

A  
PROPOSAL  
TO  
SPONSOR MUSIC  
IN  
SOUTH AFRICA

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## INTRODUCTION

Music is an instrument of change!

Musicians and music play an important role in helping build bridges and bring people together - it transcends all political and geographic barriers.

Yet South Africa's political stance has, for some time, created an international attitude which has stunted music development in South Africa.

This two-way restriction - on South Africans having access to overseas markets and international performers coming to the Republic - has left an enormous vacuum with apparently no major drive or effort to assist local music in either direction or development.

Having said that, with the political changes now occurring, there would seem to be a light at the end of the tunnel, and forward thinking executives who understand music, recognise that plans have to be laid down well in advance if the music industry in South Africa is to meet its potential.

It is a sad indictment of the present South African music industry that it is viewed with great suspicion by the industry overseas - poor management, lack of direction, concentration on "plastic" sales at the expense of live music.

2 - RUSTLER'S VALLEY

Set in the foothills of the Maluti Mountains, near Ficksburg, Rustler's Valley is a R1.5 million asset based investment comprising one thousand hectares of prime mountain land, farming activities and a mountain lodge.

Appealing to individuals who, for want of a better term, have their own "persona", the mountain lodge has created an atmosphere in keeping with the sixties and seventies rather than that of a contemporary era, whilst the accommodation has nevertheless retained an African identity.

One of the major features and benefits of the Rustler's Valley operation is the environment - mountains, clean air and ecologically unspoiled.

Rustler's Valley is also centrally positioned geographically, and as a consequence does not suffer with the hang-ups or problems associated with the metropolitan areas.

Recognising that there is much to be done, to develop local music in South Africa, both at a live as well as at a recording level, the owner of Rustler's Valley, Frederik Grobbelaar, is now engaged on a major project to develop the estate as a centre for music, visual communications and creative arts ... a centre which will not only dominate the Free State but a centre that will be pivotal through on-going activities to music development throughout the country.

Ultimately this centre will also be able to create a name for

itself in the international music area.

In order to develop the music structures, Frederik Grobbelaar has brought in two partners into the project and who, through their technical and commercial expertise, are qualified to lead and direct the operation.

B - **DAVID MARKS**

Managing director of 3rd Ear Music since 1969, David has recorded produced and worked as a sound engineer / audio operator with some of the top local and international performers. As a songwriter in the sixties, David had international success with songs such as: MOUNTAINS OF MEN, MASTER JACK, MR. NICO, CLEAR, COOL, CALM AND STILL and HEY MISTER.

He still composes and works with many artists in this capacity.

As a trainee / sound / audio operator in the sixties, he worked in the USA with acts like John Lennon, Chuck Berry, Little Richard, Jerry Lee Lewis, 3 Dog Night, The Turtles, etc.

He saw service at Woodstock, Toronto and many other major international festivals.

Returning to South Africa, he instigated and worked on some major local events which included, the FREE PEOPLES CONCERTS, National Folk and Jazz Festivals in cities and townships all over South Africa.

He toured with Isaac Hayes, John Paul Young and Rod McKuen and has worked and recorded with some top local bands which include: Brian Finch, Malombo, Sprints Rejoice, Johnny and Sipho, Ladysmith Black Mambazo, Manfred Mann, etc.

David has been the chairman of the Music Association of Natal for two years and continues to collect, protect and promote the

interests of South African musicians locally and internationally.

He has been appointed music director of Rustler's Valley.

4 - **RENNIE J. CLARKE**

Born in the United Kingdom, Rennie forsook an academic career and received extensive training in marketing before joining the music industry.

Initially, as a concert promoter, he introduced bands such as Focus, Van der Graf Generator, Can, Amon Duul and Thin Lizzy, before joining the Island Record Label where he promoted and worked with bands such as Traffic, Emerson Lake and Palmer, Free / Bad Company and Roxy Music.

He left the industry in 1973 whereupon he became a freelance consultant in the field of photo - reprographics.

He arrived in South Africa in 1984 and apart from a short period in a below-the-line advertising agency, handling accounts such as Colgate Palmolive, Holiday Inns, Tek Electronics, he has concentrated in the field of copywriting specializing in the area of film and video.

He writes on a wide range of subjects for international documentaries as well as many local corporate clients such as Satour, S.A. Management Foundation and Van Reenen and Nichols.

He has recently been appointed as project director for Rustler's Valley with a specific brief to:-

Promote and develop Rustler's Valley

Produce the weekend music festival



To develop a visual communications service

His qualifications are Fellow of the Institute of Sales and Marketing Management [F.Inst.S.M.M.], Marketing Services Consultant [C.M.S.] and Print and Packaging Consultant [C.P.P.]

## THE WEEKEND MUSIC PROJECT

In order to create funding to develop the music infrastructure envisaged at Rustler's Valley and which is featured at the back-end of this document, it is proposed to hold an event of proportions never previously experienced in South Africa.

The project name is:

### THE MALUTI MOUNTAIN MUSIC EXPERIENCE!

Saturday 30th March - Monday 1st April

Easter Weekend 1992

The event will comprise:-

- 5.1. Live music each day between 2.00 and 12.00pm featuring an international act supported by both top and up-and-coming local musicians.
- 5.2. A free stage whereby "unknowns" can get up and play.
- 5.3. Children theatre and "game playing".
- 5.4. A market, whereby arts and crafts, clothing and other products can be exhibited and sold.
- 5.5. A small fair ground for both children and adults.

Accommodation will be by way of camping, caravanning, or local hotels, whilst food and drinks will be available.

Further activities to be made available will be hiking, horseradish, fishing and swimming.

The concept therefore, is to bring international performers to Rustler's Valley for a three-day event and to attract 25'000 people or more to experience music, over a holiday period, in the Maluti Mountains. (Detailed notes ensue)

**THE MUSIC AND MUSICIANS**

As stated, the intention is to have an international performer supported by South African acts playing each day.

The music will cover Rock, Blues, Folk, Jazz and Cross Over.

Many artists have already been contacted both here and overseas and the reaction to this proposed weekend has been more than positive.

The following artists have been identified and those with asterisks have already been contacted direct:-

**6.1. INTERNATIONAL**

✓ MANFRED MANN \*

? DAVE BRUBECK \*

✓ THE FLAMES \* (This band is reforming and both Rickie and Steve have confirmed their participation)

✗ INXS

✗ BLACK SORROWS

~~PAUL SIMON~~ (This due to David Marks' involvement with

✓ Joseph Tshabala)

**6.2. LOCAL**

~~JOHNNY CLEGG~~ \*

SIPHO \*

RADIO RATS \*

~~MANGO GROOVE~~

~~HOTSTIX~~

~~YABOO~~

~~JAMBO~~

✓ KOOS KOMBUIS

✓ BACKWATER BLUES BAND

✓ THE BLUES BLUES BAND

? GEORGE LEE

~~KAMALO~~

~~ELEMENTAL~~

~~LITTLE SISTER~~

### 6.3. PLAYING TIMES

Most of the leading musicians give a straight set performance of between 60 - 75 minutes, whilst lessor known and particularly jazz groups tend to perform longer.

With 45 minutes between each act, it is proposed that five live acts only will perform daily playing between 2.00pm and midnight.

Over the weekend, therefore, there will be approximately 22 hours live music. (This does not include the free stage)

EXPERIENCE HAS SHOWN THAT TOO MANY ACTS EACH DAY NEITHER SATISFY AUDIENCE OR MUSICIANS.

6.4

COMMENTS

David Marks has strong and credible contacts with musicians and their management agencies both here and overseas.

It is essential if mistrust is to be overcome that strong guarantees be submitted to create the level of confidence that will undoubtedly have long-term benefits.

## SECONDARY ACTIVITIES

Woodstock is still considered to be the model for music festivals and there is no point in re-inventing the wheel. But perhaps re-adapting it to meet local conditions on a more controlled basis. Consequently, it is proposed that other "entertainment" be made available to complement the music.

### 7.1. "FREE STAGE"

This is to create the opportunity for unknown musicians to get up and perform. This is done on a controlled basis. Names and times being on a roster. A supervisor would handle the "Free Stage" and be responsible for its success. This will add to the attraction of the weekend - for aspiring musicians, a chance to perform in public, for the crowds, an opportunity to get away from the main music arena and be entertained in a different mode.

### 7.2. CHILDRENS THEATRE

It is quite evident that large crowds will also involve numbers of children. To ensure that they derive enjoyment, it is proposed to invite Pacoff who can provide "game playing" and other theatre. For artists within the Performing Arts Council, this will create a fabulous opportunity to exhibit their performing skills to the widest possible audience.

### 7.3. MARKET STALLS

It is proposed to offer concessions to traders, particularly those relating to arts and crafts, to set up a market. Preference will be given to those in the Free State and this will be an unusual and exciting opportunity for them to "market" their wares to large numbers over a three day period.

### 7.4. FAIRGROUND

At this stage, the logistics of being able to install a fairground have yet to be concluded. However, if it is possible, then efforts will be made to negotiate a further entertainment avenue for both children and adults.

### 7.5. FOOD AND DRINK

To cater for large numbers, who may or may not bring their own cooking facilities, a marquee will be erected offering concessions to various caterers to sell food and drinks.

### 7.6. CAMPING SITE

The camping site which will be carefully monitored by security will have ablution facilities, rubbish bins

and removals.



7.7. OTHER FACILITIES

The other activities which will be on a limited basis only include:-

Hiking

Horse-riding

Fishing

In other words, the weekend can offer a holiday experience as well as the music.

### B. THE SPONSORSHIP PROPOSAL

To undertake the staging of an event of these proportions - the costs are high, although the returns are dramatic. Consequently, to ensure credibility, guarantees and success, the proposal is to offer a sponsor the opportunity to underwrite the cost of the event and become involved in the future development of South African music. (See detailed notes at the end)

Rustler's Valley offers the following:-

- \* SPONSORSHIP NAME HEADING TO THE EVENT
- \* EXTENSIVE BRANDING ON ALL ADVERTISING - PRE AND POST EVENT
- \* EXCLUSIVITY TO THE SUPPORT OF LIVE MUSIC
- \* TO PARTICIPATE IN THE PROFIT SHARING OF THE EVENT

The on-going benefits over a 3 - 5 year period are; extensive advertising and promotion by way of named support to the following developments:-

- \* LIVE MUSIC COLLEGE CIRCUIT THROUGHOUT SOUTH AFRICA
- \* RUSTLER'S VALLEY RADIO STATION
- \* INVOLVEMENT WITH LOCAL ARTISTS
- \* ASSOCIATION WITH INTERNATIONAL PERFORMERS
- \* ANNUAL WEEKEND FESTIVAL AT RUSTLER'S VALLEY

There are further developments projected for Rustler's Valley, however, the above are just some which will be initiated giving the sponsor a major profile on an on-going basis.

#### 15.4. RECORD LABEL

Some of the great record labels in the world started from small beginnings - Island in Jamaica, Virgin at the Manor in Oxfordshire.

Today, the labels and their facilities are considered to be some of the best in world.

Consequently, it is proposed that Rustler's Valley develops its own record label with full studio recording facilities supported by:-

15.4.1. Music and Music Publishing

15.4.2. Artist Management

15.4.3. Music Promotions

#### 15.5. RADIO STATION

With airways being de-regulated, Rustler's Valley would seek to obtain a broadcast licence to offer listeners a level of music not previously broadcasted. Indeed with the music infrastructure in place at Rustler's Valley, the opportunity to have interviews, live music and many other facets would be outstanding.

**CONCLUSION**

The music industry in South Africa has a potential of some R700'000'000.00 per annum, yet through poor management, pirating, and lack of a defined direction, the industry losses some R300'000'000.00 per annum.

Perhaps it is the indifference of the industry which makes potential sponsors reluctant to involve themselves to develop or support music at any level.

And yet the need to build a bridge between commerce and culture is essential.

For indeed, far from the Arts being deficit - ridden sponges, they in fact create far more wealth than they ever receive. To confirm this point, the Canadian Arts Industry generates \$8'000 million in revenue, employs 234'000 people and pumps \$16'000 million into the Canadian economy.

For the sponsor who wishes to involve himself in the music industry in South Africa, the potential short, medium and long-term benefits are enormous - but it is a matter of working with the right management team which has pointed itself in the right direction.

In proposing the underwriting of a music weekend to launch the stated objectives, the Rustler's Valley team offers:-

- \* INFRASTRUCTURE
  
- \* EXPERTISE
  
- \* COMMITMENT TO THE FUTURE OF SOUTH AFRICA AND  
IT'S MUSIC BOTH LOCALLY AND INTERNATIONALLY.

Consequently, it is hoped that this proposal offers a sponsor a distinct opportunity to align himself with a development which will have undoubted benefits to all the people of South Africa whilst creating a platform for sponsor exposure at a major level.

## MANAGEMENT

The success of the event will be the level of professional management utilised. Consequently the following is proposed:-

### 9.1. RUSTLER'S VALLEY

A company will be formed called "Rustler's Valley Music Promotions". This structure will be responsible for the total staging of the event and the following personnel are proposed:-

#### 9.1.1. FREDERIK (FRIK) GROBBELAAR

As owner of Rustler's Valley, Frik will be responsible for obtaining local and regional approval to stage the event, to ensure that the venue is prepared and that all services are installed.

#### 9.1.2. DAVID MARKS

David will be responsible for the booking and management of all the artists and also ensuring that the technical details are attended to.

9.1.3. RENNIE CLARKE

Rennie will be responsible for the total administration and directing the commercial side of the event - media, promotions, concessions, etc.

9.1.4 ADVISOR

The team will appoint, on a fee base, a local advisor with political connections who can assist by way of representation and sort out any problems within the political labyrinth.

9.1.5 LIAISON

It is essential that the sponsor appoint a liaison executive who can advise, make decisions and generally guide the team in relation to the sponsors requirements.

9.2. PROFIT SHARING

It is proposed that the sponsor shares in 25% (twenty five percent) of the profit generated.

These monies can be put aside for on-going sponsorship mentioned previously and detailed more fully at the end of the document.

It is estimated that good profits will be made.

9.3.       **FINANCING**

It is proposed that a trust account is opened, with the sponsor making a guarantee to that account, in order that monies are available to commence the project.

9.4.       **AUDITING**

Although basic book keeping will be done by the administrative team, it is proposed that the sponsor appoints an auditor of his own choosing to manage the account and who will be responsible for issuing all payments.

It is essential that the financial control is safe and professionally managed, not only from the sponsor's position, but also from that of the artists and management team.



## 10. THE MECHANICS

The mechanical process of staging an event of these proportions cover four major elements.

### 10.1. TECHNICAL

This covers the physical side of the music:-

- Staging
- Lighting
- Sound
- Engineers
- Crew
- Power, etc.

### 10.2. ARTISTS

This covers the management and control of artists:-

- Bookings
- Contracts
- Travelling
- Meals
- Accommodation
- Payments, etc.

10.3.       **COMMERCIAL**

This covers promotions and pre and post event production:-

- Media
- Advertising
- Posters
- Programs
- Concessions
- Merchandising
- Album and Video distribution
- T.V. Sales

10.4.       **ADMINISTRATION**

This covers the organisation and management of the event:-

- Bookkeeping
- Ablutions
- Catering
- Security
- Traffic, etc.

Once the sponsorship agreement has been concluded, the producer and director will fine detail the above with budget.

## 1. THE COSTS

Costs have been broken down into the four mechanical processes, together with a management fee.

### 11.1, MANAGEMENT FEES

As both producer and director together with secretarial staff will work full-time on the project from inception to conclusion, the management fee would be for the six month period October - March. The fees calculated cover all travelling and working costs.

R200'000.00

### 11.2. TECHNICAL COSTS

The major costs will not have to be met until nearer the event and would be based on a percentage advance payment and final settlement after the event.

R150'000.00

11.3. ARTISTS FEES

Artist fees vary considerably, but it is more than probable that even the international artists will accept payment in Rands.

Smaller acts who will open each days music event will naturally cost less than the known bands.

The total fees quoted have been based on local artist prices and estimated international fees.

R350'000.00

11.4. ADMINISTRATIVE FEES

Included in this, other than staff salaries, are costs such as grading the road, Escom charges, security, and ablution facilities.

R150'000.00

11.5. COMMERCIAL COSTS

From an ad campaign to arranging concessions, programs, media and all other promotional elements.

R150'000.00

11.6. RECONCILIATION

Therefore, if an internationally "headed" event is to be staged, in order to obtain audience and profit return, the following needs to be underwritten:-

Management Fees	200'000.00
Technical Costs	150'000.00
Artists Fees	350'000.00
Administration Fees	150'000.00
Commercial Costs	150'000.00

TOTAL R 1'000'000.00

Once sponsorship has been committed, producer and director will put accurate costings against each and every single element of the mechanical process which will also include a cash flow analysis.

**INCOME**

Income will be derived from six major opportunities:-

**12.1. TICKET SALES**

The bulk of the revenue will be obtained by way of ticket sales. The mechanics of this will be handed over to Computicket, although tickets will have to be made available at the gate.

In determining potential ticket sales, it is important to examine audience figures attending international performers who have appeared in Southern Africa.

The most recent event was Clapton in Swaziland, who attracted over 50'000 South Africans for one evenings performance. Consequently it is known that the local public will attend and support major events. (Remember too, without international performers, over 100'000 people attended Ellis Park for a day of music.)

Therefore, an event staged in the Malutis with top musicians, will undoubtedly attract large numbers.

In determining price, a comparison has been made with other events.

It is proposed that a ticket to cover the three day event should be priced at R100.00 per person for the weekend - no day only prices. It is suggested that children between the ages of 11 and 16 be charged R50.00 each whilst no charge for those 10 and under.

Consequently, a breakeven figure of 10'000 at R100.00 per person is required. Conservative numbers of 25'000 would realise an income of R2.5 million.

Discussions with the public, however, suggest that audience figures could well be much higher.

#### 12.2. CONCESSIONS

This will include income from:-

- T - Shirts / Badges, etc.
- Food
- Drinks
- Market Stalls
- Fair Ground

The total anticipated income is R200'000.00

#### 12.3. PROGRAM SALES

Paid for by advertising, program sales based at R10.00 x 10'000 people will realise R100'000.00

12.4. T.V. - LOCAL AND INTERNATIONAL

At this stage T.V. rights have not been negotiated. Depending on the strength of the event, it could well be possible to negotiate satellite "flighting". However, a minimum figure that can be anticipated from T.V. is R100'000.00

12.5. ALBUM SALES (Post Event Production)

It is proposed that a double album, at budget price be released as soon after the event as possible.

A 10'000 retail sale x R10.00 on production profit will realise a further R100'000.00

12.6. VIDEO PRODUCTION (Post Event)

A sixty minute video production of the three day event will be produced for subsequent distribution.

This should realise approximately R100'000.00



12.7. RECONCILIATION

- Ticket Sales	2'500'000.00
- Concessions	200'000.00
- Programs	100'000.00
- T.V.	100'000.00
- Album Sales	100'000.00
- Video Sales	100'000.00

TOTAL R 3'100'000.00

## PROJECT SCHEDULE

The following schedule and critical path is submitted:-

13.1.	Obtain legal agreements and conclude sponsorship agreement	September
13.2.	Set up infrastructure	October
13.3.	Design event, budgets and structure	October
13.4.	Negotiate artists / contracts	October
13.5.	Set up staff for concessions, media and other promotional elements	October
13.6.	Launch event to media	November
13.7.	Launch ticket sales to public	December
13.8.	Working on event: Staging, Security, Ablutions, and other admin / technical processes against known ticket sales	Dec / January
13.9.	Re-launch to media to encourage further ticket sales	February
13.10.	Further ticket sales	Feb / March
13.11.	Set-up event	March
13.12.	Music weekend	28th March - 1st April '92
13.13.	Album compilation and release	April / May
13.14.	Video production and distribution	April / May

## 14.

### POST EVENT PRODUCTION

Whether the event is negotiated or not for local or international flighting, there are two distinct post-event opportunities which will create even further exposure for the sponsor.

#### 14.1. THE DOUBLE ALBUM

No major festival has ever been staged without a compilation album being produced.

It is proposed therefore, that a live double "budget" album be produced - on a new label, Rustler's Valley Records.

Negotiations will take place with local distributors, but efforts will be made to obtain an exclusive distribution deal with an overseas record label - possibly with Island or Virgin Records.

This will be the beginning of a development to obtain immediate exposure for South African music overseas.

#### 14.2. THE VIDEO

It is proposed that a seven camera set-up be installed for both television and also to post-produce a 60 minute video of the complete event.

Again negotiations will be held to obtain distribution rights both locally and internationally.

## FUTURE DEVELOPMENTS

At the very outset, it was stated that the intention of Rustler's Valley is to develop a music infrastructure in the area to help, assist and increase local music in South Africa, whilst strengthening links with international performers.

With profits generated from the music weekend, the following developments will be implemented.

Although for a sponsor, any one would offer outstanding opportunities, it is suggested that the first two detailed below would be an area in which on-going sponsorship should seriously be considered.

### 15.1. FUTURE WEEKENDS

The idea from a profitable weekend is not to make a "fast buck" - Rustler's Valley would want to stage an annual Easter event to create an identity and a meeting point for both South African musicians and the public.

### 15.2. THE COLLEGE CIRCUIT

Despite the fact that there are more than two million students in the Republic, no promoter has ever seriously developed a campus circuit for live music. Ironically it is these very students who buy the records.

In the United Kingdom and USA all performers who want success or even enjoy success go on the university campus circuit in order to create exposure for the musicians and their music whilst creating a forum for students to meet and share the communication of music and generate funds for the Students Union.

The potential to achieve a similar scenario in the Republic is excellent and strong efforts will be made to further this opportunity in the shortest possible time.

### 15.3. MUSICIANS RETREAT

Utilising the lodge infrastructure, it is the intention to build rehearsal rooms and a Demo Studio for musicians who need to get away from their environment to rehearse new material.

Such a service has recently been effected in Bophuthatswana and has proven both successful and profitable.

However, Rustler's Valley is environmentally an even more attractive proposition for musicians and their management. Furthermore, such a facility would be particularly attractive to international performers as they could get more for their money and for longer due to the current exchange rates. (Indeed, conversations with international artists have indicated that such a

service would receive a favourable and virtually  
immediate response.)

16 - CONCLUSION

The music industry in South Africa has a potential of some R700'000'000.00 per annum, yet through poor management, pirating, and lack of a defined direction, the industry losses some R300'000'000.00 per annum.

Perhaps it is the indifference of the industry which makes potential sponsors reluctant to involve themselves to develop or support music at any level.

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