Music Lessons - Learning from the failure

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1   Not my own work

1.1   Thanks & dedication

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1.2   Thanks to

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2   Music Lessons - on one page

Original notes: https://docs.google.com/document/d/1TPJFR2hoPn6Xap1HWQJkdBdtmtOsqlTvTY5GVojul2U

Music is a strange microcosm of everything human: transient, cultural, technological, emotional, organised, chaotic. The turn of this century saw music's industry utterly disrupted. There are obvious lessons but, when you dig you find far more lessons.

Why does this matter?

For multiple reasons, we are living at a time when we need more, different, bigger and better ideas. We have achieved a lot through industrialisation, capitalism, communications and all the associated progress. But we are, at the same time, awash with an endless supply of pointless industries and activities. Social media connected us but they sold our attention. The bulk of our political life is spent discussing, not the nuance of an idea or how to progress it but some vague, partisan or personality issue which hardly makes an impact on the problems we ought to be solving. We have entire industries designed to trick people into parting with their money for things which will bring no long term value to humanity, solve no problems and arguably will just reinforce the shallow, cultural deadends.

Despite nearly 30 years of information technology progress, we spend a gigantic portion of our time copying and pasting information from one system we hate into another. Our productivity may not have improved according to pre-internet measures [get/check these], so perhaps the productivity is buried in new forms such as our ability to create and share information for free and instantly? Maybe, but we all know of the huge increase in noise and nonsense these technologies have created.

How do we get out of the societal and commercial rut? Where do we look for ideas which will make us see what systems we are wallowing in? How can we think really differently rather than just copying the thinking of whichever hero of commerce is on the cover of whichever magazine we happen to be leafing through?

Everything new requires fusing together material from multiple places. From photosynthesis, which fuses [photons and ??] to create..., to [find another example], the fundamental activity of creativity is bringing unlikely ideas together. All breakthroughs in human activity require fusing ideas together to create something new.

What I bring is exactly that: a fusing of unlikely ideas in a way which, I hope, sparks some new ways of looking at the rut we're in. My offering is an unusual study of music.

I am also not going to put any artist, style, school of thought or movement on a pedestal as this takes us down a dangerous alley of thought which ends either in confirmation bias, praising of geniuses or giving up. I am also not going to

present you with biographies of famous composers, because you will only end up looking for the same lessons - confirmation bias of what you want to hear.

Instead, we can use music, which is a peculiarly human phenomenon around which we have built various cultures and industries as a microcosm to understand how to see ourselves as humans; how to see ourselves before, during and after major change; and how to get out of the mental models which lock us in. [This all needs redrafting - I'm using too many phrases which make sense to me]

How might this help the bigger problems?

We humans are too easily locked into ways of thinking through language, culture and convention. We forget that everything around us which was created by a human was created by a human like us. Especially in the west, we have a hierarchical idea of human creativity where those who make are at the top and those who consume are underneath and must follow.

If we are going to make the big leaps in industry, politics, culture and any other area, we need to be able to identify what of the current world is real, what is made up by humans, how to identify different ways of seeing things/thinking about things and where the new ideas come from.

To close this opening, I have been accidentally researching the economics history of music since the turn of the century. The ideas which come from some unusual areas of research, such as the philosophy of the concept of a music work have, for me, unlocked completely different ways of seeing the world.

=Add in Another reason why I feel compelled to write this is that in professional life we are too grown up. Too sensible. Too professional. We narrow what we talk about, ruling out anything which isn't part of the culture or purpose of the business. All play, exploration and childlike trivialities are not allowed.

Yet, as we'll see repeatedly throughout, it's these trivialities where new ideas are found. We need a fresh injection of ideas all the time otherwise we become stale and pointless. These ideas do not come from your favourite business networking site or business magazine, but unlikely places. By definition, they have to to.

So my other reason for writing this is to break the patterns of thinking, introduce a new and potentially confusing idea. ((What Khurshed called a deliberate confusion **get the quote *)) And with that, give you a new way of looking at whatever you need to be doing. =/

What follows are XNUMBERX lessons taken from different ways of looking at music - as an industry, a practice, a culture. These lessons fall into:

The structures we created; flows and networks; the medum; . . . etc . . . list the sections.

These ideas have lived almost exclusively in my notebooks for years only to come out when I'm trying to solve a particular strategy problem or understand why something in the world has happened. As with so many ideas, either there is

something useful there or they are the ravings and scribblings of someone who
has spent too long with their own thoughts. I leave that judgement to you.

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3   PART 1: WINDOWS & STRUCTURES

3.1   Windows hide the truth.

We narrow our field of view either by time, geography or some other factor to suit the judgement we want.

We put windows around things to make them easier to explain. We create categories, labels, subset. Anything to avoid the complexity of the overall picture.

It's natural to tidy things up - Framing is part of painting, film making. The act of editing seems to be innately human. We take out, add in and tweak until we can stand back and see the message we wanted to get across. Until the truth has been made neat. It's almost inescapable, because as soon as you point to something and say "that's art", you've created a frame or a window through which we view. The same is true whenever a category or label is used. We define terms and in the act of defining we narrow the window of what is relevant.

In doing all this we create a window around what we deem important, we exclude what is not important. And we hide distracting parts of the truth.

Sometimes this makes sense - if we want to talk about disadvantaged people and how we're going to help them, we need to define who they are; if we're going to create budgets to invest in the future, we need to define how much and where we'll invest. If we're want to understand how the poor are affected by a disease, we need to define poor, desease and what effects we're looking for.

But sometimes the windows we draw around something just serve to hide irritating details.

We create windows not just in time but also space and whatever other axis helps make our case or simplify the situation.

Read many music tuition books from the early 1900s and they talk about the canon of musical composers (the famous ones - you will know who they are) as though nothing happened outside Western Europe. Music is the canon of composers and outside of this, it was just some folk music or something - nothing worth recording. Except folk music and activity away from the canon is where the canon came from; you cannot leap straight into high art without the history of a million failed compositions and composers.

Before distinguished composers identified these folk tunes, they were ephemeral and of less value. Once captured, refined and put into a proper form they give us something to discuss. It is now "real". We have drawn a window around what matters and everything outside of that does not.

A window around the industry

Windows tell us why the music industry is a shadow of its former self. Gone are the days of raking in money from CD, DVD and licensing. Gone is the control of the IP and the money. Earning money in music is harder than it has ever

been, what with the rise of the internet, streaming and various platforms which facilitate direct artist and audience interaction.

Everything has got worse.

Except that the window we are drawing starts around Statute_of_Anne,. 1710. Before this, there was no legal way of protecting rights of copying a creation. Like all laws, they are a function of their time and of the technological innovations which (usually recently) precede them, but they are not axiomatic. Copyright is not a physical law, it is a human law which was invented to create an industry.

Before copyright existed, the value in music was less. There was no technological way of capturing something (be it a score or recording) and distributing it, but there was also no legal way. When the printing press implied a new market of publishing, this was protected in law but that law relied on the physics of printing making it hard for anyone to setup as a printer. They wanted to incentivise innovation and commerce.

But when the physics of publishing was broken by the internet, all of the assumptions around what needed to be protected had to change. It wasn't that the internet broke or disrupted the music industry, it's that the underlying assumptions were no longer sound.

Open up the window of the music industry's history and you realise that the industry has not suffered a huge blow to its fundamental rights, it's just that a new wave of technology has challenged the idea that copyright might be the way to encourage a particular activity.

Copyright law is an example of how we layer up human activity based on assumptions which are neither universal nor eternal. You can create copyright law, but that doesn't mean the assumptions will hold forever and in all places. There is also no point in writing down your assumptions because you're only aware of what you're aware of, and something which is axiomatic may change overnight.

TASK: Create this chart

What does thinking about this Window effect tell us?

If we created a chart of the cost of capturing and distributing music value (e.g. by sheet music) over time, we would see that the IP law and the rise of print enabled this.

But if you open the window wider, there was no way of capturing economic value at that scale. No way in law or in technology. The music industry before these inventions and laws was simply not possible before this.

The value was entirely human made and so it can be human un-made.

Yes, the technology and the law were all about providing some industrial printing houses with the incentive to operate at scale since this creates a business. If you protect their interests, you create an industry.

The internet took almost every part of the creation and distribution of music and made the physical distribution costs almost zero. The IP law reflects nothing about the technological or physical world anymore. For how long can the IP laws be divorced from the physics of the situation? [Add an example to show how law & physics can't be totally divorced forever.]

By opening the window slightly further into the past, we see that what is normal did not always exist. We now need to think about what might appear as we open the window to the right, into the future.

Will we build a new "physics", in which copying is hard again? Or is this it? Are we 20 years into a century where the sale of recorded music makes no physical sense?

The specific answer doesn't matter as much as knowing that there will be an answer but it won't be based on the narrow window which makes us feel safe.

Practical lessons

1. Be aware of the "window" you using to understand a problem. This may be you focusing on the problem but equally it might be you ignoring complexity.

2. What happens if you slide the window left or right? - e.g. if you open up times before or after? When the x-axis of the window is time, this usually means you are creeping into times before an industry existed in the form it exists now. Understanding humans solved the same problem before an industry can give a better idea of whether this industry is here forever or if it is simply evolving.

3. Be aware of the window everyone else is using. Most people aren't aware of what they are ignoring - they can't see their industry beyond set of inputs and outputs it is right now. If you can see beyond that, you can find new ways of imagining the industry.

3.2   Structures create value.

Without structures, there is infinite possibility but no language and no way of creating any scale.

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In our minds now, the music industry is the IP industry. We may go to concerts, buy merchandise or watch their youtube videos but for us (or at least for a certain generation) music equals IP, and does so because we assume that musicians get paid for the tracks they released even if the journey to that music is circuitous.

This structure - of IP, and of everything which hangs off it - has created a valuable industry. This reinforces the idea in our mind that music is IP.

IP is a structure because it takes something invisible, ephemeral and public and assigns a creator, an owner and a customer. It has allowed publishers to be created out of thin air to capture the music of composers through the efforts of performers into the technology of engineers and exchange these artefacts of recorded music for cash from an audience. (Who, we learn elsewhere, had to be taught to but the music.)

Many commentators have and still do criticise this commodification of music. This may be true, but in a sense it doesn't matter. If it has been commodified this has also allowed the creation of an industry around (if not of) creativity which otherwise didn't and couldn't exist at all.

The structure that IP created - creator, owner, customer - has enabled huge amounts of value.

Structure like this matters. We see this in the creator economy we are living through. The platforms have made a structure where a creator creates value (content) which is distributed by the platform to an audience. Without this structure, there is simply no audience or economic value.

Structures matter because they give people roles. While many people did try to be creators before such platforms existed, without the idea of roles people have to sell the idea of something else. Imagine a world without physical theatres where an actor wants to attract an audience. You cannot invite people to the theatre because there is no such thing. If nobody understands what a theatre is, they will resort to creating something else - a tavern, a church, a party. Eventually the world learns what a theatre is, but that's not how it starts.

When the idea (e.g. of theatre) exists, roles start to emerge. The audience know their role. The actor knows theirs.

And once these roles exist, the roles create a space for people and companies to carve out a niche and excel. Quickly, we have the best actor, the most romantic actor. We know about the classical theatre, the up-and-coming theatre.

In music IP, it allowed labels to create genres, record shops, festivals and a plethora of ideas which all stemmed from the structure that IP gave.

These structures, like IP, exist everywhere there is value. Every part of human life (certainly every part of economic life) depends on some kind of structure, otherwise we cannot operate the scale which economic success depends.

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When these structures exist for a while, they become nearly invisible and taken for granted. You probably only thought of the link between IP and music because I mentioned it. And perhaps the same is true of the role of content platforms.

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Without realising that the structures are there, we miss out on two opportunities. The first is to exploit the structure - to know what the game is. When people complain about not being able to make it in music or any other industry, but the structure is fundamentally one of superstars and celebrity, they are complaining about something which is not going to change. (What I term a "gravity problem"; you can complain about gravity but see where that gets you.)

The second opportunity is to be ready for when the structure changes. The industry of music hasn't always been IP based on the mechanical copying of music works, so there is no reason to believe that this is how the future for music will pan out.

As far as I can tell, almost nobody is aware of the underlying structures which enable their own industry. In anything from financial through education to music, arts or sport. People seem to go into industries and believe that this is how it has always been and this is how it will always be. Even the rebels believe some fundamental right to the economics of the industry they went into [get an example of a rock group objecting to the internet and streaming]. if they are aware of the structures, they think that the structures were formed at the time of the big bang and will outlast all of humanity.

Naively believing that the structures have been and will be there forever is fine, most people do it. But in recognising that this is not the case you open yourself up to exploring what your industry might evolve into.

The composer writing with pencil on manuscript paper is not taking part in music, they are just creating an artefact of music which emerged in the 2nd millennium AD (CE??) in order to transmit instructions. This is no more creating music than is clicking a mouse around a computer screen; it is just the current structure we work with. It will all change.

When the structure changes, people will cling to their roles in the old structure. They will object saying that all of the value is being taken away - we are ruining our culture.

And it also teaches us to identify when the structures might change. This,

really, is all there is to understanding potential disruption. If you can identify the structures on which an industry runs and you can identify if those are cultural/conventional, legal/political or physical then you will understand the real risks to the industry. Most people in most industries don't do this because the structures are invisible. Every content industry assumed the value was in the content, until content becomes cheap to distribute.

IP and content platforms have created roles The structure IP creates has created value. Structures matter. They give people roles, they make spaces for people and companies to carve out a niche. But these structures become invisible and taken for granted. This tells us to understand the structures we have, how strong they are and how they might change. And it also teaches us to identify when the structures might change. This, really, is all there is to understanding potential disruption. If you can identify the structures on which an industry runs and you can identify if those are cultural/conventional, legal/political or physical then you will understand the real risks to the industry. Most people in most industries don't do this because the structures are invisible. Every content industry assumed the value was in the content, until content becomes cheap to distribute.

3.3   A tiny universe with huge possibilities.

You don't need to be or do everything. First, narrow down the possibilities to create a tiny universe with huge possibilities.

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There seem to be endless possibilities for music, made out of a mere 12 notes. Out of just this, we have created many genres utilising huge numbers of timbres. . . .

But what is surprising is just how small a universe of possibilities we really give ourselves. In most musical contexts, the allowable/acceptable musical notes (pitches / frequencies) and timbres (the particular mix of frequencies) are narrowed right down. I am not dismissing the work of classical composers but the fact is they worked with a relatively narrow set.

This feels surprising and almost nobody is aware that most of us are living in a subset of the music possibilities. A subset of notes, timbres, timing, dynamics, and many other aspects. Of course, this restriction is exactly what defines a musical style, but even allowing for this the universe of possibilities is narrow.

Most western music uses 12 tones (or even fewer), 4 beats per bar, a relatively simple construction of the verse and chorus. It treats octaves as consonant. It treats the down beat as the emphasis. It keeps the tempo relatively fixed.

Confusingly, when asked what makes some sound "music", I have repeatedly been given answers like "it has to be musical" which is just a circular. If music has to be musical, but our music utilises a subset of the possibilities of sound, does that mean the sounds outside of our defined little universe of what is musical are absolutely not musical?

No. Sometimes it's by design, sometimes it's cultural. [CHECK this - find reference] The timbres of some instruments are altered to fit with the 12 tones we have, which are in turn based on the vibrations of stringed instruments. That is, we reduce the sounds so they fit. This isn't so bad - this is exactly what music producers do when this mix a band. They will deliberately cut out frequencies from one instrument which overlap with another so they all fit together. But, both practices are reducing the possible sounds.

The sound and feel of this gets embedded in culture which becomes the sound of a generation, which defines a culture which becomes a fact. Which all starts for practical reasons but extends into human myths and culture.

Why don't we just open up the possibilities and try new things?

In a sense, it doesn't matter. We humans have narrowed down the universe of possibilities to something we can work with at global scale. I can listen to music from cultures around the world (who have been infected with the strict tuning of European music) and play along. That's a powerful glue.

It also doesn't matter because this is where we are.

But there are other reasons - the last of which is the most important.

Firstly, if you were to create new tuning systems and timbres then you have to get the instruments and the players. This is not trivial, although there are a number of people who do this. [More on this -]

Second, a lot of music is cultural and has cultural cues. Without those there isn't enough to latch on to. The audience has no frame of reference.

Most importantly, limitation is freeing. If everybody had to work out a tuning system, time signature convention and timbre preference for themselves then sharing music around the world would be harder.

There are still a huge number of possibilities, but because the tiny universe of possibilities is enough to wrap our heads around it becomes easier to talk about it.

If you want to create a large market, you need to limit what that market is for. It cannot be open, complex, multifarious. It will have to be frustratingly simple.

This is why when a product, company or political party does well it seems to be for a very simple reason. There will be a million details in getting there, but so often they will be focused on doing almost nothing for almost everybody.

For many creatives (technical, artistic, other), this is annoying. The successes are based on doing less, but this is simply the physics of economics of the situation. If you reduce down the world of possibly things you are going to deal with, it allows you to focus and that allows you to move more rapidly within your little universe.

When asked who their product is for, many people will say "everybody" but this is the same as having an open, complex universe. There are just too many possibilities.

Start by defining a tiny universe - a universe where there is enough scope for difference and exploration that you are not locked into just one thing; but tiny enough so that you are not distracted.

Music, as most people understand it, is a tiny subset of both all possible sounds and all possible "musical" sounds. The problem with defining music is that it becomes a circular reference: music is musical. Most western music uses 12 tones, 4 beats per bar and a relatively conservative number of the possibilities those 2 dimensions offer. In our tuning system and with the timbres we tend to use, the octave is consonant. This isn't universally true - it's possible to create dissonant octaves by using different types of timbre. Why don't we? It doesn't matter. We just don't. Limitation is freeing. There are still a huge number of possibilities, but because the tiny universe of possibilities is enough to wrap our heads around it becomes easier to talk about it. If you want to create a large market, you need to limit what that market is for. It cannot be open, complex,

multifarious. It will be frustratingly simple. When asked who their product is for, many people will say "everybody" but this is the same as having an open, complex universe. There are just too many possibilities. Start by defining a tiny universe - a universe where there is enough scope for difference and exploration that you are not locked into just one thing; but tiny enough so that you are not distracted.

3.4   What is normal changes.

We use windows to hide variation in what is normal. Every "norm" is temporary, or might be.

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IP created a new normal. Composers weren't always important. People had to be taught to buy records. People had to be taught to stream. New forms, formats and products don't always solve a "user problem" immediately - sometimes we have to teach the person to think differently. We have to change what "normal" looks like. This teaches us that normal will change. It happens with generational change, economic change. It happens in reaction to events or trends. But it happens. Whatever is normal now will end.

3.5   Noise becomes music.

#4 means that what is noise today becomes music tomorrow.

This is a section in itself because it's important to point out that what is absolutely not acceptable becomes acceptable.

We have all experienced how the music of our youth is scorned by our grandparent or, if not them then somebody. Many of us know of at least one piece of music or one artist who we or others consider just noise. We hear phrases like "noise", "requires no skill".

The 20th century is full of examples. From the Rite of Spring to Rock on Roll to Hip Hop. It's almost not worth the effort of takin a specific example because the general pattern is so reliable:

A new style emerges in some point of the world. It utilises either a different technology, format, timbre or some other aspect which makes it jar with the mainstream styles of part of the population. Often it is associated with a subculture, either one which is actively suppressed (as in the case of Blues and Jazz) or where it's simply not understood (in the case of experimental classical).

The mainstream then applies its idea of quality to this style and finds the new style wanting. The criticism which follows is also hardly worth bothering with because it will be things like: it's not musical; it takes no skill; there is no melody; it's too simple. This isn't music, it's just noise.

Except what always happens is that eventually this "noise" is absorbed into a new mainstream. Free improve is too complicated for mainstream audiences until it appears on a Radiohead album. Or the clicks and pops of early experimental music re-enter the world via Kraftwerk. Or the prepared piano, which sounds like the piano is broken, reenters the world via Aphex Twin.

What was noise became music. And will again.

This is how styles evolve. The noise has to be incubated away from the mainstream because the judgement of the mainstream ears is, by definition, concerned with what the mainstream should sound like.

The same thing happens in all areas of human creativity.

What is a breakthrough product or technology, starts as a toy. Everything from planes to cars to recorded music to the internet to the web to smartphones to whatever you are using now started as a toy. It started out as noise - something which is just playful nonsense .

This implies two important things:

Your judgement is probably wrong, you just don't yet know how. Whatever your view of the world is, something in the world will be both wrong in your eyes and right in the eyes of an important minority. At some point in the future, their view may influence part of the mainstream and you will then be wrong.

This is so normal that I often wonder why people pass judgement on anything. By definition, whatever you think is wrong/bad/slow/pointless may turn out to be the future.

It also implies that if people are telling you that you are making noise, maybe they are just listening for the wrong kind of music.

3.6   What is normal doesn't come from the crowd.

We interpret much of history in terms of the winners, the majority and the successes - i.e. what's liked by the crowd, what's normal. But this "normal" never starts with the whole crowd.

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There is a weird irony that what the crowd loves rarely (if ever) came from a crowd. This is true not just of the stars whose music we celebrate but also how we think about our relationship with things.

Buying music is such a normal thing that when we started the transitioned to downloads and streaming, there was endless uproar and and discussion of whether people would appreciate music's real value if they didn't have to go to a shop, browse, feel the record in their hands and take it home to put on their shelf. The new generation were missing out on the real value of music. Indeed the oversupply of music - the fact that they could access so much - was surely reducing the value in each piece of music?

Except that it wasn't always normal to buy music in the first place.

In his book on Music and Capitalism, Timothy Taylor cites the adverts from the early days of the player-piano which explained why people should buy music at all. And why they shouldn't play the music themselves.

It only took a couple of generations for the idea of "my music collection" to become normal, but that idea did not originate spontaneously from the crowd. It first had to be stoked and encouraged from outside.

We know that this idea appears in music itself - an artist will experiment endlessly and eventually hit on an idea. This experimentation might involve the crowd, but it may not necessarily involve using the crowd's idea of "good". The artist has to keep themselves and their judgement separate from the crowd.

This is at odds with the way that many think about what "good" looks like. They aim only for something that will get favourable responses in an audience survey. They will try to achieve a "net promoter score" which shows that people would recommend this to their friends. This is the science of creativity, but it too easily forgoes the art of creativity. Measuring responses from the crowd may easily create a creative deadend.

The creator's job is to stand away from the crowd and imagine something completely new. This may be in the material itself, as in the case of composers and performers, or in anyone in the chain of activity, as in the case of advertisers trying to teach us that buying recorded music is a thing we might enjoy.

Teaching people to buy music History is a history of a few people distilling a lot of ideas (This is something else) The art (vs science) of creating new things. We are being taught to create everything with science - testing etc. But sometimes

you need to start with art; a big leap sometimes need the art of ignoring a lot of things.

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https://scholar.google.co.uk/scholar?q=flows+of+value&hl=en&as_sdt=0&as_vis=1&oi=scholart
https://lib.asprova.com/images/stories/lean/lean-manufacturing/pdf/Value_Network_Mapping_VNM_.pdf

3.7   Flows of value (not necessarily money).

Everything should be understood in terms of flows of value before it's understood in terms of money. Disruption is simply changes in flow. Most people don't look for the flows in value they look for flows in money.

Everything is flows of value Some flows of value are huge - e.g. banks being able to take deposits and turn them into loans; fractional reserve banking. Create a flow-map of this (like the Google Analytics conversion map). Many flows of value will be small or dwindling. If you see a river or stream, you can see the physical flow of value - of water. But economic and value flows are harder to see. It's also hard to see early stage flows of value. The discussion of cryptocurrencies on forums in the 90s and early 2000s was a torrent of high value, but it had not yet turned into high economic value.

3.8   Networks have to start somewhere.

Networks create value but we only are only aware of the end result - the networks we use every day. Starting a network is extremely hard, but shouldn't be ignored. Networks will trump almost all other flows of value.

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Notation Churches Records . . . the network compounds

E.g. village churches (plague)

MySpace

Creating a network is extremely difficult. AirBnB PayPal Etc. Many networks fail but we don't know about those. Many people have the idea of a network but what they describe is the end state - an ecosystem of players who all get value from this wonderful network. Many people will say this in response to the news - why don't we just do "x". However, creating a network of high value requires a series of lower value networks. You need to bootstrap - this doesn't mean be cheapskate.

The funding model will change.

The person who pays will change and the priorities will change. The value will need to change with it. The artefact might look the same, but because the funding model changes, the nature of the value changes with it.

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Beethoven was the first freelance composer. (Actually, he's the first we have records for but this is good enough for now.)

Before this, in western classical music it was normal for music to be funded through the church or patrons. As the political and financial situation evolved, the money shifted from these places to new places.

It doesn't really matter where it moved from and to because the lesson is clear: the funding model will change.

In the past 20 years the way in which musical careers are funded has changed. People pay for digital copies or short term loans of a recording (i.e. a stream) rather than physical copies.

The streaming model has put the control in the hands of streaming platforms. So the money has shifted and so has the power.

Platforms like YouTube and TikTok provide a completely different way to monetise music. The classic disruption here is that can you imagine a world in which your local record store would build a website to share music videos for free rather than sell records? The skills are completely different, but this shift has happened.

Just as flows of value change, networks change so does the funding model. The change of funding model matters more because it's noticed (musicians complain that they can't sell CDs at gigs) and has a more direct impact on where you go to sell your skills. If the people which used to pay for your skills don't have the money they had, the might not buy anymore.

We have seen many shifts in funding power: churches, royal patrons, print publishers, music publishers.

It's also not a given that the people with all the resources will win. Companies existed before the iPod which had music catalogue, hardware capabilities and distribution [Sony - check]. You don't need much more to win, but they didn't. So the network and flows of value shifted, making the funding model shift. These kinds of shifts, where a new entrant creates a new flow of value, new networks and new funding models are all the more impactful because the new entrant has no reason to respect any old constraints.

Our model now is based on attention, streaming, audience. In part it's still based on IP but in truth there are no holy cows - any cow may be slaughtered. In the future, there is no reason why the funding model won't completely change. Again.

3.9 Rates of change matter.

Things don't change as often or as rarely as you think. As the flows, networks and funding change it's easy to focus on the short term rates of change but there are always many strata of change.

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Everything happens over night after it's taken decades to happen at all.

The rate at which things change matter because they constrain what can change and, in the end, what will change. These rates of change are based on the flows of value, incumbent networks and interests.

It takes much longer to create a new network of concert halls, which might take years than it takes to create a new trend/style of music, which may happen every year. Some rates of change are based on hardware networks like concert halls, travel routes or the training of humans to perform musical works. Other rates of change are based on individual or group taste.

Still other rates of change become so deeply baked into our culture and education that we don't realise they might change. We have 12 notes in a scale for no good reason other than we do, but changing this will probably take decades (although it's already started in some circles so perhaps it's going to happen).

Distribution channels, the very unglamorous side of the music business which deals with shipping physical goods or arranging royalty contracts are setup by business people who want to plan months or years into the future. Some IP contracts imply a steady state for decades to come.

Then there are musical trends themselves, the part which probably makes all that business planning certainty far more risky. Musical trends are manifest in the behaviour of the audience; if people learn to like something they will buy it. But people can quickly learn to like something else and, depending on their age they may switch to a new trend on a new platform using a new format seemly overnight.

These rates of change, where the fickle consumer simply changes their mind but at the same time as millions of other is what makes rates of change so important.

We need to be aware of both the slow rates of change and the fast. It's easy to look at just a fast rate of change and assume that everything will suddenly change, but it's also easy to look at slower rates and say it'll never change.

In reality, all the rates of change are important.

And lastly, some rates of change depend on people leaving the market either through retirement or death.

** *Blank page* ** # PART 3: THE MEDIUM

3.10   You are not your medium.

This has to be the most dangerous misunderstanding of all. It taps into everything which is wrong with people: our ego; overly focusing on what we already know instead of learning.

You - and your company and your industry - are not the medium you happen to work in. The value that people truly get from you may come from a piano keyboard, plucked strings. It might come from giving them records or CDs. It might come from performing gigs for them. But all of those are a medium which forces you to make a specific artefact.

The entire music industry assumed that the sale of physical media was its purpose. This infested not just the thinking of top executives but also the music consuming public. We took it as read that buying music was about browsing, feeling the records in our hand and seeing the sleeve notes and art. These are all artefacts of a specific medium which are important for that medium but they are not the purpose of music.

When streaming appeared, it was (as these things always are) worse than what it suggested it would replace. Lower quality, smaller catalogue, dodgy legality and confusing ownership rules. When a lower quality medium appears it is always judged with the value of the old medium. This is true of the technological medium as well as styles of music, social events which occur around the music. Humans will judge using the judgements they have to hand.

The medium is, so often, an experimental toy used by a few enthusiasts for purposes which confuse (or infuriate) the old medium's elite and the masses. But for these tinkerers, none of this judgement matters. But the new medium is beyond judgement.

Inside the new medium, the values are different. If the new medium is just one of choice, like the choice between performing in a tavern or a concern hall then the values don't matter. But if the medium becomes a de facto standard the values matter, like when music moves from concert halls to recordings. When this shift happens, the musicians (and companies) who succeed work with the medium, not against it.

But for many, this doesn't happen. They cling to the old values citing things like craftsmanship, years of experience, expertise, their qualifications and on and on. All of these matter, but only in the old medium.

This happens for the individual, the group, the company and the industry. Legal fights over ownership eat away attention and energy while new companies simply build a totally new form of value. You cannot sue your way into the future. The law only protects the medium and the value that we understand.

You are not your medium. Whatever skills, medium, format you work in today is a coincidence of history and nothing more. There is no universal truth which means this is how it will always be. But, for any industry it exists because of

some underlying value; some human motivation. Even if the specific medium fades, the underlying value will be provided by a new medium.

The question for you is whether you have tied your ego and your attention too closely to one medium rather than the underlying value.

3.11   The new medium is never a copy of the old.

The nuances of a new medium are not a copy of the old. Thinking and acting as though this is the case means you miss out on new value, new ways of delighting people or just miss the point of the new medium altogether.

Films are not just recorded theatre. We didn't learn this right away - we had to great a "grammar" of film.

Photography is not just a quick form of painting of drawing. We didn't learn this, to the extent that paintings made from early photos copied them like for like instead of [editing?] reality for artistic purposes. [explain better]

CDs were not just higher quality records - the audio balance on them is fundamentally different, and they lent themselves to better use in cars and easier copying. Whatever you think of this, the new medium here has materially impacted how the underlying value (the sound and the emotion) can be used.

The shift from one medium to another is usually a bit rocky. Early films were like recorded theatre. Early recordings were recorded performances. It takes time to evolve a grammar of a new medium. The early web talked introduced "web pages" but a web page differs in almost every way from a physical "page", but the name has stuck.

So the new is different from the old. Why does this matter?

For anyone working in one medium when there is a shift, it's tempting and too easy to believe that everything you know works on the new medium. Some of this may be true, but sometimes it's embarrassingly not true. Watch certain social ads to see a total misunderstanding of newer social platforms where the fact that the platform uses video treats the platform as just about distributing video instead of a 2-way social interaction.

Online publishing is not the same as book publishing. Traditional publishers have made some inroads, but where has the real impact in the online world come from? The relationship between a musician and their audience in a streaming world is different from a CD-buying world. The musicians who succeed use the new medium for what it's good at.

But we know all this because we talk about how [insert band name] exploited [synths, recording studios, etc etc] so well. We know that the people who succeed really get into the detail of what can be done, they play with it and find out what works and then find themselves as the forefront.

There will be certain skills which may travel across - good copy editing might still be important, good production might matter, a sense of style (whatever that means). But there is often no fundamental reason why these things do matter.

We see shifts in medium every few years.

. . . . Online gig /= gig :. Don't copy from the old medium

3.12   The format of the new medium emerges.

In Vienna in [XX century] publishers weren't clear what size of book would be best for publishing music. They experimented with . . . .

What happened in Vienna is what happens with each new medium. The world will not simply copy things over from one medium to another. [. . . .]

Score formats in Vienna (note the book « FIND THIS. GET EXAMPLE.)

"Format" is the specific way of using a medium. In computing, it is the type of file (mp3, wav) or the disc size (3.5 inch or Zip drive). In music, it is the length of the song, the use of the audio spectrum, how compressed the song is and any other nuances.

The 3 minute song is not neurologically or culturally hardcoded. A lot of music is longer or shorter. Our attention is not necessarily tied to this length. But through successive technological restrictions and cultural evolutions, this format has emerged. [This started with the XX wax disc. . .].

What then ensues is a network [LINK] of flows of value [LINK] with ever more expert knowledge in delivering this specific format of medium [LINK].

When a new medium emerges, the formats which follow it are not a given but are often dictated by the technological characteristics influenced by cultural.

3.13   The value you can capture changes.

Record sales -> youTube

** *Blank page* ** # PART 4: HEROS

3.14   Survivor bias.

3.15   There isn't necessarily a canon or grand narrative.

We cannot unhear stories / grand narratives

Superstar economics; normal disruption vs exponential distribution. "Unfairness" compounds because it is exponentially distributed but we tend to view everything a normally distributed. Normal distribution occurs in things like height, weight. . . but when dealing with trends or popular things, there are other effects when mean some will become exponential. An exponential distribution means that a small number of things will get all of the attention / money / fame. When one artist gets almost all the money and the fame, we think this is unfair. All that is happening is networks of people and companies gravitate to what is "going to success", which is usually synonymous with what is popular. And so, what is popular pulls in more of what is popular creating the unfair, exponential distribution. And so it repeats; more content begets more content. What we learn from this is: Exponential distributions occur and are natural A "failure" may be simply a failure to push into the top 10% rather than a total failure of the idea / product / artist

The big names will eventually shrink. E.g. content

Short term and long term performance don't correlate. Resurgence of - Styles Composers

It takes someone doing something stupid. Every big name is a big name for a reason. ???Not sure about this bit???

4   PART 5: WHAT IS THIS?

4.1   Being right matters much less than doing.

. . . because it all exists in a made up universe We (humans) can redefine it Same with most things - education, food, fashion, sports All the effort we put into defining what "it" is can be undone overnight

Being right matters much less than doing There can be diminishing returns to knowledge

4.2   Discussion the industry is part of the industry.

Discussion is an important part of the industry It creates and sustains interest
Aka pundits are not objective

4.3   Newness and originality isn't as important as we say.

Remember, we are operating in a tiny universe. Absolute newness, which uses all possible dimensions of change would be far too confusing. On top of this, many markets operating in fluctuating difference not compounding improvement

4.4 You only live in the market you live in.

Complaining that things used to be better doesn't mean anything. E.g. CDs/records/etc Saying that things could be better doesn't mean anything unless you're creating it

5 PART 6: CREATING

5.1   All value is created from nothing.

Unlike what the economic textbooks say, most initial "value" is not valuable. The first coal to be mined, the first draft of a book, the first experiment. . . This is true of most human activity - it has little economic value. But every now and again, the output of this activity becomes valuable. A lot of things have to be true for this to happen but this tells us two things: We over value our existing raw materials (e.g. the musician who is already selling well) and under value other raw materials (e.g. the up and coming musician). There may be value in both.

5.2   Creating value doesn't start with creating value.

Economics tends to start with the idea of creating value. The worker creates another widget. But the first widget is not the start of the widget. In the classic text, Adam Smith talks about creating pins. But the creation of the first pin didn't start with creating a pin. It would have started with experimenting with metal or wood, or trimming a stick. The creation of a successful music track or music career doesn't start with creating a good track or great musician. There is a huge amount of "low value" output which must come before that. This teaches us that: We must value what is not yet valued We must get on with creating it

5.3   Creation requires practice, sketching and creativity.

This lesson hasn't been learnt by business at all

5.4   Success is manufactured luck.

Practice, publish, repeat

6   PART 7: VALUE

6.1   Important details can become unimportant overnight.

Audio quality Physical sleeve notes Etc. . . Applies to any specific technical detail, e.g. tuning system

6.2   Artistry will be sidelined.

We talk more about everything that sounds the thing than the thing itself. I have almost never had a conversation about the actual music - the notes, rhythms, specific timbres, how the compression is use to emphasise the singer's voice. I.e. the artistry will be sidelined This is: catalogue; idolising; economics; trends

6.3   How do you measure value?

Baumol?

6.4   Product can become identity.

Social signalling This is important because how can identity possibly be reflected in something as simple as the number of lines in a history book?

7   PART 8: TRANSIENT

7.1   Everything is waves

We often only see the tip of the wave. Clouds are just part of the wave of airflow in the atmosphere. The superstars we see, the successes and the heroes are just the clouds which reflect all the underlying activity.

The question - or the trick - is to understand where the airflows are.

7.2   Everything is transient

This is the last lesson. The `poetic` comparison

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