

CREATIVE PASSPORT WORKSHOP 26th January 2018 @ Somerset House

EXECUTIVE SUMMARY & NOTES



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EXECUTIVE SUMMARY

The aim of the workshop was to gather a diverse group of people involved in the music industry to discuss the implementation and development of the Creative Passport (<u>http://myceliaformusic.org/creative-passports/</u>) from different points of view, according to the participants' knowledge and expertise.

The day was organized in two different sessions. After a brief introduction of the day, the morning session commenced with the participants staying in their previously assigned groups, providing a quick presentation of the main discussion points at the end of the session. During afternoon session, the participants were free to change groups and contribute to different discussions. The six main workshop groups were: Music Makers, Services, Design, Tech, Business Planning, Wild Ideas.

The Music Makers group focused the discussion on having the Creative Passport as a layer between the music makers and the industry, connecting and empowering further their existing ecosystem and opening them up to new opportunities. To better understand some of the different connections between the groups' focuses throughout this document's 'Music Makers' notes you will find the many 3rd party services currently available, as well as being an 'industry map', illustrating the various industry roles and business rules. As an empowering tool for artists and their teams, the Creative Passport should favour an artist-to-artist perspective, offering mentoring opportunities and showing who/what Music Makers would like to champion. Being an artist-centric tool, the Creative Passport should offer an artist-friendly user interface with an easy-to-use work registration, peer-to-peer verification and encourage commercial competition. Music makers should be able to decide which data would be private or public, KEYWORDS: artist-friendly, artist-to-artist perspective, commercial competition, DIY, education, mentoring, peer-to-peer verification, public/private data

The Services group focused the discussion on the identification of what the problems of the industry are, what some solutions could potentially be and the incentives that the Creative Passport and Mycelia could offer. The main issues discussed pertain to the lack of credit awarded to Music Makers and content creators, verified info and searchability for services willing to use data. This was coupled with the redundancy of online data input. The Creative Passport could be useful in solving these issues with verified data ready to use and a source of trusted education for artists. It can also favour the license, therefore monetization, of the data, offering direct deals with brands and involving a wider selection of industry partners. Another main point was to identify how to gain traction and which could be the incentives for potential users. KEYWORDS: brands, credits, incentives, redundancy, searchability, verified education, verified info.

The **Design** group focused their discussion on how to meet the Music Makers' needs with the design of the Creative Passport platform. The requests were about how to build a transparent system, which is easy to use and to access info, having a 'sexy

look' with more visuals and less text, fostering Music Makers to put more data on the Creative Passport. To create interest in the community, a reward system with tangible gains and success stories should be implemented. It was proposed to emulate the 'gaming model', designing a system that the Artists would learn as they use it. The dashboard created should offer a visualization of the usage reports, providing functionalities such as tracking the music, and having information 'coming to the artist'. However, a major concern was about the deepness and how much info provide to avoid overwhelming Music Makers.

KEYWORDS case studies, dashboard, easy access, functionalities, sexy look, tangible gains, transparency, visuals.

The Tech group focused the discussion on the role of Creative Passport as a core link of the various ID and Persona that Music Makers have across their career. The aim is to create a web of trust model and to develop a decentralised social graph. A question was raised about what ID means: Is the Creative Passport actually linked to a physical person, or to the Artists Persona? What if an artist wants to omit information in her profile? About the development timeframe of the platform, a Version 1.0 with only its very basic and core functionality re: linking existing IDs would be like a keybase 2.0 for Music Makers. Even if the Artists would own their profile 100%, one issue identified was the private keys management, questioning whether Music Makers should keep their private keys, with the risk of losing them, or if Mycelia should store them, Coinbase-like. KEYWORDS: blockchains, decentralised, ID/Persona, Keybase, keys management, ownership, social graph, web of trust.

The Business Planning group focused the discussion on the Creative Passport business requirements. Staring with a Value/Audience/Revenue triangle model, the key points of value and the key audiences were identified. The Revenue Models were discussed, including whether passport holders should pay for it. The use of data and the access to the passport holders were identified as key sources of subscriptionbased revenue. The significant time and cost of incorporating and cleaning historical data was noted. The second session focussed on the growth plan and sustainability of the business model. The lack of short term revenue was noted and the resultant focus on generating short to medium term funding from grants and impact investors. A blockchain-based DAO was proposed as a way to reduce ongoing maintenance costs. If not cash-flow positive, Creative Passports could be a Public Utility and qualify for government and industry financial support, while remaining independent of both. KEYWORDS: Audience, GDPR, machine learning, network effect, revenue, scalability, searchability, value.

The **Wild Ideas** group focused the discussion on some functionalities of the Creative Passport, and whether the platform should be "neutral" or "competitive". Even if the Creative Passport was defined as an ID for Music Makers, it was stressed that rights holders should have absolute control over their information. That's why the Creative Passport was seen as a neutral platform promoting transparency, and Mycelia as a social network for Music Makers and rights holders. Some broader possibilities were also discussed about the Creative Passport platform becoming a DAO (Decentralised

Autonomous Organisation), enabling an internal dispute resolution, quicker monetization of contents, and automated contract management. KEYWORDS: contract management, control, DAO, dispute resolution, ID, neutrality, social network

MUSIC MAKERS

Table Leader: Imogen Heap (Mycelia)Notes: Jordan Statham (Event Team / FAC)Participants: Awsa Bergstrom (Music Maker / Mycelia), Isabel Pumarosa (MusicMaker), Kris Halpin (Music Maker / Drake Music), Ruth Edmondson (Music Maker),Frank Hamilton (Music Maker), Terri Walker, Anil Kamalagharan (Music Maker / LondonContemporary Voices Choir), Rahel Debebe-Dessalegne (Music Maker), George Bacon(PPL), Paul Clements (PRS).

Imogen introduces the concept of Mycelia and the Artist Passport. Life of a song – showing all the splits, the record deal, everyone involved in the creation. PPL – How do you know when a song is no longer owned by a label? - PPL wait for the label to let them know.

'The passport sits between the creator and the industry'

It can be used to link all the different Music Makers together. The first point of call should be **MYCELIA to act as a Digital Manager**.

Being in a studio session and discussing splits is a massive killjoy

There are lots of current services that exist that artists don't know exist – it would be good to have a menu on the Mycelia app that points to a list of services.

Auddly (Service Mentioned)

Combines both resolution in both the song splits and the song is registered correctly with PRS.

FAQ within Mycelia where it holds everything you need to know and can be referred back to

Chat window within mycelia? What are you struggling with – how can we help you? Have some always on hand to help with any questions.

Individual support to your own artist pathway - Everyone's is going to be different -

With every Creative Passport it would be good for everyone to register what services they use – so everyone else on the platform can see

What DATA is public and what is private – Give access to services that need it. External services will be paying into the Creative Passport–

The services that would pop up would be the ones most recommended by artists – Artists would rate the services

Artists would champion the services to give an artist-to-artist perspective

Money that comes into the Creative Passport is given to each Creative Passport holder for the data they've inputted.

How would services use Mycelia? - They would pay to search the database to find who they want to work with and what specifics they're looking for.

What would this mean from a business perspective? – Revenue would be collected from third parties

Royalties Example – Wasn't receiving money from Asian market as they couldn't identify the music back to artist –

A way for collection societies to track what's owed – Detailed information – the added date specific commission and Brand – Composers involved – Interconnectivity

Tiny Human – all data in a dropbox for anyone to access small workshop of 50 people all data possible – the commission, the brand – the gear used – who directed the video – DSP Small amount of date – there are 1000% of DATA points

- Is there a way to crowdsource the data to input into the Passport?

- How can we get our fans to help us? – Setlist.com example source existing information and pull that into Creative Passport– Information from discogs as an example. Link in with LinkedIn

'All the data is out there but it's not controlled by Artists at all '

In the recording session not all the data is logged correctly and can be easily lost. **Peer to Peer verification** on who you are – If someone didn't have a PRS or PPL for example, this would be a way to verify each other.

The Collective Voice

PPL – Is this really the data or is it incorrect – there's always links where you're liking a small piece of data which could be money for a creator that is never claimed Which bits of information do artists want to see? – how are we going to structure it? Vibrerate – (Service Mentioned)

Another format to release a piece of work – a 3D interactive piece that has everything – from liner notes – all the work from a physical product displayed digitally in a creative way..

Streamliner – What it does how artists can use it – creating a database & populating it – a way to crowdsource the data from existing works.

If labels were not playing first, your fans could find a way to populate your Creative Passport– PRS PPL could see that data – you could be the point that connects all the dots...

Transparency – Labels fear that artists are trying to takeover with blockchain.

What types and how much transparency do artists want? Option where you can choose what information you share on the Creative Passport for other artists to see – give people ideas of what to charge for certain things –

Bespoke platform which is interchangeable and customizable for each individual – 'It's essential for us to know exactly where our money is coming from for Artists ' PRS/PPL to rely on the data input from artists / labels & services – may get different variations from each parties – The passport would represent a concrete of exactly what is right without being manipulated –

As an artist, do I need to know what blockchain is? Is it user friendly?

We want to allow the technology to process it -

Artists don't understand the value of our data -

Monetisation of data from outside agencies – E.g. - a studio could give all the data about what was used for the recording of a tack.

Date stamping and registering the works -

'Anything administratively kills the part of my brain that is creative.'

In a blockchain world – if it's not correct what is the incentive for people to make it correct?

Revenue streams and how to view that - Linking and lots of pointing -

Encourage commercial competition – Services to get their ratings up to be higher up on the platform.

Data policy? Financial penalty for incorrect information.

If the passport was the first point of call for artists to send data to collection services then it could be for the next generation of artists.

The next generation of artists don't understand how to use collection services – it takes away from their creativity – retaining the information is difficult.

Funding

Some people need face to face support – To grasp concepts and be part of something – I don't want to go on a website and feel overwhelmed –

Artist interaction – Creating a genuine creative community – get to the point where people are supporting each other – rather than rivalry –

Mentor - Functional groups - rally together as a community -

The ability to ask artists direct questions to someone on the platform – Could have dedicated times where this is advertised –

A visual noticeboard on your passport – What you're looking for? The platform could flag up what you're eligible for and could illustrate a percentage of your chances of securing the funding.

Could have Artist mentors on the platform.

How could somebody abuse the Creative Passport and how could we anticipate and stop that abuse?

Who is in control of the Creative Passport? – The artist not being the person that controls it but has control and who they hand it over to- whether it be your publisher or manager – a trusted party - The admin –

Would the artist give direct access to the Label, different levels and options of access that can be shared. There always has to be a choice of when the Artist can share the information and the option of when they can revoke the access.

This would be a way where artists can understand information without having to pay someone 1,000s to simplify and explain it.

Different icons – Funding, Revenue Streams, Abuse (Peer to peer what to look out for) When younger musicians start they aren't aware of the dangers that are out their. The platform could be used to flag up some of the key issues.

Anonymous Data – What a major label artist earns? What an indie label artist earns? What a self releasing artist earns?

People assume the artist is a person who will know everything -

Monetise the information that you didn't know you needed

- Is there a fixed price point that services can use to give back information to the artists?

We all talk about representing data – One thing we're really good at as artists Is listening.

Fine tune the passport to alert you in a 'Sonic way' when it's not working well for you.

The Creative Passport should be extremely useful for not just the Artist but the whole team around the artist – The power will be in the artists hands as they will have all the information

Could be used as a marketplace for example little notes on profiles or posts – I'm looking for a marketing person? I'm looking for a Manager? Star rating of what people have done in the past to verify them with things like testimonials etc using certain characteristics from linkedin.

Relying on other people's opinions -

The team around each individual – What are the missing parts? Eg Manager , Distributor

Industry map of artists and where every service / member of a team fit in to you. Highlighting all the different parts. In what capacity where people involved and when did they come on board. Your interaction with them.

Different level of the map where you could click on and off where you're at in your career.

Different segment types.

Helping you make informed decisions as an artist – What more established artists have done In their career at particular times.

How to optimise your Creative Passport – Mycelia could inform you on this by notifying when a new services comes up – to ensure you're right at the front and on speed with how the platform is progressing. Personal interaction –



Putting artists together at a similar level – Artists who are excelling in certain areas to act as Example of how to optimise your passport.

Outlines -

Artists betray a different image to the general public , compared to what is reality. A social network feature – letting the fans involved give them access to see the reality of an Artist.

Individual profile for you as an artist & one for you as as a band – but It's all linked together -

Fan interactive or just business to business.

The Creative Passport will improve services that already exist. Up to date information for the consumer – Exact tour dates – New Merch –

Who accesses your data and what Price they would pay – Different levels of access different prices –

It would paint a picture to artists the Value of data-

Would I be able to remove certain pieces of the Creative Passport of previous works that Artists aren't happy with for example songs from the very start if an artists career – From the Creative Passport perspective it would stamp the exact year and time it was created – There should be an option to unlink from this.

Trust , Peer to Peer , Verification – Mycelia Stamp of Approval

Pitching – services & Features

Database of Music services that exist

Different levels for where you're at in your career.

Peer Verification If someone isn't already signed up to PRS / PPL

Is there a verification that exists somewhere else that we could embed into to the passport.

Headliner (Service Mentioned)

Filtering system to find exactly what you're looking for.

As the community grows, They could engage in the platform in terms of reviewing products / services themselves to limit overheads which will ensure maximal revenue generated for artists on the platform.

Compatibility

Mycelia is essentially the host - The One Stop Shop for everything.

Mycelia to pioneer change – Flag up improvements that are needed – Could use the passports to make recommendations to services and Identify issues Creators are having.

Community & Unity is essential – One collective voice.

A percentage of the money earned by the Creative Passports to be put into creating Services which are felt are needed by the community – Opt In Basis

Artists can support directly to charities or causes of their choice– by dedicating select monies earned from a said track. – This will enable and encourage 100% Transparency.

Co Writes - Split ownership - (Have consent boundaries - visualise artist contracts)



Visualisation - Smart Contract -

WIGGIN (Service mentioned)

User Interface – Artist Friendly – Notifications when additional information required – Standard setup then gradually add more and more as you engage with the service. Escrow – (Service Mentioned)

Option of DIY or services (% fee) to chase payments such as royalties (admin duties.) The ability to understand who's out there I can delegate too.

Labels Involvement - Efficiency - Pressure from Artists on their Roster -

Asking the question of how much choice we want to have?



SERVICES

Table Leaders: Kelsey Cole and Angelo Dodaro (Adbank)

Notes: Noah Frieder (Event Team / MPAL PRO) and Angelo Dodaro (Adbank) Participants: Matthew Cook (Fablemaze), Terry Tyldesley (Resonate), Weronika Garczyk (Whiise), Phil Cummings (Sennheiser / A&G Brands), Toby Cook (Fablemaze), Daniel Lawton (MusiCoin), Johan Holmqvist (Sony Mobile Communications), Lydia Gregory (MusicHub / Music Maker), Dan Fowler (Jaak), Graham Davies, Gee Davy (Music Indie).



UNCLEAR/UNFAIR/ABSENT SONGWRITER AGREEMENTS

 Partnerships/Integrations with PROs (performing rights organization) – Smart contract templates w/CPs. Workflows for agreements

LACK OF CREDIT/ SEARCHABILITY

 Record Label to report, CMO – Jaxsta is the IMDB of Music. DDEX is a good example for tracking granular metadata for studio credits. Having a PRO/CMOversion buy-in/mandate

BIASED INFORMATION ON ARTISTS/LACK OF VERIFIED INFO

• LinkedIn/IMDB

- Can CPs be that equivalent for the music industry? – Reference JAXTA*** (based in AUS)

- Pro versions to find more verified info VS. Basic Version w/less verified info

STREAMING SERVICE (SPOTIFY, APPLE, DEEZER ETC) – ARTIST KNOWLEDGE

• Putting open source info/data on CP (the more that is aggregated, the more powerful it becomes

COMPARTMENTALIZATION OF DATA

• API integrations (Spotify, Youtube, Shazam) and CPs to propagate info out to labels, publishers, etc., identity is a challenge (i.e. how do we verify?)

LACK OF ARTIST IDENTITY - WHO AM I? WHAT INFO CAN I PROVIDE

• CP to create easy visual identity (#s, accomplishments, integrations to streaming, syncs, etc)

OVERLY REDUNDANT ONLINE - DATE INPUT (E.G.NEW SOCIAL NETWORKS)

• CP to integrate all current social networks into system and to adapt new social networks and new aspects of current social networks into its system. This was artists have one less tool/thing to update and worry about

FRICTION IN DEAL MAKING - BRANDS, ETC



• CP to make 'smart contract(s)' – Things are traceable, cannot be broken... regular contracts can be broken, can slip through the cracks, behind the scenes. Transaction – single/multiple transactions

LACK OF TRANSPARENCY, LACK OF CENTRALIZED & TRUSTED EDUCATION

 Integrate tech, services to create more transparency in music for musicians
 Transparency for: all artists, Wider public, Brands – discover emerging artists – Accountability for all middlemen

-How can artists obtain knowledge on who is taking what so they don't have to waste time auditing every step (distributor, label, manager, etc)

HOW TO GET INCLUSION OF WIDER INDUSTRY IN CREATIVE PASSPORTS + LACK OF ARTIST EDUCATION

• To the artist and artist teams how the industry works

- Education vs Governance vs compulsory action – incentivize the system to be serious about data

- Educating how much work has been done, how accurate is it? Education on Role of PRS PPL

- Trust mechanism, accountability to prove who did what, who can have credit for any creative work?

- Educating Artists – how can they wrap their heads around industry then CPs, blockchains, etc...

- Education must be part of Creative Passports to help get Artists' minds ommod the industry before entering fully into a CP

RELYING TOO MUCH ON INSTINCT

 MMF integration – GLASSDOOR PREMIUM, MYCELIA WORLD TOUR NETWORK (CP – APP TO ENTER) – FANS, MUSICIANS, ETC, perfecting the UI for user ability and workability for artists and anyone else using the CP

UNDEMOCRATIC DECISION MAKING

• How can CP help here?

MONOPOLY OF CRUCIAL SERVICES (LEADS TO LACK OF TRUST)

• How can CP help here?

HARD TO CONNECT CREATIVES? - WHAT IS THE INCENTIVE

• Networking apps within Mycelia & Creative Passports, proximity based networking – integrated into CP/MYC but how?

GAINING TRACTION FOR POTENTIAL USERS

 Getting CP out there PR - Not just big companies, but also grassroots movements for local vibe – proven method, especially for independent artists Reputation: Maintain and build



DESIGN

Table Leader: Andy Carne (Streemliner) Notes: Matthew Downes (Event Team) Participants: Sara Farina (Music Maker), Daniel Harris (Kendra Hub), Shingai Shoniwa (Music Maker), Kwame Kwaten (Manager), Gee Davy (AIM), Olmo Cassiba (Music Maker), Tadej Vindis (body>data>space), Chagall (mi.mu / Music Maker)



Establishing terminology What is blockchain? What data will go into the system? What is the most basic bit of data going into this service?

What is the issue for the artist?

- 1. Time
- How long does/will it take to input information? A long form will discourage new artists to sign up and join, or possibly input correct data
- Need to understand WHY they need this system. What will gravitate them into wanting to input information. How can we design a system where users want to input information and doing so becomes a pleasure rather than a chore?

1.Identity

- Will artists be able to be anonymous?
- Artists don't want to be known or only want one persona to be public
- Levels of silence?
- Will users have a numbered code that informs other artists layers above
- Need to know the rules around anonymity

[Begin brainstorming on board]

How will transactions work between the main identity and several artist personas?

- Financial control/ identity control
- Who will control the identities of an artist and how much control will they be given

• It is essential that we understand the artists questions so that they can be answered before they're asked

Artists questions

- Transparency: A truly transparent system will allow artists to see where the revenue of their song is from purchase to pocket. This will be a huge incentive, especially compared with the current framework, where the collection of rights is opaque, with many middle men taking cuts
- Another benefit would be the collection of rights sooner, which is important for artist cash flow
- Easily accessible information about the current collection model and what that means for artists. This could be done visually, which will make it easier for artists to understand, especially those with dyslexia
- We need to decide where in the on-boarding process we can share this information, too much too soon could be overwhelming for artists who are focused on creating music
- Would a forum for artists where they can share information be desirable?
- * LOOK at the GAMING MODEL

• Similar to in video games could we design a system where artists learn as they use? Giving instant feedback and gratification. Maybe a system with XP points similar to Bixby on Samsung Galaxy

Artists vs Business

- Is this too artist facing at the moment ?
- This system could alienate record labels so need to find a balance
- How do we commoditize labels to use the Creative Passport? Show that the financial pie can grow and it's not a battle for a slice. There is potentially a win win scenario

How do we define success?

- By what measurement will we define the Creative Passport as being successful ?
- What is the message of the Creative Passport ?
- 1. Mycelia is an enabler
- 2. Advertise the artists that work (i.e not just the major success stories but also show how a medium earning artist can increase their income and quality of data)

What features enable success?

- Tracking Music the ability to see the transfer of money from point a to point b clearly
- <u>Information coming to you</u> instead of searching and struggling to gain access to information, artists should be able to have data come to them directly and it should be an effortless process

"Access and Clarity of information enables success"

What functionality will we need to achieve the quote above? Data: a usage report/ dashboard.

- Knowing where and when music is being used
- This information can allow artists and managers to focus key resources and commodity/grow key listenership (i.e seeing that a fan base exists in another territory such as Hamburg, Germany will allow an artist to focus time and money addressing, nurturing and growing that fan base)

Passive Vs Active Listening

• More accurate data will allow allow for proper differentiation between music which is being engaged with actively form music which is being engaged with passively (i.e In the current system 7 gyms playing standard playlist on loop would signify high engagement in those sings, however in reality this is being passively engaged with)

Avenues of commoditized

- A system with good data will provide the ability to exchange it for remuneration
- Labels may be interested in gaining key data

Introducing the new system

• Do we draw a line in the sand or convert existing music?

It will be easier to target new music and build database. Once this is achieved successfully then perhaps older repertoire can be introduced. However, prediction that the collection of data will be troublesome, especially information from record labels

[Lunch Break and Presentation]

Mycelia Network Reflection. Looking at how information will be shared in a shared contract. Understanding how this can interact with third party services. Andy drew a diagram representing inception of Creative Passport idea.

Focusing on the on-boarding process

2. identity

• How do we know who's signing up (i.e Do we do it via email confirmation? Do we use official forms of ID such as National insurance number or Passport number? Do we have 3 official member confirm it is the correct new user?)

• How much control will artists have to what people see?

3.The Hook

• How can we gravitate people to sign up and input as much data as possible

- Make it sexy visually
- Create small tangible gains
- Create Xp style reward system
- Have success case studies from major artists and medium artists

In early days we could offer a bundle commoditize PRS and PPL data. This data is currently available in Excel format. A commoditized would be one incentive for new users



TECH

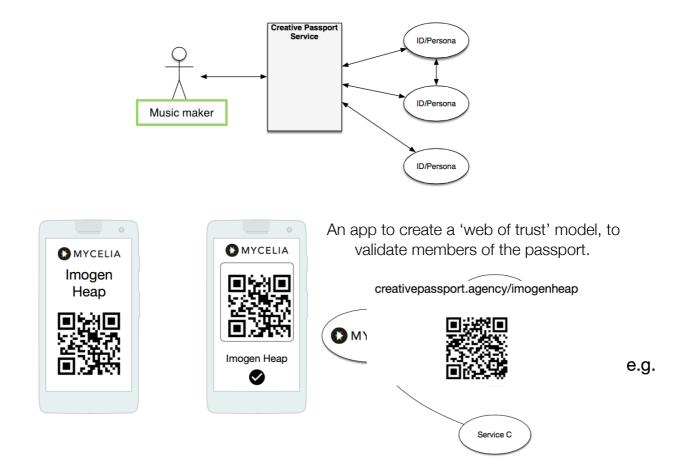
Table Leader: Mark Simpkins (Mycelia)

Notes: Carlotta De Ninni (Event Team / Mycelia)

Participants: Ralph Simon (Mobilium Global), Erik Beijnoff (Repertoire), Mikael Ngo (Sony Mobile Communications), David Sugar (Music Maker), Rob Knight (Mattereum), Reece Daniels (7Digital), Mihai Cimpoesu (Mattereum), Peter Harris (Resonate)



The agencies are giving the ID/validating the ID. They just assign/do not control them. A music maker can create one (or many) digital IDs. These can be linked together, possibly linked back to a core.



The Creative Passport, at its least, is like a non-static Keybase for Music Makers re: ID repository, with many more additional features re input/output of data, preference settings, enabling other services to grow from the data contained in the Creative Passport Database



BUSINESS PLANNING

Morning Session - 'The Value / Audience / Revenue Triangle'

Table leader:BD : Brian Dubb (Mycelia / MPAL Pro)Notes:KC : Karen Carne (Event team)Participants:CS : Claudia Schwartz : MusicTech Germany
CW : Chris Walker : Music Manager
FMW : Finbar Mostyn-Williams : London Contemporary Orchestra
GM : Gary McClarnan : Sparklestreet
JM : John Mottram : PRS
LC : Lucie Caswell : FAC
NY : Nick Young : Miloco Studios
TD : Tommy Darker : Musicpreneur Hub
WG : Weronika Garczyk : Musicpreneur Hub
WS : Wolfgang Senges : Contentsphere

BD : Suggested the group briefly introduce themselves and explained the 7-point outline vision for the Mycelia network. Asked for a volunteer with any starting points.

TD: Suggested using a triangle of Value / Audience / Revenue and asked for input.

GM : Social connections should be prominent within Audience.

FMW : Data, analytics and the comprehensiveness of the data are important.

JM : The data will need to be understood. The Value sits within users being able to find all the data in one place.

BD: Trusted and verified data will be key.

LC: Scalability of the network will be important to investors

GM : The relevance of the data will be important to, showing a band or artist's journey to their current end-point.

BD: The 'Network Effect' should take place, where if lots of artists join Mycelia, then other services will take note and want to pay for the information Mycelia holds, generating income for the Creative Passport holders.

JM : If the data is to be sold, then ...?

LC: If data is brought together, then organisations using the Mycelia network to find artists and music could benefit from this convenience, leading to impulse purchases, helping to ommodit income streams for artists.

CW: A single point of data entry would be good. Would using Mycelia help to save artists and managers entering the same info into multiple places of registration as they do currently?

GM : Mycelia must bear in mind that lots of organisations are already heavily involved and invested in their own systems – it will be a challenge to get these to organisations to change course!

BD: Using the 'goldrush' analogy, many people sold picks and shovels but one company won!

JM : To clarify Chris' point above, only 2 people enter Rights info onto databases, ie the performer/author and the publisher.

LC : Having fewer data-entry points will help to keep it more accurate, thereby derisking the data.

FMW : But many self-released artists, eg on Bandcamp, don't ever sign up to anything at all!

BD : Many self-released artists don't need to sign up to anything at all!

LC : The system needs to be <u>easier</u> for artists.

FMW : If smaller artists will <u>need</u> to enter their info, then how does Mycelia target those artists?

BD : The FAC could offer to enter all the artists' info, for a fee...

GM: Many 'heritage' artists simply don't have the funds to spare to enter their info, but they will be the artists with the most info to enter! For many it would be a choice between paying their bills or having their info entered...

LC: Strands of data within the industry don't currently converse. Info added to Mycelia could change that and help to future-proof the data.

TD : It would help to level the playing field for smaller artists.

FMW : Artificial Intelligence gathered from the Creative Passport data can help to promote all artists on merit rather than favour.

JM : PRS have developed an app to track streams to help bands target their tour locations. But the data is not currently complete. The Creative Passport can help to bring all the strands of info together, which is a Value.

NY: Rather than entry after the event, for new music, music production software, eg Ableton, could be the starting point for data entry, allowing people in the studio on that day to be stamped into the code from the outset.

GM: 'Version Hold' data should be simplified and locked, to save people falling out in the future as to who had involvement on a track. There is Value in this.

WS : And a Unique Identifier, connected to every single work outside of the collection societies, would be beneficial and a Value for unsigned artists.

GM : Convenience for operators is absolutely key. It needs to become ingrained, in the way Slack channels have.

LC : It will help to level all contributors.

TD : Innovation can then come via having verified data together in one place.

JM : An individual having a single identifier through their Creative Passport will help to resolve disputes. The size of the network and the number of users will be the true benefit.

LC : There will be a critical mass of users, who will have to see equality and an improvement in visibility, which will in turn encourage them to make the data better.

GM: How will Mycelia encourage users to input their data and return to keep it updated? Data entry isn't seen as a desirable thing to do...

NY: The recording software needs to be the starting point.

JM : 'Phone Tapping' would be a good and reliable way to gain data from the studio, ie where everyone involved 'taps in' via their mobile. There are several of these platforms in production now.

GM : Or a 'gameplay' approach may encourage ommodit to take part – something to encourage non-form-fillers to get involved!

LC : There will have to be a benefit to the artist to revisit and 'replay' the game...

GM: Building Mycelia into software from the outset would be of great benefit.

WG: The sharing of existing database networks could be investigated.

GM: As background, historically, studio engineers haven't been commoditized to do <u>anything</u> on top of their predetermined roles. Having their involvement logged via the studio software from the very start could help to change this, creating a benefit for everyone involved in the process.

LC: This would create a big opportunity for unsigned artists to become visible again.

CW: Who currently makes the decision to include a contributor or to resolve disputes within the studio recording process? It could become an ongoing process using contributors' Creative Passports... It may be initially seen as slightly disruptive during the studio process but could be hugely beneficial later on, either helping to avoid legal disputes in the future, or as a means of evidencing should any legal disputes occur.

FMW : There are several Audiences for the Creative Passport. How do people sign up? Will they have to pay to upload their data? As it's their data, preferably not...

BD : Established artists <u>should</u> pay but Imogen's view is that no Artists will pay. She will probably win that argument!!

CW: If Creative Passport data is shared with other services, will artists still pay for those services? If would be good to try and avoid this doubling-up of costs.

JM : If using a Day Zero approach, ie by not bringing in millions of lines of imperfect historical data brought in from elsewhere, then Mycelia's data could be so 'perfect' that it <u>could</u> then be sold. This raises a question, eg if Spotify were to pay to use Mycelia's 'perfect' data, will artists benefit by receiving a reduction in data processing costs charged to them by Spotify?

GM: An argument for charging artists to upload their data to Mycelia could be that as and when the Mycelia dataset creates a Revenue, then a payment can be made back to the Artists involved. We should consider that the costs of running the Mycelia database <u>must</u> be paid by someone... Mycelia could become a 'factoring' company, based on the fact that it will make money in the future, money that will be passed back to artists. As an example, there are currently approximately 130k unsigned artists plus 2.5m on Bandcamp, all having no infrastructure behind them. With such a large target audience, Factoring Houses (ie Forward Financing Organisations) could be a funding opportunity for Mycelia to enable this to happen, more quickly and simply than previously thought.

JM : Would charging models need to change depending on the size of the artist?

GM: Artists could chose to pay upfront or later...

FMW : The cost should be low or zero so as to not create any barriers to entry. Charging artists to upload will deter many.

JM : Experience from PRS can help to shape this question. PRS membership fees recently dropped from £50 to Free. Membership doubled during this Free period but a lot of the data received during this time is 'dead' data. It is inaccurate or incomplete. Fees have now increased to £100 and the data being received is of far better quality. Dead data becomes expensive to deal with and for absolutely no benefit!

LC: Users need to be commoditized to make their data accurate.

FMW : Dead data may become useful in the future...

BD : The music industry runs on 'hits'. Bigs songs are what drives the industry.

CW: Signing up a few high level artists to Mycelia will encourage smaller artists to join.

GM: But still no-one will want to pay to join!! There will definitely be costs to Mycelia in reaching and signing up those high level artists and to holding on to them until the smaller artists can see a benefit of membership and be happy to pay to join.

GM : [Spoke re the 'second album audit' but I didn't catch the detail]

JM : Be careful not to fragment the market even further but yes, big valuable rights holders will need to be brought in...

GM: Mycelia needs to quantify what part of the market it needs to attract to make itself viable. Big artists will help to bring others in.

BD: It will be a decentralized network but probably as part of the Blockchain version 2... The technology isn't yet ready for the speed of data exchange so Mycelia needs to plan for the future.

JM : The blockchain doesn't have the capacity yet. A 'Private' blockchain could be used for speed, then sent to the public blockchain for stability.

CS: Regarding the industry running on 'hits', this isn't case within Sync as music supervisors look for music that isn't yet a big hit. As such, Mycelia will need to have great searchability and discovery aspects, plus information based on social and political bias. Good input tagging and machine learning could help with this and could help the right artists to float to the top for syncs.

JM : Smart Contracts can work well for apps and adverts as far as syncs go, but not for general use.

LC : Good searchability should help to level the playing field, helping all artists to earn money from syncs.

GM: From experience, the briefs given by music supervisors usually differ from the tags used against music during upload, making searches more difficult. Standardised descriptors are essential for music to be found!

CS: Machine learning can be used to help in this by commoditized searchability.

LC : This could also help artists find other artists for creative collaborations.

TD: Will listeners be able to use Mycelia?

GM : It is important for Mycelia to choose its market initially. It can't be all things to all people – this approach is very expensive.

BD: We should bear in mind that Mycelia won't be a 'service' in itself – it will allow others to innovate on top.

CS: Suggests approaching independent artists and labels initially as the big players are too expensive to reach. Also to make deals with the existing organisations.

JM : Going back to the Day Zero approach, as far as PRS is concerned, there is a different Value in historic and future data. Old data is heavy to process and generally not useful...

FMW : It must appeal to smaller artists too.

CS: Existing organisations can begin to use Mycelia, validating it's data, but marketing to all these artists and organisations will be very expensive.

FMW : This will need a large-scale technical integration, from the studio and upwards.

JM : But Day Zero needs to start somewhere!

CS: The Creative Passport could enable tech providers to spread their product – there are big opportunities here.

GM: Many participants will benefit from the Creative Passport. So do the 'Rock Stars' get targeted first? Whichever way, Mycelia needs to decide on its target Audience size as a first stage. Costs to reach these rock stars can't be calculated otherwise.

CW: All people within the creative process need to be represented by the Creative Passport and have their questions answered by it...

TD : How will Mycelia make money from Syncs?

LC : Via fees charged.

NY: If Mycelia becomes ingrained into software, who will host the data for versioned studio files? If it is Mycelia, then there can be a charge for this,

CW: If Mycelia benefits Performing Rights Organisations (PRO), should they pay too?

JM : PROs can only exist because of membership fees, not the other way around.

GM : Mycelia will need base funding.

FMW : Could it go out to the market?

GM: Mycelia needs to build trust in its central data before it can encourage funding.

FMW : But interim costs will be large if the database is large...

NY: Mycelia could charge for storage of the locked and ID'd song data files.

GM : The cost-per-funding-route needs to be calculated. On measure, the big hitters are usually cheaper to win.

FMW : A marketplace could be built on top of Mycelia's data. Who will manage or set fees from these marketplace companies?

GM: Mycelia will act as a beenive, with different areas or 'nodes' to be serviced. The marketplace companies will service these nodes. The node system will then become self-regulating, with poor quality or expensive services not surviving and the best value and quality services thriving.

CW: In this system, Mycelia can derive an income through Affiliate schemes.

GM : Revenue alone <u>won't</u> make Mycelia a sustainable entity. Larger funding will be needed to enable it to survive but funding isn't only available to organisations with the promise of profit.

BD: As such, it becomes a Public Utility.

GM : Foundations exist to help these kinds of organisations thrive but there must be a tangible 'difference' that Mycelia will have to demonstrate.

LC: For this kind of funding Mycelia must be seen to solve a problem...

FMW : Who will run Mycelia? It needs to be based on merit.

JM : Going back to which kind of data will be used, if historic data <u>isn't</u> used, then Mycelia could take a long time to get to a point of holding data that's seen as valid.

GM : Could historic artists apply to a Mycelia 'fund' to have their data entered?

JM : Who then pays to have the existing data 'unpicked'?

GM : It should motivate the individual to take the time as they can then be found and paid!

LC : The Mycelia data entry process can ensure <u>all</u> data is entered, so locations (eg studios and venues) can benefit too.

WG: Artists should pay to Register with Mycelia and can then be also registered with other organisations, making a long-term cost saving. Maybe at a rate of £1 per month?

GM: A long-term gain isn't of benefit to many artists as they are too stretched already. Mycelia should be looking to support those people.

JM : Global exploitations are now prominent but as few data sources as possible are needed. Data needs to come from the creator to be seen as reliable. How does Mycelia achieve and fund this?

LC: Mycelia needs to facilitate the answering of all of these questions by creating a platform for services to step in and create the solutions on top of the data it holds. But transparency will be important!

CW : Emerging markets should be researched and included, to allow Mycelia to fill gaps where the collection organisations don't already exist.

LC : If Mycelia could work out a way of filling those holes, this could be a strong influence to encourage investors.



THE BUSINESS PLANNING GROUP : Afternoon Session – 'The Most Efficient Path to Market'

- BD : Brian Dubb : Mycelia / MPAL Pro Table leader
- KC : Karen Carne : Event team Notes
- CS : Claudia Schwartz : MusicTech Germany
- CW : Chris Walker : Music Manager
- GD : Gee Davy : Association of Independent Musicians (AIM)
- GM : Gary McClarnan : Sparklestreet

- JM : John Mottram : PRS
- KK : Kwame Kwaten : Music Manager
- LC : Lucie Caswell : FAC
- RD : Reece Daniels : 7Digital
- SS : Sara Sowah : D&B AudioTechnik
- TD : Tommy Darker : Musicpreneur Hub
- WG : Weronika Garczyk : Musicpreneur Hub
- WS : Wolfgang Senges : Contentsphere
- [We had 21 participants in total, but only the above people joined in]



GM : For this afternoon, it would be good to set an objective, the 'What?', then begin to plan the journey, costs and partners needed. The start-up stage is unsustainable – we should set a timescale for this. To recap for the new joiners, revenue doesn't achieve sustainability, so Mycelia may need sponsors.

CW: For the 'What?', Mycelia needs to create an accessible database, integrated with software in a useful way. It must become trusted.

LC: It will need commoditized data. Who will carry out the commoditized work?

SS: Mycelia needs a Mission Statement that talks to everyone. What the platforms and interfaces it will need to work with?

GM : Mycelia needs a short summary, the 'Jaws In Space' descriptor for Alien.

LC: The data Mycelia holds needs to be directly connected to the individual, who retains ownership and control. It <u>must</u> be validated by the artist.

RD: Yes, connections are only valuable if validated by the artist.

TD: There are 2m artists on Spotify and many of them could use Mycelia. Mycelia could attract them on the basis of 'they come for the tool but stay for the network'.

BD: Mycelia won't be a tool!

TD: But it needs to attract the tools!

JM : It must be remembered that Rights can only be granted by one person. Competition or a 'market' in this area is not possible, making it a difficult area to disrupt.

LC: Mycelia can offer another alternative into the existing landscape making it easier for users to find what they're looking for.

GM : Immediate gratification could remove the 'market' element.

GM: How many users and/or service providers would Mycelia be looking to attract? Only then can the journey to market be planned.

SS: Who are the 'Services'?

GM : We should commoditize these as 'Contracts' in general.

LC : Either Revenue Generating or Creative Collaborations

GM: Who should Mycelia be aiming at first?

BD: The artist will always come first...

JM : There are 1.5m songwriters – Mycelia would need to attract 50% of them.

LC : Attracting artists via the Creative Collaborations aspect will lead to income generation. Creative collaborations first, then transactional 'journeys' will follow.

GM: Mycelia could aim to become a 'Trusted empowerment platform, leading to a point of sale where a commercial gain can be made'. It needs to be agnostic on all levels.

CW: Imogen's Mycelia world tour needs to have a strategy and a timescale. Will it start or end in LA to attract tech partners?

GM: How many places can be visited in one year? And at what cost to establish a route? From experience with global brands, they spend £millions to find out where their audiences are...

LC : The tour will create more than fan data alone. Data gathering is a large aim of the tour.

GM: How many connections are needed to make Mycelia valid?

BD: Regarding the Tour, will there be a Day Zero date? It will be starting with a 'respected' level of artist, ie Imogen, in each territory, then aim to bring newer respected artists forward.

JM : There is market demand from Spotify for micro-licensing, all of which Mycelia will be able to do. When will Mycelia be able to handle this, within its journey to scale? The data it holds will drive the level of micro-licensing.

GM: Using Adidas as an example, it begins a product launch in one country. It hones the message after this first country then adds more countries, eg 10 and so on, retaining funds from each launch to cover the acquisition costs of the next territories. The message to Influencers must be clear from the outset, including the costs to

acquire those influencers, to help Mycelia achieve its objectives.

JM : As a non-profit, it must save costs where it can...

LC: Working with these influencers will multiply artists' opportunities of being found, therefore generating income for them and Mycelia.

GM : Influencers and connections will help the Mycelia team to plan a targeted approach and a targeted tour, helping to give artists more choice.

SS: But network growth isn't the same as revenue growth.

GM : No but it will enable challenges to be spotted ahead, eg lack of funds and external competition.

??: The broadness of Mycelia's data is important. Descriptors for music licenses will enable artists to be found. A broad dataset creates better data.

JM : PRS' experience would show that artists are <u>not</u> good at providing data, even when it directly relates to them being paid! As an example, artists are asked by PRS to provide set-lists for their live shows to enable them to be paid. This info is rarely forthcoming... Mycelia will need to demonstrate a very strong clarity of benefit to the artist to encourage the artist to do their part.

CS: Could it become mandatory to supply this metadata information?

JM : Legally, this would be very difficult to enforce.

GM : Should the metadata entry be enforced, a 'fringe' culture is born, where artists rebel against the rules.

CS: KENUP may be helping with bringing forward an EU-wide commoditized dataset. Would the Mycelia network be needed at all if a commoditized dataset is enforced?

GM : Mycelia will be able to cope in that scenario. It is a long way in the future, giving Mycelia time to integrate.

BD: KENUP are trying also to make a database of song rights. The Creative Passport needs this kind of data. In time, there will probably be more than one provider of this kind of data.

GM : A risk might come out of competition, in helping people to conform to KENUP or others' rules.

LC : Mycelia must future-proof the data to ensure the data stays relevant.

KK : Does song data arrive with the 'streamer' automatically? And the revenue splits are set from the start?

GM : No, someone streaming the song doesn't automatically get the song data. Mycelia will become the go-to network for everyone entering their info at the start of a

recording session but there must be a worthwhile reason, either financial or profileraising, for anyone to spend time entering their data.

BD: And yes, the revenue splits are set within the smart contracts.

- GD: So Mycelia can become the IMDB for music.
- SS: Will Mycelia be pre-populated with data from PRS and other PROs?
- LC : Much of the historic data is incomplete.
- GM: And they won't want to share it!!

CW: Mycelia might need to fill a gap in countries where the systems aren't already in place. Many of the existing services don't operate in certain territories but Mycelia could clear up in those areas!

JM : Would be unhappy that PRS members may end up paying for PRS to clean up data that is then shared with other organisations. Releasing thousands of lines of bad data may give rise to hundreds of legal claims too!

- LC: Meaning data for new works only would be best.
- GM: Artists with back catalogue wouldn't be happy with that approach.
- LC: But it would come down to cost...
- KK: Mycelia could start with new data and old data be entered later on?
- GM : New data = no cost. Old data = cost to clean it up for use.
- BD: Mycelia could pay to have heritage artists' data entered, as a start...
- LC : Finding that heritage data is time-consuming and costly.
- JM : And many artists don't know who their providers are!

BD: Mycelia must have heritage artists to begin with but a Day Zero approach is good also.

LC : The heritage data could spawn suppliers of data clean-up and entry.

KK : Wants to use Mycelia to split the revenue share of new works. And to negotiate the best rates with streaming companies.

JM : To get a fair deal?

BD: Currently independent artists and managers use and Aggregator but this landscape is changing too.

KK: Where does Mycelia sit on that process?

GM: Mycelia can grow to a point where it can become influential with service providers. But costs will be substantial to get to that point so funds will decide when that can happen. Running costs and the number of users will be influential in this. The 'sweet spot' is in the middle of the 'Influencers' chart (see flipchart). Mycelia will need to calculate the cost of bringing in the mid-range of influencers, ie not the bottom 10% who are too many for little or no benefit and not the top 10% as they are too expensive to reach. This middle 80% of approximately 2m influencers will have a cost to reach them.

JM : What does Mycelia <u>need</u>? Different scenarios of Mycelia's future use will change the answers to this question...

KK : As a manager, Mycelia is exciting as it offers a new way for artists to make money and to allow a simple revenue share among the full creative time for a set period.

BD : And many artists are completely disconnected with the 'old' industry, so Mycelia can fill that gap for them.

GM : Streaming has commoditized music sales and revenue. Mycelia can help to demonstrate an artist's <u>ethical</u> status among their peers.

KK : It needs to demonstrate clearly to artists they they will make more money!

JM : The upcoming new General Data Protection Regulation (GDPR) could affect Mycelia. After 25 May 2018, organisations won't be able to share personal data unless <u>expressly</u> allowed to do so. There has to be a permissive exchange using an 'opt-in' rather than an 'opt-out' – the rules are complex.

GM: To summarise, Mycelia needs how many artists? And how much will it cost to acquire them? And over what timescale? These answers are all affected by the type of funding Mycelia may achieve.

LC : The timescale has to make sense to external investors, with 5 years being a sensible minimum.

JM : Mycelia will gains its 'brand' from the top 1% of influencers.

GM: But it needs to target the credible mid-range of artists first.



WILD IDEAS

 Table Leader:
 Vaughan McKenzie (JAAK)

Notes: Tam Linh (Event Team)

Participants: Fyfe (Music Maker), Chris Gayner (Symphony Ventures), Matt Phipps-Taylor (PPL), Chad Walker (Manager), Jude McArdle (AIM), Annabella Coldrick (MMF), Paul Dilorito (PRS), Chris Wray (Mattereum), Cecilie Dreyer (Banders).



1. Creative Passport as an identification document

Creative Passport benefits rights holders as it operates as a single point of data on right holders' credit information, works and other data. The source of information, thus, should be from the right holders, including artists, music makers, producers, record labels, etc. This gives rise to the following issues in relation to data control by rightholders:

- Whether Mycelia should enable right holders to control their identifiable information?
- Whether Mycelia should enable right holders decide the design of the information expression and how it works?
- Whether the information should be public or private?
- When giving consent to disclose information by rights holders, whether such consent should be permanent?

Opinions:

- It is ideal for Mycelia to operate as a platform which allow people to get access to all information from different sources (e.g. iTunes, Spotify, collecting societies) in one place.
- Right Holders should be given absolute control of their works and information. In particular, right holders should be able to:
 - decide whether or not their works and information will be disclosed, and where to inject their works and information;
 - decide which information is freely available;
 - amend incorrect information;
 - terminate or withdraw the consent on disclosing or any of the information or works of their choice; and
 - block access to works and information of their choice.
- Meanwhile, Mycelia should also be an open source model where everyone can get access to information.



2. Authority control

It is presumably easy for Mycelia to collect and publicize data in relation to new works. With respect to previous works, fragmentation of repertoire and inconsistent information on different resources are the challenges to compile and verify correct data. Accordingly, Mycelia should create a network of one-stop shops for musical works and information which links to other music services, consolidated copyright database and recording database, such as ICE. This will enable people to verify and certify data, e.g. people can recognise copyrighted works and parody works.

3. Dispute resolution

In the case of conflicts on data, the claims should be resolved by the parties within the designated timeframe and/or referred to a dispute resolution body.

4. Monetisation

Right Holders should be provided with information on billing, rights revenue, management fees, deductions and money flow to ensure that money is paid to right person. In relation to the rate issue, whether there should be a flat rate for everyone still depends on negotiating power and remains an open question.

5. Mycelia as a social network

It is necessary to have a simplified system for right holders and users to interact with people and organisations in the industry. Accordingly, Mycelia may operate as a social network for artists, such as Facebook or LinkedIn, where they can upload works and metadata, create events and connect with people in the community. The platform may also be designed to aid music discovery.

6. Contract management

People should be provided with necessary information in order to conduct negotiations for the licensing of rights. To this end, sufficient information should be available as relevant facts for the parties to set out and negotiate relevant obligations. In addition, there is a concern as to whether smart contracts should be in compliance with legal standards.

7. Is Creative Passport neutral or competitive?

To promote transparency in terms of freedom of information and money flows in the music industry, it is essential to develop neutral platform.

8. Mycelia as a DAO (decentralised autonomous organisation)

What is shared between Mycelia and DAO is using smart contracts on the Ethereum blockchain. It is argued that DAO might be run without human involvement; however, there still must be an intermediary who provide and run the platform and to whom the right holders must talk to in order to sign up for the platform. In addition, as DAO experiment suggests, smart contracts will expose the platform to both opportunities and potential risks.

Thanks to all the participants who were so excited in being part of the development of the Creative Passport, especially to our table leaders who guided the groups through the discussions, and the scribblers for the documentation.

Adbank (Kelsey Cole and Angelo Dodaro) and to PRS for Music for being our main sponsors for the event.

Jonathan Reekie and the Somerset House staff, who offered the venue and assisted us over the event preparation.

Looking forward to next one

Mycelia Team