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MISSION STATEMENT

The Music Business Journal (of the Berklee College of Music) is a student publication that serves as a forum for intellectual discussion and research into various aspects of the music business. The goal is to inform and educate aspiring music professionals, connect them with the industry, and raise the academic level and interest inside and outside the Berklee community.

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Robert A. Moog

Music Business Man and Businessman

by Dr. Tom Rhea
Associate Professor of Music Synthesis

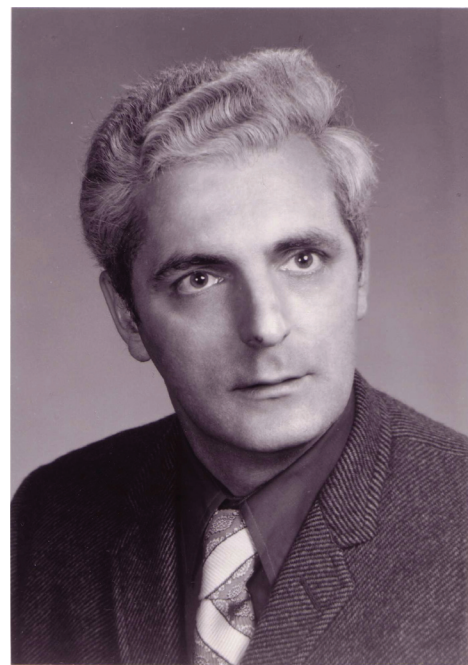
My wife Muriel and I had just rolled into my brother Charlie's home in Cookeville, TN when he called from his office. He relayed the news that my friend, business associate, and mentor Bob Moog had passed away the previous evening.

Somehow, even when we have prior *cognitive* knowledge of a loved one's terminal illness, this cannot blunt the body blow and shock felt when the inevitable occurs. The worlds of feelings and thoughts are too hidden from each other to imagine that an integrated acceptance of death is remotely possible for the human psyche. I returned Michelle "Mimi" Moog's relayed call immediately, and groped at words of consolation, even as I tried to restrain my own grief and sense of loss. Mimi asked if I might be able to attend funeral services the next day, and to speak briefly at a public celebration of Bob's life and works on the following day. I had watched Bob's kids grow up during the many years we worked together. Those were good and bad times, during which one or *both* of us might or might *not* have been actually employed by the company that bore the Moog name! Of course I would do anything to honor Bob Moog and his professional and personal legacy.

As we drove to Asheville, NC the next morning I reflected on what might be said about someone who was so important in so many people's lives. Surely other speakers would comment on Bob's work as a pioneering instrument designer, and his role as founder of the electronic music synthesizer industry. Others would recall his warm relationships with musicians, and other humanitarian attributes. As I presently teach at Berklee College of Music in Boston, it struck me that Bob's formidable skills as a teacher—a mentor—might be overlooked.

Bob was not prone to give long lectures. He was not taciturn, but often he could say a few words whose depth and truthfulness left the listener thunderstruck. Here's an example—the same story I told at the public ceremony in Bob's honor:

Jim Scott, an early Moog engineer, and I visited Bob's home in North Carolina several times to design an instrument for the Italian



company Crumar. One time, the principals of the Fairlight Synthesizer (Australia) visited to show Bob their product. They did their dog and pony show, and solicited responses. Bob didn't say much, but I pointed out several serious conceptual design flaws, particularly as these problems intersected with musicians' needs. We did not think much more about that encounter afterwards.

Some time later, following Bob's departure from the company that bears his name, he decided to be a sales agent for Fairlight. He sold a large Fairlight to a mutual friend, Terry Fryer, a big-time jingle producer and superb musician who works in Chicago. When I heard of this, I was taken aback. It was one thing to sell *anything* to get by, but entirely another to unload an outrageously expensive piece of junk on a friend, methinks! The next time I was at Bob's home, I injudiciously heaped hot coals on his head for selling Terry that Fairlight. I pointed out the Fairlight's noisy eight bit sampling system, the musically dubious *linear* segments of its envelope generators, the marketing hype about the light pen and screen that allowed user-drawn wave shapes, etc. It was a

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BUSINESS ARTICLES *(contd.)*

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litany—no, a *diatribe* on the Fairlight's technical flaws and artistic shortcomings. My gripes were not without merit, as I knew Bob would have to admit. But Bob just looked at me with those impassive hawk-like eyes, and patiently waited until I wound down. Then he answered, and in so doing actually complimented me, by first saying, "You *do* know, Tom . . ." and then rang my head with his rejoinder, ". . . musicians don't buy instruments for what they *can't* do, they buy them for what they *can* do."

The audience at Bob's public ceremony actually applauded when they heard his punch line, and I readily admitted "Yes, I felt like a *complete* jackass!" Generalizing this idea to valuing what people *can* do, rather than focusing on what they *can't*, is only one of many valuable "life lessons" Bob taught me—one I have never forgotten.

In fact, it would be apropos to recall this lesson when considering Bob Moog's skills as a businessman, or more accurately, as an *entrepreneur*. During the two ceremonies that celebrated Bob's life and his works, a number of speakers alluded to the idea that business acumen might not have been Bob's long suit. I do not necessarily agree with this idea, and would like to present alternative perspectives without drawing too fine a point.

First of all, Robert A. Moog did not enter an established arena of the music business when he designed the *archetype* of the electronic music synthesizer in 1964. He and Herb Deutsch, who acted as Bob Moog's musical catalyst, were feeling their way into *terra incognita*. It is interesting to note that the first prototype of the Moog synthesizer was a *polyphonic* instrument. Bob unilaterally dismissed such an instrument, with Herb's subsequent blessings, as not bringing anything new or interesting into the existing musical milieu. Herb leaned toward avant-garde electronic music of the era, and Bob intuitively felt that musicians did not need another electronic "organ." This viewpoint facilitated the musically more-radical but profoundly more fecund *monophonic* and *modular* instrument that Bob Moog presented to the world.

Following the first blush of success, having sold only a modest number of modular systems to innovator-experimenters such as Alwin Nikolais, Raymond Scott, Eric Siday, and Wendy Carlos, Bob Moog summoned the courage to hire a publicist in New York City for the then-princely sum of \$25,000. This was a remarkable *business* decision, i.e.

Bob recognized a marketing opportunity when he saw one—and he acted decisively. In particular, he struck while Wendy Carlos's iron was hot, as her *Switched-on Bach* LP set sales records. Bob's marketing decision paid off with primo promo in national news media such as *Time*, *Newsweek*, *The New Yorker*, et al. "Moog" soon became a generic name for a new *type* of musical instrument, as well as a proprietary trade name. It would be difficult to imagine how quickly the synthesizer industry might have developed without such visionary and *expensive* pushes from its progenitor.

R.A. Moog Music, Inc. became so successful initially that it was difficult to keep up. There wasn't much time to do anything except build and ship instruments. Suggestions from composer-performer Herb Deutsch (overall concepts); composer Gustav Ciamaga (low pass filter); composer Vladimir Ussachevsky (the ubiquitous ADSR envelope generator); composer-performer Wendy Carlos (nuance features for performers); and feedback from a host of other musical luminaries fine-tuned Bob's ears to the value of listening to musicians. In addition, Bob loved and *played* music, so he *dug* interacting with kindred souls. Musicians of all stripes began to appear at the plant in Trumansburg, NY. Because Bob knew that musicians were the best source for ideas about such a new instrument, he typically dealt with those contacts personally.

In fact, Bob's willingness to accommodate musicians' calls for custom designs and one-of-a-kind instruments made it difficult for him to attend to business in his "garage shop" operation that grew like topsy. It is well documented that Bob lost control of his company to a venture capitalist from Buffalo, NY. Bob confided

to me that the indebtedness he could not overcome amounted to some \$60,000. This was a small sum compared to the total sales that Bob's early, independent company poured out of a made-over hardware store.

It is true that Bob Moog was no accountant. But he had a great nose for *people* who might facilitate his little-understood enterprise. It is impossible for those who weren't there to imagine how difficult it was to "make the sale" following that first wave of experimenter-innovators who "got it" right away. Bob chose Walter Sear in New York, and Paul Beaver in Los Angeles to represent his company on the coasts. They did so admirably. He also responded to local musicians such as David Borden and particularly Chris Swansen, who became the first Moog "clinician." Swansen was a brilliant musician who taught us how to bend pitch on the synthesizer using the Moog ribbon controller. He also taught untold doz-

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BUSINESS ARTICLES *(contd.)*

Robert A. Moog (contd.)

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ens of composers and performers the ins and outs of the Moog 900 Series Modular Synthesizer in the basement of the old Trumansburg plant. Bob provided equipment for ideas as far out as David and Becky Van Koevering's vaudeville shows at Taco Bell restaurants! David Van Koevering later showed the entire industry how to sell synthesizers to the working musician.

Another mentor, Les Trubey once told me "... many times we make the sale, but somebody else takes the order." Les owned the largest home organ store east of the Mississippi, based on his philosophy that building a larger market would cause all boats to rise, including his. He understood that his efforts to educate the public would not necessarily ensure consumer loyalty to *his* brand. Bob Moog built the initial market for synthesizers with his "un-businesslike" focus on the needs expressed by musicians. His soon-to-be competitors definitely took many orders for sales that Bob had made.

It might also be relevant to note that *all* of the original American synthesizer companies failed, or changed hands under less than fortunate circumstances. They were *all*, in very businesslike terms, dramatically *undercapitalized* compared to the Yamahas, Rolands, and Gulf & Westerns of the world! When Norlin Music wholly owned Moog Music, I witnessed some eight marketing regimes featuring managers laden with MBA's from Harvard and Yale that could not manage to beat the odds either.

There is a tendency in our culture to equate business acumen solely with short term bottom line thinking based on unbending statistical methods. I watched as those at Norlin steeped in this mantra failed to advance the Moog Company. (There were a few bright lights, and I hope those individuals will forgive my painting with such a broad brush).

Bob eventually got his company back under personal control, and it shows fair signs of surviving even now.

It is difficult to recount all the evidence that leads me to believe that Bob was "not such a poor businessman after all." To quote the Bard, "I knew him, Horatio." Perhaps we could return to the lessons my mentors Bob Moog and Les Trubey taught me. Let's even cede for the moment the things Bob *couldn't* do, and value the things he *could* do, akin to Terry Fryer's much-maligned Fairlight synthesizer.

Dr. Robert A. Moog founded an entire industry. Oh yes, there were *prototypes* that preceded his designs, but Bob's modules and instruments were *archetypes* for an entire industry. Perhaps I should comment further on this idea in future—my choice of language is not merely a semantic distinction. At any rate, as Les pointed out, Bob Moog's legacy continues "to make the sales," while many people in the music business will continue "to take the orders."

I am one who continues to benefit from Bob Moog's technical ingenuity and fuzzy logic marketing skills. I am one of *many* who did "take the orders." As I said aloud to Bob Moog as his simple casket passed by following the Temple service: "Thank you, Bob."

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-MBJ

Getting Music to Your Ears
NARM '05

by Don Gorder, Chair of Music Business/Management Department

The 47th annual NARM convention was in San Diego from August 10-14, 2005. The convention is an annual event attended by members that include record labels, distributors, and retailers. The four-day event features educational seminars, business meetings, musical showcases, speeches, a trade show, and social events, all within NARM's mission of supporting the recording industry. Educational seminars focus on current hot topics, the trade show spotlights the products that support the recording industry, the showcases allow the labels to bring in their new artists to perform for a commerce-focused audience, and the social events provide an opportunity for networking which often leads to deal-making. The business meetings give NARM the opportunity to interact with industry personnel in similar areas of activity (such as record one-stops, indie distributors, retail chains, jazz and classical divisions of labels, etc.) to determine how it can continue to provide effective support for these factions of the industry.

I attended the convention as a member of the Music Business Educators Outreach Group (MBEOG), an organization that began several years ago at a meeting comprised of NARM Board members and a small group of music business educators from college programs. The purpose of the meeting was to lay the foundation for a relationship between NARM and music business education through which NARM could assist education by raising the consciousness of its members. NARM agreed that, through informational outreach, a mutually beneficial relationship might be formed, resulting in the establishment of a conduit through which graduating students could find job openings, and the industry could find qualified entry-level personnel.

Through this relationship, educators and students are given a low registration rate, and the MBEOG is given a booth at the trade show where students and faculty can mingle with industry personnel, discuss curricula, and students can display resume's. The booth is listed and described in the trade show publication, and is also mentioned in the opening General Session. Berklee MB/M students have been attending this convention for many years, and this year there were seven in attendance. All were impressed with the quality of panels, the networking opportunities, and the chance to hear some good music.

Mitch Bainwol, CEO of the Recording Industry Association of America, gave the keynote. He spoke extensively about piracy and the RIAA's efforts to contain it. CD burning is becoming a bigger problem for the recording industry than P2P file sharing, however both are significant threats to the health of the industry. The challenge is to find ways to monetize consumption—digital and physical. Bainwol defended the actions of the RIAA in suing downloaders, saying that the main reason was educational. Prior to the lawsuits and the Grokster decision, music was seen as a culture and not as a business. Piracy was cool and justifiable, in the eyes of the public. The Grokster case addressed culture—the unlawful objective of the software, as opposed to actual copyright infringement. Piracy is still going on, but investigations and busts are up 65% from 2002. The RIAA is trying to keep the conflict focused on property and moral rights. CD sales are still declining, mostly because of burning, but the industry is fighting back with dual disk, better in-store kiosks, copy protection, and education. Bainwol's presentation was, in all, quite informative.

Other panels included a universal music UMVD highlights pre-

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Errata Robert A. Moog – Music Business Man and Businessman:

“Bob confided to me that the indebtedness he could not overcome amounted to some \$60,000.” Perhaps this was personal indebtedness; his Company’s indebtedness was likely some \$250,000.

“He [Chris Swansen] also taught untold dozens of composers and performers the ins and outs of the Moog 900 Series Modular Synthesizer in the basement of the old Trumansburg plant.” There was no basement at the Trumansburg plant, so the Studio was obviously|on the ground floor!