



BUSINESS GUIDE AND GLOSSARY

JAMES 'Business module' guide:

[A list of the relevant topics to cover].

It is generally accepted that most people entering the creative professions will find work on a freelance basis or will start their own entrepreneurial organisations. It is therefore vital that students are given the tools needed to progress and survive in a very competitive environment.

Whilst attempts have been made in some institutions to teach these areas generically, it has been mostly found that students respond to the importance of these skills when taught in relation to their particular disciplines.

JAMES feels that it is vital that a general awareness of business concepts is given to students in the first year of their course and developed throughout the course, so that students are able to relate their studies and the development of critical decision making to these areas. It is also vital that things are kept as simple as possible and that this concept of simplicity is communicated to the students from the beginning.

Recent experience has shown that, where these areas have been introduced into the second and third year of a course, first year students are now requesting their inclusion in the first year as they are becoming more aware of the needs of industry and planning career paths.

It is also vital that students on any production related course are able to relate their futures to copyright and royalty collection procedures.

Starting a business:

- Business plan,
- Limited Company or Sole Trader
- Loans, interest and raising money,
- Bank accounts,
- Public Liability Insurance,
- Professional Indemnity Insurance,

Running a business:

Administration:

- Time management [and costing],
- Accurate project quote costings
 - inc travel – admin time - overheads,
- Keeping receipts,
- Running meetings and communication,
- Contractual obligations,
- Contractual process,
- Costing, scheduling,
- Marketing,
- Public Relations,
- Press releases,
- Social Media,

Finance:

- Invoicing,
- Bookkeeping,
- **Regular** Bank reconciliation.
- Capital cost of gear,
- Depreciation of assets,
- Deductibles,
- Back claiming expenses,
- NI contributions,
- TAX returns,
- Pension planning,
- Financial budgeting,
- Annual cost predictions,
- Cash-flow,
- Overheads,
- Profit,
- Loss.

Copyright: legal issues, collection bodies, clearance mechanisms.

PRS / MCPS / PPL

Glossary of business terms - Comprehensive but never Complete:

Courtesy JAMES / PRS / ISM / MIA / Exploration / Fundera / Business Startup / BFI / others

[Note these do not include technical terms].

Definitions of Financial terms;

Accounting

Accounting involves the systematic recording and reporting of business financial transactions.

Accounts receivable

This is the amount of money your customers or clients owe your business for goods or services you supply.

Accounts payable

Accounts payable is a measure of how much you owe your creditors for goods or services supplied to you.

Accruals

A business finance term referring to expenses that have been incurred but haven't yet been recorded in the business books.

Assets

"Assets" refers to your business' cumulative financial holdings. These are usually classified as current or fixed. Current assets include cash or inventory. Fixed assets include equipment or royalties.

Annual Percentage Rate

The business finance term and definition APR represents the yearly real cost of a loan including all interest and fees. When shopping for the right loan for your small business, you should know the APR for the loan in question. This figure can be very helpful in comparing one financial tool with another since it represents the actual cost of borrowing.

Appraisal

Just like your real estate appraisal when buying a house, an appraisal is a professional opinion of market value. When closing a loan for your small business, you will probably need one or more of the three types of appraisals: real estate, equipment, and business value.

Articles of Incorporation

This is legal documentation of the business's creation, including name, type of business, and type of business structure or incorporation. This paperwork is one of the first tasks you will complete when you officially start your business. Once submitted, your articles of incorporation are kept on file with the appropriate governmental agencies.

Balance Sheet

Along with three other reports relating to the financial health of your small business, the balance sheet is essential information that gives a "snapshot" of the company's net worth at any given time. The report is a summary of the business assets and liabilities.

Bookkeeping

A method of accounting that involves the timely recording of all financial transactions for the business.

Bankruptcy

This law is used as a tool for businesses or individuals who are having severe financial challenges. It provides a plan for reduction and repayment of debts over time or an opportunity to completely eliminate the majority of the outstanding debts. Turning to bankruptcy should be given careful thought because it will have a negative effect on the business credit score.

Business Plan

Here is your tool for demonstrating how you want to establish your small business and how you plan to grow it into good financial health. When writing a business plan, it should include financial, operational, and marketing goals as well as how you plan to get there.

Collateral

Any asset that you pledge as security for a loan is called collateral. Lenders often require collateral as a way to make sure they won't lose money if your business defaults on the loan. When you pledge an asset for collateral, it becomes subject to seizure by the lender if you fail to meet the requirements of the loan.

Credit Limit

When a lender offers a business line of credit it usually comes with a credit limit, or a maximum amount that you can use at any given time. It is said that you reach your credit limit or "max out" your credit when you borrow up to or exceed that number. A business line of credit can be especially useful if your business is seasonal or if the income is extremely unpredictable. It is one of the fastest ways to access cash for emergencies.

Capital

Refers to the overall wealth of a business as demonstrated by its cash accounts, assets, and investments. Often called "fixed capital," it refers to the long-term worth of the business. Capital can be tangible, like durable goods, buildings, and equipment, or intangible such as intellectual property.

Working Capital

Not to be confused with fixed capital, working capital is another business finance term. It consists of the financial resources necessary for maintaining the day-to-day operation of the business. Working capital, by definition, is the business's cash on hand or instruments that you can convert to cash quickly.

Cash Flow

The business finance term and definition cash flow refers to the amount of operating cash that "flows" through the business and affects the business's liquidity. Cash flow reports reflect activity for a specified period of time, usually one accounting period or one month. Maintaining tight control of cash flow is especially important if your small business is new, since ready cash can be limited until the business begins to grow and produce more working capital.

Depreciation

The value of any asset can be said to depreciate when it loses some of that value in increments over time. Depreciation occurs due to wear and tear. Various methods of depreciation are used by businesses to decrease the recorded value of assets.

Expenses

Does your business incur expenditures for equipment, utilities or inventory? These are all examples of expenses—money you spend to operate your business. For the self-employed, legitimate business expenses are tax-deductible, and you must keep records or receipts of payments made.

Fixed Asset

A tangible, long-term asset used for the business and not expected to be sold or otherwise converted into cash during the current or upcoming fiscal year is called a fixed asset. Fixed assets are items like furniture, computer equipment, and real estate.

Financial Statements

An integral part of the loan application process is furnishing information that shows your business is a good credit risk. The standard financial statement packet includes four main reports: the income statement, the balance sheet, the statement of cash flow, and the statement of shareholders' equity, if you have shareholders.

Lenders and investors want to see that your business is well-balanced with assets and liabilities, has positive cash flow, and will have capital to make expected repayments.

Fixed Interest Rate

The interest rate on a loan that is established in the beginning and does not change for the lifetime of the loan is said to be fixed. Loans with fixed interest rates are appealing to small business owners because the repayment amounts are consistent and easier to budget for in the future.

Floating Interest Rate

In contrast to the business finance term and definition fixed rate, the floating interest rate will change with market fluctuations. Also referred to as variable rates or adjustable rates, these amounts may often start out lower than the fixed rate percentages.

Franchise Agreement

For a small business entrepreneur, entering into a franchise agreement with a larger company can be a way to enter the marketplace. The agreement made between you and the larger company gives you the right to operate as a satellite of the larger company in a certain territory for a given period of time. This lets you, the business owner, take advantage of a brand name that's already familiar in the marketplace and a process or operation that has already been tested.

Gross Profit

This business finance term and definition can be calculated as total sales (income) less the costs (expenses) directly related to those sales. Materials, marketing, and transport costs are all included in expenses.

Guarantor

When starting a new small business, lenders might want you to provide a guarantor. This is an individual who guarantees to cover the balance owed on a debt if you or your business cannot meet the repayment obligation.

Interest Rate

All loans and other lending instruments are assigned the business finance key term interest rates. This is a percentage of the principal amount charged by the lender for the use of its money. Interest rates represent the current cost of borrowing.

Intangible Asset

A business asset that is non-physical is considered intangible. These assets can be items like patents, goodwill, and intellectual property copyright & royalties.

Liabilities

Liabilities are debts your business owes another person or entity. Like assets, you'll have to define liabilities as current or long-term. Current, or short-term, liabilities might include an expense payable to a supplier. Many business loans are long-term debts.

Liquidity

Liquidity is an indicator of how quickly an asset can be turned into cash for full market value. The more liquid your assets, the more financial flexibility you have.

Mechanical right/royalty: A mechanical royalty is a royalty that is paid by a record company for the use and exploitation of a musical work.

Net profit

Also known as your "bottom line." Net profit represents total revenues less total expenses. This figure is especially important at tax time. This is because you pay self-employment taxes as a percentage of net profit.

Net loss

If your total expenses exceed your overall revenues, you have a net loss. The risk of a net loss is one of many strong reasons to keep company costs under control.

Net Worth

This business finance term and definition is an expression of your business's total value, as determined by your total current assets less the total liabilities currently owed by the business.

Profit & Loss Statement

Here is one of the four most important reports lenders and investors want to see when evaluating the viability of your small business. It addresses the business's bottom line, reporting how much the business has earned and spent over a given period of time. The result will be either a net gain or a net loss.

Personal Guarantee

If you're seeking financing for a very new business and don't have a high value asset to offer as collateral, you may be asked by the lender to sign a statement of personal guarantee. In effect, this statement affirms that you as an individual will act as guarantor for the business's debt, making you personally liable for the balance of the loan even in the event that your business fails.

Principal

Any loan instrument is made of three parts—the principal, the interest, and the fees. The principal is a business finance key term and is the original amount that is borrowed or the outstanding balance to be repaid less interest. It is used to calculate the total interest and fees charged.

Performing right/royalty: A performance royalty is a royalty that is paid whenever a work is used in public. These royalties are typically paid by radio stations, cafés, restaurants, and shops who must obtain PRS licences to play music.

Revenue

Revenue refers to the income you get from a business activity in a given time.

Reconcile

In accounting, **reconciliation** is the process of ensuring that two sets of records (usually the balances of two accounts) are in agreement.

Reconciliation is used to ensure that the money leaving an account matches the actual money spent

Provision

A **provision** is an amount set aside for the probable, but uncertain, economic obligations of an enterprise. A **provision** is an amount that you put in aside in your accounts to cover a future liability.

Types of provision in accounting

- Restructuring Liabilities.
- Provisions for bad debts.
- Guarantees.
- Depreciation.
- Accruals.
- Pension.

Statement of Shareholders' Equity

If you have chosen to fund your small business with equity financing and you have established shares and shareholders as part of the controlling interests, you are obligated to provide a financial report that shows changes in the equity section of your balance sheet.

Secured Loan

Many lenders will require some form of security when loaning money. When this happens, this business finance term and definition is a secured loan. The asset being used as collateral for the loan is said to be "securing" the loan. In the event that your small business defaults on the loan, the lender can then claim the collateral and use its fair-market value to offset the unpaid balance.

Unsecured Loans

Loans that are not backed by collateral are called unsecured loans. These types of loans represent a higher risk for the lender, so you can expect to pay higher interest rates and have shorter repayment time frames. Credit cards are an excellent example of unsecured loans that are a good option for small business funding when combined with other financing options.

Definitions of contractual terms;

Acceptance

Unconditional agreement to an offer. The agreement creates the contract as solid and binding on both sides. Prior to signing, any party is free to withdraw. Any conditions have the effect of a counter offer and must be accepted by the other party before being valid.

Agent

A person appointed to act on behalf of another - known as the principal. How much authority the agent has is subject to agreement between both parties. If not told otherwise third parties can assume the agent has been given full powers to deal.

Arbitration

An independent third party used to settle disputes out of court. The arbitrator must be agreed upon by both sides. Contracts can have clauses nominating arbitrators in advance in case the need arises.

Breach of Contract

Failure by one party to a contract to meet all of the contract agreements. A breach makes the whole contract void and can lead to damages being awarded to the injured party.

Collective agreement

Term for agreements made between employees and employers. Usually involves trade unions. These are often covered by more than one organisation and can be seen as contracts but are not governed by contract law. Employment law covers these.

Comfort letters

These have no contractual standing and are used to back up an agreement. Often issued by a parent or associate company to say they will support the smaller company to improve its trading position. They do state they are not intended to be legally binding, and are also known as letters of comfort.

Company seal

An embossing press indicating the official signature of a company when accompanied by the signatures of two officers of the company. Since 1989 companies have been allowed to indicate agreement without using the company seal. Instead the required 2 signatures accompanying a formal declaration. However, a lot of companies still prefer to use a seal. The articles of a company can require a seal be used and override the law if they wish.

Conditions

These are the major terms in a contract. A condition is the basis of any contract. If one fails or is breached the whole contract is breached. These are in contrast to warranties which are less important and don't usually lead to breach of contract, but rather a price adjustment or damages paid.

Confidentiality agreement

Made to protect confidential information if it has to be disclosed to another party. This can happen during negotiations for a larger contract, if either party needs to divulge more information concerning their operations to each other. When this happens the confidentiality agreement forms a binding contract that information will not get passed on to any other party, even if the said contract is never signed. Can be known as a non-disclosure agreement.

Consideration

In a contract each side benefits in some way, they give each other some consideration. Also known as quid pro quo - see Latin contract terms page in this guide. This would usually be a price paid by one in exchange for goods supplied by the other. But anything of value to the other party can be used. The arrangement can also be negative e.g. a promise not to exercise a right of access over another person's land in return for payment. This would be a valid contract even if the person never had an intention of using the right.

Consumer

Anyone who buys goods and/or services but not as a part of their business. Companies can be consumers for contracts unrelated to its business - especially for the goods and services purchased for employees. Charities are also considered to be consumers.

Due diligence

Refers to the formal process of investigating the background of a business. This might happen prior to buying it or as another major party in a contract. Used to see there are no hidden details that might affect the deal.

Employment contract

The contract between the employer and employee. It differs from other contracts because it is governed by employment legislation and this takes precedence over normal contract law.

Exclusion clauses

These clauses are designed to exclude one party from any liability should a certain circumstance happen. They are types of exemption clauses. The courts interpret them strictly, and where possible, in favour of the party that did not write them. In the case of consumer dealings, regulations govern to make the majority of exclusion clauses useless. But the regulations do not cover the business dealings.

Exemption clauses

These clauses are designed to try and restrict the liability of the party writing them. These can then be divided to become exclusion clauses which try to exclude liability completely for a specified outcome and limitation clauses, which try to set a maximum amount of damages to pay if some part of the contract fails. Exemption clauses are strictly regulated in consumer dealings but don't apply for those deal in the course of their business.

Express terms

The terms that are actually stated in the contract. Can be written or verbal and agreed before, or when, the contract is made.

Franchising

Commercial agreements allowing one business to deal in a product or service governed by another.

Going concern

Accounting idea that a business should be valued on the basis of continuing trade and able to use assets for intended purpose. The break-up basis is the alternative which sets values according to what the asset could be sold for immediately. Usually much less than value if kept in use.

Implied terms

Some terms and clauses are implied in a contract by law or custom and practiced without being mentioned by any party. An example of this is in a contract to supply services there is an implied term that the services will be carried out with reasonable care and skill. Implied terms by custom and practice can always be overridden by express terms. Some implied terms can't be overridden, particularly those relating to consumers. See exemption clauses.

Incorporate

To include in, or adopt, some term or condition as part of the contract. Different from the company law definition where it refers to the legal act of creating a company.

Injunction

When a court stops a certain action from taking place. It can be used to stop another party moving to do something against the contract. Injunctions are entirely the court's decision, and the judge can refuse to issue and injunction opting to pay damages instead.

Joint and several liability

Where parties act together in a contract as partners they are considered to have joint and several liability. As well as joint responsibility as partners, each individual is also liable for the entire contract. Meaning a creditor could seek to regain a whole debt from any one of the partners. That person would then need to recover the rest of the shares from other partners.

Joint venture

Agreement between two or more independent businesses in an enterprise. Both will share costs, management, profits, or benefits arising from the venture. Exact shares and responsibilities are set out in the joint venture agreement.

Jurisdiction

This sets out the country or state that will govern the contract and where any legal action must take place. England and Scotland have different legal codes and this may need to be specified.

Liability

A business or person deemed liable is subject to a legal obligation. A business or person who commits a wrongdoing or breaks a contract/trust is said to be liable (responsible) for it.

Limited liability

In limited companies, an owner's liabilities is dependent upon the value of the shares they own. It may also apply to contracts where a valid limitation clause is included in the terms.

Liquidation

Refers to the formal breaking up of a company or partnership by realising the assets (selling or transferring to pay a debt). Usually when a business is insolvent, but a solvent one can be liquidated if it no longer wishes to trade. See receivership--and the page in this guide on finance contract terms.

Misrepresentation

Where one party to a contract makes a false statement which another party relies on. The party who has been misled can seek damages for their loss. The remedy of rescission - or putting things back how they were before the contact began - may be available. If this is not possible, or is too difficult, the court can award damages instead.

Non-executive director

Dopes not work directly for the company, but advises the directors of the company. Non-executive directors have the same full powers and authority of company directors and can bind the company to any contract.

Offer

An offer to contract must be made with the intention to create a legal relationship. It needs to be capable of being accepted with no impossible conditions and must be a complete offer. Meaning it does not require more information to define the offer, nor is it merely advertising.

Parent Company

if one company owns more than 50% of the voting rights of another company it is the parent company. Can occur if the parent has less than 50% but controls the board of directors of the subsidiary company. This would give the parent company the power to appoint and remove directors without referring to other shareholders.

Partnership

Where two or more people, or organisations, band together and carry on a business as a company.

Proxy

Someone acting on behalf of another person for a specific purpose. Or it can be the term referring to the form drawn up to allow the process to take place. A company shareholder can appoint a proxy (stand-in) to attend meetings and vote on their behalf for example.

Quorum

The minimum amount of people needed to run a meeting and make decisions.

Ratification

To give authority to an act already performed. A company general meeting can discuss and ratify an action taken place by a director. A principal can choose to ratify the act of an agent who may not have had the special power to perform the act or make the decision, but needed to do so under the circumstances.

Registered Office

Official company address as stated to on the Companies House register. Documents delivered to this address are classed as having been legally served to the company.

Repudiation

Has two meanings under contract law. Firstly, this is where a party refuses to comply with a contract. This then leads to a contract breach. Secondly, where a contract is made by a minor (under 18), who then repudiates it at, or soon after, turning 18. This repudiation voids the contract rather than a breach being caused.

Restrictive covenant

Often included in long-term contracts and contracts of employment. It stops the parties working with competitors during an agreed period, and sometime thereafter. Unless carefully written the courts can see them as being a restriction of trade and not enforce them.

Service contract

Directors and officers of a company usually sign different service contracts than employees. As they are not always classed as employees and the effect of employment law is different.

Shareholder's agreement

Agreement between all shareholders stating how the company should run and how rights will be applied. This a contract between the shareholders and the actual company is not bound by it as the company is not a party to it.

Subject to contract

These words on the documents are exchanged by parties during negotiation denote the document is not an offer or acceptance. The negotiations are ongoing. Often the expression without prejudice is used when subject to contract is meant.

Trademark

Registered name or logo protected by law. These must be granted through the patent office.

Underwriter

A person who signs as party to a contract. Now usually only applied in insurance contracts where the underwriters take all or part of the risk in return for a premium paid. Underwriters at Lloyd's of London are also known as names.

Unfair terms

If terms are made unfair by legislation they will not be enforced by the courts. They could be interpreted against the person who included them into the contract. Legislation mainly protects consumers, but also applies in a business-to-business if one party is significantly more powerful than the other.

Void

A contract that cannot be performed or completed at all is void.

Warranties

Promises made in a contract which are less than a condition. The failure of a warranty results in a liability to pay damages--see page in this guide on finance contract terms. It will not result in a breach of contract like a failure of a condition would.

Without prejudice

Term used by solicitors in dispute negotiations where an offer is made in an attempt to avoid court proceedings. If the case continues to court, none of the facts stated to be without prejudice can be used as evidence. Often misused by businesses during negotiation, when they actually mean subject to contract.

Definitions of Music Business terms;

360 deal

A 360 Deal is an increasingly common major-label-deal structure in which the label earns income not only from the sale of the recorded music of their artists but also gets a cut of other artist income, including money generated by touring and merchandise sales.

A&R department

“Artist and Repertoire.” The talent department at a record label responsible for developing artists and locating songs for them to record.

Advance

Money paid (loaned) by a publisher to a writer (usually on staff) in anticipation of that songwriter’s song(s) earning future royalties. In that event, the writer repays the full amount of the advance to the publisher.

All-in royalties

Refers to a royalty payable by a label, including the royalty rates payable to the producers and mixers as well as what is left over for the artist.

Blanket license

A license issued by a performing rights society that authorises the public performance of all the songs in the society’s catalog.

Commercial

Used to describe a song’s ability to motivate the singer to sing it and the public to purchase it.

Compulsory mechanical license

An exception to the copyright holder’s exclusive rights of reproduction and distribution that allows anyone to record and distribute any commercially-released, non-dramatic song as long as the mechanical license rates established by copyright law are paid to the copyright owner of the song.

Co-publishing agreement

A publishing agreement in which the songwriter (or his publishing company) agrees to share his copyrights in one or more songs with another publisher, who, in addition to getting a portion of the copyrights, is granted exclusive administration rights for the entire song(s). In Nashville, this term usually means the songwriter has reached a level of success which allows him to keep part of the publishing share of his royalties.

Copyright registration

Filing paperwork with the Copyright Office. Take this step when a song is recorded by someone, when you put it up on a website or when you press CDs to sell or give away. Professional songwriters do not go to the time and expense of filing a copyright for every song they write.

Cut

A song recorded by an artist is referred to as a cut. Some say the wording “cut” originates from the days when songs were actually etched or cut into the record.

Demo

Short for demonstration recording. Costs can escalate if you hire a studio, engineer, musicians and a singer. Wait to spend more on demos when you have a publisher footing the bill.

Derivative work

A new work based on or derived from one or more pre-existing works.

Draw

Weekly or monthly sum of money paid to a staff songwriter by a publisher. This money is recouped from future mechanical royalties earned by the writer’s songs. A songwriter’s draw is usually NOT recouped from the performance royalties earned from his songs.

EP

Short for extended play, a musical recording which contains more music than a single, but is too short to qualify as a full album or LP. The term EP originally referred only to specific types of vinyl records other than 78 rpm standard play (SP) records and long play (LP) records, but it is now applied to mid-length compact discs and music downloads as well.

First use

The right of a copyright owner to determine who will be the first artist to record a particular song.

Fixed in a tangible medium of expression

An original literary, artistic or intellectual work has a valid copyright as soon as it is written down or recorded in a manner sufficiently permanent or stable to permit it to be perceived, reproduced or communicated for a period of more than transitory duration.

Hold

When an artist or producer decides to keep a song for consideration on a recording project and asks that the song not be actively pitched elsewhere.

Hook

The “catchy” part of a song that makes people want to hear/sing it repeatedly. The hook can be lyrical or musical. It is most often the title of the song, and is usually repeated frequently throughout the song.

Indie

Independent, not signed to a record label.

ISRC

The International Standard Recording Code (ISRC) is the system used for the identification of recorded music and music videos. Each ISRC is a unique identifier that can be encoded into a recording or music video. In the UK, ISRC numbers are issued to their members by PPL. Encoded ISRCs automatically identify recordings and can be logged for PPL payment collection.

Master

A **master** recording is the first recording of a song or other sound, from which all the later copies are made. Master recordings (usually called just "**masters**") can be made on discs, tapes, and computer data storage formats.

Mentoring

Advice, feedback and expertise handed down from a professional to someone just breaking into a business.

Metadata

A set of data that describes and gives information about other data. There are several international content and format standards for music, film, books, art etc.

Music metadata is information that will help to describe your music as well as provide contact information for those looking to contact you to use your music. Tagging your music files with the appropriate metadata is key.

- Song Name
- Artist
- Contact Information (email/phone)
- Genre
- Subgenre
- Composer (s) – with PRO info and splits
- Song Summary
- Mood
- Key words
- Instruments
- BPM/tempo
- Key
- Lyrics
- Year of Copyright/year created

Performance rights organisation

PRS for Music is the home of the Performing Right Society (PRS) and the Mechanical-Copyright Protection Society (MCPS). They pay royalties to songwriters and publishers based on performances of their songs through the media.

Picker

Term used to describe a musician that plays stringed instruments, i.e. the fiddle, guitar, dobro, banjo, etc.

Pitch

To try and interest someone, such as a music publisher or an A&R person, in a song. [Not to be confused with the musical scale or notes].

Producer

A person who screens songs, acquires by written contract the songs with the most commercial potential (in his or her opinion), then works to get those songs recorded and productively used as often as possible. b. The person in charge of making a record. Chooses the musicians, instrumentation and songs for the project, and oversees it to completion, often in collaboration with the recording artist and staff of the record company.

Publication

A songwriter may sign a single-song agreement with a publisher, who then will try to get the song heard by a recording artist, or may print copies offered for sale. That song is considered “published.”

Publisher

A company that secures commercial recordings of songs on behalf of a songwriter. The publisher is often the person who pitches the song to the artist or someone on their team.

Publishing agreement

A contract offered by a publisher to a songwriter. The publisher pays the songwriter a weekly or monthly sum of money, called a draw. The writer agrees to assign the publisher half of any future income his songs make. Recoupable. Reimbursable.

Royalties

Income paid to the songwriter and publisher for the use of a song. Royalties result mainly from two sources – performances (monies paid by a performance rights organisation based on the number of times a song receives media airplay) and mechanicals (monies paid by a record company based on record sales).

Single-song agreement

A contract between a publisher and a songwriter for only one song. May involve no money for the writer, or a small payment, such as covering the cost of a demo. Often the first step to a full staff-writer deal.

Song evaluation

Feedback or critique from an industry professional or another songwriter.

Song plugger

A publisher’s “song salesman” who pitches (or plugs) that company’s songs to artists, producers, A&R, etc.

Soft ticket/hard ticket

The “soft ticket” market includes venues such as casinos and fairs, where crowds will gather regardless of the act and where performers can make decent guaranteed money without having to count on people paying for a ticket that allows entrance into a concert and nothing else. Someone who pays to see a specific concert at a stadium, amphitheatre or arena has purchased a “hard ticket.”

Staff writer

A songwriter who is under contract and is advanced money by a publisher to write songs exclusively for that publisher.

White Label

White label records are vinyl records with plain **white labels** attached. ... Test pressings, usually with test pressing written on the **label**, with catalogue number, artist and recording time or date, are the first vinyl discs made at the factory and used for quality control assessment.

Performing Rights Service - Glossary

Admin rate

The percentage of licensed revenue deducted by PRS for Music in order to cover costs of collection, distribution and the relevant share of society overheads
Performing right organisation based outside of the UK with whom PRS has a reciprocal agreement

Affiliate society Analogy

A set of data deemed to be representative of actual usage processed for distribution purposes, instead of any actual usage data

Annual station value Audience hours Automatch

The total revenue available to cover a year's music use for a specific broadcast station
The aggregate number of hours consumed by all viewers of a TV station or listeners to a radio station within a given time period Automatch is where the PRS for Music system can establish a match between performance reporting and the relevant work registration without human intervention

AV

Audiovisual

Background music supplier

A commercial organisation specialising in the provision of background music services to commercial organisations.

Blanket licence

A licence granting the licensee the right to use all the licensed repertoire without prior approval

Broadcast logs

The combination of both the transmission schedule of a broadcaster and, where appropriate, the accompanying cue sheets

Carried forward

Taking an item through to subsequent distributions not having fully processed it in time for its originally scheduled distribution

Census

A method of calculating music usage for royalty distributions, which attempts to include every instance of music use of every musical work used

Covers repertoire

Works performed where the performer is not a rights-holder of the work

Cue sheet

The list of works used in a certain production, combined with the related usage durations

CUP code

A code used to identify that although research has finished a musical usage is not being included in the distribution. Some CUP codes cause items to be included on the unidentified performances list, others do not because they are items, such as birdsong for example, that are not actually distributable

Distribution basis

The rules governing the data set used to make a distribution

Distribution committee

A sub-committee of the PRS Board, responsible for distribution policy decisions. The Distribution Committee is made up of MCPS directors and PRS counterparts.

Distribution section

The grouping of music usages. In the case of broadcast, this will be a TV or radio station, for public performance repertoire it will be the sharing a common means of exploitation and for online, an individual service

Distribution policy

The set of rules governing the methods, processes and data sets used in distributions to assign monetary value to music usage

DSP

Digital service provider

Fitness music service

A commercial organisation specialising in the provision of music for organised fitness sessions

Fixed Point Value (FPV)

The per-unit valuation within a distribution section

GEOL service

General Entertainment Online service e.g. Netflix

Gross annual revenue

The total annual revenue allocated to a specific distribution section, prior to admin deductions

Idents

A short visual image or soundbite used between programming, which identifies the particular TV station or radio channel to the audience

Manual match

Establishing a match between performance reporting and the relevant work registration by a human being. Manual match occurs where automatch has failed.

Manual match threshold

The minimum value at which manual effort will be employed to match performance reporting to works registrations

MaritzCX

A market research company that provides music survey services to PRS for Music

Music percent

The proportion of total broadcast time featuring music

Music consumption

Aggregate audience hours multiplied by music percentage; giving a result of audience hours containing music

Music recognition technology

An algorithm-based method of automatically matching audio performance to a database of sound recordings

Music usage

Can mean either an individual play, performance or broadcast of an individual work or the amount of music used, e.g. for broadcasters this can mean the duration of the music used

Net annual revenue

The total annual revenue allocated to a specific distribution section, following the deduction of admin

Non-licence revenue (NLR)

The interest earned on investments and royalties awaiting distribution.

Original material/original repertoire

Works performed where one of the performers is a rights-holder of the work - the opposite of covers repertoire

Performance data

A file supplied to PRS for Music by either a licensee or third party, which collects all music usage information for a specific distribution section and time period

Points

A point is a single unit employed for distribution purposes. This differs from music usage as it also encompasses any weightings, such as duration, as determined by distribution policy. A point is a minute of broadcast time, a single public performance, plus a number of other units in online distribution areas, including a streamed minute and a price-weighted download

Primetime/non-primetime

Primetime refers to the broadcast hours between 6pm and 11pm, non-primetime is outside of these hours

PPL

PPL (Phonographic Performance Limited) and **PRS** (Performing Rights Service) are separate organisations who **license** different sets of rights in the use of music.

PPL collects and distributes money on behalf of performers and record companies for the use of their recorded music. **PRS** for Music collects and distributes money on behalf of songwriters, composers and music publishers, for the use of their musical compositions and lyrics.

PPL licenses the use of recorded music where played in public, broadcast on radio or TV, or used on the internet, on behalf of record companies and performers. The payments which **PPL** collects from businesses and broadcasters, and then passes on to the performers and recording rights-holders it represents, are sometimes referred to as "**royalties**". Generally speaking, a **royalty** is a recurring (rather than one-off) payment in exchange for permission to use something.

Processing (of performance data)

The process of matching performance reporting to works registrations

Public reception

The use of radios and TVs in public premises

Reconciliation

The distribution of residual revenues across all applicable usage data, following the end of a licence period

Residual revenue

Revenue remaining at the end of a licence period following distributions made in respect of all performance data

Sample/sample rate

A proportion of actual performance data

Set list

The list of works and durations within a live event

Survey

A collection of visits to licensees in order to gather performance data

Talk radio station

A radio station for whom less than 15% of broadcast time contains music

Time of day weightings

The distribution policy applied to all AV distributions, which dictates that a minute of music broadcast during primetime will be worth twice as much as a single minute broadcast in non- primetime for a given station and time period

Transactional licence

A licence where the terms are laid out on a unit-by-unit basis and invoiced after the processing of performance data, in order to calculate an aggregate value

Tunecode

A unique identifier for each work held on the works database

Music Rights Summery:

PRS for Music is the home of the Performing Right Society (PRS) and the Mechanical-Copyright Protection Society (MCPS).

www.prsformusic.com

PPL is the UK's music licensing company for performers and recording rights holders licensing the use of recorded music to businesses in the UK since 1934

<https://www.ppluk.com>

PRS pay royalties to members when their works are:

- Broadcast on TV or radio
- Performed or played in public whether live or through a recording
- Streamed or downloaded

MCPS pay royalties to members when their music is;

- Copied as physical products such as CDs and DVDs
- Streamed or downloaded
- Used in TV, film or radio

PPL licences the use of recorded music when it is;

- Played in public,
- Broadcast on radio or TV,
- Used on the internet

Other Resources:

The Incorporated Society of Musicians (ISM) is the UK's professional body for musicians and a nationally recognised subject association for music.

Since 1882, we have been dedicated to promoting the importance of music and protecting the rights of those working in the music profession. <https://www.ism.org>

MIA Music Industries Association

<https://www.mia.org.uk>

Film Business Glossary:

(1st) Position

Who gets paid first and to what degree when funds come in. If you are in 25th position that's the equivalent of getting nothing if the 24 ahead of you can all recoup in full before you get a penny.

Above/Below the line

Pertains to what is a core cost of a film and what is a recoupable cost. Above the Line is that part of a film's budget reserved for major players in the production such as the director, producer, writer, main actors, etc. So called because these names used to appear above an actual line on old budget formats, separating them from the other filmmakers on the project.

Ad Budget

See Prints and Advertising Budget.

Awards Season

The time of year where most films aimed at Oscar glory come out. It "officially" begins when the nominations for Independent Spirit Awards being announced, but can unofficially begin earlier, if a film with lots of Oscar buzz comes out earlier. The window to release an Oscar film ends on December 31st, but Awards Season itself lasts until the Oscars are handed out late February to Early March.

Budget

See production budget and Prints and Advertising (P&A) Budget.

Blanket Deal

Where a company or territory has an agreement in place to pay a fixed amount to use the content of a film, tv show or music. A blanket agreement overrides any individual agreement you may have with the film

Cross Collateralisation

Where monies paid as an advance on multiple projects and is recoupable can be recouped from an aggregate of all the projects.

Co Production

There are often many groups that own the film. Locally these can be investors such as BBC and Film 4 as a co production for example. However It is important to understand that some co productions are territorial and an agreement with one may only be applicable in their territory . HBO may own the film for the USA but Pathe owns it for Europe.. Who is your deal with ?

Director

A **film director** controls a film's artistic and dramatic aspects and visualises the screenplay (or script) while guiding the technical crew and actors in the fulfilment of that vision.

Domestic Box Office

Total money spent on tickets by moviegoers in the "domestic market", which is defined as the United States, Canada, Puerto Rico and Guam.

Fanboy/Fangirl Effect

Certain films and franchises have a very loyal following, usually due to their source material. Fans of these films will flock to see them as soon as they open, either over the opening weekend, opening night, or during its Thursday previews. The front-loaded nature of these films makes for great headlines during the opening weekend, but at the cost of reducing both the Internal Multiplier and the overall Multiplier for the film. Since young men tend to be the most ardent fans of major franchises, this is described as the Fanboy Effect, but there are films that are most popular among women, like Twilight or Fifty Shades of Grey, and this has led to the rise of the equivalent Fangirl Effect.

Foley

Foley sound got its name from Jack **Foley**, the sound effects artists who developed and shaped the technique. **Foley** effects work both with and to replace the film sound recorded on set, which is **known as** the field recording. Most scenes use a combination of field recordings and **foley** effects.

Home Market

The Home Market can refer to all sources of revenue derived from people viewing movies at home, but often times it refers to primary entry point for most films. i.e. physical media rental / sales and video on demand rental / sales. Other parts of the Home Market includes subscription services, like Netflix or Hulu, as well as the tertiary market, which refers to hotels and airplanes. Finally, there are TV rights.

The Hulk Effect

Back in 2003 when Hulk was in production, Universal bowed to incredible pressure from fans and released early footage of the special effects. The plan was to get the fans talking and build up word-of-mouth. However, the special effects were in the early stages and were so bad that the buzz it generated killed any chance the film had. The next year, the same happened to Catwoman with the early look at Halle Berry's outfit. Just goes to show you, sometimes there is such thing as bad publicity and releasing a teaser trailer for a movie before there's anything to really tease can be a mistake.

Internal Multiplier

A film's weekend box office divided by its Friday number. Hype can reduce a film's Internal Multiplier, while positive word-of-mouth, will increase it. That said, the importance of Thursday previews has reduced the average film's Internal Multiplier, as Thursday Previews are lumped into Friday's opening day box office numbers. Films aimed at more mature adults or kids and families tend to have large internal multipliers, while those that have a high Fanboy Effect tend to have lower results. Extreme Fanboy Effect can even result in a movie that earns more on Friday than it does during the rest of the weekend, despite earning fantastic reviews.

International box office

Total box office from all nations outside the domestic market.

Legs

Legs is a term used to refer to how well a film holds onto its box office day to day and week to week. Positive reviews and strong word-of-mouth can help lengthen a film's legs, but genre and target audience is also important here.

Mendoza Line

The Mendoza Line is originally a Baseball term named after Mario Mendoza. In box office terms, the Mendoza Line is the theatre average where it no longer matters how good the film's reviews are, because theatre owners will be looking to drop the movie before its word-of-mouth can have an effect. There is only one mitigating factor, which is when a film debuts in Video on Demand before or at the same time as its theatrical release. If this is the case, then usually its box office numbers are meaningless compared to its VOD revenue.

Multiplier

A film's total box office divided by its opening weekend box office. Another measure of the film's word-of-mouth but over a longer time period and with a much wider range of possibilities. Historically, the average Multiplier for films has gotten lower and it is not that uncommon for a movie to earn more during its opening weekend than it does during the rest of the run. On the other hand, films that open during the Christmas holidays can still have incredible legs.

Prints and Advertising (P&A) Budget

Prints are the actual physical film that are shown in theatres and are quite expensive to make and distribute. At one time, each theatre needs at least one print and possibly more depending on how many screens the film is playing on. However, digital distribution has changed this aspect of the movie industry making it much easier for smaller films to get a wider distribution. The advertising part of the budget is the amount spent on just that, advertising. Most of the money is spent on TV, but radio, newspapers and magazines, the Internet and in-theatre advertising are also very important.

Producer

A **film producer** is a person who oversees film production. Either employed by a production company or working independently, producers plan and coordinate various aspects of film production, such as selecting the script; coordinating writing, directing, and editing; and arranging financing.

Production Budget

The amount of money it cost make the movie including pre-production, film and post-production, but excluding distribution costs.

Rental

See theatrical rental.

Recoup

The return on a person's investment in a film

Sales Agent

- Usually for independent films.
- The company that will attempt to sell the film into distribution into multiple territories
- The deal that the sales agent strikes may have a significant impact your financial return from any given territory

Score

A **film score** is original music written specifically to accompany a film. The score forms part of the film's soundtrack, which also usually includes pre-existing music, dialogue and sound effects, and comprises a number of orchestral, instrumental, or choral pieces called cues, which are timed to begin and end at specific points during the film in order to enhance the dramatic narrative and the emotional impact of the scene in question. Scores are written by one or more composers, under the guidance of, or in collaboration with, the film's director or producer and are then usually performed by an ensemble of musicians – most often comprising an orchestra or band, instrumental soloists, and choir or vocalists – known as playback singers and recorded by a sound engineer.

Screens & Screen Count

The actual screen the movie is projected on. Most Theatres have multiple screens, with largest having two dozen screens or more. Screen Count is simply the number of screens a film is playing on. This count is rarely published domestically, but is the basic unit of measurement in many international territories.

Studio: A number of meanings

- A place where movies are shot (like Pinewood)
- A company that provides the funding to make a movie (not at all like pinewood, but say Universal. Film 4 is a Studio but has no bricks and mortar)
- The distributor of a film: (MGM have no physical studios, do not fund pictures but to distribute and often act as a sales agent for them)

The Sequel Effect, a.k.a. Sequelitis

This as essentially a sub-species of the Fanboy Effect specific to sequels. Such films have a built in audience due to the original movie (as otherwise making the sequel would be pointless) and tend to open faster, but have much shorter legs.

Territory

A physical locality that owns the right to exhibit a film. Deals vary and you many not receive funds on your work because of prevailing blanket deals

Theatre & Theatre Count

A theatre is any place a movie is showing from the smallest cinema on the art house circuit to the largest mega-plex. A film's Theatre Count is simply the number of theatres a film is playing in at a given time. Domestically, the Theatre Count is used to measure how wide a release is.

Theatre Average

A film's weekend box office revenue divided by the number of theatres a film is playing in. Sometimes called Per Theatre Average and shortened to PTA.

Theatrical Rentals When a movie is shown in theatres, the studio/distributor and the exhibitor (movie theatre) will share revenue from ticket sales. The studio's share (usually around 50%) is called the "rental". This should not be confused with video rentals (e.g., through Blockbuster, RedBox etc.).

TV Rights The amount paid by a TV network for the right to broadcast a film. Networks usually get the exclusive rights for a period of time. For major films, there will be sequence of "windows", with premium cable channels (HBO/Showtime etc.) broadcasting the film first, and then basic cable / network TV following a year or two later.

Video on Demand A movie distribution service where the film is delivered digitally and end user determines when they watch the program. Sometimes this only includes rental / purchases, while other times it includes streaming services like Netflix.

Underscore

In a musical theatre or **film** production, underscoring is the playing of music quietly under spoken dialogue or a visual scene. It is usually done to establish a mood or theme, frequently used to recall and/or foreshadow a musical theme important to the character(s) and/or plot point, onstage or onscreen.

Worldwide box office

Domestic Box Office plus International Box Office.

Yearly Seasons for release planning:

Winter

The first season of the year begins the weekend after New Year's Day and runs till the end of February. This is usually the worst season when it comes to new releases, as the holiday blockbusters are still dominating the box office and several Oscar contenders expand wide.

Spring

This runs from the beginning of March till the end of April, at least for now. There are some major hits that have come out during this time, but it generally a weak time of the year at the box office, as the last of the holiday blockbusters have faded away and there are no Oscar contenders expanding wide.

Summer

The Summer Blockbuster season used to begin the actual wee summer began. For example, Jaws opened on June 20th back in 1975. However, since then, the movie industry has stretched the meaning of summer to the breaking point. Memorial Day became the official start of summer, then the first weekend of May, and now the last weekend of April could become the first weekend of Summer. It ends officially on Labor Day Weekend, but unofficially it tends to end a few weeks early and the end of August is a dumping ground.

Autumn

Officially begins the weekend after Labor Day, but unofficially begins sometime in August, while the end of October marks its end. This is a bad time of year to release movies, as families with kids and college students are dealing with going back to school, and these two groups make up a huge chunk of the moviegoing public.

Holidays

There are three holidays that take place during a roughly six-week period, Thanksgiving, Christmas, and New Year's Day, and this helps this time of year become the most concentrated with potential monster hits. The movie industry has stretched this Holiday season to start at the beginning of November. This is the best time of year for new releases, because you not only have major blockbusters being released practically every other week, but this is also the heart of Awards Season, so there are a lot of Oscar contenders as well.

Categorisation of Acting Roles:

We use eight acting role types to define the different performances in a movie, TV show, or stage play.

Leading or Lead Ensemble Members

For movies, we generally use a simple rule to determine whether an actor or actress has a leading role: Do they appear in the movie's theatrical poster? If they do, they have a leading role. If they do not, they do not have a leading role. If there are more than four cast members on the poster, then we classify all actors in the poster as being "Lead Ensemble Members."

Note that movies with large ensemble casts will sometimes have several posters highlighting different members of the cast. See, for example, the posters of the Lord of the Rings trilogy. All characters who get a poster are considered "lead ensemble members."

If the poster shows no actors or actresses at all, then we look at the people credited at the top of the poster. These people are considered the lead actors in this case.

For TV Shows, an acting role is considered to be leading if the actor is credited at the beginning of the show. Lead actors in TV shows are generally considered "lead ensemble members", unless they are the main focus of the show.

Supporting

With the exception of cameos and leading players, all other cast members listed in the credits are considered to have supporting roles.

Cameo

A cameo is a small role performed by a well-known actor or director, often limited to a single scene, with the casting done specifically because of who they are, not because of their acting talents. Examples of cameos are Alfred Hitchcock's appearances in his films and Stan Lee's brief appearances in Marvel films. Note that small parts played by actors before they became famous are not cameos. Rather, they are either supporting roles or roles as an "extra."

Extra

If someone is not credited, and does not have a cameo, we classify their role as being an "extra." In general, we do not include extras in the credits, although some early roles as extras by now-famous actors and actresses are included.

Interviewee, Documentary Subject, Narrator, Archival Footage

Comprehensive film technical terms glossary:

<http://www.screenonline.org.uk/education/glossary.html>