



INTERVIEW – IAN JAMES, Mushroom Publishing
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On if and whether Independent Record Companies should also be Publishers

For a company such as Mushroom, Mushroom Music it was absolutely vital. It was about financial survival. For many small companies it can be a great bonus to have the publishing of your acts. It can make quite a lot of financial difference, but only if you know how to do it properly. If you don't and you don't get it right then you sow the seeds of some very unfortunate conflicts with your acts and sometimes that can be very damaging.

You have to be able to deal with the songwriters copyrights properly. The theory of having the publishing and the records in the one company was probably started in this building. Michael Gudinski and Garry Ashley in particular realised around in about 1973 that was a good idea. The problem is in the doing. If you acquire rights you've actually got to do something with them. You've got a moral obligation to deal with them properly and you've also got a financial obligation to yourself and to your acts to deal with them properly. There's no point in having something if you let it lie fallow.

One of the patterns of our business is that new acts sign to an independent label, they take several small steps down the road and then they seem to move on to greener pastures. Theoretically the label is able to go with them and to benefit from that to some extent. Sometimes the label is taken into a major company and becomes say, a subsection of that major company, or sometimes the label is rewarded with overrides or some other sweetener, in order to allow the band to go onto the major label. If you happen to have sowed the relationship with your act via a poor publishing performance in the interim, then you could very well find that that process doesn't go smoothly because there's not a lot of goodwill left in the room. That's a rather unfortunate downside of running a shabby publishing operation. I've seen it happen and it's not a happy situation.

I've been involved in the start up phase of a lot of companies. At the moment we have a publishing relationship with Ivy League, with Vicious, and with Karl Richter at Level 2. We have the publishing for the ABC and in New Zealand for My, which is the Maori radio station, now turned into a record and publishing company. So we have a history of working with those types of companies. Along the way of course there have been a lot of other names, which have started out having this theory and of course are no longer with us.....



A Publishers View on Record Labels Structuring Profitable Deals

Each record company would wish to have the best trading terms with their acts that they can in order to be in the most advantageous position. Therefore a direct signing is clearly the most advantageous position because you have some long term security with the act. I guess the ethos of the record company is very important here. The English labels having a much more partnership based view of the world, particularly Tony Wilson of Factory who took a very strong, I guess, 50/50 share of the net profits view with his acts. They all did very well out of it but unfortunately Factory Records ended up having very few assets and as a consequence those masters simply walked out of the room. Tony ended up with nothing, which I thought, given his seminal influence on the Manchester scene and the fact that he really created a lot of the success for those bands, wasn't a fair reward for him. So you would prefer to have the bands signed long term.

I guess there's a view at the moment that everything should be extremely short term. Everyone is looking to cash in on the big one. The problem is that if you run a small label, you're not likely to be part of the cashing in process. I've obviously got a lot of sympathy for the people that set up independent labels and run with them. They put their arse on the line essentially. I guess some acts won't sign under any other condition than some partnership arrangement. If you could guarantee the good faith of that into the future, and maybe you can, (I'm not saying that every relationship is necessarily going to end up adversarial), that could be a very beneficial way to sign acts that otherwise would not sign to your label. You offer them a shorter term, a split on profits, the recoupment perhaps more in favour of the act...but you have to be sure of your ground. You have to be sure that the people that you're dealing with will genuinely give you good faith and return.

I guess I'm a bit sentimental. I kind of hope that they do like the old fashioned way of working together. I like Tony Wilson in fact a lot. I like Daniel Miller of Mute who took a very similar view. I don't see it happening anymore. I think that reality unfortunately says that that sort of model doesn't work that often. It appears that there's a lot of new labels around at the moment, which is kind of interesting because there's a fair amount of jostling for position and for the same acts. As a consequence maybe you do need to make your deals softer and easier in order to attract the act because there's going to be three or four A&R people paying attention to that particular act. Very, very rarely does a Savage Garden come along where it went straight past the conventional industry and it wasn't until John Woodruff ended up putting his hand up that people started paying attention.

Of most of the acts that people are truly interested in there's at least three or four A&R people who know about them and it's no mystery. Therefore in those terms it may be that you need to make some unusual deals. I think the most unusual deal done recently is the Datsuns who did a deal with V2 for one album and that was, given the the size of V2 as a company, a very interesting approach. I'm not quite sure of the logic of it, but they did get the Datsuns album so they succeeded in their primary purpose of signing the act and I believe to some extent they were relying on good faith. They thought, "okay we'll get into the the water here, we'll see how we go together and if you trust us and we get along well



there will be a long term agreement to follow.” I don’t know the end of that particular story because I really don’t know what’s about to happen. There hasn’t been a second album under that deal as yet but that, is that, I guess, a fairly interesting recent development.

Dealing with Label Growth: Phase Two

As any company expands, the amount of acts that they have and the amount of detail that you need to deal with means that you cannot make it a one man operation, at which point this phase two becomes incredibly vital. You need to gather around you the people who can take it to phase two and you’ve got to find people with a very similar level of fire, sharpness and smarts because that plays a lot into it. I mean there is a cliché that there are dumb people in the music business. I’m quite sure there are but I don’t spend anytime with any of them because the people without exception everyone I deal with has got a sharpness to them, a street sharpness. You know they might not have a PhD but they’ve got a very sharp witted mind to them and that’s very important.

With Mushroom Music for instance, you know I leave almost all the A&R to Linda Bersedis who is totally competent in what she does and has got a great attitude as well. We’re now looking at the urban music area and I’m hardly likely to be an expert. In fact I would prefer not to pretend really, “mother fuckers!” In fact it would be tragic if I did. But as times change, you must, if you’re going to be a robust company, have a diverse catalogue and change your attitudes and style with it. One of the great challenges of the label is to stop being boutique and become ...not an across the board label, I mean, I guess it’s the old corny thing in job interviews, “What sort of music do you like?”, “I like, I like country, folk, jazz, rock and you know and blues”. Then you think, “Well you don’t know what you want do you”. Conversely, if you are a label which is monotonic, (and guess what! the patterns of fashion change in our business,) then you’ll be left behind, simple as that. So if you’re going to grow the label into something really significant you do actually have to have a range of styles which means you need a range of influences coming into your company and finding that and finding the people involved is very important to how you go forward. Whether you can afford them or not is part of the problem but it’s certainly, certainly what you have to do in order to make it work properly.

I guess the founders of companies need to find two or three people that are not exactly similar to them because you don’t want to repeat the pattern, but have a similar level of energy and fire for music and enjoy working with artists. I mean when Johnny Rotten said “some product” it was the most damning statement because it really did put a very gloomy view on the role of artists in the music business. I guess learnt lessons from working here. Michael said to me that you should treat the bands like the people you work with in the office and not like someone who’s a great celebrity; treat them as people you work with. And it’s always better to go and see a band on a rainy Tuesday night than to go to the Entertainment Centre on Saturday; anyone can do that. Just simple lessons about respect and paying attention which people tend to forget.

I guess one of the other problems with a label is that it’s a question of ego. Quite often people become the stars of their own record label, which is fine. The owner needs to have personality, but not necessarily at the expense of the acts thanks. And that is in it self a



trap, ...what is it? "a little bit of knowledge is dangerous"...., a little bit of fame is dangerous. People find it hard to make that transition from being a nowhere label to, I guess a Mute, because in the middle they get stuck with the "I'm the coolest thing in the world" syndrome, which is dangerous because it's delusionary, particularly when you start taking your first overseas trips and everyone thinks that your label's cool and thinks that your bands are cool and suddenly "Hey! Look at me". A lot of people can't handle that. Ego's a dangerous drug.

On structuring Profitable Deals and Downloading

The problem with setting up a boutique label is that you've got to be able to convince people to sign to it and if you have extremely limited resources then you must have an extremely limited repertoire. It follows that you can't have forty acts and two staff. It doesn't work like that. There's a lot of talk at the moment about this whole idea of by passing the system entirely, downloading, the "I am my own label". This concept of boutique labels, tiny little labels with three or four acts and a particular ethos. As I've said before that is all very well over three or four year cycles but doesn't run long, unless you are the most exquisite boutique label in the world. That pattern will eventually run out. Not everyone wishes to run a big company. I guess you need a certain type of personality that thrives on "bigness" as it were. Certainly Gudinski has that type of personality. He jumps at the opportunity of getting into the big game, whereas other people would find that disconcerting and they'd find it unnatural. And as soon as you do something that's unnatural you don't do it well; and as soon as you don't do it well say "goodnight", because there's so many people in our business looking for a very limited number of opportunities that if you're not excellent at what you do you won't get anywhere. So, I guess in terms of safeness that the safest way is to set up a label with small overheads, have reasonably successful acts, and tick along. There's only room for three or four of those. I guess there are probably fifty of them out there but there's really only room for three or four of them realistically. So that at some point you have to decide whether you're in or out. If you're in I think you do have to look at consolidating or perhaps you then turn your skills elsewhere.... you do your record company stint until you understand how the mechanics work.

On Signing Publishing and Recording

Mushroom Music Publishing always signed the same artist as Mushroom Records. We don't know how it happened; it was a very unusual situation that just happened year in and year out. No of course it was, I guess, a policy in the building here. It was a very important policy in the building. It enabled us to survive. The cash flow of the record company was spectacular in some periods and not quite enough to pay the recording costs in others. It's a well known pattern that I'm sure every independent label has to face. We found that without the publishing the whole mechanism couldn't work properly. But we were working on a very high level. It was an expensive operation and Mushroom wasn't cheap to run. It is possible to run a small label without the publishing; the money for overheads isn't too hard to find if you're running an extremely modest operation.

Of course Mushroom was anything but a modest operation and as a consequence it had to find quite large amounts of money reasonably consistently. The publishing company was



the centre of that mechanism because we would always have constant cash flow and apart from having to pay out the royalties every six months, there was money sitting in bank accounts which could be accessed and was accessed constantly to make the whole pattern work properly. So for us it was absolutely vital that we signed both those rights.

Philosophically of course we had the occasional theoretician run the argument with us and we said, "Look as soon as you come back with a really important independent label that you own then I'm prepared to listen to you, but thanks, thanks for your advice". I think that was my approach to people who suggested that we shouldn't have the rights.

Mushroom: The One Stop Shop and Licensing to Film and TV

I've never been particularly squeamish about it because as a matter of practice when we've looked back over the history of the acts that we've been involved with we don't see a lot of complaints. In fact I don't see any complaints, so, in practice it worked. But it depended on several things, one of which was actually making things hits so that people were happy because they got money. I guess I'm past theoretical looks at the business. It's to me a matter of how it works in practice now and it was absolutely necessary to have it work like that in practice. And it worked because of the way we operate our licensing, in particular with the film and television deals. It very much had to work like that in that we set Mushroom Music up as a one stop to supply music to television productions, with the clearance for both the master recording and the publishing.

Now once again for a small label, that's not going to be possible. You can't be a one stop to a television program such as Secret Life of Us. You might just manage to be a one stop for one skateboarding movie and give them 8 tracks that you had the publishing on; but of course you can't put the same 8 tracks into the next skateboarding movie that's coming out in 3 months time. So that model, while it may be interesting to a small label, probably isn't workable across a long period of time unless you've got a decent depth of catalogue.

But the theory still holds, that if you can clear both the copyrights neatly and easily to film and television they appreciate that very much and they'll pay appropriate fees for that ease of use. Also if you have a label with the correct ethos you bring that vibe of the label to that program. Looking back at the labels I've mentioned for instance, I'm sure a lot of people in England would've been extremely keen to have the music of Factory and of Mute in their television productions and film productions at the time. I guess the Ivy League situation is similar in that they've got a whole genre of artists that they represent which in turn represents an inner urban lifestyle really for a whole bunch of people, not just in Sydney. Their bands capture the spirit of that sort of new town life I guess,... all of which is very important for television because up to a point you can you can bullshit the kids but in the end they actually want to listen to something they believe in. If you can supply them with something that they believe in then it gives great cache to the program itself. That's why having those rights together can be a very, very useful way to go about doing your business.

Attributes required for a songwriter/band to be successful

Now we're in a bit of a funny phase at the moment because a lot of music is made electronically in bedrooms. I know that people to some extent sound nostalgic when they talk about the great days of live rock and roll, but then again AC DC do sell out in five



minutes. Lets not loose perspective. So when you go and see an act play, that's very important. The fact is that a lot of things can be contrived in studios, very contrived in studios, and if you're looking for talent you're not just looking for song writing talent or vocal talent; you're looking for personality. You're looking for someone who can stand out in front of a band and make people look at that band and be mesmerised by that band.

I think the best example, the best Australian example of that is Michael Hutchence who no doubt energised that band INXS to a point where they became marvellous, absolutely marvellous. I think showmanship's dropped away a bit. There was an unfortunate period that led a lot of less than theatrical people to believe that they could be rock stars. I don't think that that's particularly healthy because I think if you do get on stage you do need to be a bit of a star. All that "I'm just introverted and playing my music stuff" can be very amusing and I'm sure that there's at least twenty people who are interested but the general population actually want to see someone up there who's taking it by the scruff of the neck. That can be in any number of ways.

Robert Smith of the Cure is quite compelling and doesn't throw his arms around a lot but has a certain riveting presence which people find undeniable. To pick a less than usual example, I think that the recent success of Machine Gun Felatio has gone a long way towards turning people on to what can be done. TISM was a I guess an early pre curser of Machine Gun as well, although I think slightly less successful because they never showed their faces so you never got to relate to a Pinky Beecroft or an Owen Chit Chats, and I think in the end that was their undoing. They needed to get out from behind the mask??.... though who knows what was behind the mask. So I think personality is very important and that's not necessarily restricted to the singer. You know there are some drummers who are quite fascinating to watch and who somehow command your attention. I always remember Paul Kelly's drummer Michael Barclay. He was just a fantastic character and added a huge amount; Paul Hester of course added an enormous amount to Crowded House. In fact Crowded House would be a fantastic case in point of a band with personality and how that mattered, really mattered...

On publishers signing songwriters signed to independent record labels

The first decision you make when signing someone is their talent. I sat on a board meeting once and said "I'm not in the least bit interested in competency. In fact what I look for is genius but I'll settle for extreme talent". So the first thing that we always look for is whether we have found the next Neil Finn. And of course most of the time the answer is "no". However it takes some time, of course, to develop your craft. The basic decision is "Is there something that we can really work with?" and it's got to be long term. After that then you start to look at the details. Management of new bands is quite often amateurish by nature of the business. So we're not too critical of new managers when they start because we figure that they've got room to grow and almost inevitably if they're no good then they will be politely asked to step aside and some other more professional management will turn up. So management I do look at, but I guess only from a grief point of view; whether they have the ability to completely mess up a project before it even gets off the ground. If that's not the case, if they're reasonably sort of harmless and user friendly, then we're not going to be too harsh about the judgment.



Obviously the label is very vital in that the first engine room for an act past the live music scene is generally those first independent releases and the impression that they make is very strong. Given the amount of acts that are still out there and looking in Australia, if a band comes out and makes a poor impression with their first few releases, you will find that very quickly the river will pass them by. Those first two or three releases can be the whole game really. Conversely if those first two or three releases are on the "Cool As" label, then they create a huge opportunity for you immediately.

I was on the plane and in the Qantas magazine they talked about the history of Hot Records and it started out with the Celibate Rifles. When a label like Hot Records was set up, Mushroom was involved with the publishing of the Triffids. I believe that Hot acquired the publishing rights at the time and then we became involved after that. But that label itself was a defining label in Sydney at the time and obviously the acts that came through got the cache of the major acts that were on that label. This is not an uncommon thing. Recent examples are Epitaph in Los Angeles which was the punk label of Rancid and Pennywise. It was obviously the major game in town, so there's a great advantage in getting involved with the "Cool As" label early in your career. So yes absolutely we look at the ability of the record company to, not only do what a record company normally does, but to work with us.

We look for partnerships in all our relationships. So if we've got an act signed to publishing we kind of expect the record company to get with the program. It's not often that you find people who don't appreciate that working together as two forces is obviously better than one. These clichés have an unfortunate habit of falling apart in practice. But the theory is pretty solid. So yes we would look to some extent at the management, but realise that that could be temporary; definitely look at the label as being the key to kick starting; and the other thing is look at is on stage ability of the act.

International Licensing

International income is the pure income. That is I guess the high end of town. If you are involved with an act that succeeds overseas then all of the Australian income pales into comparison and, of the course, the odds reflect that. I go to a music conference in Canne in the South of France where there's somewhere between 8,000 to 10,000 participants. Most of those people represent 4 or 5 albums. Therefore there's 50,000 albums circulating around and I do wonder how on earth anyone ever gets out of their town and gets onto the world stage given that huge amount of traffic. But we've been fortunate enough to actually watch a couple of things from reasonably close quarters, like Kylie's pop explosion with Stock Achin? and Waterman. It was quite unbelievable and it didn't stop. It was so fascinating to watch that process occur year after year.

International deals, The Vines, Jet et al

The more recent one which has been, in fact, better sport, was The Vines. They really went from Sydney to London to America without actually stopping....I don't think that Craig's feet even hit the ground at any point along the way there. The whole process seemed to take about 14 seconds. That was a fantastic run. We were involved with the Ivy League people, signed The Vines early, and then watched this whole thing evolve and take off. It was



absolutely marvellous. So when it happens it's probably the best financial kicker that a company can get.

It's fantastic for the reputation of everyone involved. From the Vines example for instance, the reputation of their management Winterman and Goldstein went straight through the roof. As a consequence they became the managers of Jet and Jet could get entrée into just about anything in England or in the US because of Winterman & Goldstein's previous record with Vines. So it has its kick offs not just in terms of the label but also in terms of the people that surround the label as well and sometimes, of course, the label and the management are quite closely related.

How you go about getting that international success of course is something that no one knows the answer to. The network of independent companies from both the record and publishing side is very active and has a long, long established pattern. Thankfully new players keep coming into it to refresh it because you could have a situation where you had, I guess, a limited number of independent companies dealing with all of the independent acts in the world. But there seems to be a fair wellspring of new companies coming through to keep things fresh. How you go about connecting with those I think is a matter of the personality of the people that run the label. I think it is as simple as that; getting out amongst it, meeting like minded people. Sending CD's through the mail to America is just a complete and utter waste of time. It will never work like that.

International Consultants and Conferences; The International Relationship Between Publishers; The Majors and the Independents

You probably need a couple of champions on the inside over there talking it up and helping you make the connections. There's a friend of mine called Simon Bates who works in New York, the "B" man. He's currently a consultant to Festival Mushroom, Independtia and V2. He is essentially trying to get the English acts and the Australian Act released in the US with proper releases. A guy like Simon is genuinely plugged in. He's not one of these cheesy consultants that, turns up with a business card and a \$100.00 an hour sort of nonsense. He's the real deal. Having someone like that in your corner is very important.

So also is going to the proper conferences and making the proper connections. South by South West I think is now fully fledged as a place to go and show your band off and get a result. The bands that come out of that tend to be the hippest bands of say two years hence. I think the Strokes started out at South by South West and certainly the very eccentric Polyphonic Spree started there. Similarly In The City has got a fairly good record of having the unsigned bands from In The City and Manchester turn up as the hottest band in England a couple of years later.

So we send our staff to South by South West to Midem and to the CMJ in order to keep in that game and to keep connected with the people in that game. And also to plug into the new people coming through, because there's an increasing pattern now of the independent companies being tucked under the wing of the major companies very early in their development to the point where they're never really available to the independent network of record labels. Their rights have already been, I guess, mortgaged or subsumed by this arrangement with a major company. There are people in the major companies in England



and America who now think like independent companies and go after the new arising independent companies before they really even get to the notice of people such as, you know, a Mushroom in Australia.

So you've got to be faster now, you've got to be at the cutting edge, and you've got to know when these new companies are coming through so you can, if possible, get close to them and acquire rights from them for Australia and supply rights to them. Hopefully it's two-way traffic. In fact the best way is if it's two-way traffic. Exchanging rights in a way that suggests boutique labels where people have a specialist style and they meet another specialist label. In San Francisco and they swap all their bands. It's probably better to do it on the broader level, like, I guess, the Festival Mushrooms and the Liberations of this world have always teamed up with the Tommy Boys and Mutes of this world. That's probably the more practical level where it's really going to start working properly because that opens the door for your bands to their labels. That's when at least you know that Tommy Silverman or Daniel Miller is going to give these bands a look they might not; they might not give them a yes, but they'll give them a look. That's the sort of two-way traffic you would definitely, definitely look to have.

Independent Labels; Cult of Personality, Business Plans and Major label Relationships

The great independent labels have always been personality driven. They've been driven by the people that started them for a reason. Even though people would wish that there is a new generation of people that come through our business schools with MBA's who are eventually going to teach the music industry some sort of coherence to their shambolic ways, I don't notice that a lot of these people actually last very long because they seem to lack a certain engine or maybe they're just geeky... who knows?... anyway they're not there anymore. The point about a record label is they all start pretty much for love. They're started out of great passion. There is this theory of course that you are building an asset, a copyright asset which you will then very cunningly pile into millions of dollars. I don't know what you do after that, probably start another one.

The problem with any sort of business plan based around creating intellectual property assets and selling them is that you'll never get past square one. You'll sit there and you'll look at your business plan for years really. There won't be any hit records; they'll just be a lot of theories. The fact is, you have to get out there and do it every day and just absolutely hammer it until it happens. Then you can sit down, you can read the business plan when you've got the time. Hopefully you don't have the time for probably ten years. If after ten years you're up and firing and you've got all these acts on your roster and they're copyrights are worth substantial amount of money because they're great back catalogue and people continue to demand them, then you could think financially about where you're at, provided you can pay your royalties by the end of the following month and provided that the staff are paid properly and that you've made correct provision for annual leave and superannuation, thanks! There's a whole lot of ongoing financial things that you need to keep your eye on. You don't just suddenly arrive in paradise.

I think that if you attempt in anyway to corporatise the independent spirit of music then as I said, you shouldn't be there. Anyhow you won't be there because you don't have the



correct attitude. At the same time it is very hard to maintain that sort of volcanic level of enthusiasm. Gudinski of course is the contradiction because he never runs out of energy. You know there are several other people that I've I felt the same way about, but for a lot of people of course, it does become, in the end, a little tiring, because they find themselves doing the same intense level of work ten, fifteen years after they've started and they do find that the satisfaction from that is not the same. And surely it can't be because you can't, you know, you can't stay a virgin all your life. After a certain amount of time you do get used to it and I guess you've got to change your style accordingly in order to take that into account because if you don't then your company will become fossilised very quickly.

The whole key to that is to bring some people in who are tuned in, train them in the business and let them have their head so that you have I guess a fresh injection, not only of enthusiasm, but also of taste and style. I guess the A&R department would be a very important component in this. Whoever does your A&R decides which acts are being signed and establishes the ethos of the company. Now usually that's the owner in the early days.

On Michael Gudinski and the History of Mushroom Records

The communist Chinese have a thing called revisionism where you rewrite history to suit your own best advantage. I don't think that there's anything that was done at Mushroom that could've been done a whole lot differently to produce a different result. The one result that Mushroom didn't have was the big hit in America. It was the only thing that was missing because we've certainly had the big hits in Europe, all be it with the pop acts, which was an interesting contraction in itself in that the pop acts were not our traditional territory. Given that it ran so long, it had so many artists, it had so many people that now work in other areas of the industry who were trained by Mushroom, it's had, I think, an enormous effect. It was by no means perfect, but I don't think that there was anything remotely resembling perfection for a start. Obviously if you ask Gudinski, because he lives in his own body, he's probably got some idea of what could've been done differently, but sitting back as an observer, (and I've watched pretty much the whole run), I think they did a fantastic job and took a little thing and made it into a huge thing, and it still is. The name Mushroom is still there as one of those names that matters.