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KNOW YOUR INDUSTRY



'I had to start at the bottom and climb very slowly to whatever you perceive to be the top. I'm glad I did it that way. I wouldn't have wanted any quick breaks.'¹

– **Simon Cowell**

When Simon Cowell appeared on US television's venerable current affairs show *60 Minutes* in 2007, interviewer Anderson Cooper was anxious to establish what the English mogul actually did to earn his multimillion dollar income.

Cowell freely admitted that he had no musical talent in the conventional sense. He didn't sing, he strummed the guitar badly and he played no part in producing the hit records that had set him on the path to multimillionaire status. And when pressed by Cooper, he described his role in surprisingly modest terms.

'I take a guess at what's going to be popular,' he said. 'It's literally that.'²

Sounds easy, doesn't it? All you seem to need to make a fortune in the music industry is an instinctive ear for the kind of song that will persuade the record buying public to part with their hard-earned cash. Indeed, as Cowell went on to assert, when it comes to steering a record to its rightful home at the top of the charts, too much musical knowledge can be a dangerous thing. 'It's an advantage not knowing much about music because it means I follow my instincts,' he added.

Cowell's instincts are of course legendary. Since his discovery of teenage chart-topper Sinitta in the 1980s he has proved adept at finding artists and matching them up with hit songs. From mainstream pop, through to novelty records and even opera – fronted by singers with boy-band good looks – he's proved time and time again that he has the ability to spot the song that will sell. However, it's not simply a question of knowing a good tune when he hears it. His real gift is in spotting commercial potential.

But despite what Cowell likes to suggest, his success isn't entirely down to unerring instinct. In music industry terms, Cowell was a slow burner. While he certainly had hits in the 1980s and early 1990s, he didn't emerge as a major industry player until much later. Indeed, it wasn't until 2001 that *Music Week* magazine – the industry's trade paper – named him as an executive to watch.

Prior to that, Cowell had spent two decades learning the industry from the bottom up. His grounding in the machinations of the pop world meant he was fully ready to capitalize on the opportunities that flooded in when *Pop Idol* and *X Factor* catapulted him to global success.

FIND A NICHE

Cowell doesn't write songs or work with bands in the studio, but early on in his career he found a niche as an Artist and Repertoire (A&R) man.

The music industry has its own ecosystem of backroom professionals. These include songwriters, producers, recording engineers and managers. All of these people play vital and generally complementary roles in what Joni Mitchell called 'the star making machinery behind a popular song.'

In the centre of this ecosystem the A&R professional is there to hold it all together. Put simply, an A&R man (or woman) is there to spot and develop talent. When a budding hopeful sends a demo CD to a record label, it's the A&R team that will have first listen. They'll also be reading the music press – to find out who is up and coming – hanging out in clubs and music venues and generally doing anything they can to find tomorrow's stars.

Once an artist has been signed the work continues. In the world of mainstream pop, performers generally aren't encouraged to write their own material – unless they can demonstrate a clear talent in that direction – so the job of A&R is to find the song that suits the artist. Match the right performer to the right song and you have a decent chance of having a hit record. If you don't get the pairing

right, then all the promotion in the world probably won't deliver a coveted place in the top twenty.

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That doesn't mean you have to find a great song. The trick is to find songs that a) fit the singer or band and b) strike some sort of chord with the record buying audience. It's an art rather than a science and, like it or not, Cowell is an artist of sorts.

But he also has a wealth of industry experience behind him. As far as the general public is concerned, the Cowell era began when *Pop Idol* and then *X Factor* catapulted him onto the Rich List while also establishing him first as a household name and latterly as a national treasure. But he spent the 1980s and 1990s learning the business. By the time he moved into TV he knew just about all there was to know about his particular branch of the pop music spectrum. He could tell if a song had hit potential. He could spot talent. Perhaps most importantly, he knew his audience and how to sell records to them via TV and the press. So when *Pop Idol* and *X Factor* came along, he was equipped with all the industry knowledge that enabled him to pick the winners of TV talent shows and market them to the world as recording stars.

GET YOUR FOOT IN THE DOOR

Cowell started at the bottom. Famously, he didn't do well at school, finding lessons boring. When he emerged from his private school – Dover College – to face the world of work, he had just two O levels to his name. He certainly wasn't in a position to step into a highly paid job.

In the months that followed, Cowell tried labouring – that lasted two days – and didn't make it past the interview stage when he applied for posts at Tesco and the Civil Service. He did, however, manage to get a temporary job as a runner at Elstree film studios.

In an alternative universe, this could have been Cowell's big break. The runner is the lowliest job in the film industry – essentially it involves running errands for just about everyone else on set – but it is seen as a foothold from which the ambitious can begin an ascent to the top. In this case the job provided only a temporary taste of the glamour of the industry. The contract came to an end after three months and Cowell was back in the job market.

That was when his career really began. Cowell's father – an estate agent – had connections with record company EMI and he managed to get his son a position in the company's mail room. If anything this was an even lower job than that of the runner and, according to Cowell's mother, the boy reacted to the offer of the position with a mixture of despondency and awareness that it could lead to greater things. Talking to the *Daily Mail* in 2007 she recalled him saying to her: 'This is just a stepping stone, Mum. I want more.'³

Arguably, a job in the mail room didn't really represent much of a beachhead in the music industry. Yes, Cowell was working for EMI,

which was and is one of the world's biggest and most respected record labels. But frankly, he was delivering mail. He could have been working for any big company in any industry.

By all accounts Cowell did his best to turn adversity to his advantage. According to biographer Chas Newkey-Burden⁴, he tried to make contacts within the company. Delivering mail meant visiting every department within EMI, in theory at least, offering him the chance to rub shoulders with the great and the good and perhaps promote himself as an ambitious young man, anxious to progress and do great things.

The truth is, of course, that simply being within the four walls of an organization is not necessarily a passport to promotion. In a creative industry, few people are going to even notice the mail man, let alone single him out for fast tracking into a more rewarding post. Cowell was in a job that had no career path.

Cowell apparently realized that. He jumped ship after a few months to pursue a career in property. When that didn't work, he returned to EMI, this time in a position that was more to his liking.

More to the point, it was a job where he could begin to learn his trade. As a company, EMI is an exemplar of the UK's strength in the global entertainment market. Not only does it export British talent to the world, it also signs and nurtures artists from all over the globe.

Cowell's job, when he returned to the company, was to scour the overseas catalogue and match them with British artists. The idea was that he would sell the songs to artists who weren't necessarily signed to the label. It's probably fair to say that it wasn't the most

coveted post within EMI but it was one that offered the ambitious Cowell an opportunity to make a name for himself.

If the first rule of working your way up through a company is finding a job with a career path, the second is to undertake your role with all the energy, enthusiasm and talent you can muster. Cowell embraced the challenge and proved adept at matching songs to artists. At the same time, he was immersed in music. He was getting a feel for the kind of intangible magic that makes a song work. He was learning to distinguish between the hits and the misses.

But if EMI offered Cowell the opportunity to build a long term career he wasn't minded to undertake a protracted apprenticeship. Had things gone well, the company could have given Cowell a thorough grounding in the music industry. It had a vast A&R operation with artists as diverse as Geri Halliwell (the former Spice Girl), the Red Hot Chilli Peppers and REM on its books. As such, it offered its A&R team the chance to work with a wide range of music from chirpy, manufactured pop to serious-minded rock.

And had he done well, EMI would doubtless have offered the young man a chance to rise through the corporate hierarchy to a senior position. It's a time-honoured route to success. You join a large organization and work within its structures and culture. In the early days, you'll be surrounded by people with much more experience than you. Formally or informally, they will be your mentors, teaching you about the industry and how it works. As the months and years pass, you'll assume increased responsibility and if you're very

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talented (and perhaps also lucky), you'll take your first steps on a promotion ladder that could take you right to the top.

TAKE A GAMBLE

There is, however, another way to learn an industry. Rather than sticking to one company for five, ten, twenty or thirty years, you move around and glean experience from a broad range of situations. You might even take the ultimate gamble and start your own company. This was the route taken by Cowell.

His first foray outside the corporate comfort was E&S music, a venture set up by Cowell himself and EMI colleague Ellis Rich in 1982.

The two men were at opposite ends of their careers. Cowell was, in industry terms, 'wet behind the ears'. Rich on the other hand had enjoyed a long career at EMI, working his way up through the ranks.

Rich began his career in music publishing at Feldman in 1963, a publisher that was later taken over by EMI. Unlike Cowell, he was very much a musician. A skilled pianist he himself spent time in the post room before progressing to a role transcribing the pop hits of the day into musical notation for publication as sheet music. Later he became International Manager at EMI, effectively Cowell's boss.

Thus, when Cowell agreed to work with Rich, he wasn't casting himself adrift from the music world. It was a gamble certainly, but if Cowell had youth and energy, Rich had almost twenty years of industry experience. He was someone that Cowell could learn from.

Many of the lessons learned were hard ones. E&S was set up at a time when independent labels and production companies were becoming the norm rather than the exception. There had always been independent operators but the DIY approach to music that characterized the punk and new wave era of the 1970s generated an explosion of small players aiming at niche markets. By the 1980s, the independent trend had spread to mainstream pop.

But signing and developing artists for the pop market is always going to be expensive and E&S was beset by funding problems when Cowell was on board. The glamour and kudos that came from running a music company didn't translate into sales. In this kind of situation there are two options. You hang on in there, hoping for the breakthrough that will move the business forward, or you decide to cut your losses and jump ship. That can be a tough call. When you've invested time, energy and money in a venture, it's often difficult to admit to yourself that the project is dead in the water. As a result, you stick with it for longer than you should, wasting more time, energy and money. On the other hand, if you jump ship too early, you might miss out on a deal or an opportunity that lies just over the horizon. There's no easy answer to the 'should I stay or should I go' dilemma. All you can really do is assess the situation and make a decision that you're going to stick with.

Cowell acted decisively, spending only a short time with E&S before quitting to take up a post with the newly formed Fanfare Records.

Ironically, E&S achieved some significant success after Cowell's departure. The company discovered chart-topping duo Mel and Kim and, buoyed by that success, Rich went on to found two successful music publishing operations, Supreme Songs and the Inde-

pendent Music Group. Cowell, meanwhile, had Fanfare Records and he too was about to taste success.

BE PREPARED TO FIGHT YOUR SPACE

Fanfare Records was the brainchild of Iain Burton, an entertainment industry manager who had made his name guiding the career of choreographer Arlene Philips. These days Philips is probably best known – in the UK at least – as one-time judge on BBC Television's *Strictly Come Dancing*, but back in the 1970s and 1980s she was Britain's best known choreographer thanks to her work with dance troop, Hot Gossip. Hot Gossip shot to national fame through tightly disciplined and often provocative routines. Prior to their first appearance on national television no one had seen a dance troop quite as tightly drilled or as openly sexual. Philips became one of the hottest names in the entertainment world.

Burton had made his fortune managing Arlene Philips and had put some of his money into setting up Fanfare Records. He needed a partner with music industry and experience and Cowell got the job.

Fanfare Records represented a different kind of learning curve for Cowell. Unlike Ellis Rich, Burton was a manager rather than a music industry insider. Arguably, when it came to finding talent and good songs with hot potential, it was Cowell who had the music business experience.

But Cowell had to fight his space. Cowell's first real break into the heady world of music industry success came with the discovery of American teenager Sinitta Malone. Cowell was convinced she had hit potential and found the song which he believed could take her

to the top of the charts. Meanwhile, Burton was reportedly thinking of closing down the Fanfare music operation to concentrate on other aspects of his business.

It's a situation that is probably more than familiar to anyone who has worked in an entrepreneurial start-up. When the company begins to trade you have a business plan outlining what you want to sell, how you will market it and what you expect to earn. Most business plans don't survive in their original form for more than a few months. Once a business leaves the drawing board and begins to trade, the realities of the marketplace begin to kick in. Some lines sell better than others. Costs multiply. Carefully laid plans don't work out. The upshot is that the owner takes another look at the plan – focuses on those aspects of the business that are most likely to deliver a return and jettisons the rest.

And in the case of Fanfare, had Burton gone ahead with his plan to close down the music operation, we might have heard no more of Simon Cowell.

In fact, Cowell won a reprieve for his project. He was given the go ahead to record Sinitta and, after three attempts, she achieved chart success with 'So Macho'. The song peaked at number two in the UK and ultimately sold something in the region of 1.5m copies.

What made this more impressive was that Cowell secured a hit on a £5,000 budget, a sum that would barely pay the monthly bar bills of some industry players. From the relative insecurity of an independent record label, he had been instrumental in steering a

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record into the charts. He would build on that experience to create more hits in his remaining years with Fanfare.

But to do this, he realized that he still had a lot to learn. Looking out at the music industry jungle, he knew there were much bigger and more successful beasts on the prowl and he wanted to follow in their footsteps.

LEARN FROM THE BEST

In the mid-1980s, few musical partnerships were more successful than Stock Aitkin and Waterman – aka SAW. The SAW songwriting and production partnership began in 1984 when the three men teamed up to produce Cyprus' entry for the Eurovision song contest. Hard on the heels of that project, they scored a breakthrough hit with Dead or Alive's 'You Spin Me Round' and followed this up producing a string of hits for girl group Bananarama.

But that was just the beginning. SAW really hit their stride when they applied the techniques of the assembly line to music production. Essentially, SAW took complete control of the music production process. They would write the songs, record them and select a singer. The artists whose names adorned the record sleeves often had very little input into the process other than to show up at the studio and record vocals on top of a pre-recorded track. On occasion the same backing track would be used to form the basis of more than one song.

This proved to be a highly efficient way of creating hit records. Artists were chosen on the basis of their looks, voices and overall appeal to the target audience of teens and early twenties. The

deal was a simple one. SAW knew what they were doing in terms of songwriting and production and were equally adept at finding artists who could successfully front their creations. The acts they signed weren't exactly faceless or lacking in charisma but singers weren't expected to be creative. SAW would choose – and in most cases write – the songs that were released. Most artists had little say over the course of their careers.

On the business front, SAW would typically sign 'development deals' that would give the partnership pretty much total control over the careers of the singers they signed. They maximized revenues by retaining the publishing rights to songs recorded in their studios. This allowed them to earn revenue from, for example, the recording of a song by a different artist, or when used in a different context like an ad campaign, as well as from sales of the disc itself.

SAW had a reputation that extended way beyond industry insiders. While they certainly had big names on their books – Kylie Minogue being a case in point – the Stock Aitkin and Waterman sound had its own identity. Rather like Simon Cowell today, SAW were better known to the general public than some of the artists who fronted their creations.

By the mid-1980s, they were the British pop industry's most high profile players. Cowell was keen to not only harness their talents but also learn from their success.

There was a very good reason why Simon Cowell latched onto SAW – and in particular Pete Waterman. With a single Sinitta hit under his belt he wanted a follow up. Stock Aitkin and Waterman knew how to create hit records. They had the studio, the team, the

skills and the track record. And while nothing in the music industry is certain, a SAW production was probably the nearest thing you could get to a cast iron guarantee of a chart-topping record.

Cowell reportedly pursued Waterman in a bid to persuade him to write and produce the follow up single for Sinitta. He was unsuccessful at first. As Cowell himself has acknowledged, the older man repeatedly rebuffed the young Turk's advance. However, demonstrating the persistence and self-confidence that has become part of Cowell's stock-in-trade, he continued to approach the producer with ideas for singles. Eventually, Waterman agreed to collaborate, writing and producing 'Toy Boy', Sinitta's second hit.

That in itself was all good. Sinitta and her mentor Cowell were no longer one-hit wonders and, after that initial collaboration, Waterman went on to work on more records for Fanfare. Later in the relationship, Waterman licensed the label to release a SAW greatest hits album.

But Cowell was getting something other than record sales and money from the relationship. It was a chance to learn the ropes of the music industry from someone at the top of his game.

It's hard to think of the hyperconfident Cowell worshipping at the feet of a music industry guru, but the younger man – not noted for suffering fools gladly – was clearly willing to learn from someone he liked and respected.

And, in retrospect, you can see Simon Cowell's approach to business mirroring that of his mentor. SAW were operating a hit fac-

tory. As the producers of the product they were in charge, mostly (if not always) providing the songs and sound while also managing their artists in terms of image, public appearances and media access. They assembled a talented team of engineers, stylists and marketing experts. At the end of the day, it was SAW who called the shots and not the artists on their roster.

Fast forward to the present day and Cowell has his own hit factory. Unlike SAW back in the 1980s, it has a new source of talent in the form of globally franchised TV shows, but the process of grooming and marketing a potential 'star' is very much the same. Once signed to Syco, artists are part of a hit-making machine, with Cowell and his team dictating the song, the look, the musical direction and the marketing plan. Everything is controlled and packaged to maximize the potential for a hit.

And you could argue that Cowell has long since taken the pop Svengali mantle from his old mentor. While he cheerfully acknowledges that Pete Waterman – still a friend – taught him how to make hit records and create a sustainable career, his own ability to use television both as a vehicle for promotion and a source for talent has made him one of the most powerful figures in the music industry.

Cowell's career with Fanfare Records ended when the parent company ran into financial problems. It was a watershed moment in the young man's career. Burdened with debts, he was forced to go back and live with his parents, eventually returning to the industry as an employee for BMG. But by then he'd served his apprenticeship. He was ready to become a serious player in his own right.

KNOW YOUR INDUSTRY

Prior to his successes on *Pop Idol*, Simon Cowell had spent more than two decades in the music industry, plying his trade as an artist and repertoire (A&R) man. He learned about his industry from the bottom up, starting with a major record company before branching out to run his own labels. This is how he gained his industry knowledge.

- **Find a niche.** Cowell admits he has little in the way of musical ability but he nonetheless found a niche within the record industry as a talent scout. He couldn't play, sing, produce recording sessions or write songs, but he was good at spotting hits, and this is where he staked out his territory for most of a long career. In all industries it's important to stick to what you're good at.
- **Get your foot in the door.** Emerging from school with only two O levels, Cowell's career options were limited and, while his father's connections got him a job with record company EMI, he started out in a lowly position. However, once he'd secured a job in the A&R department, he was determined to make the best of it. His ability to match songs with artists was noted and he was asked by one of his bosses, Ellis Rich, to establish a new independent music company. His experience demonstrates the importance of getting a break in your chosen industry and finding a niche that can offer a real career path.
- **Take a gamble.** Cowell joined Rich at E&S Records. Underfunded and initially unsuccessful it didn't fulfill Cowell's ambitions. However, it did give him a taste of working as a decision maker in a small firm. Although Cowell left E&S

a little more than a year after forming the partnership, he went on to his next venture with real experience of running a company. It was a gamble that didn't pay off in the short term but it set his career on a route that would ultimately lead to success.

- **Be prepared to fight your space.** Having joined another independent music company, Fanfare, Cowell had to fight to get the green light to release a record by protégé Sinitta. The single release, 'So Macho' was his first hit. With a success under his belt, he was in a strong position to produce more successful records for the company. The experience illustrates the importance of fighting for projects you believe in.
- **Learn from the best.** Despite his brash exterior, Cowell was more than happy to learn from those who were at the top of their game. Despite an initial rebuff, he persuaded producer Pete Waterman to work with Fanfare. The relationship not only produced hits, it allowed Cowell to watch a music industry 'genius' at work. Cowell has admitted he learned more from Waterman in two years than he would have done over a lifetime in the industry. Finding the right mentor can be an important step in a business career.

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