



Disc Men

In 2000, while most of the music business was obsessing over Napster and downloading, Pierre and Francois Lamoureux were quietly pioneering a new genre - music video on DVD. Five years on, industry sales keep sagging, while the brothers are leaders in its only promising niche

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It's late September and the members of Rush, Canada's legendary prog-rock trio, are taking the stage at the Festhalle, a concert venue in Frankfurt, Germany. The crowd erupts in a roar at its first sight of the band, who are playing here tonight on the European leg of their 30th anniversary tour, and the din continues as Geddy Lee, Alex Lifeson and Neal Peart launch into their set. This a big night for German fans. Before long, it's going to be a big night for fans around the world, too. Outside the hall, away from the noisy spectacle, Pierre Lamoureux sits before a bank of 32 television monitors inside a mobile video recording truck, one in a flotilla of technical and logistical vehicles gathered outside the stage door. With Buddha-like calm, he cues the 14 camera operators inside the hall capturing the band's performance. Ten metres away, in another technical truck, Pierre's brother, Francois, hunches over a digital audio console, chewing gum to the beat of the music.

Together, the Lamoureuxs are capturing and compiling the audio and video elements of a music video destined for DVD. But they're making more than a simple movie of a rock show. (And don't confuse it with the one-off videos broadcast hour after hour on cable stations like MuchMusic.) When this disc is complete, it will include archival clips of the band, backstage interviews and more, along with a high-definition feature film of the concert recorded in adrenaline-pumping surround sound. The next best thing to being there? Could be.

"When DVD came in, it was viewed as a format for movies," says Pierre. "Few people made the connection between it and music. The labels had looked at [music video] as an upfront promotional expense. They didn't perceive it as having its own inherent financial value." The Lamoureuxs did. And that put them in the ranks of a handful of independent producers who pioneered what has become the lone bright spot in the market for pre-recorded music. Over the past three years, a period in which CD sales have fallen 20%, worldwide sales of music video on DVD have more than doubled, reaching US\$1.9 billion in 2003, according to the International Federation of Phonographic Industries, a music-industry trade group based in London, England. By 2006, they are expected to double again to account for 10% of the global US\$30-billion market for recorded music. They may not be the "ultimate killer app" that pulls the record industry out of its doldrums, says Phil Leigh, the founder of Inside Digital Media Inc., an entertainment media market research firm. But music video on DVD is proving to be "incrementally positive" for the music business as a whole, "which is saying something these



CREDIT: photography by Jean Vachon
Pierre (left) and Francois Lamoureux at Fogo Studio in Montreal, where Francois mixes sound for the brothers' DVD projects

days."

As a result, artists, record labels and entrepreneurial media producers are not only capturing live shows for DVD presentation, but they are also going back to the film, video and audio vaults of performers, digitizing catalogue material and releasing it. While major labels are now driving the boom, the credit for its creation belongs to independent producers like the Lamoureuxs, who recognized early on that the superior audio and video qualities of DVD make it a perfect platform for artists. Pierre and Francois started producing music video DVDs in 2000. In 2002, Pierre says, their discs accounted for 5% of the approximately 300 music video DVD titles the Recording Industry Association of America estimated this nascent sector had produced -- more than any other independent production team. They now have a thriving business and a catalogue of projects that includes work by artists such as Harry Connick Jr., the Stray Cats, The Who, Aimee Mann, Branford Marsalis, Alanis Morissette, Deep Purple and Willie Nelson.

And with good reason, according to clients. "DVD is a great way to get an artist's entire personality across," says Dave Kaplan, manager of the Stray Cats, for whom the Lamoureuxs filmed and mixed the Rumble In Brixton DVD, released last November. "[But] they are hugely expensive compared to CDs. And they're complex ... Pierre brings a value-added to the proposition: He and his brother are good at managing DVD projects, which is as important as the creative and business aspects of them."

In general, the Lamoureux brothers follow a business model used by independent film and documentary makers. Pierre, 41, serves as executive producer, and makes deals with artists through a company he co-founded in New York City called Enliven Entertainment. He then partners with Francois, 34, who owns a digital audio and video facility in Montreal called Fogo Studio. Instead of turning to labels to guarantee the entire cost of a project -- most independently funded high-definition DVD music videos have budgets between US\$200,000 and US\$350,000 -- Pierre seeks financing in stages. Some artists, such as Alanis Morissette, financed their own productions. More often, though, a deal will have several components. For the Counting Crows' forthcoming DVD, for instance, Pierre raised all the taping and production funds by pre-selling licensing rights to various broadcast and distribution outlets, such as PBS in the United States. Other deals, like Branford Marsalis's A Love Supreme, combine strategies. Marsalis paid for the videotaping of performances he gave in Amsterdam. Pierre then used the footage to secure financing from the television networks Rave and Bravo for less complex performance broadcasts, which paid for the post-production on the DVD itself. "It's actually better not to sell the project as a whole up front," Pierre says. "As it moves forward and more distributors come on board, its perceived value increases."

And the brothers bring another particular value-added to their business. "We understand musicians," Pierre says, "because of the years played on stages and clubs ourselves." In the 1990s, Pierre and Francois formed the core of the Quebec band Brasse-Camarade. Their song "Sans Elle (Sans Ailes)" was a regional hit in 1994. After Brasse-Camarade split up, Francois stayed in Montreal, becoming the musical director for Quebec singer Isabelle Boulay, and building Fogo (Portuguese for "fire"). Pierre went to work for MCY Music World Inc., a New York City-based company that sought to enter the market for selling music downloads. There, he foresaw the convergence that digital technology would bring to music media. "There was a major disconnect between the music business and the technology business," observes Larry Stessel, a music industry consultant in Nashville, who was hired in 1999 to run MCY. "You had techies who didn't understand music, and music people at labels who [couldn't] turn on a computer. Pierre saw that DVD could have a place as a music format."

When Stessel was at MCY -- a short-lived firm that blew through US\$90 million in financing in 18 months -- he gave the green light to the DVD production The Who Live at the Royal Albert Hall. Released in 2000, it included special features such as a multi-angle version of the song "Pinball Wizard," candid footage from rehearsals for the show and a documentary on a charity called the Cancer Trust hosted by singer Roger Daltry. Pierre served as the executive producer on the project, which proved to be a springboard for the business he would develop with Francois. Within a year, they had worked individually on Deep Purple's DVD Perihelion, then

collaborated on Morissette's first DVD, *Feast on Scraps*. "We began to get a lot of attention and traction, because we had done these DVDs that had name artists and, most importantly, new content," Pierre says.

Despite the growing awareness of music video on DVD, artists on major record labels were having trouble convincing executives to take a shot at feature-length DVD. Pegi Cecconi, executive producer for Anthem Entertainment, Rush's Canadian label, says she took the idea for the band's first DVD to Atlantic Records, which distributes the band's recordings elsewhere in the world. "I said I needed a million dollars. They thought I was insane." Rush and Anthem then proceeded on their own, working with an outside production company. *Rush In Rio*, released in 2003, cost an estimated US\$1.2 million to produce and saw SoundScan-certified sales of 200,000 copies in the U.S., more than 32,000 in Canada and several thousand more around the world. At a list price of US\$29.99 based on a wholesale price of about US\$18, retailers made a larger margin than they would have on a CD, which is typically closer to a couple of dollars. The band and its label, meanwhile, made a significant profit. Looking back as Anthem plans its next Rush project, Cecconi observes, "Record labels, particularly the major ones, simply don't have experience marketing music videos." They're more accustomed, she continues, to giving away videos of songs to promote album sales.

That's changing, however. Labels for younger artists like Coldplay and Avril Lavigne have recently released DVDs, and DVDs with bonus video footage are being packaged with some new CD releases. Even if major labels are catching on, Francois says he's not worried by the prospect. "We can move more quickly than the huge corporations," he says without a trace of smugness.

The growing popularity of music video DVDs has also sparked a small frenzy of entrepreneurship among independent producers and deal-makers. "A lot of people out there [are] speculating now," says Pierre. "They'll call a distributor or network and say, 'I can get Van Halen. How much is that worth to you in your territory?' Then they'll call Van Halen and say they have distributors interested in financing a video, are you interested? It's not how we work, but it's not a bad way to do business."

And the technology is evolving with the popularity of the medium. The Lamoureuxs, like other producers, encourage clients to shoot in high-definition for coming technologies like HDTV and high-definition DVD. "By going with HD now, you're future-proofing your content and its ability to earn revenues," says Pierre. Francois elaborates: "Walt Disney was filming in colour in the 1950s. ... People asked him why he was doing that when television was all black and white. And he said, 'It won't be that way forever.'"

Pierre is also plotting a next-generation business strategy, which focusses on cross-promoting material between broadcasts and DVD releases without diluting each other's value. "Vary the content for each a bit. Put some songs or footage on the DVD that aren't on the broadcast and vice versa. Allocate some exclusivity between them and co-ordinate their release timings."

Pierre is standing outside the Feshhalle as he makes this comment. The Rush concert is over, and he's watching technicians loading cables into Kevlar flight cases and roadies lugging guitar amps down a ramp and out the door. He might be remembering a night in Montreal when he and Francois did the same thing with *Brasse-Camarade*, but his talk is all business. "We're just applying the same planning to the distribution as we do to the making of the project," he says, returning to his point. Then the musician in him stirs. "That sounds so mature. I don't ever want making music and making movies to stop being fun, too."

Profile of Pierre and Francois Lamoureux.

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