

Investing In Music Startups

October 2014



About Me

MiXi People Context Purpose

SECTION 101
We Create Beautiful Websites

Digital Daruma

musicxray
21st century A&R

SF MusicTech FUND

Ken Umezaki

Angel Investor

Bass Player

Advisor

globalFEST

MAKE MUSIC NEW YORK

THE STONE FOXES

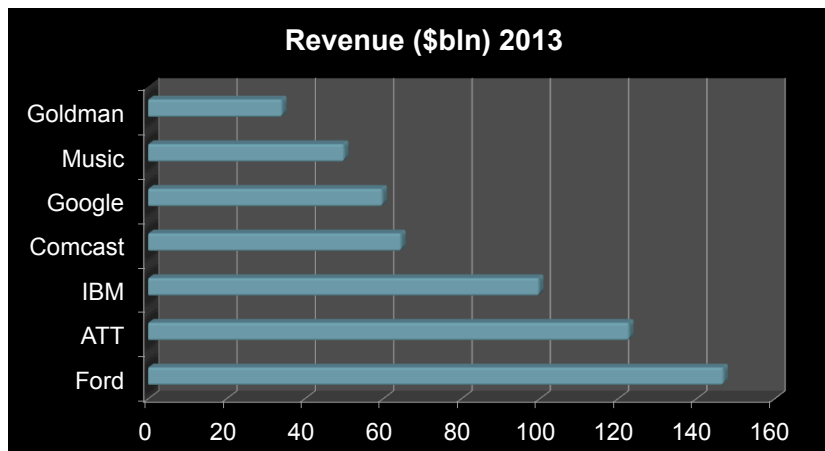
Berklee college of music

musEDlab
NYU music Experience Design lab

little kids ROCK

Digital Daruma

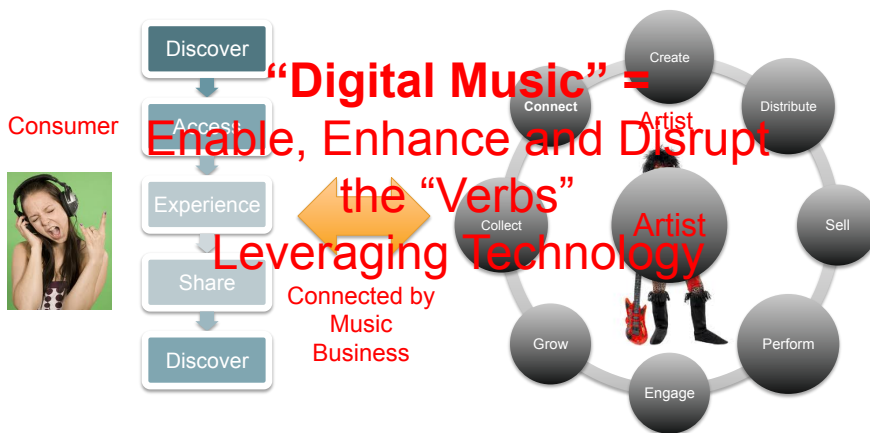
How Big Is the Music Biz?



Source: public filings; music business is estimated global revenues for recorded music sales/streams, live and publishing



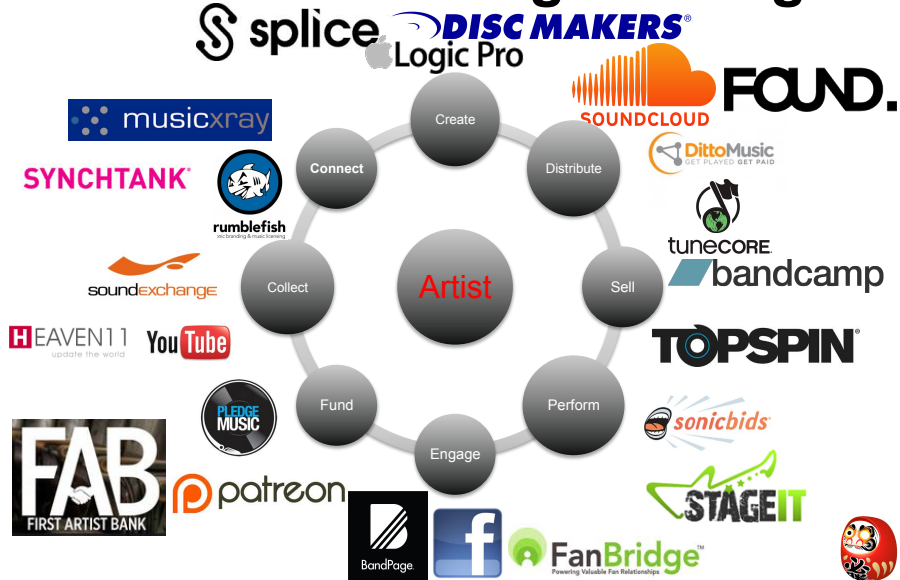
Remember The Verbs



Welcome to the Digital Jungle

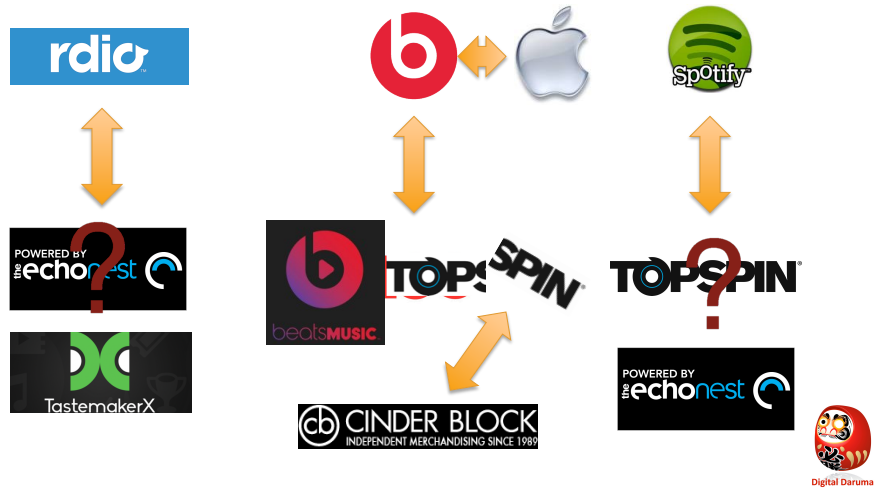


Welcome to the Digital Jungle

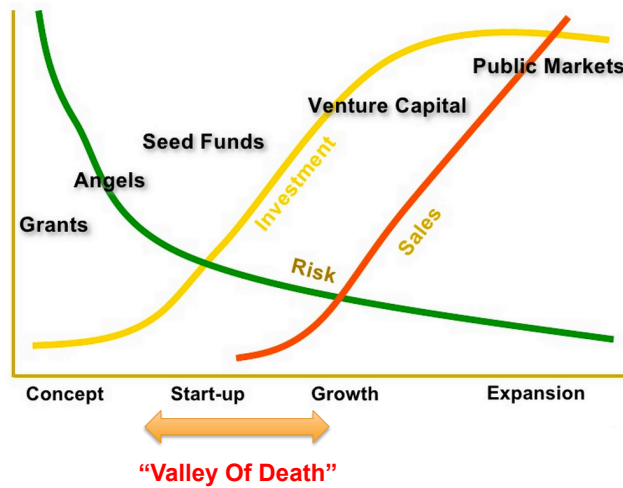


Welcome to the Digital Jungle

“Last Week” “Yesterday” “Today”



Investing In Intelligent Failure



Start Up “Numbers”

1MM Startups (5 MM)

\$5MM: \$500,000: \$50,000

200,000  : 400 VCs: 10

1,000 = 0.5% VC Funded

Exits: 16%; 7%; 1%

\$2.3 BN: \$19BN : \$5MM

3000+ Digital Music Cos



“4 M’s and an S”: What Investors Look For

“Management”

“Market”

“Momentum”

“Money”

“Solutions”

Source: Mark Suster: “The Four Main Things that Investors Look for in a Startup”



Digital Integration Is Real

“Direct To Fan”



“Makes Life Easier”



“Distributed Ecosystem”



“New Horizons”



Advice For Risk Takers

“Think Media not Music”

“Solve a Big Problem”

“Study Your Space”

“2x\$ and 2xTime”

“Delivery: It's Biz”

“Build A Great Team”

