

Ethics And Corporate Entertainment

By Producer, Nancy Hays
Nancy Hays Entertainment, Inc.

In my Master's degree program at Northwestern University many years ago, I took an ethics course. It was a mandatory requirement and I'm grateful it was because it forced us as students to think about the business consequences of working without a conscience. It also pointed out that in today's business world many people are totally unfamiliar with any kind of guideline for ethical behavior. They operate on a set of principles developed in childhood and young adult life they acquired from their parents and their environment, for better or for worse. In the case of the entertainment industry for many, the first and only ethic is survival.

It can be argued that a lot of what we may view as unethical in the business world depends on our perspective. My father used to tell me that there are two sides to every story and the truth usually lies somewhere in the middle. What we might consider to be a bad business practice in our industry might be viewed by others as acceptable depending on the circumstances. Nevertheless, since we as producers of entertainment share many common interests and challenges, my purpose in writing this article is to outline certain practices and issues that are a problem for most of us with a goal that IAACP might use some of these ideas as a framework for discussion and action as an association dedicated to improv-

ing our industry.

Listed below are some of the bad business practices and areas of concern I have experienced during my nine years at Jack Morton Productions and since 1993 when I founded Nancy Hays Entertainment, Inc. Chances are, if you work long enough in this business you will experience some if not all of the examples below:

1. You prepare a proposal full of ideas incorporating meeting elements, theme, decor, talent, etc. only to find that the client is using your proposal as the bid specs to collect other proposals from competitors, who are only too glad to bootstrap a proposal from your hard work.
2. The client takes your ideas and recommendations and goes on the web to find the artist contact and/or pricing information to book the artists directly. In my case it wasn't my

client, but a lower level meeting planner who in an effort to impress my client looked up the info, requested materials, and spoke with the act regarding their fees.

3. You contract a performer who passes out collateral materials and business cards or CDs at your event encouraging or promoting contacting them directly.
4. The client shamelessly uses you for free tickets to name entertainment events, lunches or dinners with no real desire or budget to book the acts they are going to see at your expense.
5. You hire a sound, lighting, decor, or AV supplier who uses your relationship to get close to the client and given the opportunity attempts to remove you from the process or diminish your role to market their own business directly to the client without your involvement.

6. You find out that you are one of three or more companies bidding on the same act at the same time for the same date.

This business practice is most commonly used by inexperienced buyers attempting to get the best possible price for a specific act. Ironically, this buyer will most certainly pay the highest possible price. The law of basic economics applies in this case; as demand goes up for a unique product or service, so does the price. In addition, by "bidding" for the same act on the same day, this buyer has most likely taken away any chances his producer had of negotiating on their behalf. For example, if three buyers called on the same day willing to pay asking price for your house, would you be motivated to lower the price of it?

7. You hire, mentor, train or work with an employee who brings little or no revenue into your firm but instead uses you to develop relationships with clients and/or proprietary lists of contact names,



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numbers, and e-mail addresses without your knowledge or permission.

8. You hire an employee who abuses their company credit card privilege and spends company expense money in an inappropriate way.

9. You work with a client who authorizes you verbally to enter into negotiations or contractual arrangements with an artist when they did not have the authority to do so. This client may ask for a contract and then want out of it, either because they did not clear it with their company in advance or did not realize that they were obligated to fulfill their agreement. This leaves the producer in a very uncomfortable position with the artist and it's representatives.

10. You work with an artist representative (manager or agent) that has a conflict of interest. They exclusively represent acts that they sell to other producers and they produce shows themselves, so in some instances they could be considered your competitor.

This last point is not a bad business practice unless trust is violated and the relationship with the end user is negatively effected. Many members of IAECF, including myself, market unique programs to producers but also at times deal directly with end clients. This becomes even more of a concern to buyers when you are the performer yourself. For many years, I'm aware that many of my colleagues would not consider booking me as talent for their programs because they were concerned that I might try and "steal" their client. This may be true of some talent (as I pointed out in issue # 3), but in my case what these producers did not realize was that booking my shows for their programs actually had the opposite effect. In other words, because of my personal code of ethics, securing me as talent virtually insured them that I would never market directly to their client without going back to them. I know that others in our organization feel this same way and that they always work to preserve loyalty and trust with the producer at all times.

Thankfully in today's competitive work environment there are still plenty of great clients out there who value what we do and remain

loyal for years. The bad experiences I have had make me value these clients even more and want to work harder for them. These clients should never be taken for granted. Seeking out, servicing and finding good clients is what keeps me going. They are the best part of my work.

In the list of bad business practices and areas of concern I have articulated in this article, I'm sure we all have very specific examples to share. (Some of mine are really outrageous!) I hope that we can use our own experiences to make progress toward fostering a more ethical environment for POSITIVE business practices. Here are some of my own suggestions on possible solutions for our new association to consider:

1. A check list of guidelines that we put into our letters of authorization, contractual agreements and proposals that are uniform and standardized. A protection clause drafted by an attorney that covers the sharing of intellectual property we are providing in the form of a proposal. An additional protection clause that covers letters of authorization and entering into contractual relationships with acts on their behalf.

2. Offering educational programs to acts, agents, managers and suppliers, teaching them how to be producer friendly and how to succeed.

I think that this is very important because I find that many performers don't really set out to hurt us, it's just that they don't know any better and they are trying very hard to get bookings. Promoting themselves and marketing directly has become a necessary component to survival for them.

3. A code of ethics for each other as members of IAECF including well articulated guidelines of acceptable conduct for the companies in our membership like mine that represent specific acts or programs but also act as producers working directly with some clients.

4. A system of reward and/or recognition that supports good suppliers, artists and clients who adhere to the IAECF standards.

5. Working with name artists and their representatives to give our clients what they want in terms of promotional materials, riders, etc. and avoid directing them to what should be confidential information.

To this point, I would welcome industry leaders such as William Morris, CAA, ICM, APA and others to develop web sites that lead private date buyers to artist demos and riders designed by IAECF to meet the needs of our buyers more specifically. We need artist DVDs to show acts and not contact information for management and agency representation. It is not so much that we are trying to hide this info but we don't want to advertise it. It's the "trickle down" effect of having that number on the promotional piece that gets circulated to unknown parties in the decision making process. Quite frankly, I think this would be in the best interest of the manager or agent because often times these people are not savvy buyers and they are time wasters. Having IAECF members screen these buyers for them saves them time, money and energy that could be much better spent representing their artists.

Working together as a group, enforcing positive business practices and educating our suppliers, can we change a dishonest and unethical individual or company's way of doing business? I don't know if that is possible, but at least we can give the industry back to the people who are playing by the rules. We can bring new artists into our community that understand how we do business. We can share resources and lists of great suppliers who will always serve our interests. We can pave the way for a better future for those that follow us and we can work with a conscience to build a great association together.

I look forward to seeing you all and continuing our discussion in September in Chicago.

Nancy Hays

For more information on Nancy Hays call (773) 792-0688 or go to her website www.nancyhaysentertainment.com