

## TOPLINE

# QUESTIONS Answered

**Mike Huppe**  
President and CEO,  
SoundExchange

**What did you wake up thinking about this morning?** Most days when I wake up I'm thinking about work and how to move the business forward. This morning we had our weekly staff management meeting. For today's meeting, I was concentrating on communication and operational issues, and a couple of legal ones. One thing that we talked about is the upcoming [first-quarter royalty] distribution of \$117.5 million, the largest first-quarter payment to date. We are doing things to streamline payments and changing some of the ways we report data to the artists and labels.

**Describe a lesson learned from a failure.** You can't give up on what is important both in life and business, but you need to choose your battles. You have to evaluate which issues you keep pushing on and which ones you let go for another day. As an example, this fight we are staging to get [terrestrial] radio to pay artist performance royalties, we have made a lot of progress on it. But a couple of Congresses ago, we didn't get it across the finish line. But we have to keep fighting for this, to keep the drum beat going and keep building momentum on this. By taking this approach, we wound up with a hearing last November that was seemingly on another issue [the Internet Radio Fairness Act], and yet the [terrestrial radio performance royalty] became a central issue at that hearing.

**How do you think your organization is perceived in the industry?** It is true that we have royalties that have not been claimed, but it's definitely not fair to criticize us. Every week we get information on recordings that are played by artists that we don't know and they don't know us. But we do far more work to track down artist due payments than other organizations. We promote the unclaimed royalties at all conferences and in the press. So are there unclaimed royalties? Yes. Is the criticism justified? I don't think so. Also, just because they are on the list and [are] due royalties doesn't mean we haven't found them. I can give you legions of artists we have found and for some reason they still haven't registered.

**What will define your career in the coming year?** In a year from now, or a little more, we want to position SoundExchange as a significant industry resource. Now, we are known for distributing the Section 114 money. But there are many more resources that we can provide to the industry today and in the future. For example, we can offer data mining, royalty processing and other services. The bigger point of building new systems is to make our core business run better on the statutory license side of the operation. Our 2011 administration rate was 5.3% and our 2012 numbers will come out to that or even below it.

**Name a project you're not affiliated with that has most impressed you in the past year.** I have always been impressed with MusiCares. What they do for the industry amazes me. They look out for people in the industry that need help. I am a big fan.

**Name a desert island album.** Any Earth, Wind & Fire anthology will do. You need a little funk when you are trapped on a desert island.  
—Ed Christman

**"Evaluate which issues you keep pushing on and which ones you let go for another day."**



Mike Huppe photographed at SoundExchange in Washington, D.C.



**Favorite breakfast:** "I usually eat a breakfast bar as I am running out the door."

**First job:** "I did intellectual property cases when I was a lawyer at Akin Gump, but my first industry job was at the RIAA, where I started out doing litigation and enforcement work."

**Memorable moment:** "When we did a visit to Capitol Hill and I had to escort the Sugarhill Gang there. It was a very interesting and meaningful day and a time I won't ever forget. They told me that I am an honorary member of the Sugarhill Gang."

**Advice to young executives:** "You need to think three steps ahead, and have a vision. As an executive, it is your job to see off into the distance for the long term. If all you do is focus on doing a better job today, then you are already behind the curve. You have to focus on things you will be doing in five years."



**1** "I've got a serious sweet tooth. Everyone taps this to make long meetings easier."

**2** "A favorite art piece

from my late father-in-law. He and his family built Havana's famous Tropicana Club, so it brings a little indirect

music history to the office."  
**3** "A hard hat from the build of our new office space. It comes in handy for those tough

days at the office, when you can't keep your head down."  
**4** "My Caps jersey is handy for those occasions

when I'm able to catch a game down the street. Like our industry, hockey is exciting, fast-moving and not for the faint at heart."