



# THE RIGHT STUMPF

## An exclusive *HITS* interview with Imagem Music U.S. President Richard Stumpf

With offices in Holland, London, New York, Los Angeles, Berlin and Brussels, indie music publisher **Imagem Music Group** was launched January 1, 2008 by longtime **Warner/Chappell Music** Holland exec **Andre De Raaff** and the Dutch **APG** pension fund. The company's first acquisition came when **UMG** had to divest its **Zomba Music** holdings after buying **BMG**, which included **Justin Timberlake**, **Britney Spears**, **Backstreet Boys**, **R. Kelly** and **Thirty Seconds to Mars**, then bolstered their presence with the **Rodgers & Hammerstein** and classical publisher **Boosey and Hawkes** catalogs. The company's holdings range from classic acts like **Genesis** to cutting-edge acts like **M.I.A.** and **Daft Punk** and hot newcomers **Vampire Weekend** and **The Temper Trap**. New York native **Richard Stumpf**, the son of a NYPD cop, was named President of the U.S. office last year, after stints as SVP Creative Services and Marketing for **Cherry Lane Music** and management positions with **Capitol/EMI**, **MCY Music**, **PC Artist Management** and **Musicland**. He shares his thoughts about the current activity in music publishing with someone who doesn't have any, *HITS'* Roy "Oy Veikin" Trakin. **Music publishing seems to be an area of increasing interest with the rise of digital distribution because it's already based on a licensing model.**

The cloud is probably the most attractive consumer model I've seen; the idea of access over ownership is coming into play. Lucky for us, on the publishing side, rates have been established that dictate what a publisher is paid when streams occur. What we're waiting for are major companies like **Apple** and **Google** to jump into that space. What I'm hoping for streaming is that it becomes a sales platform and the way you discover new music. The digital download model, where you have to store your own music, feels old-fashioned now.

### **Are you in the derby for either Warner/Chappell or EMI Music?**

I can't comment on that specifically, but we always look for catalog opportunities that might be available which fit our strategy. There are estates out there, people who control catalogs who prefer to cash in. And strategically speaking, now is a good time to do that. The capital gains rate when you sell now is still at 15%, and no one knows if that's going to change. Even though, because of the decrease in mechanicals, we are at a pretty low point revenue-wise. You might not get the same price today that you would've five years ago, but you also might not be able to hold on another five years. It's a wonderful time, if you have capital, to invest in copyrights. Quality is, of course, important, and one of the things I like about Imagem is, it's

not just all about marketshare, but what makes sense, what we can add value to... If you can grab and work quality copyrights now, when these cloud models are sorted out, and people reacquire their collections, that's when you'll get more bang for your buck. But you can't just gobble up writers. They need service. Otherwise, you devalue the future worth of what you own. On the front end, when someone calls, they want to hear someone on the other end. You don't have to be the biggest to be the best.

**New and developing acts like Vampire Weekend and The Temper Trap are important to you.**

The reality is, those are your next classics. To get the best return on your investment, you want to be finding these folks early. I was at Cherry Lane for 10 years, and we signed the **Black Eyed Peas** pre-Fergie and they exploded into one of the biggest pop acts ever. That's where you make your biggest return. The Temper Trap have had every track on their album synched, so we are off to a good start with them. The key is balance, a well-rounded portfolio that includes both new and established talent.

**Do you see getting involved in the functions of a record label?**

We're open to that kind of model. The question mark becomes, do you do it in-house or do you partner with somebody? Our primary focus is music publishing and copyrights, but since we are such aggressive promoters, we find ourselves sometimes in the position of being the manager and acting like the label. I've been approached about "mixed-rights" partnerships, and down the road, I wouldn't be surprised to find ourselves involved in something like that. The important thing to realize is that publishers and labels do different things, require different experts, and to do this kind of thing right, you either need to bring different people in or act in a partnership.

**Should record labels and music publishing companies be together under a corporate umbrella?**

It's not so much about if they are under one umbrella, as much as it is do you have distinct experts working for you on both sides, because they are different businesses and as the talent you want pure "voices" representing you from each side to avoid any conflict of interest. I don't advise managers to just hand publishing rights off to labels, as I wouldn't advise them to hand label rights off to a publisher. We do different things with some points of intersection, a big one being synch licensing. In theory, this is where there could be some synergies under one umbrella, but to be honest, I've yet to see a company pull that off. I've actually had more luck pulling this off by reaching out to indie labels who we share songs with to arrange "one-stop shop"-type licensing.

**Do you prefer working in music publishing to the record label side?**

The major label system is not somewhere I thrived. I didn't like being compartmentalized. There was never a bigger picture view. There are a lot of different moving parts, but not a whole lot of connectivity between them. The indie section is where I feel I belong. Publishing is the genesis of everything. The entire industry starts with the song... There's no touring, no

record sales, no merchandise, unless there are great songs. Working at that elemental level is very rewarding to me.

**Marketing has become very important in music publishing.**

No longer can you think of a music publisher as simply a bank or a back-end company. Music publishers do need to step up and add something to the promotional equation. Most of our promotions tend to be business-to-business. We're putting together individual showcases for our writers with film music supervisors. In many ways, they're like the new program directors.