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## Watch out for David!

By Richard Kirstein

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I recently started reading "[David & Goliath](#)" by Malcolm Gladwell. The sub-heading is "Underdogs, Misfits and the Art of Battling Giants". I'm barely a third into the book but am really enjoying it. Gladwell distils some interesting insights which have relevance to business.

Gladwell starts by recounting the biblical story from the books of Samuel (1 Samuel 17) in which the giant Philistine warrior Goliath is defeated by a young shepherd boy David, the future King of Israel. David hurls a stone from his sling which hits Goliath in the centre of his forehead. Goliath falls to the ground and David cuts off his head.



We understand the moral here: *Don't fight your opponent where they are strong, but attack where they are weak.*

Goliath was massive, powerful and armed to the teeth with weapons ... but those apparent advantages made him slow and cumbersome plus his eyesight wasn't good. Goliath was also protected with heavy impenetrable armour except on his forehead.

David was small nimble and fast. He was an expert with the sling shot. He used these advantages to exploit Goliath's weakness, with devastating effect.

## What's the lesson here for marketers?

I work with marketers in large corporations who are well aware of their commercial muscle in contrast with smaller suppliers such as talent agents and independent music rights owners. Occasionally, in a difficult negotiation, marketers adopt a "*Don't You Know Who We Are?*" attitude in the flawed belief that this will secure compliance from an obstinate supplier who refuses to back down on a commercial point. The supplier knows exactly who the brand is and recognises the arrogance in such a question. The supplier may also realise that beneath the question lies desperation because there's no Plan B in the event that the negotiation fails.

I have witnessed several deals in which tiny music rights owner companies, run from a back bedroom, have held giant multi-billion dollar global corporations to ransom over the use of a music track in an advertising campaign. How does this happen?

It happens because the music company has a monopolistic position on the rights that the brand wants to buy. They can't be bought from anywhere else – and that's the point of weakness.

The music company suspects that their song or recording has been attached to the campaign creative idea for some time and both brand and creative agency love it. However, the agency didn't approach the music company until the last minute to negotiate the clearance. Media has been booked and paid for. The campaign must start on a specific date. There's no back up track and no time to find one.

The outcome is inevitable. The music company demands an exorbitant licence fee, withholds clearance and threatens immediate legal action if the campaign proceeds without a proper licence in place and prior payment of licence fees. The brand's agency tries in vain to negotiate but is met with refusals. At 6pm on the day before delivery of the final campaign, the brand reluctantly instructs the agency to back down and pay the fee demanded. There's a flurry of activity to issue a PO, receive an invoice and pay it by immediate bank transfer the following morning.

Yes, this is a horror story ... and yes I've seen it happen. I can think of one example where one of the UK's largest financial services companies was slaughtered by a tiny music publisher in exactly this manner. The licence fee paid was ten times the amount budgeted – but the music publisher knew that ultimately the brand would find the money ... and they did because the brand was a bank!

## What's the take out?

- Recognise the strength of tiny suppliers with a monopoly on specific rights
- Recognise that's your weakness if you need their cooperation
- Always have a Plan B
- Always allow more time than you think you'll need

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