

# Guide: Starting an Artist Management Company

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A practical, no-fluff guide to building an artist management business from scratch. Written for someone who can hustle, build relationships, and stay organized — and who wants to turn that into a real company rather than a hobby.

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## 1. What a Manager Actually Does

A personal manager is the artist's **business partner and strategist** — the person who sees the whole board while the artist focuses on the music. You are not the booking agent, the lawyer, the publicist, or the label, though you coordinate all of them. Your job is to build a team around the artist and drive the long-term plan.

Day to day, a manager:

- **Sets and drives strategy** — what to release, when, to whom, and why. You connect creative decisions to business outcomes.
- **Builds and quarterbacks the team** — booking agent, business manager, attorney, publicist, distributor/label, producers. You hire, fire, and align them.
- **Negotiates and protects** — you sit on the artist's side of every deal, even ones you don't directly close.
- **Opens doors** — your relationships become the artist's relationships. Much of the value of a manager is the rolodex and the trust behind it.
- **Manages the machine** — release calendars, deadlines, content, finances, logistics. Nothing falls through the cracks because you own the system.
- **Manages the artist** — you are part coach, part therapist, part bad-cop. You keep a creative person moving in a chaotic business.

The unglamorous truth: 80% of management is follow-up, organization, and showing up consistently. The 20% that's deal-making only works because the other 80% earned the trust.

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## 2. How Managers Make Money

### Commission (the standard model)

Managers typically earn **10–20% of the artist's gross income** from entertainment activities, with **15% the most common** rate. You make money when the artist makes money — incentives are aligned. Key concepts:

- **Commissionable vs. non-commissionable income.** You commission what the artist actually earns: live fees, recorded-music royalties, publishing, merch, brand deals, sync. You generally

do **not** commission pass-through production money (recording/video budgets, tour support), or money the artist must pay out to producers/co-writers.

- **Sunset clause.** When the relationship ends, your commission on deals/work originated during your term should taper off over a few years (e.g., 100% → 75% → 50% → 25% → 0%) rather than ending instantly or lasting forever. This is fair to both sides.
- **Tiered rates.** Some managers charge different rates by income type (e.g., 20% live, 15% records/publishing, lower on deals the artist brought in themselves).

### 360 / equity models

Some managers (and management companies) take **equity or a 360 stake** — a share across multiple income streams, sometimes in exchange for upfront investment (funding releases, marketing, advances). This can be lucrative but adds complexity and conflict-of-interest risk. Use it carefully, document it clearly, and never let it replace simple, transparent commission as your default.

### Other revenue

Established companies layer on: in-house services (marketing, content, sync pitching), label or publishing ventures, event/brand businesses, and consulting. But **commission on a growing roster is the engine**. Everything else is built on top.

The brutal math: early on, 15% of a small artist's income is almost nothing. Management is a **long game** — you invest years before a roster pays you a real living. Plan your runway accordingly.

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## 3. Good Manager vs. Bad Manager

**Traits of a good manager:** - **Relentlessly organized** — systems, follow-through, never drops a ball. - **Honest and transparent** — clear accounting, no hidden conflicts, hard truths delivered kindly. - **Patient and long-term** — builds careers, not quick flips. - **Connected and generous** — gives value to the network before asking for it. - **Calm under pressure** — the steady center when everything's on fire. - **Artist-first** — puts the artist's interest ahead of a fast commission. - **Decisive but humble** — has opinions, makes calls, but knows the artist owns the final decision.

**Red flags of a bad manager:** - Promises specific outcomes ("I'll get you signed/famous") — nobody can guarantee that. - Opaque about money or commingles funds. - Hidden conflicts (owns the venue, label, or promoter they're steering the artist toward) without disclosure. - Locks artists into long, one-sided contracts with no benchmarks or sunset. - All talk, no systems — can't actually execute. - Spreads too thin; signs everyone and serves no one. - Lets ego or their own brand come before the artist's.

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## 4. What to Look For in Artists

You are betting years of your life on each signing. Look for:

- **Talent + a distinct identity.** Skill is common; a clear, ownable artistic point of view is rare and valuable. In a crowded lane (e.g., house/tech-house), differentiation matters even more.
- **Work ethic and consistency.** Do they create and ship without being chased? Momentum comes from output. The artist must out-work you on the music.
- **Coachability.** Can they take feedback and adapt without losing their identity?
- **Existing traction (even small).** A real, engaged audience, a growing follower base, a song that's connecting — proof the market responds. You amplify traction; you rarely create it from zero.
- **Professionalism and reliability.** They show up, hit deadlines, treat the team well. Talent doesn't excuse chaos.
- **Aligned goals and values.** You both want the same thing and define success similarly. Misalignment kills partnerships.
- **A lane you understand.** Manage artists in scenes where you have relationships and instincts. Don't manage genres you can't open doors in.
- **Chemistry.** You'll talk to this person constantly for years. You have to actually want to.

Avoid signing on potential alone with no output, no traction, and no professionalism — “potential” without work ethic is the most common way managers waste years.

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## 5. Finding & Signing Artists

**Where to find them:** - Your local scene — shows, clubs, open decks, studios, promoters. - DSP and playlist discovery (Spotify editorial/algorithmic risers, Beatport charts for dance music, SoundCloud). - Social platforms — TikTok/IG breakouts, content that's connecting. - Referrals from producers, engineers, promoters, and other artists you trust. - Communities and Discords in your genre.

**How to evaluate and approach:** 1. **Watch before you reach out.** Track their output, engagement, and consistency over weeks/months, not one viral moment. 2. **Build a real relationship first.** Offer value — an intro, feedback, a booking, a content idea — before pitching management. Trust precedes contracts. 3. **Have a point of view.** When you do talk, come with a specific plan for *their* career, not a generic pitch. Show you've done the work. 4. **Start with a project or trial.** Consider a short trial period or a single project (a release, a campaign) before a multi-year deal. It de-risks both sides. 5. **Align on goals and expectations** explicitly — money, decision-making, communication, what success looks like.

**Signing:** - Use a clear, fair management agreement (term with benchmarks, reasonable commission, sunset clause, key-man clause, expense rules). Advise the artist to get independent legal review — this builds trust, not risk. - Run your onboarding checklist immediately: collect logins, contracts, catalog, registrations, and goals so you can actually start working.

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## 6. Setting Up the Business

Treat your management company like a real company from day one.

- **Form an entity.** An **LLC** is the common starting point in the US — it separates personal and business liability and looks professional to partners. Pick a name, file with your state, get an **EIN** from the IRS. Consider an operating agreement even if you're solo.
  - **Open a business bank account** and a business card. Never commingle personal and business (or artist) funds. For artist income you handle, keep it cleanly separated and consider a separate account or sub-ledger per artist.
  - **Bookkeeping from day one.** Use accounting software or a clean spreadsheet. Track income, commission, reimbursable expenses, and per-artist P&L. Save receipts. This isn't optional — your credibility (and the IRS) depend on clean books.
  - **Insurance & legal.** Talk to an accountant about structure and taxes (you'll issue/receive 1099s). Build a relationship with an **entertainment attorney** to paper deals correctly — you are not your artists' lawyer.
  - **Contracts & templates.** Have your management agreement, onboarding checklist, split sheets, invoices, and basic deal memos ready.
  - **Systems & tools.** A task/project board (e.g., ClickUp), a shared cloud drive, a password vault, a CRM for industry contacts, and a release-calendar template. Your operational excellence is a competitive advantage.
  - **Know the licensing rules.** In some states, *procuring employment* (booking) is regulated and reserved for licensed talent agents. Understand your state's rules so you stay on the manager side of the line and partner with a licensed agent for bookings.
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## 7. Your First 90 Days (with a new artist or new company)

**Days 1–15 — Onboard & audit.** - Run the full onboarding checklist: collect all logins, contracts, catalog, and registrations. - Audit everything: Are they registered with a PRO, The MLC, SoundExchange? Is distribution set up? Are DSP profiles claimed and clean? Fix gaps now. - Set up shared systems (drive, vault, task board, finances). - Define goals and what success looks like in writing.

**Days 16–45 — Stabilize & plan.** - Build the 12-month strategy: release plan, content plan, booking targets, revenue targets. - Clean up the artist's "house": consistent branding, bio, links, metadata, monetization (Content ID, distribution payouts). - Identify the team gaps (agent, publicist, etc.) and start filling the most urgent one. - Establish a communication cadence (e.g., weekly check-in) and an expense/approval process.

**Days 46–90 — Execute & build momentum.** - Ship something: a release, a content series, a campaign — show the artist tangible movement. - Start outreach: booking offers, playlist/press pitches, label or collaborator conversations relevant to the lane. - Set up measurement: track streams,

followers, saves/shares, Laylo/email captures, booking offers, and revenue so you're managing by numbers, not vibes. - Review at day 90: what worked, what didn't, and reset the next 90.

**Throughout:** over-communicate, follow up relentlessly, and build the network. The compounding value of consistency and relationships is the entire business.

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## 8. Mindset for the Long Game

- Management is a **relationship and reputation business**. Your name compounds. Protect it.
- It's a **marathon**. Income lags effort by years. Manage your own runway and don't sign more artists than you can genuinely serve.
- **Diversify carefully**. A roster of a few artists at different career stages smooths income and risk.
- **Stay current**. Platforms, revenue models, and audience behavior shift constantly. The managers who win keep learning.
- **The artist owns the career; you steer the business**. Stay in your lane, deliver value, and the commission takes care of itself.

Build the systems, build the relationships, sign the right people, and play the long game. That's the whole job.