

## **Getting Contracts Right Before Hiring A Producer (By Neil Savin)**

Hiring a professional music producer or a TV music producer can be a bit of a legal minefield, so you will need to do your research or get advice before you put pen to paper on a contract. Here are just some of the main terms and types of contracts and licensing agreements that you will need to know about when you start negotiating a record production deal.

### **How Music Producers Get Paid**

Music producers are usually paid on a flat fee basis or through royalties. A producer's flat fee is usually calculated based on an hourly rate and the number of tracks to be recorded. The up-front fee can be anything from \$250 to \$10,000 per track, depending on the producer's own experience, the level of success to date of the artist, and on whether the recording is being made for a local independent label, or a major international record company.

Producers can also be paid royalties from the sales of a recording, in which case they will be paid a percentage of the revenue generated from sales of records, CD's or downloads. As a general guide, a producer can expect to be paid in the region of 3-4% of the sales value of a recording, or 20-25% of the artist's royalties. Where you see a track that is labelled as "produced by" that will usually mean that the producer had a major creative input into the work and is receiving 50% of the mechanical royalties, the other 50% going to the songwriters or the lyric writers. The mechanical royalties are the royalties that are paid to a songwriter every time a copy, for example a CD, is made of their song.

### **The Difference Between Major Label Producer Deals & Indie Producer Deals**

If you are a musician and you sign up to a major label, you will have the advantages of the funding that a major label can provide as well as the networking connections and the reputation and influence that a major label can supply. However, with an indie producer deal, you will have a far closer relationship with your producer and your producer is likely to be far more committed to you and your product. It is likely, though, that an independent producer will ask for a higher percentage of the royalties, based on the high level of artistic input that they will have in the making of the recording.

The fees that a professional record producer will charge will depend on their experience and the level of input that they have into a recording. The split between upfront fee, flat fee and royalties will be negotiated separately for each recording production deal. At the higher end of the market, a record producer will expect to earn \$2,500 to \$12,500 per master, at the lower end of the scale it could be between \$400 and \$1,500 per track. A producer who is well-known for making hits will be able to command much higher rates.

When an artist hires a producer independently, the upfront fees are usually much less than they would be for a major record company. The producer's royalty fees will also often be based on the value of net sales, rather than on a share of the artist's royalties.

When you are considering hiring a producer, you will also need to be aware of the various copyright issues, which can be quite complicated. There is a difference, for example, between a musical composition and a sound recording. A musical composition usually consists of the music and the accompanying words and the work of the author is registered as a work of the performing arts. A sound recording, on the other hand, is the combination of a series of musical, spoken, and other sounds, the author of which can be the artist, the producer, or both. The difference between the two types of copyright will play a part in the negotiations of a record producer's contract.

## **The Licensing Of Beats**

A producer may also provide you with the beat of a song and that may be provided under an exclusive license, or non-exclusive license. The beat can be best described as the skeleton of a song. It will typically include a drum loop, some bass, synth, and sometimes a hook, or a chorus.

Under a non-exclusive beat license, the producer retains the right to the underlying beat, even though you will own the rights to the finished work. The producer also retains the right to license the same beat to other artists. You may also be restricted on how many derivatives you can create using that beat. An exclusive beat license will usually allow you to gain full ownership of the sound recording and use the beat in as many derivative recordings as you like. The terms of an exclusive beat license can vary though, if you wanted to use the beat in an audio/visual recording, for example, you may have to negotiate a synchronization license as well.

There is also an important distinction between a work for hire agreements and a non-exclusive license. In a work for hire arrangement, you are paying for the producer's time to write a beat for you and that beat becomes your property. In a nonexclusive license agreement, the producer retains the copyright of the beat and the right to license it to other people.

In many cases, a producer will prefer to retain the rights to their beat, but when they do sell a beat on work for hire basis, they may ask for both an upfront fee and a "back-end royalty, which will be a percentage of the revenue generated from the future sales of the finished sound recording.

## **Conclusion**

Hiring the right record producer can make all the difference to the success of a recording and a good professional producer will be able to take you in new creative directions you have never even thought of before. It is important, however, that you understand the terms of a record producer's contract before you sign it and that the producer is a person that you feel comfortable that you will be able to work with.

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**Published online (International Songwriters Association) in May 2017**