

**The following is an interview between Aidan Nulman ([Two Notes Ahead](#)) and Gerd Leonhard ([MediaFuturist](#), [Sonific](#)). It took place over Skype on Wednesday, June 4, 2008 at 10:30AM (EST).**

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**AN:** Thank you so much for this opportunity, Gerd. I have six questions for you that I separated into three categories: two each about yourself, about your projects, and about some insights that you might have. To start, I guess I'd like to ask where are you at when you're at your most creative or insightful?

**GL:** You mean physically or mentally?

**AN:** Physically, I guess.

**GL:** Because I travel a lot, I can work pretty much anywhere. But usually, my preferred place is really on the airplane, because there's no interruption... provided I fly business class. Most of the time, you know, when I travel to my speaking gigs, I have the luxury of going business class, and I do a lot of work on the airplane. But, in the end, it doesn't really matter that much where I am because most of my work is done on the computer, though I prefer to be in a quiet place of course.

Most of my work is done by collecting a lot of information, I read about 850 RSS feeds, and I print about 100 pages a day, and I read about 10 books a month. So that's really a lot of research, and it usually gives me plenty of ideas, and it's not really that important where I am.

**AN:** What's the most important piece of advice you've ever received?

**GL:** When I started my first internet company, in 1996, I worked with a guy who was a pretty well-known lawyer in New York, and he basically told me what Meg Whitman, who is the CEO of eBay, always said: "It's not important to have it all under control, or to have everything worked out. It's important that you go and start something." Basically, when you have a feeling, you should just proceed, even if you don't have everything worked out.

Let me see what that quote actually is... Meg Whitman said: "It's better to put something out there, see the reaction, and then fix it than to make it perfect." I think the bottom line is that perfect is the enemy of good enough. I think that sums it up pretty well, because if you strive to have everything perfect, you won't be doing anything.

**AN:** I know the feeling very well. If I'm not mistaken, you've recently changed the name of your [End of Control](#) project to Open Is King; this book is going to be adding to your previous writings while expanding the range from just music to all media.

**GL:** The discussion is actually still out as to what I will call the book in the end, but it's very likely to be [The End of Control](#) because it's a very powerful statement. I'm still playing with the subtitle, which could be Open Is King, or so on. But you know that the music industry in itself isn't itself anymore. It's completely converged with television, film, and internet. I think in 2 or 3 years, there won't be a music industry, so there's no point in doing something that's all about music because it doesn't exist by itself

The headline of [End of Control](#) is kind of provocative, which is good. But the flipside of the whole thing is a very serious question: how can you make money in an open system where you don't control distribution, and can't control what people do? In other words, you don't control how many people make copies, how they share it, how they change it, and so on. For example, with blogs, you don't control who reads it, since people have RSS feeds and read somewhere else. It's this whole issue of openness being everywhere, and how you can turn it into a business and make money while losing control.

**AN:** It's been over a month since we've heard from [Sonific](#). I know that the old service is down, but is there anything you can say about what might be to come?

**GL:** The details are confidential right now because we are negotiating with various parties. I think that the tendency will very likely be that [Sonific](#) will come back as a completely web-based platform, like an application. Basically like Google Documents for music, where you essentially opt-in and opt-out and you just use it as a platform. We're not going to be actively licensing labels to do this, because we find that most labels don't understand the method of how these things work. We would rather make it available as a tool. So [Sonific](#) will likely re-emerge as a platform rather than a service. But there are many different options, we're hoping to be able to announce something in two or three weeks.

We've received thousands of emails saying that they want [Sonific](#). The problem is that labels, even many independent labels, perceive that they are able to get money from people for the streaming,

license fees, which in reality doesn't exist. It's only really [Last.FM](#) and [Myspace](#) that can do this because they have big companies behind them.

**AN:** I'm glad to hear that [Sonific](#) is "not quite dead yet."

**GL:** No, no. The good thing is that we learned the first time; we didn't spend much money in running [Sonific](#). We didn't really have financial problems; we just had business model problems in terms of scaling. We will find a way, one way or the other. I'd be amazed if there wasn't a way to move forward.

**AN:** With the music industry losing millions lobbying and millions more by staying in the current model, there's obviously some pretty significant hurdles that executives are going to have to jump before any change happens. What do you think is the biggest of these, the "thorns" in record companies' "paws" that's preventing them from taking any sort of change from the current model?

**GL:** Honestly, I think that most of these guys don't know what the hell is going on. They're just not connected; they're not connected to what the user is actually doing. I mean, there's 820 million people sharing stuff on social networks: videos, images, blogs, music. They're essentially the next radio, the next TV. They're the next broadcasters, and the labels are acting like they should pay first and get permission in the old traditional way.

I think most people in the music industry don't understand these trends very well. They should talk to the TV guys and the film guys, and maybe even the marketing agencies that have to understand this. I think the music industry is still in the illusion that they can force the market to do what they want. You know, it's the idea that if you keep something away, then people have no choice but to come to you. But it's the other way around; people have already made their choices, and all of that works just fine without them.

There's hundreds of startups that do this already. It's all about control: they want to control the business, they want to control the user, they want to control the creator... They want to be in charge. And as long as they want to be in charge without any restrictions, then it's not going to move. You can't be in charge of this. I mean, you can be in charge of some pieces of it, but you can't own it. And they want to own all of those pieces, otherwise they're not happy.

I think that goes for most big companies: they'd like to own it. But if you see what's going on with the bands, even some of the large bands, even they are stepping forward and saying "we'd like to be able not to have to own this"

**AN:** Like Radiohead and Nine Inch Nails did, and like [Slicethepie](#) is doing?

**GL:** Yeah, in the music space. But look at very large brands like Ford or Procter & Gamble. They are giving the users more rights than ever before; they're giving the users the right to suggest ad campaigns, to remix their videos, to help them design their brands. They're doing all kinds of things. [CNN](#) even allows people to upload images and videos directly from a cell phone, and if they're rated a certain way, they could be on the homepage of CNN!

But the music industry thinks that only they know the good bands, and only they know what the price should be, and they should have distribution.

**AN:** So you're basically saying that they need to wake up and smell the coffee, to break through the unrealistic lens that they see the consumer through.

**GL:** At least I think they should get out of the way, like the Bob Dylan song says. It's kind of obvious that things are already moving in other directions. Something like [Flickr](#) exists for photographs, but nothing exists like it for music yet... But it will. So the lock-up that they've had is going away, and I can't wait for that to happen since they're not doing something that's good for everyone – they're doing something that's only good for them.

It's obvious that flat-rate music is going to happen if they like it or not, because there's no other way of making people legal. If you're starting to think about taking people's internet away because they're doing something that you don't like, then you have a police state. Then you have China.

**AN:** One last “main” question before the bonus round. The shift from music-as-product to the flat-rate music-as-service that you were talking about might be commercially feasible, but how do you think most consumers would react?

**GL:** Well, I mean, consumers would be extremely happy because for them, it would essentially be free. If you see the fact that it's easily possible to subsidize the music with advertising and to upsell, every platform would be happy to have happy users, because they could sell other stuff to them, including ads. The user would have only benefits from this!

But the user, of course, has come to not trust the record labels. So this is a difficult proposition now, because the user is saying “whatever comes from them, it seems stupid.” And that's a bit of a problem.

**AN:** So, last but certainly not least, what else should I have asked about during the past 15 or so minutes?

**GL:** I think you asked the right questions! You have a pretty good understanding of the subject, so I'm happy you asked the questions you did. I think that the music business is largely dysfunctional right now, and we're going to see the effects this year. Now companies have to move or get out of the way.

There's always more questions you could ask, but as far as I'm concerned, I do a lot of work outside music now. In marketing, branding, film, television... these people actually want to change and do something that helps them rather than pretend. In fact, I started a bunch of new things: a video channel called [Gerdtube](http://gerdtube.net) ([gerdtube.net](http://gerdtube.net)); I started a Twitter feed called [Dailywisdoms](https://twitter.com/dailywisdoms) where I tweet little pieces of things that I find around the web ([twitter.com/dailywisdoms](https://twitter.com/dailywisdoms));

**AN:** Sounds to me that the music industry is very much like the oil one: they're saying they want change, but they're not actually taking steps to affect it.

**GL:** Yeah. I think that they're extremely complacent, and a lot of times they just don't know. They don't understand the new world, basically; they're thinking of the world as 10 years ago. To me, that's just not who you want to talk to.

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