF SURVEY RESULTS

SMIA Members awareness and experience of accessing development support.

This section summarises the results of the survey. The full results are available in Appendix B

2.1) Survey Methodology:

A link to the survey was emailed to the SMIA membership on 07/03/2013, once again on 21/03/2013.

After an initial question asking which territories SMIA members operate in, the surveys split into two sections with separate questions for those who had or had not attempted to access development support.

In each section respondents were asked to respond to statements with graded answers (strongly agree/agree/neither agree nor disagree/disagree/strongly disagree).

Those who had accessed support were also asked for information about which agencies they had dealt with and for comments about the experience.

Total response rate: 25, out of a membership of 82 – 30.48%

2.2) Sphere of operation of SMIA members

A significant proportion of SMIA members operate outwith Scotland within the UK– 84% of respondents

A notable proportion of SMIA members operate internationally beyond the UK –

68% of respondents in Europe

60% of respondents in North America (USA/Canada)

44% of respondents in Australia/New Zealand

24% of respondents in Japan

(Only 2 respondents did not operate in Scotland:

Both operated elsewhere within the UK

One of these also in Europe and Japan

One of these also in North America and Japan)

All respondents that operated in Australia/New Zealand also operated in North America and Europe

Only 4 that operated in Europe did not *also* operate in North America

Only 2 that operated in North America did not *also* operate in Europe

The majority of respondents have *not* tried to access business support:

Have you tried to access development support:

Yes: 32% (8)

No: 68% (17)

2.2) SMIA members who have not tried to access development support

Of those who have not tried to access support there is a sense that whilst they respond that they are broadly aware of what support is available, the survey scores indicate a lack of certainty as to whether this is actually the case

Whilst 31.25% of respondents in this category 'agreed' that they were aware of support provision, 37.5% were ambivalent ('neither agree nor disagree') with 25% disagreeing and 6% strongly disagreeing. Furthermore, a majority of respondents in this category (80%) who agreed that they were aware of the development support options available to them, *also* agreed that they would like to know more.

This suggests that whilst there is some awareness overall of what is available, it is rather vague and could be made more detailed and focused.

A similar pattern emerged with regard to whether they felt development support *applied* to their business, although the distribution tended more towards the extremes

12.5% strongly agreed and 12.5% strongly disagreed that support applied to them. (The overall response leaned towards the negative with 18.75% agreeing, 25% ambivalent and 31.25% disagreeing).

Likewise, there is a general sense that respondents would know how to go about the application process, but this is not strongly felt.

A majority of respondents either agreed or were ambivalent about their confidence in how to go about applying for support.

The distribution of answers here also leans toward the middle, with 37.5% neither agreeing nor disagreeing that they would be confident what to say in an application whilst 31.25% agreed and 25% disagreed, although 6.25% strongly agreed and none strongly disagreed.

A majority (70%) of those who disagreed or were ambivalent about whether they would be confident about what to say in an application still agreed or strongly agreed that they would be interested to know more about support provision.

Respondents were more positive about the potential value of the application process with a majority (68%) agreeing or strongly agreeing (31.25%, 37.5%) that applying for development support could be a valuable use of their time. (18.75% disagreed or strongly disagreed).

There was also strong interest in finding out more about the application process.

75% agreed or strongly agreed that they would be interested to know more about the available development support options including majorities of both those who said that they were aware of what support was available and of those who were unsure about how to go about applying for it.

2.3) SMIA members who have tried to access support:

The results in this section, due to the small number of total respondents who had tried to access support, are of limited statistical value but do provide indications that Creative Scotland is the predominant destination for support. The comments made in answer to the open ended questions also support the statements made in interviews that there is a lack of understanding about the music industry, particularly on the part of local councils.

Of those that have tried to access support, Creative Scotland is the destination for the majority:

All 5 who answered this question had been to Creative Scotland. 1 had also been to the British Council and one to South Lanarkshire council.

The most recent experience of the majority of respondents was with Creative Scotland: 4 out of the 5 who answered this question said that their most recent experience was with Creative Scotland. The other named agency was HIE.

There is a mixture of information routes that people cited about funding provision – although direct communication from the agency is the lowest cited route.

3 respondents said that they heard about the support that they tried to access through friends or colleagues, 2 from trade publications or websites, 3 from agency publicity materials or websites and 1 via direct communication from the agency. (1 respondent also mentioned that information was available as a result of an ongoing relationship with Creative Scotland).

The majority of respondents found the process of access to support a positive one, either strongly agreeing or agreeing with the statements assessing the application process and its effect on their business.

Of the five who responded to this section only 1 'strongly disagreed' that access was clear and readily available and that the process was user friendly. All the rest either agreed (2/5) or strongly agreed (2/5) with this statement.

Likewise, a majority agreed (3/5) or strongly agreed (1/5) that the process was user friendly. The remaining respondent to this question 'strongly disagreed' with the statement.

All agreed (3/5) or strongly agreed (2/5) that the process had a positive effect on their business and also that they would recommend it to others or use it again.

Worthy of note, however, is that there was a greater degree of ambivalence about the extent to which the process of accessing support took adequate account of their needs as a music related business.

None 'strongly agreed' with this statement and whilst the rest agreed (2/5), or answered 'neither agree nor disagree' (2/5) - the only question in this section where this answer was given - the remaining respondent strongly disagreed with the statement.

There was a sense that funding bodies were willing to help but lacked specific understanding of the nature of the music business was corroborated by the specific statements.

These also tallied with interview responses that local councils lacked the expertise to offer specific help to music related businesses, which included the comment that the music industry often requires quick responses to opportunities. For example:

'Creative Scotland and HIE both try to support but not always understanding on how small organisations operate at such a small budget'

'While we have found Creative Scotland to be very supportive of our business and its development, particularly when creating opportunities for young people to create new music, or when supporting us in our development and delivery of a high quality engineering course, we found our experience with South Lanarkshire Council to be less successful, due to a lack of understanding of our industry. We feel Creative Scotland possesses the necessary balance of knowledge of the arts in a commercial context to sustain its development in Scotland and encourage innovative ideas that will hopefully ensure long term prosperity for Scotland's arts and related industries.'

'The application process for certain available funds (Creative Scotland in particular) is vague, confusing and non-user friendly and does not accommodate the multi faceted nature of the Scottish Music Industry.'

'Funding applications taking a fixed 12 week turnaround, which is not always viable to act on last minute opportunities'

On balance, experiences of Creative Scotland were found to be neutral. (One response compared them unfavourably with the Scottish Arts Council, one favourably).

3) SHOWCASING AND SOUTH BY SOUTHWEST (SXSW): 'ARTIST DEVELOPMENT' VS 'BUSINESS DEVELOPMENT'

3.1) The problem of distinguishing between Artist and Business showcasing:

Scotland's music business activities abroad make heavy use of showcases. The most prominent of these for the popular music oriented artists and businesses who make up the bulk of the SMIA's membership is South by Southwest (SXSW) in Austin, Texas, although the SMIA is also active in UK events such as The Great Escape in Brighton and, in Scotland, Go North.

Creative Scotland is also active in promoting music from the less commercially oriented spheres of activity in which state subsidy is more prominent, such as folk and traditional music, although there are overlaps between commercial and state subsidised music, just as there are overlaps between 'popular' and 'traditional music'. Celtic Connections has, for instance, grown over the course of its history in terms of scale (from an attendance of 35,000 to over 100,000) and in the breadth of music that it includes, illustrating the extent of the 'connections' which give the festival its name and to which the lines between 'traditional' and 'popular' music are blurred.

The Showcase Scotland events at the Celtic Connections festival are also a key part of Creative Scotland's strategy in exposing Scottish music to an international audience – the European Broadcasting Union has held its AGM there, for example, with European broadcasters attending as well as journalists from Canada and the USA.

Presence at SXSW and showcases in general fall into two broad streams – artist development and business development – but in practice there has been some overlap across these in terms of both what they involve and how they have been delivered.

Firstly, artists in many respects *are* businesses in terms of their set-up and strategy and where this is not the case there is certainly a widespread belief that more should conceive of themselves in these terms. This applies especially in the popular/commercial music spheres which are the focus for showcases like SXSW, CMJ and The Great Escape (and the SMIA's membership) - as opposed to the classical/traditional areas where state subsidy features more prominently.

Secondly, artist development frequently intersects in intimate ways with the progress of other businesses, notably management but also publishing. Paul Grieve, manager of Tango in the Attic, described a business model where management interaction with the musicians involved a co-operative *modus operandi*. Whilst the manager is essentially employed *by* the band and there was a division of labour between 'musical' and 'business' activities, these were nevertheless difficult to disentangle entirely. Promoting one sphere of activity requires the involvement and support of the other.

This model is common, and becoming increasingly so as the music industries diversify and as music production, promotion and distribution become further intertwined with technology

business models. The SMIA membership roll, for instance, lists numerous members with multiple sectoral affiliations (Management/Tour support, Management/rights management/music composition/publishing, manufacturing/distribution/merchandise/promotion, touring).

Many artists adopt the role of 'manager' in their own businesses activities (eg: Found self-managed both their presence at South by South West and a record deal with Chemikal Underground).

Additionally, small labels - such as Matthew Young's 'Song, by Toad' - adopt a quasi-managerial role in promoting their artists in ways beyond selling and licensing recordings.

The other side of this coin is that there are businesses which are at a remove from the process of making music, but whose primary client base is musicians and their enablers.

EMU Bands, for instance, for a flat fee, distributes music to online marketplaces and service (such as iTunes and Spotify), providing a service in the digital sphere.

Likewise, Lugplugs, which sells specialised earplugs that can be easily branded and carried in a variety of ways is also aimed at music makers and users, but sells a distinct physical product.

The delivery of support for showcases has reflected this intersection between musical and business activity and is illustrative of a general atmosphere of mutual support and dialogue across them. The secondment of Stuart Thomas from Creative Scotland to the SMIA to assist in operations management and, in particular, the provision of support for SXSW 2012 is a good example of this. Likewise, Scotland's presence at The Great Escape in Brighton will be jointly delivered by the SMIA with Creative Scotland.

SDI, which is prominent in promoting Scotland's wider business interests abroad, attended SXSW in 2013 under the banner of UKTI, bringing 13 businesses, including SMIA member EMU Bands, to the digital component of SXSW - SXSW Interactive – as part of the UK's digital mission.

3.2) The prominence of South by Southwest

It is difficult to talk about showcasing without addressing SXSW as the primary case in point since it is the most prominent of international music showcases, highlights the potential strengths and weaknesses of Scotland's presence, and has been the subject of some controversy. In many cases, this was the only foreign showcase that people had attended. Others had been to CMJ (in New York), although this posed logistical difficulties, especially for artists, given its spread across the city rather than the concentrated model in Austin. In

one case, attendance at CMJ was a consequence of getting the visa for SXSW and maximising its potential by taking another trip.¹⁰

UKTI has a presence at CMJ and has put on a well resourced showcase for UK acts there, as part of its active promotion of British music as a whole, but this does not refer specifically to Scottish acts or businesses.

SXSW is the most prominent event of its kind internationally – and the tech component is now as big, if not bigger, than the musical. Both SXSW and Austin have grown enormously over the past two decades and it is now home to a large hub of locally based technology industry activity throughout the year.

This means that the experience can be overwhelming for both artists and businesspeople and it can take recurring visits for them to learn how to make the most of it.

Its centrality to both the music and technology industries has also led to something of an overemphasis on SXSW, whereby attendance can become an end in itself rather than being seen as the means to particular ends.

The recent Scottish presence there has highlighted some of these issues. Whilst SDI, under the UKTI umbrella, took digital businesses out there, the Creative Scotland/SMIA partnership took on the provision of artist development support.

3.3) The delivery of support:

The manner in which these two strands were conducted has been seen to be worthwhile but subject to some flaws and a lack of clarity.

In part, this is also an overhang from the previous process, which saw the Scottish Arts Council deliver support for bands attending SXSW. It is also a factor of the growth of the event to the extent that it is more difficult for ‘up and coming’ bands, even those operating successfully within Scotland, to make their presence felt, whilst the technology component has made it more imperative for businesses in that field to attend.

Some ironies attach to this, which also feed into criticisms of the way it has been handled:

Attendance at SXSW is in some ways better at generating publicity for artists at home than abroad. For artists in particular, especially those without robust and clearly planned business support, being at SXSW is increasingly difficult, not only due to changes in SXSW itself, but broader changes in the way the music industries internationally are structured.

Tam Coyle: It's over. South By, ten years ago you met everybody. They moved it, it's the same week as spring break in America. Interactive South By is now bigger than

¹⁰ USA working visa laws have changed, now requiring one visa per trip, rather than being allocated for a period of time.

South By music. So Interactive's where it's at in terms of new technologies, but certainly music wise, it's gone. I mean even going back six years, I was lucky enough with a cracking wee band with a cracking wee album to do five licensing deals in one year. But now, that same label... they would now take you for the world.

Stewart Henderson: The prevailing wind as far as I can tell is that an awful lot of people have fallen out of love with South By.

It was mentioned that the decision to take photographers from the *Daily Record* to the showcase was more successful at generating stories for bands back in Scotland than it was in breaking them abroad - the ostensible purpose of the journey. This domestic journalistic presence and that of marketing and publicity staff whose role was UK based was felt to be a misdirected use of resources.

Across the board, there was a lack of cohesion *overall* over delivery of provision – not so much in individual cases but over whose auspices 'SXSW' as a whole lay under. The collaboration between Creative Scotland and SMIA, whilst successfully delivered, proved problematic for the latter body in terms of the selection of acts. This had the potential to be divisive, given the highly prized nature of a slot at the event and also given the diversity of the SMIA's membership.

Ally Gray: It's a difficult one. Because Creative Scotland have got the Artist Development side of things, looking after the artists' funding, and then there's the business support element, you know that's the kind of real complication. What does South By come under? Is it a Creative Scotland event or is it an SDI event?

An additional issue is that the increased status of SXSW, against a background of funding cuts and intense competition for deals and meetings there, means that co-ordination is difficult in Austin itself. This is further complicated by the fact that many of the benefits, particularly for artists, are difficult to quantify. For some, particularly those with clear goals in mind prior to attendance, easily ascribable progress can be made - for instance relating to synchronisation deals. In many cases, the benefits are spread over the longer term and related to the formation of connections and introduction to networks. For Paul Grieve, for instance, a key way of tracking impact was through contacts made:

I think that's really important. To have those contacts, to have people. I mean, the fact that I've got a direct line into ASCAP, or I've got a direct line into PRS and publishing companies in the US and all that kind of stuff, it's really good.

In the case of Found, a visa to the United States and subsequent trip to New York which yielded gigs and connections, was an ancillary benefit. This and general networking were of more value than the SXSW showcase itself, although undoubtedly derived from it.

AB: How would you evaluate the effect the SXSW had, positive or negative, on Found's career?

Kev Sim: Well that's an interesting question because it's going back to 2009 so we've obviously done quite a lot since then and it's quite hard to determine what difference a lot of the relationships that we formed around that time have been influenced by whether or not we went to SXSW... Obviously a lot of the reason for the festival is the networking, right... It gave us the opportunity to go to the States and do a bunch of interesting things and the relationships we formed with the people we met in New York were nothing to do with SXSW but still facilitated by that trip.

Visas, more generally, are a source of considerable expense for artists in attendance at SXSW and other foreign showcases. Changes in the law abroad have a profound effect on the extent to which it is feasible for artists to engage in foreign showcases. Exemptions for performance visas for “surgical strike” (Stewart Henderson) showcase activities could lower the barrier to entry considerably, and a lack of clear information about visa requirements has caused problems in the past. Although it is beyond the scope of the organisations concerned to drive immigration law, foregrounding the issue could have longer term benefits for the capacity of Scottish businesses and artists to engage in foreign showcases.

At SXSW itself, whilst there has been support for artists, this has largely been of an informal nature, centred around the presence of Arts Council/Creative Scotland representatives and other experienced attendees. This has become more difficult to maintain as it has grown in size.

Across the board for artists and directly related to enabling businesses has been the matter of follow up support. This has varied as provision of SXSW has shifted from the Scottish Arts Council to Creative Scotland and the associated slight shifting of emphasis from creative value to business. Paul Grieve cited follow up support after 2008 but nothing after 2012 or 2013 (although the interview was conducted only two weeks after the showcase).

A key issue also related to the overlap between artistic and business endeavour is transparency of information. Acts that received funding in 2012 had to fill out an evaluation but this asked for business information. Whilst recipients of funding understood that an account had to be given of their activities, there were qualms about how that information would be used.

Last year, because we had funding, we had to do a follow up in terms of a form and... I don't see the destination of that information, so there's a form, so I don't see the audience that that information goes to but it asks some fairly pointed questions about sales and revenue and all that kind of stuff, so I'm not keen to give it. And this goes back to the transparency thing. If I knew how that information was being consumed I might be slightly readier to give that information. But if it just goes into a big pot, that might go onto a website that everyone can see, then I'm not so keen.

The overlap between business and artist development, as well as the differences between these strands, is to some degree a factor of both the diversity of the music industry overall and the multitude of different operatives within it. Creative Scotland, and before that the Scottish Arts Council, have taken the lead in artist development, even though there is a recognition in this area that artists attending showcases must be ‘business ready’. Business

development agencies, on the other hand, might recognise that artists are also businesses, but it is only the business component to which they are able to respond.

From a UK Trade and Investment perspective, we have to be seen to be supporting the businesses that are around the band and the music. If a band is a business, a VAT registered business, then that's cool but if it's not, then what we'd be supporting would be the management company, the label...

Phil Patterson (UKTI)

In this regard, then, their support is geared towards businesses in the first instance with any musical component being subordinate to that.

The UKTI/SDI Digital Mission to SXSW was therefore more of streamlined presence, but due to its nature, was not designed for artists. This means that although there is provision for both artists and businesses, there is room for greater recognition of the interplay between these categories. Artists should be more proactive in building their business activities into the accounts that they offer in support of applications, and in tailoring these to suit the relevant dialogue partners. The agencies, at the same time, should recognise the extent to which artist development feeds into business development, such as in the creation of IP and opportunities to exploit it. For many businesses, the two strands are difficult to decouple.

This is a factor in the perceived lack of clarity over the remit for showcasing activities and the reason for attendance of some businesses under the auspices of SDI rather than Creative Scotland. Whilst some music related businesses, like EMU Bands, have been able to benefit from 'tailored support' offered by SDI this has been part of a wider programme, not one that focuses solely on SXSW. However, given that the businesses which SDI (and Scottish Enterprise) 'account manage' tend to operate at a level or show growth not commensurate with most music businesses, and certainly not most artists, they are not really a viable channel for artists and their immediate enablers.

A greater emphasis *upfront* on the criteria for inclusion would help to direct applicants to the most appropriate agency, although the process as a whole could take more account of the facts that artist development brings benefits to businesses and that many artists' enablers (like management companies and labels) can benefit from being present at showcases as representatives of *both* artists' and more straightforwardly business interests.

3.4) Summary:

- There is a need for clarification over who is responsible for provision of support for SXSW. Whilst 'Artist Development' and 'Business Development' are in theory distinct, this distinction has proved difficult to maintain in practice.
- SXSW has evolved into an event that is more difficult, and expensive, for artists to take direct advantage of than is often acknowledged to be the case, although longer-

term ancillary benefits still accrue from attendance, particularly repeated attendance.

- This is a quandary for the SMIA, as the decision to return provision of it to Creative Scotland illustrates. The fact that its membership is diverse compounds this. Nevertheless, despite the aforementioned lack of clarity, there is evidence that both bodies are seeking to address this. The division of representation at The Great Escape 2013 whereby Creative Scotland leads for artists and the SMIA for businesses (notwithstanding that there is overlap) looks to be a productive way forward.
- There are benefits for business people, including those travelling individually as delegates, which are not maximised for the music industry due to (a) SDI support being geared towards the kind of growth and figures that are difficult for even successful music businesses to illustrate, and (b) Creative Scotland taking the lead where 'music' is cited as a core business.
- Support for delegates at SXSW needs to be made more robust – not just “seminars and tweeting” (Paul Grieve). Part of the problem here is that delegates, as well as representing Scotland’s music industry as a whole and as a ‘brand’, are in competition for the same resources and deals. Support in the past has tended to be somewhat ad hoc and embedded in social networks that, whilst valuable, are increasingly not up to the task of helping people navigate the event.
- Taking artists is significantly more expensive than taking representatives from businesses in terms of logistics, visas and the number of people involved. Clarifying and streamlining the visa application process, and considering how best to target showcasing activities in light of visa requirements, would reduce overall costs and benefit the artistic and business communities in the long run.
- There is, in general, an overemphasis on SXSW at the expense of longer-term support for both artists and businesses (where that distinction can be made). Whilst it provides a clear dose of the “oxygen of publicity” (Tam Coyle) for artists domestically, and can in some cases lead to direct deals abroad, these are difficult to quantify in terms of a particular trip. It is not clear that the expense of attendance at SXSW is often justified. In some cases, particularly for smaller artists, it might be better directed elsewhere whilst there is potential for businesses representatives to attend, more cheaply, that is not maximised.

3.5) Recommendations

- The SMIA is well placed, given its diversity, to act as an impartial advisor for people seeking funding. It should sit in between Creative Scotland, SDI (and UKTI) and those seeking a presence at showcases.

- A more formal chain of information needs to be established, with Creative Scotland, SDI and UKTI making the SMIA aware in detail of the type of presence they are prepared to support, and how this support will work. This should include:
 - Specific events at which they have a presence
 - What level of prior activity will be a pre-requisite for support (financial or otherwise)
 - Expected turnaround times for applications
 - What kind of follow up information will be required, and how it will be used
- Specifically appointed members of each body to liaise in this exchange of information, to an agreed timetable of updates.
- SMIA should push this information out to its members and then act as a guide regarding where they should apply, with help (within the limits of its available resources) in making that application. It should act as the primary destination of information about funding and other support for music, and a significant source of it. This role should be actively promoted as a benefit of SMIA membership.
- Given the recent overemphasis on SXSW and the considerable expense it involves, the SMIA should look towards making a wider range of domestic and international showcasing provision as beneficial for as wide a range of people within the music industry as possible. Where it is financially viable, this should include ‘on the ground’ support at events as well as guidance in what events will be useful to apply for and attend.
- Creative Scotland should continue to take the lead in provision for artists at showcases, but efforts should be made to educate both artists and the public about a wider range of events. Scottish acts should continue to receive support for showcasing activities abroad, but resources may be better directed at forging connections once they are there than back at home. This may affect the type of act that is deemed suitable for events such as SXSW but a broader provision may allow resources to be channelled to smaller acts for different activities.
- SDI’s specific support for music businesses is limited, due to its remit, but UKTI is more active in this regard. Whilst SDI and UKTI work closely together, there is scope for SDI to draw on its UK counterpart’s *focus* on music, including over businesses that are unsuccessful in direct applications to SDI, helping to direct them elsewhere if it is unable to provide direct support.
- SDI may also want to consider that growth in the longer term and employment, particularly self-employment, for the Scottish music industry can be generated by comparatively small investments in businesses whose model does not match large growth projections but whose sustainability will be enhanced by attending.

4) THE MUSIC INDUSTRY: MUSIC AND INDUSTRY: ISSUES OF SCALE, TRANSLATION AND COMMUNICATION

4.1) The scale of the music industry in Scotland

There are some issues underlying the provision of support for music related businesses in Scotland that are shared with the UK as a whole but more acute in the Scottish context due to its smaller scale.

At the centre of this is the matter of size of individual music businesses. Most are micro to small businesses. (The overwhelming majority of SMIA members are on 'Individual' or 'Small businesses' membership plans, which reflects the situation in Scotland at large, with the possible exception of the larger companies operating in the live music sector).

This applies not just to artists and their direct enablers, but across the industry as a whole. The problem is that Scottish Enterprise, and SDI, are geared up to work with industries whose scale and growth rate is different to that of music businesses, even well established and successful ones.

Tam Coyle: Scottish Enterprise are set up to be x, y and z, and when you've got the whisky industry, or nuclear or solar energy or wind generation, or even... new products that are taking in millions and billions of pounds. That's got to be their priority. Scottish music is a small potato to these guys.

The kind of 'numbers' in terms of turnaround and growth likely to pique the interest of SDI and Scottish Enterprise in terms of the primary goals and established practices established practices tend not apply to the music industry. As Elaine Hovey of SDI puts it,

For us, it's always about 'what's the size of the prize'? So you'd want to see what the outcomes could be. Because there's always competition for resources.

But the creative industries team is very small because actually the customer base is very small, even when you take into account games companies. Most of the games companies are one person, two person. You know, when you start to look at that compared to other sectors, it ends up getting less resource. So we have one person working on games just now. We don't have a total of one person working on music, it would be like .2 of a person or .1 of a person. And that's really because we don't actually get many requests.

Nevertheless, music is still a core component of what has been highlighted by the Scottish Government as (in 2009) a Key Sector and (in 2011) a Growth Sector. The success of music in contributing to what several of the interviewees for this report (notably Ian Smith and Paul Cardow) referred to as 'Brand Scotland' also ties in with the government's goal of Improving Scotland's Reputation, in which both Creative Scotland and SDI are listed as partners, in its National Performance Framework.

Whilst the size of SDI, and the size of the Scottish music industry, might mean it is not viable for a full time member of staff to be devoted to music from the Creative Industries team, there is nevertheless a need to address the fact that this core component of a Key Sector appears to be flying “under the radar” (Stewart Henderson, conversation with author-15/02/2013).

The blunt fact is that the way the music industry works, internationally, at UK level and in Scotland, means that it will not be able to compete with, for instance, energy, in terms of scale. Nevertheless, some music companies are also tech companies – EMU Bands being a good example in Scotland and Songkick in England another. This applies across the board nationally and internationally. Sweden’s Spotify is an example of a large company from a small country that is both a music and a digital business. Recognising in practice the overlap between music and technology businesses and a strategy that promotes music business activities within the digital sphere would promote the long-term growth of Scotland’s musical and wider economy by fertilising the ground for start-ups in this area.

At the same time, music related businesses already contribute to Scotland’s economy and its broader culture in a steady and substantive manner. Further, not all of these contributions map neatly onto the ‘cultural’ criteria for Creative Scotland. They fall broadly into the ‘business’ sector but the micro to small nature of these businesses, often not the sole source of income of the practitioners in question, doesn’t automatically scale to fit the established remit of support structures for ‘industry’. The self-employed status of many practitioners, and their multiple income streams, is compounded by the fact that the line between ‘business’ and other activities is sometime blurred, not least in the origins of the businesses, which often start with music rather than business as the primary emphasis. As Matthew Young of Song, By Toad records notes:

Music businesses don’t run like real businesses at the beginning... it’s all self-funded amateur stuff to begin with.

This is reasonably well documented. The 2009 Key Sector Report, for instance, notes, “We... know that the national statistics do not capture the very many freelance enterprises that choose not to register for VAT or PAYE and so do not capture their level of productivity”¹¹

However, the aforementioned “competition for resources” and day-to-day time pressures mean that established working practices can get in the way of it being attended to at ground level.

Time pressures are acute, too, for music business practitioners. Some people operating successful ventures often still combine these with other types of work and even for those for whom their business is their sole occupation, it is often an all consuming one. This can preclude seeking out support provision, particularly if it is couched in terms that appear arcane or less than directly relevant at first glance. UK Music has promoted finance schemes

¹¹ Scottish Government (2009), *Creative Industries: Key Sector Report*, 4

to music businesses that may otherwise have been unaware that they were appropriate. Their explanation for this is telling:

The lack of awareness can in part be explained by the goals and objectives of a music company being quite different to other businesses. Many of the SMEs are not motivated by profit or financial gain, but instead by the process of releasing records and participating within the industry... Many music companies are also time poor. All small businesses multi-task, yet this is compounded within music with the complexities of running a digital and physical business in parallel. Accessing finance requires a level of information/resource which small music companies do not have – experienced finance directors, catalogue valuations, assets and liabilities, and other financial information.¹²

The space for the SMIA to occupy a similar role in Scotland is clear, but time poverty is an issue here as well since its board members are also busy running their own businesses as well as the organisation's myriad other events and activities, many of which are time consuming despite their clear value to the Scottish music economy and individual members – the SAY Award being a good example.

A full-time officer to engage in these activities would be beneficial, but paying for this role would require significant investment.

Despite this apparent disconnect, the outlook is hopeful. There is willingness at government level and at SDI to engage more closely with the music industry and the SMIA has good relations with both. SDI is also moving towards activities that align with SMIA's stated remit of promoting Scottish music businesses (as opposed to artists). Their recent Digital Mission to SXSW, and support for EMU Bands, is evidence of this.

Diane Champion: Looking at the various organisations, not with a view to changing anything, [but] with a view to saying 'Actually' the public sector landscape in support of creative industries is very thorough, there's a door for everybody to knock on... from a perspective of trade bodies like SMIA, they engage very effectively with organisations like Creative Scotland. I think it's a case of doing that. But also in relation to music specifically, I've been working on developing a roundtable discussion with a potential view to evolving a steering group for music... I think the sector voice is something we need to understand a bit better.

Elaine Hovey: The music industry should be able to access those entry points. But do they know that they're there? Are we doing a good enough job of making people aware that they're there? And have we got our heads around whether they're really suitable or maybe they need to be tweaked a little for the music industry which we can, you know, we can do on a case-by-case basis?

Worthy of particular note is SDI's Industry Leadership Group. As Elaine Hovey puts it,

¹² UK Music (2013), *UK Music: Access to Finance Report, March/April 2013*, p.3

Because we use that group to test ideas. We use that group to give us direction of what the industry wants. We use them to sanitise proposals for things. We ask them where we've got gaps. You know, so there's just so many things that we use that group for.

There are currently representatives from Creative Scotland and the games industry on this group but not music. Whilst the public sector consensus was not for a hybrid group when it formed the CIFIAG, an SMIA representative on the Industry Leadership Group would be beneficial in helping SDI orient policy that takes better account of the nature and needs of the music industry.

Elaine Hovey at SDI also spoke of less formal discussions, again citing their positive experience with EMU Bands as a model. In this context, the SMIA could provide an agreed number of examples of businesses that would benefit from SDI support, and work together to look at how this could be provided. SDI work to a certain extent on 'leads' that they are given, by Business Gateway and others. Although wary of entering into selection procedures with the potential to be divisive, the SMIA is well placed to provide these 'leads'.

Framing this in the context of SDI's relatively stringent criteria for account management and as an ongoing process of dialogue, rather than a 'one-off' selection along the lines of artist/business selection for SXSW would help to mitigate the issue of divisiveness, particularly if conducted in tandem with the process of publicising SDI initiatives and offers that might not be instantly apparent as applicable to music businesses – such as Smart Exporter – to the membership as a whole.

4.2) Translation and communication of information across different bodies

The matter of the scale of the music industry is related to the wider issue of how it describes and accounts for its activities.

This is a widespread and general problem in terms of how music relates to other income generating activities, and a specific one in terms of how revenues from music are accounted for.

The general issue is that the benefits of musical activity don't always show up as distinctly music derived. A good example of this is tourism. Music is a significant aspect of the cultural value that Scotland uses to drive tourism, both explicitly and implicitly. The cultural benefit accrues both generally in promoting a sense of identity domestically and abroad, as well as tying into the Performance Indicator of 'Improving Scotland's Reputation' in the government's Performance Framework. (Making Scotland an attractive place to live and work can also drive inward investment and employment). Beyond this, however, economic benefits also accrue. UK Music's Report 'Destination Music'¹³ suggests that Scotland attracts

¹³ Blake, A. (2011) Destination Music: The Contribution of Music Festivals and Major Concerts to Tourism in the UK, UK Music, 50-52

188,000 music tourists per year who spend £37 million, benefiting the Scottish economy by £17million a year in terms of GVA and sustaining the equivalent of 405 full time jobs.

We shall come shortly to some of the problems that these kinds of statistics can present at governmental level, but they nevertheless indicate that music is at the heart of a good deal of economic activity that does not necessarily show up as specifically music driven but which nevertheless depends upon it. It also bears pointing out that, at UK level, UKTI show an awareness of this and have made music one of the key pillars of their GREAT Britain campaign¹⁴.

Although this is tied to a much broader problem for the Creative Industries' relationship with government in general it nevertheless pertains to the SMIA because it feeds into how it provides opportunities for both it and the Scottish government to take advantage of a situation that it is shifting on a larger scale.

A specific problem for people working in government, and one that is relevant to music given the number of micro businesses involved, is that the ways in which the Creative Industries sometimes describe their businesses are difficult to relate to official statistics.

Diane Champion: There's been some studies put out there with lots of big numbers, but we can't quote those numbers. The only numbers we would ever quote are our official statistics... you can take in all sorts of things but what we find most helpful is if our official statistics were used as the baseline for research.

The converse of this is that the type of data required by government bodies does not fit well with the activities of either the Creative Industries in general, nor the music industries specifically.

The cracks in the system of Standard Industry Classification (SIC) codes in particular are moving to the centre of national dialogue relating to the Creative Industries. The NESTA *Manifesto for the Creative Economy*, for instance, remarks,

[A] great many challenges remained in the DCMS statistics, as a result of the limitations of the SIC codes... Partly because of this (but also because they had different data needs) sector bodies such as UK Music, the (now defunct) UK Film Council, the British Fashion Council and the Crafts Council started producing their own sector-specific economic statistics, along with equivalent bodies across the devolved nations and the English regions. Inconsistent treatments of sectoral boundaries (what should be included and what should not) led to a plethora of non-comparable estimates. The result was an ever-increasing landscape of sectoral, national and regional statistics that purported to measure similar things... Such confusion weakens the standing the creative industries in the eyes of mainstream UK economic policymakers, and in particular HM Treasury. The work of key agencies like the Office for National Statistics has also remained strangely disconnected from the

¹⁴ GREAT Campaign (2012), UKTI website, 7 December 2012, Retrieved from: <<http://www.ukti.gov.uk/uktihome/item/196060.html>> [Accessed 20 May 2013]

*creative industries, even as BIS and the DCMS promoted the creative industries as a high growth sector.*¹⁵

UK Music has also been arguing that the music industry should be redefined¹⁶ and, indeed, a process of reappraising the SIC codes at DCMS level is underway.

Whilst it is beyond the remit of this report to prescribe statistical procedures at national level, or even sector level, some observations accrue from this ongoing debate.

Firstly, this is a live issue across the UK, but the processes of dialogue in place between the SMIA, government, Creative Scotland, Scottish Enterprise and SDI provide an opportunity for Scotland's music industry to take an active role in the discussion at Scottish level and for Scotland, more generally, to place itself ahead of the curve in formulating a creative but robust response to the problem.

Obviously the forthcoming referendum complicates the matter, but it is one that should not be ignored. In this regard, the relatively smaller scale of the Scottish context is a potential advantage insofar as it allows for discussion involving representatives at more points along the value chain. Again, the SMIA is well placed to give voice to the needs of its members at policy level, and policy makers have the opportunity to deal with a representative body in intimate contact with ground level practitioners.

Secondly, this provides an opportunity for the SMIA to engage with UK Music, should it choose to do so. A longstanding quandary for the music industry in Scotland is its relationship to the UK, London in particular, and how to address the matter of keeping IP within Scotland.

Diane Champion spoke of the potential for Scotland to be seen as a "nursery" which cannot maintain 'stars' beyond a certain point due to lack of infrastructure compared to London. Ally Gray mentioned a "brain drain" from Glasgow to London¹⁷.

Again, the forthcoming referendum complicates matters, but both Scotland at large and the SMIA specifically need to formulate a strategy for where they sit in regard to the UK music industry.

It is notable that the SMIA does not feature strongly in UK Music literature or on its website. Obviously an element of this conversation will involve thorny questions of 'identity' and whether the Scottish music industry is better viewed as part of the broader UK music industry or as an independent presence internationally. Nevertheless, the prioritisation of 'music' by UKTI suggests that whilst 'Brand Scotland' could be better served by a distinct

¹⁵ Bakhshi, H., Hargreaves, I., Mateos-Garcia, J. (2013), *NESTA: A Manifesto for the Creative Economy*, NESTA, 27

¹⁶ Todd, J. (2013), 'SIC to death: why the music industry wants to be redefined', *UK Music website*, 26 April 2013. Retrieved from: <<http://www.ukmusic.org/news/post/324-sic-to-death--why-the-music-industry-wants-to-be-redefined>> [Accessed 20 May 2013]

¹⁷ A related issue for music businesses outside of the central belt is the "brain drain" from the north of Scotland to Glasgow.

international presence in the medium to long term, there may be benefits for specific members by encouraging stronger links between SDI and UKTI over music, with the SMIA involved in the discussion.

The matter of SIC codes provides an opportunity for the SMIA to leverage its regional status in the UK context to make its presence felt within UK Music (dialogue with the Welsh Music Foundation would also be productive here).

Even if the 'numbers' it represents in financial terms might be smaller in some areas than the UK context as a whole, there is scope to promote Scotland as a prominent partner, Notwithstanding a degree of government caution about industry statistics, they are of value in illustrating the strength of the sector to outside bodies, and elements of it *within* the wider music industry. Will Page produced an annual account of the music industry as Chief Economist for the PRS and his 2009 summation, for instance, also noted the strength, both actual and relative to the rest of the UK, of Scotland's live music sector, including its value to tourism.

Scotland has just over 8% of the UK population and produces 11% of live music revenues, suggesting that it punches above its weight. Not only that, it has grown its live music industry by 37% since 2006... This outperformance of Scotland's live music sector could be plausibly carried across to its impressive performance in tourism, with events like RockNess, T in the Park and the Edinburgh Fringe Festival selling music whilst promoting tourism.¹⁸

The SMIA could use data of this kind in promoting Scotland's industry presence within the UK sector, as well as internationally and to government, and should be looking to make the most of figures such as this when they occur, particularly given the problem of representing the scale of the music sector to Scottish Enterprise/SDI.

Thirdly, this ties into a more widespread issue of 'translation' across different bodies, and between small businesses and government organisations, including those that operate at 'arms length'.

A common complaint about all types of funding application is that they favour "form fillers", regardless of the relative merits of the applicants. Clearly a certain level of bureaucracy is necessary to isolate 'serious' applicants in a field where oversubscription for limited, and arguably dwindling, resources is standard.

This is exacerbated by the movement of personnel. General communication between individual bodies is fairly solid, but at the more micro level the flow of information has been more difficult to maintain. This can have a negative impact on applications when a point of contact is found to be no longer in place.

¹⁸ Page, W. and Carey, C. (2010), *Economic Insight :20 – Adding up the Music Industry for 2009*, PRS for Music, 8

Additionally, the type of application likely to attract Creative Scotland or SDI will vary greatly. As with applications for specific showcases like SXSW, a clear role for the SMIA here is to, as Ally Gray puts it, “sit in the middle and help.”

This general positioning of the SMIA between funding bodies and its members will require a more robust chain of communication than currently exists but, as previously mentioned, the prospects for putting this in place appear to be good. As well as music related roundtable sessions involving members of the SCIP and CIFAIG – such as Scottish government, Creative Scotland and SDI (and possibly UKTI where appropriate) – there should be specific sets of guidelines, ideally tailored to the music industries as far as possible, provided by the relevant bodies to the SMIA which it can then pass onto its members. Templates of what a successful application might look like - or glossaries - would be of particular use, as would examples of prior successful applications from SMIA members. Again, this can be promoted as a means of driving membership.

At the same time, the SMIA, perhaps in conjunction with SDS, can nudge its members towards producing annual returns in a way that the Scottish government and research bodies can more easily align to their own statistical models.

This kind of activity takes time, however. But whilst it is not clear that there will be immediate financial returns for SMIA members in referring to more sets of government statistics than statutorily necessary there could be longer-term benefits for the industry in being better able to represent itself at national level.

In any case, all parties need to flag up internally the matter of how to communicate with other stakeholders in the sector and, jointly, to bear in mind that this conversation can feed into shifts at UK level.

4.3) Provision for smaller and emerging businesses.

As we have discussed, and as outlined in previous reports¹⁹, Scotland lacks large-scale music businesses. The recording and publishing sector majors do not have specific presence in Scotland and the emphasis on domestic businesses is on small to medium and micro businesses.

A partial exception to this is the live sector, although, here too, the majority of operators are small-scale. The different dynamic of the live music business means that the centre of gravity for trade is inevitably closer to home. The turnover of the major live music companies in Scotland is therefore of a different order to that of other music businesses although this does not always reflect profit. It is also worth pointing out that even some of the larger live music businesses (for instance Regular Music) still have relatively small cohorts of permanent staff.

¹⁹ eg: Williamson, J., Cloonan, M. and Frith, S. (2003) *Mapping the Music Industry in Scotland*, Report for Scottish Enterprise.

Despite Scottish Enterprise's emphasis on larger businesses, there is generally a good level of provision for the small and micro scale operators that characterise Scotland's music industry. Nevertheless, there are still issues surrounding consistency of support and the extent to which it takes account of the specific needs of music businesses, particularly at local level.

The Scottish Government, Scottish Enterprise and Scottish Development International are keen for Business Gateway to be the first port of call for start-up and small businesses and, indeed, Business Gateway often assists companies at an early stage of the support process before organisations like SDI are pulled into the loop. Business Gateway has countrywide coverage, but not specialist advisors. More specific advice is available through the Cultural Enterprise Office, a not-for-profit company which receives funding from Creative Scotland and local councils to provide help for creative workers and businesses and which has a working arrangement with Business Gateway. Business Gateway clients working in the creative industries may, depending on the client and their contact, be referred to the Cultural Enterprise Office. Likewise, the CEO might refer people to Business Gateway, particularly if they are looking for market research.

The Cultural Enterprise Office does have specialist advisors, including music specialists, but does not have coverage across Scotland. The specialist advisors work on a part time basis of a couple of days a month contact time with clients (although more time is spent in preparation and filling out reports). As is common in the sector they occupy several roles, as well as running their own businesses. (Ronnie Gurr, one of the two music advisors listed for CEO is also, for example, an Apprenticeship Manager at Creative and Cultural Skills).

The CEO also serves as an entry point. Although it does not offer direct funding itself, its newsletter providing information about funding from other sources and its regional and specialist advisors allow for more focused support. Nevertheless, its resources are limited and the current trend towards belt-tightening appears to be making it unlikely that it will be able to offer more comprehensive coverage any time soon.

The other side of this coin is that whilst Business Gateway has a more widespread presence, with 32 offices across Scotland, its capacity for delivering appropriate guidance is more limited. The research conducted for this report revealed a lack of awareness on the part of Business Gateway advisors of how to relate to music businesses and the way in which they operate.

Paul Grieve: The problem was, I went to Business Gateway and he went, "A band? A record label? Yeah!". And everybody just thinks it's a dream so it takes a lot of convincing people... When I went to them, I went with kind of a specific agenda and that agenda was that I needed support in terms of doing business internationally, because I'd never done it before, and we were getting contracts in Japanese and stuff like that and that was kind of the support I was looking for and he said, "We don't know anything about that" and so I just kind of cut my losses and didn't pursue it any further.

AB: And did they not refer you on?

Paul Grieve: No.

Kev Sim: I personally have spoken to Business Gateway, who were helpful enough, but didn't send me some of the information they said they would... They said they would send me some information ages ago, specifically about being self-employed as a musician and how that relates to being a songwriter and being an artist... They've haven't sent me any...

AB: What's the gap, roughly?

Kev Sim: Months. But I've not chased it up so, in fairness, I'm sure if I had chased it up I probably would have received it.

Survey respondent: We found our experience with South Lanarkshire Council to be less successful [than with Creative Scotland], due to a lack of understanding of our industry.

This is a pattern that seems prevalent and, in one past case, there was even a delay in access to funding due to mistaken information being given. As with any service with wide coverage, a degree of variation can be expected and many of the local offices I spoke to mentioned that they would refer music related queries to the Cultural Enterprise Office. Nevertheless, given that these types of business are currently not trading at a level that would attract the attention of Scottish Enterprise or SDI there is evidently scope to make the entry points for music practitioners more robust.

To an extent, these problems are inevitable. It is unrealistic to expect local council business support personnel to have specialist knowledge of the music industry especially in areas where music industry activity is minimal. (Although it is reasonable to suppose that this is a contributory factor, if perhaps not a primary one, to the movement of personnel to the central belt, and Glasgow in particular, to engage in music business activity).

Likewise, despite the efforts of the Cultural Enterprise Office there simply are not sufficient resources to employ them in either a full time capacity or evenly across Scotland.

Again, the amount of time and resources available to all concerned exacerbates the ad hoc nature of support for music businesses. COSLA, which has an officer who is a representative to Business Gateway is a relatively small organisation at 25 employees and whilst UKTI and SDI publicise their funds and other support (and the CEO also acts as a signpost to these resources) it is perhaps unsurprising that these are not always prioritised in business support at local level.

Across these agencies there is, of course, also the matter of the extent to which individual businesses engage with them and whilst there is a certain amount of room for improvement in terms of pushing information towards clients, and prospective clients, they can only respond to the level of demand of which they are made aware. In specific cases, this will be up to the client having presented themselves at the CEO or Business Gateway, to maintain contact and make use of the available networks since the flow of information is facilitated once people are in their system.

In this regard, the SMIA is also able to facilitate matters through a simple, if long term, process of engagement. It's current relationship with COSLA is "non-existent"; similarly, the SMIA's relationship with the CEO is somewhat "incidental" and "arbitrary" (Stewart Henderson) rather than formal. Again, lack of human resources is an issue but these are conversations that could be productive in helping to alleviate the unevenness of support and in terms of helping the SMIA to both inform and guide its members regarding their interactions with relevant agencies.

4.4) Summary

- The nature and size of the music industry in Scotland mean that some individual businesses fall between two stools. On one side lies Creative Scotland's remit of promoting talent. On the other side Scottish Enterprise/SDI's specific focus, along with personnel and time constraints, means that 'music' does not often trigger the levels of trade or growth that would attract tailored support.
- Additionally, there is strong competition for increasingly limited resources. The benefits to Scotland from music business activity, whilst clear enough in cultural terms, appear not to be of sufficient monetary value to trigger the allocation of personnel to music specifically that would enable it to compete more efficiently economically. The pressures of running small businesses also impede the process of accessing support. Nevertheless, there *are* indications that Scottish music is of significant economic value to other fields, such as tourism, in ways that could be made more of by the sector itself and taken greater account of by government and other bodies.
- At the same time there is a clear willingness to engage with the music industry – an explicitly stated 'open door'. There is also an intimate connection between SDI and UKTI, which *does* have personnel whose role is to engage with music businesses and which actively promotes music business activity.
- This Scottish state of affairs is related to, and affected by, the wider issue Creative Industries define themselves in relation to Government statistical models. SIC codes, in particular, are a bone of contention for the music industry at UK level, at which the Scottish music industry is underrepresented.
- Given the stated willingness for dialogue across the sector in Scotland, this is an opportunity for stakeholders in Scotland to make their presence more salient within the UK, using conversations that take place regarding issues of communication and terminology across different bodies in Scotland engage at the national level.

4.5) Recommendations

- SMIA to provide a member to sit on SDI's Industry Leadership Group.
- SMIA to suggest five 'leads' to SDI of member businesses that might benefit from 'one to one' support. These could be discussed within the SMIA and chosen with help from outside to maintain a level playing field and transparency.
- A specific liaison point between UKTI, SDI and the SMIA, with a view to regular scheduled exchange of information.
- Roundtable discussion points for SMIA, Creative Scotland, SDI and the Scottish Government Creative Industries team:
 - What specific types of data are necessary for promoting the music industry?
 - What can be done to help provide these data?
 - How can the interplay between music and digital business models be facilitated to open up further opportunities in this area and to keep IP revenues in Scotland.
- SDI and Creative Scotland to provide SMIA with regular scheduled updates of their support provision and templates for applications. SMIA, possibly in conjunction with SDS, to pass these onto its members, publicising the schedule to drive membership.
- Scottish Government Creative Industries Team and SDS to provide guidelines for micro and small businesses on how to provide information (beyond statutory requirements) that will benefit the sector. SMIA to pass these onto its members.
- A robust channel of communication to be established regarding the movement of personnel, either across organisations or when a member of staff departs and is replaced. Creative Scotland, SDI, Cultural Enterprise Office and Scottish Enterprise to inform SMIA of relevant staff movements. SMIA to keep an updated list of these, made available to members.
- SMIA to engage more actively with the Cultural Enterprise Office and COSLA with a view to joining up support across Scotland for music businesses. (Hugh Lightbody is the COSLA representative for Business Gateway and a potentially useful point of contact).
- SMIA to consider dialogue with UK Music and the Welsh Music Foundation regarding increasing its presence at UK level. (Andy Heath is a potentially useful point of contact for UK Music, as its representative on the UK Creative Industries Council).
- The SMIA should consider strengthening its relationship (and the work of) MIDA – The Music Industry Development Association, and its members – such as Generator (whose CEO Jim Mawdsley could be a useful point of contact).

APPENDIX A: List of interviewees:

Diane Champion: Senior Policy Official – Creative Industries Team, Scottish Government

Paul Cardow: Director – PCL Presents (live music promotion and venue operator)

Ally Gray: Managing Director– EmuBands Ltd. (Digital Music Distribution)

Tam Coyle: Independent music industry professional, Board member – SMIA

Paul Greive: Manager – Tango In the Attic (band)

Ronnie Gurr: Music Advisor – Cultural Enterprise Office, Apprenticeship Manager (Scotland)
– Creative and Cultural Skills

Stewart Henderson: Director – Chemikal Underground records. Chair – SMIA

Elaine Hovey: Senior Manager – International Trade, Scottish Development International

Phil Patterson: Sector Specialist, Music – UK Trade and Investment

Richard Powell: Vice-Consul (Creative & Digital Media) – UK Trade and Investment

Kevin Sim: Independent musician. Band member – Found, solo artist (River of Slime)

Emma Smith: Independent musician (freelance)

Ian Smith: Portfolio Manager, Music & IP Development – Creative Scotland

Matthew Young: Owner – Song, by Toad records, Song By Toad music blog, independent promoter

Appendix B: Full Survey Results

The SMIA and its members:

As part of the project, and to get an overview of the relationship between the SMIA, its members and the support organisations relevant to Scottish music businesses, we conducted a brief survey of the membership to assess their history of access to and attitudes towards support mechanisms.

1) Response rate:

A link to the survey was emailed to the membership twice (once on 07/03/2013, once again on 21/03/2013)

The response rate was 25 (out of a membership total of 82): 30.48% of membership.

2) Methodology:

An initial question asked in which territories respondents' businesses operated.

Thereafter the survey was split into two sections to capture relevant responses from those who had and had not attempted to access development support.

Those who had attempted to access support were asked 8 specific questions:

(Quantifiable questions had five grades of answer:

Strongly agree/agree/neither agree nor disagree/disagree/strongly disagree)

- What kind of support for growing your trade in other territories have you tried to access?
- Please describe below the agency with which you have had the most extensive recent dealings - state which it is here:
- How did you hear about the support that you accessed/tried to access?
- Please rate the following statement: Information about how to access development support was clear and readily available (Graded answer)
- Please rate the following statement: The process of accessing support was user friendly. (Graded answer)
- Please rate the following statement: The process of accessing support took adequate account of my specific needs as a music related business. (Graded answer)
- Please rate the following statement: The process of accessing this support has had a positive effect on my business. (Graded answer)
- Please rate the following statement: I would use the same support service again, or recommend it to others. (Graded answer)

Respondents were also asked to add an example of where government support had or had not worked well for them.

Respondents were asked for any other comments.

Those who had *not* attempted to access support were asked 5 specific questions:

(Quantifiable questions had five grades of answer:

Strongly agree/agree/neither agree nor disagree/disagree/strongly disagree)

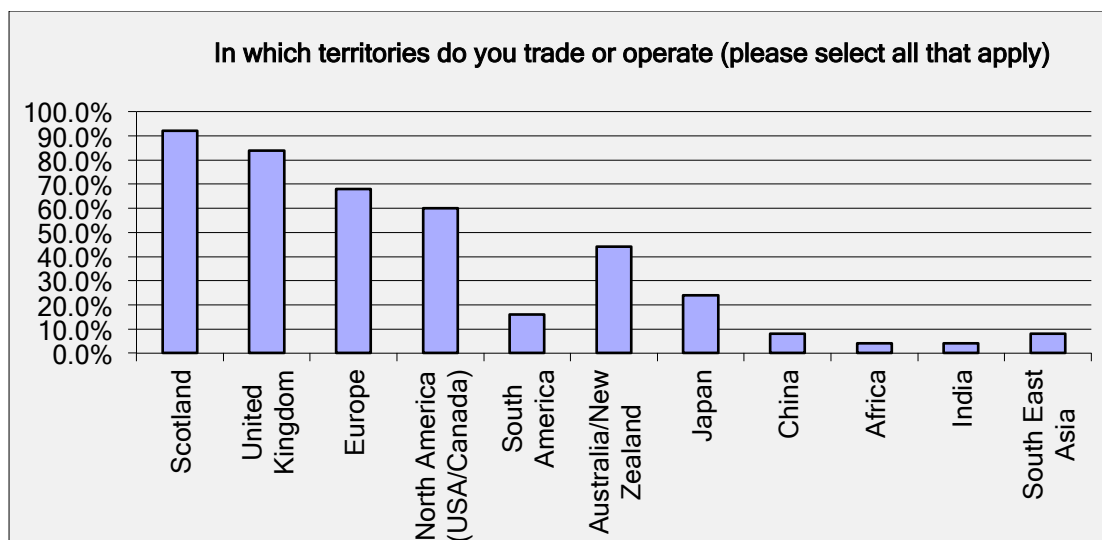
- Please rate the following statement: I am aware of the development support options that are available to me. (Graded answer)
- Please rate the following statement: I feel that development support applies to my type of business. (Graded answer)
- Please rate the following statement: I feel confident that I would know what to say in an application for support. (Graded answer)
- Please rate the following statement: I think that applying for development support could be a valuable use of my time. (Graded answer)
- Please rate the following statement: I would be interested to know more about the development support options that are available to me. (Graded answer)

Respondents were asked for any other comments.

3) Results: All respondents

In which territories do you trade or operate? (please select all that apply):

In which territories do you trade or operate? (please select all that apply)		
Answer Options	Response Percent	Response Count
Scotland	92.0%	23
United Kingdom	84.0%	21
Europe	68.0%	17
North America (USA/Canada)	60.0%	15
South America	16.0%	4
Australia/New Zealand	44.0%	11
Japan	24.0%	6
China	8.0%	2
Africa	4.0%	1
India	4.0%	1
South East Asia	8.0%	2
Other (please specify)		0
	answered question	25
	skipped question	0



A significant proportion of SMIA members operate outwith Scotland within the UK– 84% of respondents

A notable proportion of SMIA members operate internationally beyond the UK –

68% of respondents to Europe

60% of respondents to North America (USA/Canada)

44% of respondents to Australia/New Zealand

24% of respondents to Japan

Have you tried to access development support?

Yes: 32% (8)

No: 68% (17)

4) Breakdown of answers: Those who have tried to access support

What kind of support for growing your trade in other territories have you tried to access?

What kind of support for growing your trade in other territories have you tried to access?		
Answer Options	Response Percent	Response Count
Scottish Development International (SDI)	0.0%	0
Creative Scotland (CS)	100.0%	5
PRS Foundation	0.0%	0
British Council	20.0%	1
Other (please specify)		1
<i>answered question</i>		5
<i>skipped question</i>		20

Other: South Lanarkshire Council (Business Development)

Please describe below the agency with which you have had the most extensive recent dealings - state which it is here:

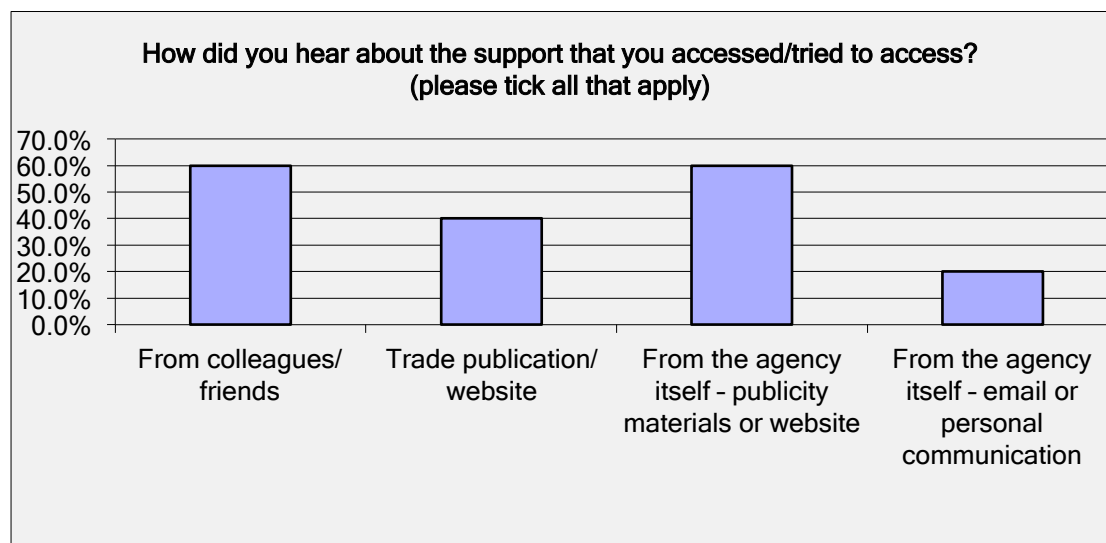
Total responses to question: 5

Creative Scotland: 4

HIE: 1

How did you hear about the support that you accessed/tried to access?

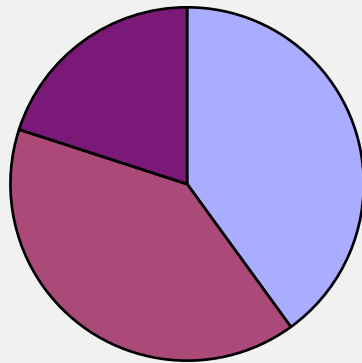
How did you hear about the support that you accessed/tried to access? (please tick all that apply)		
Answer Options	Response Percent	Response Count
From colleagues/friends	60.0%	3
Trade publication/website	40.0%	2
From the agency itself – publicity materials or website	60.0%	3
From the agency itself – email or personal communication	20.0%	1
Other (please specify)		1
answered question		5
skipped question		20



Please rate the following statement: 'Information about how to access development support was clear and readily available':

Please rate the following statement: Information about how to access development support was clear and readily available.		
Answer Options	Response Percent	Response Count
Strongly agree	40.0%	2
Agree	40.0%	2
Neither agree nor disagree	0.0%	0
Disagree	0.0%	0
Strongly disagree	20.0%	1
answered question		5
skipped question		20

Please rate the following statement: Information about how to access development support was clear and readily available.



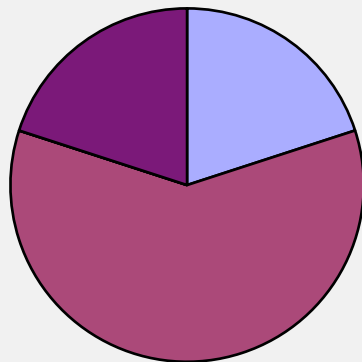
- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongy disagree

Please rate the following statement: 'The process of accessing support was user friendly'

Please rate the following statement: The process of accessing support was user friendly.

Answer Options	Response Percent	Response Count
Strongly agree	20.0%	1
Agree	60.0%	3
Neither agree nor disagree	0.0%	0
Disagree	0.0%	0
Strongly disagree	20.0%	1
<i>answered question</i>		5
<i>skipped question</i>		20

Please rate the following statement: The process of accessing support was user friendly.

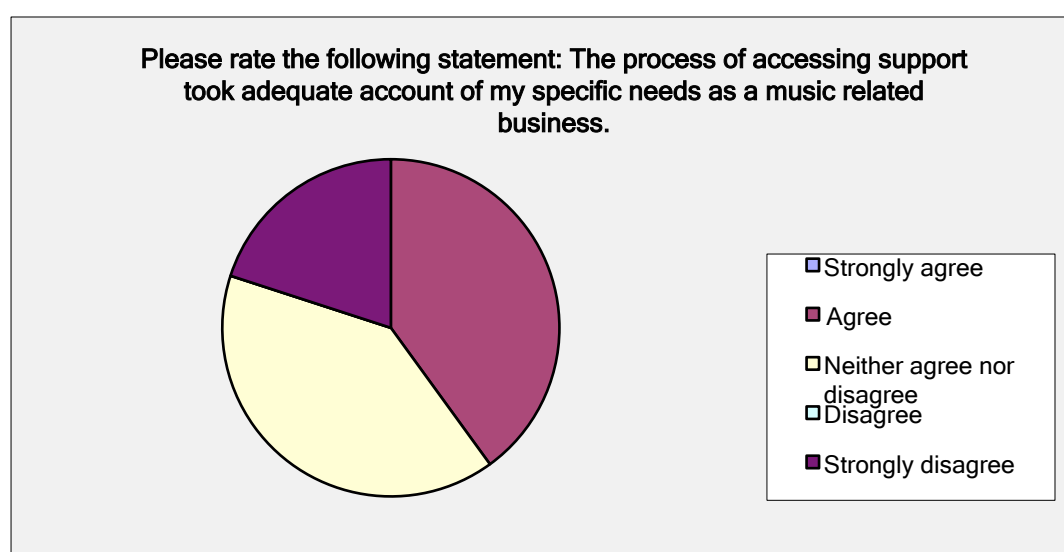


- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Please rate the following statement: 'The process of accessing support took adequate account of my specific needs as a music related business'

Please rate the following statement: The process of accessing support took adequate account of my specific needs as a music related business.

Answer Options	Response Percent	Response Count
Strongly agree	0.0%	0
Agree	40.0%	2
Neither agree nor disagree	40.0%	2
Disagree	0.0%	0
Strongly disagree	20.0%	1
answered question		5
skipped question		20

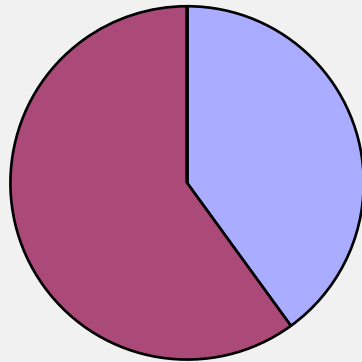


Please rate the following statement: 'The process of accessing this support has had a positive effect on my business'

Please rate the following statement: The process of accessing this support has had a positive effect on my business.

Answer Options	Response Percent	Response Count
Strongly agree	40.0%	2
Agree	60.0%	3
Neither agree nor disagree	0.0%	0
Disagree	0.0%	0
Strongly disagree	0.0%	0
answered question		5
skipped question		20

Please rate the following statement: The process of accessing this support has had a positive effect on my business.



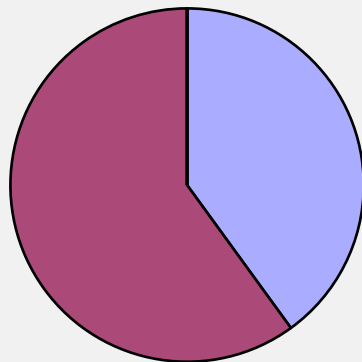
- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree

Please rate the following statement: 'I would use the same support service again, or recommend it to others'

Please rate the following statement: I would use the same support service again, or recommend it to others.

Answer Options	Response Percent	Response Count
Strongly agree	40.0%	2
Agree	60.0%	3
Neither agree nor disagree	0.0%	0
Disagree	0.0%	0
Strongly disagree	0.0%	0
answered question		5
skipped question		20

Please rate the following statement: I would use the same support service again, or recommend it to others.



- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree

Please provide an example of how government support has or has not worked well for your business:

‘On one instance of seeking support (support which we had previously applied for through Scottish Arts Council many times, successfully) we sought advice and communication throughout the process to ensure that we were on the right lines. We were then unsuccessful in achieving this funding.’

‘Funding applications taking a fixed 12 week turnaround, which is not always viable to act on last minute opportunities’

‘While we have found Creative Scotland to be very supportive of our business and its development, particularly when creating opportunities for young people to create new music, or when supporting us in our development and delivery of a high quality engineering course, we found our experience with South Lanarkshire Council to be less successful, due to a lack of understanding of our industry. We feel Creative Scotland possesses the necessary balance of knowledge of the arts in a commercial context to sustain its development in Scotland and encourage innovative ideas that will hopefully ensure long term prosperity for Scotland's arts and related industries.’

‘Creative Scotland and HIE both try to support but not always understanding on how small organisations operate at such a small budget’

‘When I tried to get support from Scottish Enterprise a few years ago they were very unhelpful. I find Creative Scotland VERY supportive.’

Please add any other comments that you think apply:

‘The application process for certain available funds (Creative Scotland in particular) is vague, confusing and non-user friendly and does not accommodate the multi faceted nature of the Scottish Music Industry.’

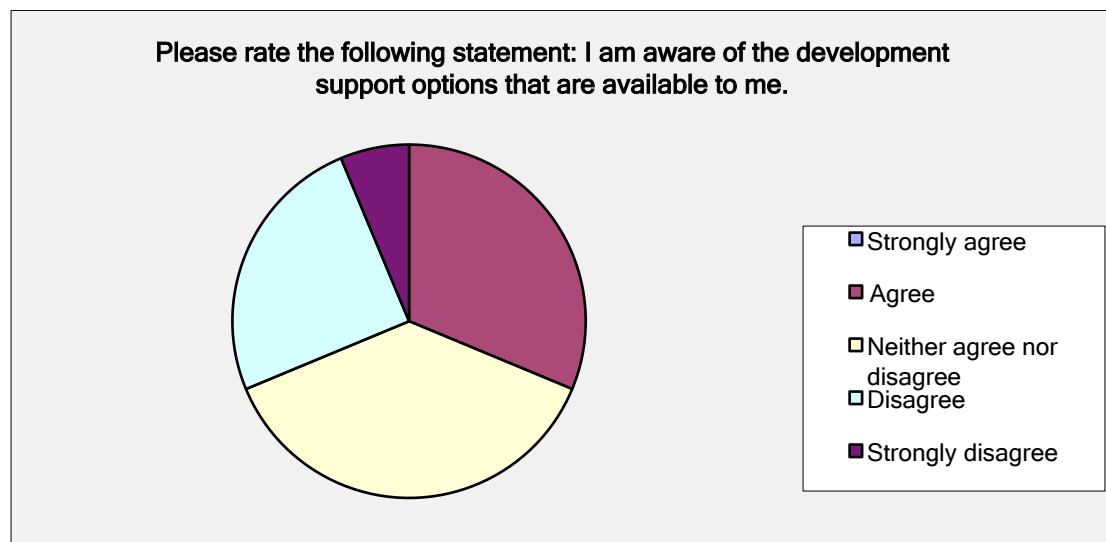
‘Streamline and introduce better funding options with their turnaround times specified, as well as options for urgent funding requirements’

‘There are more people screening the funds than there are people receiving the funds. It's a way for people to not take responsibility for decisions They must recognise the need to take risk’

5) Breakdown of answers: Those who have not accessed support:

Please rate the following statement: 'I am aware of the development support options that are available to me'

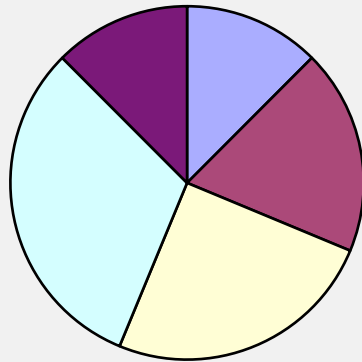
Please rate the following statement: I am aware of the development support options that are available to me.		
Answer Options	Response Percent	Response Count
Strongly agree	0.0%	0
Agree	31.25%	5
Neither agree nor disagree	37.5%	6
Disagree	25.0%	4
Strongly disagree	6.25%	1
answered question		16
skipped question		9



Please rate the following statement: 'I feel that development support applies to my type of business'

Please rate the following statement: I feel that development support applies to my type of business.		
Answer Options	Response Percent	Response Count
Strongly agree	12.5%	2
Agree	18.75%	3
Neither agree nor disagree	25.0%	4
Disagree	31.25%	5
Strongly disagree	12.5%	2
answered question		16
skipped question		9

Please rate the following statement: I feel that development support applies to my type of business.



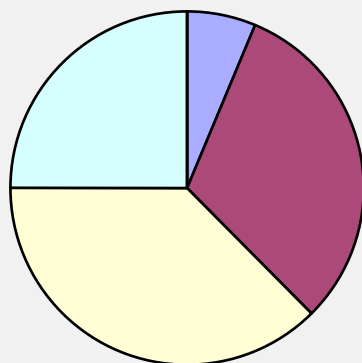
- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Please rate the following statement: 'I feel confident that I would know what to say in an application for support'

Please rate the following statement: I feel confident that I would know what to say in an application for support.

Answer Options	Response Percent	Response Count
Strongly agree	6.25%	1
Agree	31.25%	5
Neither agree nor disagree	37.5%	6
Disagree	25.0%	4
Strongly disagree	0.0%	0
answered question		16
skipped question		9

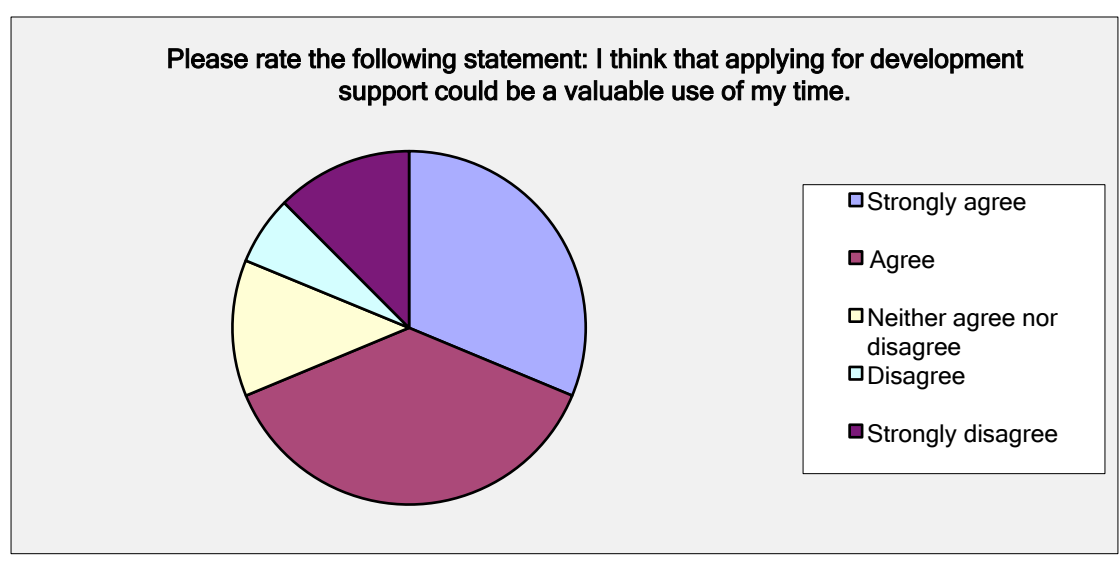
Please rate the following statement: I feel confident that I would know what to say in an application for support.



- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Please rate the following statement: 'I think that applying for development support could be a valuable use of my time'

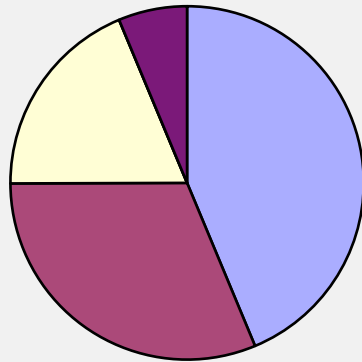
Please rate the following statement: I think that applying for development support could be a valuable use of my time.		
Answer Options	Response Percent	Response Count
Strongly agree	31.25%	5
Agree	37.5%	6
Neither agree nor disagree	12.5%	2
Disagree	6.25%	1
Strongly disagree	12.5%	2
answered question		16
skipped question		9



Please rate the following statement: 'I would be interested to know more about the development support options that are available to me'

Please rate the following statement: I would be interested to know more about the development support options that are available to me.		
Answer Options	Response Percent	Response Count
Strongly agree	43.75%	7
Agree	31.25%	5
Neither agree nor disagree	18.75%	3
Disagree	0.0%	0
Strongly disagree	6.25%	1
answered question		16
skipped question		9

Please rate the following statement: I would be interested to know more about the development support options that are available to me.



- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree

Please add any other comments that you think apply:

‘Development support is not applicable to our organisation as a trade union.’

‘After painstaking efforts to put a bid in I usually find that they are turned down a complete waste of everyones time’

Please let us know your thoughts on how the SMIA membership might continue to improve its communications with the membership:

‘The e-flyers are quality but seem a bit irregular, timing wise?’

‘More regular emails with industry/SMIA/members news. Information about the decisions made by the Board.
email is fine’

‘Online login only resource with a newsfeed on latest news and also folder of useful documents such as sync and management agreements.’

Note: Although this last questions was asked in both sections of the survey, all of the answers relating to how the SMIA could improve its communications with the membership came from respondents who had *not* accessed business development support.