

The Entrepreneurial Drive of Folk Musicians

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ABSTRACT

Micro-businesses in the music industry manage the tension between creativity and organization, money and meaning in many different ways. How this balancing act is accomplished depends on skills and competencies. It is also a question of the personal values of the organization's founder. This study will build upon Eric Pötschacher's 2005 study focusing on strategic creativity in the music industry in Vienna by adding cross-cultural comparisons with music entrepreneurs in the United States. It will also add a qualitative analysis to amplify the Pötschacher survey.

THE RESEARCH PROBLEM AND RELEVANCE

Entrepreneurs in the music industry manage their businesses in very different and often seemingly irrational ways more traditional businesses. Music entrepreneurs, as value-based organizations, are built around different sets of personal beliefs and assumptions. The transformation of ideas and information into products and knowledge happens in many different ways. Without knowing the basic assumptions of the founders, it is difficult to support their businesses in a sustainable way.

RESEARCH QUESTIONS / HYPOTHESES

This paper will address the following questions:

- H1: Specific incidents take place during the foundation phase of firms in the music industry that lead to specific themes;
- H2: There is a set of indicators allowing entrepreneurs to mark a difference between a creative business ("me") and other businesses ("not me"); and
- H3: Micro-businesses in the music industry have implicit, rather than explicit, strategies. These strategies are based on a comparable set of assumptions, and direct the organization at the deepest level.

METHODOLOGY

Ultimately, Poettschacher's 2005 survey instrument will be used. This questionnaire was used to gather data on firms in the creative industries in Vienna. Cross-cultural comparisons will be made. The original study consisted of 35 interviews with entrepreneurs in the creative industries in Vienna, seven of which were in the music industry.

Initially, another qualitative survey has been developed. Richard J. Light, points out that "personal interviews paint an entirely different picture from the kind of information that comes form a large scale, check box kind of questionnaire. . . (T)here are many circumstances in which questionnaires with check-box categories are a superb format for gathering evidence. . . Yet for this

particular research , personal interviews offer a special depth and richness that no check box questionnaire, however well designed, could easily top." (Light 2001, pp. 6-7) The current study will focus on the interviews of 10 music entrepreneurs in the United States.

Future research will utilize an extensive 42 question survey of entrepreneurial drive developed by Florian, Kappi, and Rossiter (2005)

EXPECTED CONTRIBUTIONS TO PRACTICE AND/OR THEORY

The research outlined here aims to explore the ways of thinking behind the intuitive strategies of entrepreneurs in the music industry. Very little empirical research has been collected focusing on creativity and entrepreneurship in this industry. This study will add to this body of literature and look at the cross-cultural implications of the findings.

VALUES, BELIEFS, AND ASSUMPTIONS

In a recent study, Eric Pötschacher conducted a study which consisted of thirty-five in-depth interviews of companies in creative fields (including seven in the music industry). This research project consisted of three phases; listening, feedback and design. His results showed that three stores emerged when looking at how these businesses evolved; "five friends", "carrot on a stick" and "no more business".

Although the name of this script is five friends, Pötschacher stated that this can happen with the founder and any number of others. Small "micro-businesses" as he calls them, developed because the founders formed the business as a side effect of a personal friendship rather than a consciously planned economic endeavor. Their economic success was an operational side effect in order to ensure open space for playing and inspiration. The founders achieve personal and creative rewards. Financial rewards come about from time to time to keep the space open for this playing field between friends.

The extremely successful myspace.com (<http://www.myspace.com>) website with over 250 million subscribers is a good example of this. One of the founders created the site for independent musicians to display their songs, forthcoming gigs, and create fan (friend) clubs. ("The Myspace Generation", Business Week, 2005).

Celtic musicians, Matt and Shannon Heaton, have even used their email newsletter to proclaim that they have joined the "myspace revolution". They also market their music through a cooperative internet company called CD-Baby which splits the proceeds with artists on a 50-50 basis.

STRATEGIC CREATIVITY: PREVIOUS RESEARCH

In previous articles, we have linked several "indie" musicians to strategic creativity. (Goodrich and Rossiter 2006) The Sarah McClachlan, Ani DiFranco, Alison Brown data were obtained from newspaper articles and radio interviews primarily transmitted over WUMB FM Boston. In addition to her radio interviews, Michelle Shocked was also interviewed personally but informally. Stan Renard and Michael Sullivan were interviewed personally.

Sarah McClachlan received the 1998 Elizabeth Cady Stanton Visionary Award for advancing the careers of women in music. She started the immensely successful Lillith Fair women's musicians tours from 1994 to 1997.

Ani DiFranco has repeatedly rejected large record company contracts in order to maintain her creative independence. DiFranco refused to give up on a church restoration project for her beloved Buffalo New York hometown even though the project cost her in excess of \$1.5 million.

Alison Brown was a street musician during and just after her undergraduate college days at Harvard. She then attained an MBA from UCLA. Using this practical knowledge and her artistic skills she started her own record company, Compass Records, in Nashville in 1995.

Michelle Shocked successfully sued Mercury Records for violation of the anti-slavery Amendment to the US Constitution. She has formed her own record company, Mighty Sound. Shocked performed the soundtrack to "Bush's Brain" about Karl Rove, advisor to President George Walker Bush including the song, "Its How You Play the Game". Although she claims no one was ever politically "converted" by songs. She still considers herself primarily an activist rather than a musician.

Stan Renard has an MBA from Providence College who has started his own gypsy jazz band, the Bohemian Quartet. An accomplished world class violinist, he has studied at Moscow and Paris. He has just completed his Ph. D. in international business as an aid to enhancing his music career and helping other musicians navigated the turbulent waters of the music industry.

The Reverend Busker (Michael Sullivan) is a Boston street musician who is now starting to produce his own CDs and sell them through his website in addition to playing in the street for tips. He is able to take advantage of modern, sophisticated, inexpensive, computer technology and digital recording equipment developed in the last decade and link that to the internet to distribute his CDs. He has chosen this route to a music career and has been educated at the Harvard Divinity School and the New England Conservatory of Music. After a stint as a Navy seal in Vietnam, he fell on hard times like so many other returning Vietnam vets and became homeless. Fortunately, he bounced back and then used his music talent to start "Bread and Jams" to raise money for the homeless of Boston. Recently, he traveled to Juneau Alaska at his own expense to organize and perform at a "Fish Aid" concert for Hurricane Katrina relief sponsored by the United Fishermen of Alaska. He has just written a song for the "Give US Your Poor" CD to end homelessness for the University of Massachusetts' McCormick Center for Public Policy.

As a result of this fruitful but atheoretical data mining, the authors realized that a more rigorous, systematic analysis would prove more effective.

STRATEGIC CREATIVITY: CURRENT RESEARCH

We have commenced interviewing Boston and Providence area musicians. We have recorded all these interviews for more in-depth evaluation. We will each separately listen to the interviews and are working on recruiting several other faculty members to establish face validity of

our analyses. Given our evaluation of the important Indie folk music centers in the US, we plan to interview in Nashville TN, Austin TX, New York NY, Los Angeles CA. The qualitative interview follows on the next page.

Table 1
THE QUALITATIVE SURVEY

Figure 1: Indie Musicians Interview

Artist
Name

Date of Interview

Location of Interview

Request permission to tape retaining one copy and giving one copy to the artist. Give the artist a copy of the questions.

Questions

1. Tell me the story about how you started in the music business. What was really important to you at that time? Please be as specific as possible.
2. Describe businesses that have values opposite to your own. What are those values?
3. How would you describe your business? Are you primarily focused on just one precisely defined area of activity? Do you have many goals; wear many hats? Or, do you have a broad open identity?
4. Here are two extremes of your business goals? You could, for example, emphasize money only or “meaning” (personal rewards, values, and visions that have nothing to do with money) only. Or, you could be somewhere in between. Where would you say you are along the money-meaning continuum?

If you are somewhere in the middle, how would you characterize your approach --

- A-- “Best of both worlds” = balance,
- B-- “one after the other” = money first, then free to “create” or quality first, money will follow,
- C-- “split” = part quality but also follow what consumer's want

5. How have changes in technology influenced your approach to your business?
6. Where will your business be in -- One year? Five years? Ten years? Do you think even longer term?
7. Anything to add that we haven't talked about?

Thanks so much.

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The response to the interview has been very positive. Artists have responded not only by answering the questions to the best of their ability but also by amplifying them. They seem to be genuinely enjoying telling their stories and appear to have given many of these questions careful consideration in the past and enjoy the unifying structure of the questionnaire to put their ideas in focus and context.

FINDINGS

These findings are very preliminary since the research has just commenced and the numbers are very small. We plan to do significantly more interviews than the Pötttschacher's 35 but much much less than Light's 1600. At present, we have interviewed 53 folk musicians.

The artists that we spoke to were all aware of their musical gifts at a very early age and were encouraged by their families. The majority already had professional musicians in their families. The most important factor, however, was that they all loved what they do.

While most rejected the idea of the all-pervasive role of profits for profits sake exemplified by some corporations, a few of the artists rejected the values of the government which they perceived as content with compromise and mediocrity.

The artists were at different stage of the economic development so the roles that some played were hoped to be temporary. Most did not really enjoy the business component of their activity and hoped to advance their careers sufficiently to be able to “outsource” the business tasks such as advertising, record production, gig management. They wanted to stick with their primary talents – the music, production, and stage acts.

Yet, all exhibited a wariness of the dangers of outsourcing and loss of control of their careers. Most told “horror stories” about other performers who were exploited by unscrupulous record producers or agents.

As a result, the two performers whose careers were most lucrative and advanced, had, despite their slight distaste for the business tasks, retained control to an extent that might be deemed “inefficient”.

All agreed that the money-meaning continuum was the vital element in their success. Without money, there could be no pursuit of meaning. But meaning was the driving force. All had

given this serious thought, but the current strategies differed. They all agreed that there needed to be some balance but the proportions varied. The approaches also differed; some chose “one after the other”, others were trying to “split” the two simultaneously by allocating part of their time and effort to each.

Nearly all these artists were adept at using equipment that was at least a century old such as acoustic guitars, analog recording devices, and tube sound amplifiers. Yet, they were also keenly aware of the newest technological advances. They had an appreciation for rapidly developing changes in digital recording technology and all saw the threats and opportunities provided by the internet. All had their own web sites as well as myspace and reverbnation sites to develop “friends” (consumers/fans).

Drucker, McGrath, and MacMillan, (1968; 2000) have noted that successful entrepreneurs must be ready to change. Even if on top, their position can only change for the worse. But, this is not easy especially for artists who feel they have “perfected” their art. Consider the case of one of the most successful singer-songwriters of all time, Bob Dylan, who was nearly booed off the stage when he went “electric” at the 1965 Newport Folk Festival. Now, over 30 years later, Dylan's willingness to change at the top of his game, gave him a new lease on life and a singing career spanning five decades. Other folk singers of that era refused to recognize that the “times they are a changin” and, as a result, had far less successful careers.

All had embodied the Dylan experience and adopted “modern” strategic entrepreneurial thinking without being able to put an academic theory to their ideas. They were not mired in neo-classical ideas of equilibrium nor even slow change. Fittingly for folk singers, they all seemed ready to weather Schumpeter's “gales of creative destruction” (1950).

All the artists seemed to encompass all or most of the competencies embodied in the McBer and Company report to the United States Agency for International Development.(1986) They were proactive -- exhibiting initiative and assertiveness. All had a commitment to others – fulfilling work contracts and recognized the importance of business relationships. While each was achievement oriented – seeing and acting on opportunities, sought to be more efficient, concerned for high quality work, they were relatively lax in systematic planning, and monitoring the effectiveness of their plans.

Despite their acknowledgement of change, or perhaps because of it, most of the artists could not predict their careers ten years from now and some could not predict what the next year would bring.

CONCLUSIONS AND IMPLICATIONS

The preliminary research indicates that this is potentially an extremely fruitful area.

The indie music industry is in flux -- adapting an ancient product while confronting new and unpredictable technologies. The artists have been extremely cooperative and exhibit a keen sense of the importance of this research.

This model will be tested by a factor analysis using the following questionnaire (see Appendix I). Our initial qualitative survey indicates that there may be a close correlation to the 2005 factors of a proactive disposition, preference for innovation, self-efficacy, achievement motivation, and nonconformity. We plan to re-interview the folk musicians from the Boston area and also conduct a survey based on our Myspace and Reverbnation contacts to confirm this.

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Appendix I Entrepreneurial Drive Questionnaire

Please answer the following questions carefully according to the following key --

1=strongly agree, 2=agree, 3=neutral, 4=disagree, 5= strongly disagree

- _____ 1. I am always looking for better ways to do things.
- _____ 2. I excel at identifying opportunities.
- _____ 3. No matter what the odds, if I believe in something I will make it happen.
- _____ 4. I can spot a good opportunity long before others can.
- _____ 5. I love being a champion for my ideas, even against others' opposition.
- _____ 6. If I see something I don't like, I fix it.
- _____ 7. Nothing is more exciting than seeing my ideas turn into reality.
- _____ 8. I am constantly on the lookout for new ways to improve my life.
- _____ 9. I get a thrill out of doing new, unusual things at school or work.
- _____ 10. I believe it is important to approach opportunities in unique ways.

- _____ 11. I enjoy being the catalyst for change in school or work affairs.
- _____ 12. I usually seek out colleagues who are excited about exploring new ways of doing things.
- _____ 13. I get real excited when I think of new ideas to stimulate my group's performance in school assignments.
- _____ 14. I believe it is important to continually look for new ways to do things at school or work.
- _____ 15. I get excited when I am able to approach tasks in unusual ways.
- _____ 16. I enjoy being able to do things in new ways.
- _____ 17. I often approach school tasks in unique ways.
- _____ 18. I believe that to be successful one must sometimes do things in ways that could seem unusual at first glance.
- _____ 19. I usually take control in unstructured situations.
- _____ 20. I enjoy finding good solutions to problems that nobody has looked at yet.

- _____ 21. I believe that to arrive at a good solution to a problem, it is important to question the assumptions made in defining the problem.
- _____ 22. I believe that when pursuing goals or objectives, the final result is far more important than following the accepted procedures.
- _____ 23. I feel inferior to most people I work with.
- _____ 24. I often feel badly about the quality of work I do.
- _____ 25. I never persist very long on a difficult job before giving up.
- _____ 26. I often put on a show to impress the people I work with.
- _____ 27. I feel self-conscious when I am with very successful people.
- _____ 28. I feel uncomfortable when I'm unsure of what my team members think of me.
- _____ 29. I seem to spend a lot of time looking for someone who can tell me how to solve all my school problems.
- _____ 30. I feel very self-conscious when making school presentations.

- _____ 31. To be successful I believe it is important to use your time wisely.
- _____ 32. I feel proud when I look at the results I have achieved in my school activities.
- _____ 33. I do every job as thoroughly as possible.
- _____ 34. I believe it is important to analyze your own weaknesses.
- _____ 35. I make a conscientious effort to get the most out of my available resources.
- _____ 36. I feel good when I have worked hard to improve my assignments.
- _____ 37. I believe that to be successful a person must spend time planning the future.
- _____ 38. I always follow accepted practices in the dealings I have with others.
- _____ 39. I rarely question the value of established procedures.
- _____ 40. I believe that currently accepted regulations at school were established for a good reason.
- _____ 41. I feel best about my work when I know I have followed accepted procedures.
- _____ 42. I believe that in order to succeed, one must conform to accepted practices.

Thank you very much. Your answers are very important to our research.