



CASE

Forondo Artist Management Excellence Inc.

Case Description

FAME (Forondo Artist Management Excellence) Inc. is an artist management company that represents classical music artists (only soloists) both nationally and internationally. FAME has more than 500 artists under its management, and wants to replace its spreadsheet-based system with a new state-of-the-art computerized information system.

Their core business idea is simple: FAME finds paid performance opportunities for the artists whom it represents and receives a 10–30 percent royalty for all the fees the artists earn (the royalties vary by artist and are based on a contract between FAME and each artist). To accomplish this objective, FAME needs technology support for several tasks. For example, it needs to keep track of prospective artists. FAME receives information regarding possible new artists both from promising young artists themselves and as recommendations from current artists and a network of music critics. FAME employees collect information regarding promising prospects and maintain that information in the system. When FAME management decides to propose a contract to a prospect, it first sends the artist a tentative contract, and if the response is positive, a final contract is mailed to the prospect. New contracts are issued annually to all artists.

FAME markets its artists to opera houses and concert halls (customers); in this process, a customer normally requests a specific artist for a specific date. FAME maintains the artists' calendars and responds back based on the requested artist's availability. After the performance, FAME sends an invoice to the customer, who sends a payment to FAME (please note that FAME requires a security deposit, but you do not need to capture that aspect in your system). Finally, FAME pays the artist after deducting its own fee.

Currently, FAME has no IT staff. Its technology infrastructure consists of a variety of desktops, printers, laptops, tablets, and smartphones all connected with a simple wired and wireless network. A local company manages this infrastructure and provides the required support.

E-mail from Martin Forondo, Owner

Martin Forondo, the owner of FAME, has commissioned your team to design and develop a database application. In his e-mail soliciting your help he provides the following information:

"My name is Martin Forondo, and I am the owner and founder of FAME. I have built this business over the past thirty years together with my wonderful staff and I am very proud of my company. We are in the business of creating bridges between the finest classical musicians and the best concert venues and opera houses of the world and finding the best possible opportunities for the musicians we represent. It is very important for us to provide the best possible service to the artists we represent.

It used to be possible to run our business without any technology, particularly when the number of the artists we represented was much smaller than it currently is. The situation is, however, changing, and we seem to have a need to get some

technical help for us. At this moment we have about 500 different artists and every one of them is very special for us. We have about 20 artist managers who are responsible for different numbers of artists; some of them have only 10, but some manage as many as 30 artists. The artist managers really keep this business going, and each of them has the ultimate responsibility for the artists for whom they work. Every manager has an administrative assistant to help him or her with daily routine work—the managers are focusing on relationship building and finding new talent for our company. The managers report to me but they are very independent in their work, and I am very pleased that I only very seldom have to deal with operational issues related to the managers' work. By the way, I also have my own artists (only a few but, of course, the very best within the company, if I may say so).

As I said, we find performance opportunities for the artists and, in practice, we organize their entire professional lives—of course, in agreement with them. Our main source of revenue consists of the royalties we get when we are successful in finding a performance opportunity for an artist: We get up to 30 percent of the fee paid to an artist (this is agreed separately with every artist and is a central part of our contract with the artist). Of course, we get the money only after the artist has successfully completed the performance; thus, if an artist has to cancel the performance, for example, because of illness, we will not get anything. Within the company the policy is very clear: A manager gets 50 percent of the royalties we earn based on the work of the artists he or she manages, and the remaining 50 percent will be used to cover administrative costs (including the administrative assistants' salaries), rent, electricity, computer systems, accounting services, and, of course, my modest profits. Each manager pays their own travel expenses from their 50 percent. Keeping track of the revenues by manager and by artist is one of the most important issues in running this business. Right now, we take care of it manually, which occasionally leads to unfortunate mistakes and a lot of extra work trying to figure out what the problem is. It is amazing how difficult simple things can sometimes become.

When thinking about the relationship between us and an artist whom we represent, it is important to remember that the artists are ultimately responsible for a lot of the direct expenses we pay when working for them, such as flyers, photos, prints of photos, advertisements, and publicity mailings. We don't, however, charge for phone calls made on behalf of a certain artist, but rather this is part of the general overhead. We would like to settle the accounts with each of the artists once per month so that either we pay them what we owe after our expenses are deducted from their portion of the fee or they pay us, if the expenses are higher than a particular month's fees. The artists take care of their own travel expenses, meals, etc.

From my perspective, the most important benefit of a new system would be an improved ability to know real-time how my managers are serving their artists. Are they finding opportunities for them and how good are the opportunities, what are the fees that their artists have earned and what are they projected to be, etc. Furthermore, the better the system

could predict the future revenues of the company, the better for me. Whatever we could do with the system to better cultivate new relationships between promising young artists, it would be great. I am not very computer savvy; thus, it is essential that the system will be easy to use.

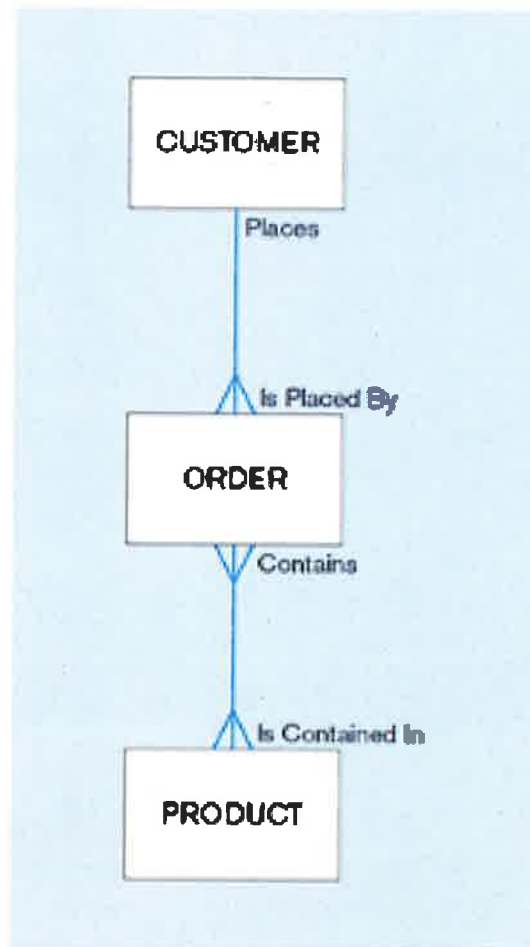
Project Questions

1-52. Create a memo describing your initial analysis of the situation at FAME as it relates to the design of the database application. Write this as though you are writing a memo to Martin Forondo. Ensure that your memo addresses the following points:

- a. Your approach to addressing the problem at hand (for example, specify the systems development life cycle or whatever approach you plan on taking).

- b. What will the new system accomplish? What functions will it perform? Which organizational goals will it support?
- c. What will be the benefits of using the new system? Use concrete examples to illustrate this. Outline general categories of costs and resources needed for the project and implementation of the ultimate system.
- d. A timeline/roadmap for the project.
- e. Questions, if any, you have for Mr. Forondo for which you need answers before you would be willing to begin the project.

1-53. Create an enterprise data model that captures the data needs of FAME. Use a notation similar to the one shown in Figure 1-4.



Example of Enterprise Model
(Identified Entities and relationship amongst them)

