

# Music Lessons - Learning from the failure

Dan Frost

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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/1TPJFR2hoPn6Xap1HWQJkdBdtmtOsqlTvTY5GVojul20>

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 medium; ... 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 scribbles 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, disease 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.

### **3.4 What is normal changes.**

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

### **3.5 Noise becomes music.**

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

### **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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## 4 PART 2: FLOWS AND NETWORKS

### **4.1 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.



## **4.2 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.

## 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.

### **4.3 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.

## **5 PART 3: THE MEDIUM**

## 5.1 You are not your medium.

## 5.2 The new medium is never a copy of the old.

### 5.3 The format of the new medium emerges.

5.4 The value you can capture changes.

## 6 PART 4: HEROS

## 6.1 Survivor bias.



## 6.2 There isn't necessarily a canon or grand narrative.

## Superstar economics; normal disruption vs exponential distribution.

## The big names will eventually shrink.

## Short term and long term performance don't correlate.

## It takes someone doing something stupid.

## 7 PART 5: WHAT IS THIS?

## 7.1 Being right matters much less than doing.

**7.2 Discussion the industry is part of the industry.**

### 7.3 Newness and originality isn't as important as we say.



**7.4 You only live in the market you live in.**

**8 PART 6: CREATING**

**8.1 All value is created from nothing.**

## 8.2 Creating value doesn't start with creating value.

### 8.3 Creation requires practice, sketching and creativity.

8.4 Success is manufactured luck.

## 9 PART 7: VALUE

## 9.1 Important details can become unimportant overnight.

## 9.2 Artistry will be sidelined.

### 9.3 How do you measure value?



**9.4 Product can become identity.**

**10 PART 8: TRANSIENT**

## 10.1 Everything is waves

## 10.2 Everything is transient

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