Self-publishing Pack

Make Music Work advice series

The ISM is the professional association for musicians. The ISM promotes the importance of music and protects the rights of those working within music with a range of campaigns, support, practical advice and services. We welcome as members working musicians from all musical backgrounds and genres, and from all areas of the profession.
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Introduction

I am delighted to be able to introduce the ISM Self-publishing Pack which we have prepared as part of our Make Music Work advice series.

This pack is aimed at all composers who are considering whether self-publishing might be a good option for them. It explains why self-publishing is becoming increasingly popular, setting out some of the key challenges that self-publishing composers need to consider, along with advice about how you can meet those challenges.

As a self-publishing composer you will also have to consider a number of legal issues around the protection of copyright, use of appropriate contracts with customers and, most importantly, ensuring that you are paid fair fees and/or royalties when your work is used.

ISM members can obtain free legal advice on these and a range of other issues faced by professional musicians, as part of their ISM membership.

This pack will provide a useful resource to help composers starting to think about how self-publishing might work for them. We would very much welcome feedback on the issues covered in this pack.

Incorporated Society of Musicians
The role of a publisher

When assessing the pros and cons of self-publishing it’s a good idea to establish what the roles of a publisher might be. It’s common knowledge that publishers sell sheet music to performers; however, there are many more things good publishers do for their composers.

These can include:

1. Physically producing music, whether in digital or physical format, and making it available for sale or hire to the general public.

2. Making artists and ensembles aware of these pieces via marketing and promotional activities to boost performances, broadcasts, recordings, synchronisations, licencing opportunities and sales of the works.

3. Proof reading compositions for errors and type-setting them into clear and legible formats.

4. Registering composers’ works with collecting societies such as PRS for Music to ensure their rights are protected and royalty payments are distributed correctly.

5. Seeking commissions and negotiating commissioning fees for composers.

6. Developing relationships between composers and other industry professionals.

7. Providing administrative services including biography writing, arranging travel and accommodation for premiere attendances and invoicing on behalf of the composer.

For undertaking some or all of this work, publishers will understandably require remuneration for their services. This typically comes in the form of a percentage of the composers’ income and can vary hugely depending on who is publishing the works.

To self-publish you need not only to have the skills of a composer but also those of (or access to) a seller, distributor, editor, manager, accountant, lawyer, money collector, administrator, proof reader, printer...the list goes on.
So what is the main reason for self-publishing?
Keeping hold of more money

Whilst publishers undertake a large amount of work on behalf of a composer, you can undertake this work yourself in order to keep more of the money generated from your music.

Even established composers are not always aware of all the revenue streams they are entitled to so here is a list of the main ways you can generate income from your compositions.

1. Physical and digital sales of sheet music.
2. Rental from the hire of your scores for performances by artists and ensembles.
3. Royalties via PRS for Music when your music is performed live by an artist or ensemble.
4. Royalties generated from the broadcast performances of your music on radio, TV and streaming services such as Spotify.
5. Remuneration from filmmakers to allow them the rights to use your music for their films or productions.

If you self-publish not only do you stay entirely in control of how much you charge performers to buy or rent your sheet music but you retain all of the royalties generated from these other income streams as well.

PRS for Music has published a useful infographic to highlight how a composer could earn £100 from these streams of income. If you consider a publisher would typically take between 20% – 70% of a composer’s income you can quickly see why self-publishing is becoming more and more popular.

<table>
<thead>
<tr>
<th>Live</th>
<th>Music outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concert venues</td>
<td>28 minute piece within 100 minute music concert (assuming all music is in copyright), in sold out capacity venue at £15 a ticket</td>
</tr>
<tr>
<td>Festivals</td>
<td>15 live performances in a small venue</td>
</tr>
<tr>
<td>Universities</td>
<td></td>
</tr>
<tr>
<td>Small Venues</td>
<td></td>
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</tbody>
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<table>
<thead>
<tr>
<th>Broadcast</th>
<th>Radio</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.38 minutes BBC Radio 3 airplay</td>
<td></td>
</tr>
<tr>
<td>22.08 minutes Classic FM airplay</td>
<td></td>
</tr>
<tr>
<td>1.08 minutes BBC1 broadcast at 8pm</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cinema</th>
<th>Film</th>
</tr>
</thead>
<tbody>
<tr>
<td>Circa 3 seconds – 2 minutes music used in UK release, value dependent on total music duration and the success of the film</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Online</th>
<th>Download services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Circa 2000 – 2500 downloads$^*</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Online</th>
<th>Streamed services</th>
</tr>
</thead>
<tbody>
<tr>
<td>60,000 audio streams$^{**}</td>
<td></td>
</tr>
</tbody>
</table>

$^*$ revenues and images vary, these examples are not guaranteed revenue, but are a representative illustration. Examples also assume you own 100% of the musical work.

$^{**}$ Online revenue is calculated from a combination of both performance and mechanical royalties.
Why doesn’t every composer self-publish if it means keeping more money?

There are three major reasons publishers have been in business since the 15th century and show no sign of being less important today.

1. **Exposure** – Offering networking opportunities that composers wouldn’t have access to without them.

2. **Production and distribution** – Providing the technical know-how and equipment to produce physical and digital products, stock them and distribute them to the public in a timely manner.

3. **Administration** – Taking away all the administrative and time-consuming aspects of royalty collection, contract drawing, fee negotiations etc. to allow composers to focus on simply writing music.

However, few composers are able to focus 100% of their efforts on writing music and many also rely on other sources of income such as teaching and performing to make a living. Some composers find that self-publishing fits well with this ‘portfolio’ style career.

Providing composers are able to dedicate appropriate amounts of time to writing, producing, promoting and distributing their music, self-publishing allows them to retain considerably more of the money their music generates as well as affording them the freedom to set their own fees, workload and deadlines.

If you think self-publishing is an option for you, below is a breakdown of the stages required to successfully bring your product to market and a list of challenges you will face at each stage.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Challenges to be considered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Writing the music</td>
<td>Good time management – meeting deadlines</td>
</tr>
<tr>
<td>Typesetting and proof reading notation</td>
<td>Allow sufficient time for careful editing and proof reading</td>
</tr>
<tr>
<td>Design</td>
<td>Ensure attractive, high-quality design with good layout and convenient page turns</td>
</tr>
<tr>
<td>Quotations</td>
<td>Explore multiple print options or e-commerce platforms with printers to get best price</td>
</tr>
<tr>
<td>Pricing</td>
<td>Must be competitive but cover the cost of production. Print on demand may be expensive to set up. Printing costs shouldn’t be more than 25% of the Market Retail Price</td>
</tr>
<tr>
<td>Production</td>
<td>Ensure high quality paper stock and formatting. Printer must understand requirements of music publishing</td>
</tr>
<tr>
<td>Availability</td>
<td>Should be available from major distributors and local music shops, e-commerce sites such as Amazon and your own website</td>
</tr>
<tr>
<td>Promotion</td>
<td>Try to promote via reviews in magazines and journals as well as social media. Make sound files available. Ensure high-quality presentation on your website</td>
</tr>
<tr>
<td>Collection of Royalties</td>
<td>Register with PRS for Music. Ensure that correct bank details are used</td>
</tr>
</tbody>
</table>
Advice on physical production of scores and PDFs

Without music being easily available in both physical and digital formats, composers limit the exposure and income their music can generate.

Although more publishers are now choosing to print music on a print-on-demand basis, publishers generally still print music on a mass basis to make it more cost-effective for them. However, this can generate a huge amount of unsold stock, which needs to be stored and isn’t easily achievable by most self-publishers.

As a self-publisher you are able to quickly adapt your print requirements depending on demand and if you do not have large amounts of space to store your music you can print-on-demand just as large-scale publishers do.

In order to get a good quality product to customers it is worth investing in both the way your product is notated and also how it is presented when printed. Most composers have a working knowledge of Sibelius or Finale publishing software; however, if you do not, it would be worth engaging a copyist or editor to input your handwritten music into legible digital format. This gives you far more flexibility over what is possible in terms of production and distribution.

Once your music is in digital format you can then approach a designer or printer to look into options to produce your work. If mass printing isn’t necessary or practical, it may be worth investing in a laser printer, preferably A3 or A2 so you can print landscape scores as well as A4 parts. Laser ink does not run when wet, is cheaper, and allows you to print far more quickly than standard inkjet printers.

Invest in some good quality paper stock to print onto and if printing scores and parts consisting of many pages consider how you will bind your music together. Good quality binders can be purchased for between £200-£350 but if this isn’t cost effective for you you can take your music to a local stationery firm to do this for you on a case by case basis.

Having all of the equipment to print your own music is a considerable financial investment so it’s important to weigh up whether your sales will cover these costs in the long run.
Making your music available online

Once your music is in digital format you can distribute it to customers via email or e-commerce platforms that allow you to accept payments online (such as Paypal).

Whilst there are platforms available that only allow music to be printed once, these can be costly to implement from your website and have proved ineffective in copyright piracy. As soon as a piece of music is downloaded it can be printed and photocopied/scanned the same way as any other piece of physical music.

The major benefit to distribution via an online platform is there are no physical production costs involved, allowing you to retain much more money from each sale.

Having a website which properly presents your music and makes it easily available to the public is essential. It is frustrating for a customer wanting to make a purchase to have to take more steps than they need to access and pay for music. Simple e-commerce platform integration to your site will yield a larger amount of sales with less administrative work for you to do in order to process each sale.
Networking and Marketing

For many composers the major part of their income is generated from new commissions and royalties from live performances. In order to keep interest high from potential commissioners and performers a clear marketing plan should be developed. This should at least outline:

1. Who your target market is.

2. How you plan on getting in touch with them to promote your work.

3. Who your main competitors are and what methods they use to effectively promote their work.

4. What complications would arise both practically and financially if no new commissions were achieved.

5. Whether any other external promotion is required. Assistance with promotion could come from an agent or manager or from advertising.

Attending performances of your own pieces is a great way to cultivate and develop relationships with artists and ensembles. People often invest in other people more than the products they offer so being approachable and accommodating is very important.

Attending industry events such as the British Composers Awards, Gramophone Awards, ABRSM and ISM conferences are also great ways to expand your network.

Social media accounts should be the most up-to-date source of information about you and your music.

Twitter provides you with a great opportunity to communicate with a global audience and make valuable contacts. It is easy for you to reach out to ensembles, festivals and other industry contacts using Twitter.

To develop a following, musicians need to interact with others. Regularly posting engaging tweets, pictures or short video clips of what you are doing, sharing interesting information and asking and answering questions are good ways to develop a following.

Facebook is the other major platform that musicians choose to advertise their work. Facebook business pages are a powerful marketing tool for musicians and they have an advertising system built into them which can be used to target the type of people you need to reach. Facebook is a visual medium; great photos and video can be powerful and should be the focus for this platform.

Twitter and Facebook have different types of users, so resist the temptation to ‘link’ your accounts so the same information is automatically posted to both. Studies have shown that this kind of linking can be detrimental to marketing efforts.
Using performers to increase your exposure

Developing close links with performers can be a great way for composers to reach an audience. The more performers play a composer’s music, the more exposure they get and the more income from the streams mentioned in ‘The role of a publisher’ section they generate. By building relationships with performers you are likely to achieve:

1. More recordings of your works
2. More repeat performances
3. More repeat commissions
4. And, as a result of 1, 2 and 3, more money
Initially at least, you will probably want to carry on your self-publishing activities on a freelance personal basis as what HMRC call a ‘sole trader’. This means you personally retain all profits your business makes. You include the income and expenses of your self-publishing activities in your personal self-assessment tax return and pay tax and National Insurance on the profit. The downside is that you are personally liable for all the business’ bills and debts.

As your business grows you may want to consider setting up a limited company but, even so, this will often not be the best option. The main advantage of carrying on your self-publishing activities through a limited company is that you no longer have unlimited personal liability for the bills and debts and the company’s shareholders’ (ie your) liability for the company’s bills and debts is limited. You may also find it easier to raise external finance through a company. However, there are disadvantages to running your self-publishing business through a company. The main things to be careful of are:

• more onerous and costly reporting requirements (Companies House registration, annual reports and annual accounts)

• potential liability for Class 1 National Insurance if you are employed by the company and

• the potential for double taxation (of both corporation tax and personal income tax on dividends you pay yourself out of the company).

Against this background, there is no clear-cut rule for deciding on whether to operate as a sole trader or through a company. You need to consider your own particular circumstances.

Ask yourself the following questions in particular:

• **How much risk are you taking on?**

If your self-publishing business is only small and involves only a limited amount of business-related expenses the risks are only small. However, the more money you have coming in (eg from sales income) and the more bills you incur (eg salaries of staff you engage to help you in your business) the greater the case for limiting your personal liability by forming a company.

• **Are you looking for external funding?**

Bank lenders and potential investors are more likely to agree to make funding available to a limited company than to a self-employed individual.

• **What are the tax implications?**

You want to avoid a structure which leaves you paying more tax than otherwise. It is a good idea to seek expert advice on this from your own accountant or from LB Group who offer ISM members a 10% discount on their tax and accountancy services.
As a sole trader, your income from self-publishing will be taxed under your annual personal self-assessment. You need to declare all your self-publishing sales income but are also entitled to deduct from your gross income all tax-allowable expenses you incur in the course of your self-publishing activities.

You may also want to claim capital allowances in respect of capital equipment you buy, such as printers. However, you should beware of the potential pitfalls. This is because, if you subsequently sell the item, capital allowances are adjusted in the year of sale to take into account the selling price. This means that, even if you sell the item for less than you paid for it, there may be a taxed ‘balancing charge’ on the difference between the capital allowances you have previously claimed and the net cost to you of buying and selling the instrument, measured as the difference between the price you bought the item for and the price you later sold it for. The position is further complicated in that you may be selling one piece of equipment and replacing it with a better, more expensive, one. In this situation, you may be able to claim capital allowances on the new instrument which more than offset this ‘balancing charge’.

Remember that it is not compulsory to claim capital allowances and it is not always tax-efficient to do so. You should seek expert advice from your accountant or tax advisor before claiming capital allowances.

If you are an ISM member you can use our free tax helpline or get help from our partners: Performance Accountancy Ltd who offer our members a discounted tax return filing service, and, LB Group, who offer tax and accountancy services to our members at a 10% discount.

Sales of printed copies of music are zero-rated for VAT. You do not have to charge VAT on these sales even if your sales revenue from such sales comes above the VAT registration threshold.

However, you could become required to charge VAT on digital sales of copies of your compositions. Digital sales are subject to VAT at the standard rate. For VAT purposes they are deemed to include all electronically supplied services, including the sale of downloadable apps and PDF files, which are automatically downloaded to the customer’s device, delivered via an automated email to the customer or otherwise delivered in an essentially automated way. They do not include sales of goods which are manually emailed by the supplier.

If your automated digital sales to UK customers exceed the VAT registration threshold or if you make any digital sales to customers in other EU countries, you need to charge VAT on these sales and register for VAT with HMRC. ISM members can find out more about this by reading our advice page, VAT rules on cross-border digital music sales.

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Acknowledgements

The ISM would like to thank the following people and organisations for their assistance in developing this pack:

PRS for Music (for table on page 4)

Bright Ivy Ltd

Composers Edition

Supported by

ISM Trust

ISM Make Music Work