ARTIST ACQUISITION & A&R STRATEGY

Working Framework v1

Human talent first. Capital follows evidence. The stage is the destination.

A repeatable sourcing and underwriting system for identifying exceptional performers before significant Company capital is deployed.

1. Purpose

The Company's entire Artist Partnership model depends on one capability: identifying exceptional human performers before the market fully prices their potential.

A&R cannot remain an informal function based only on instinct, follower count, or industry hype. The Company will begin with founder-led judgment and convert that judgment into a documented, repeatable Artist acquisition and investment process.

The objective is not to maximize submissions or roster size. The objective is to consistently identify a small number of Artists whose talent, live capability, professionalism, and commercial potential justify concentrated development and capital.

The Company does not need the most Artists. It needs the right Artists.

2. The Ideal Company-Funded Artist

The ideal Company-Funded Artist is an exceptional human performer who can create a compelling experience without relying on technology to manufacture the underlying talent.

- Extraordinary vocal, instrumental, production, songwriting, or performance ability
- The ability to command attention in a stripped-back or live setting
- An identifiable creative point of view
- Professional live potential
- Coachability without creative passivity
- Work ethic and willingness to move quickly
- A desire to retain meaningful ownership of their career and IP
- Clear or clearable rights surrounding the music being developed
- Commercial potential that can be improved through Company development
- The willingness to treat music as a professional career, not an indefinite studio exercise

Existing audience, streaming history, or prior releases are advantages, but they are not the primary qualification. The Company is willing to invest earlier when the underlying performance ability is undeniable.

3. Signed Artists and Existing Teams

The Company is not opposed to working with signed Artists. However, existing label, publishing, management, or distribution relationships can create a more complex rights and revenue landscape.

Signed Artists are most attractive when they retain meaningful direct audience relationships and when the Company can create incremental value without conflicting with existing contractual obligations.

Where appropriate, signed Artists can enter first through the Commercial Services pathway. A Company-Funded Artist Partnership should occur only after legal rights, revenue participation, and decision authority are sufficiently clear.

4. Artist Sourcing Channels

The Company should source talent through multiple channels rather than relying on a single submission funnel.

Channel	Strategic Role

Live Scouting	Venues, showcases, festivals, songwriter rounds, open stages, colleges, cultural events, support slots, and local scenes. Highest-value channel because performance is observed directly.
Manager Referrals	Managers gain access to a trusted development platform without surrendering their role. Strong future B2B source of qualified talent.
Commercial Services	Fee-paying Artist relationships create a paid diligence funnel. The Company observes talent, professionalism, speed, and audience response before investing.
Artist Referrals	Successful Artists should become one of the strongest long-term sourcing channels. Trust compounds through peer recommendation.
Producer and Musician Network	Producers, engineers, musical directors, session musicians, and writers often identify talent before formal industry infrastructure does.
Agent, Venue and Festival Referrals	Commercial partners can identify acts with unusual audience response or live capability that need stronger development infrastructure.
Direct Submission	A controlled submission pathway can surface talent outside existing networks, but submission volume must be filtered efficiently.
Digital Discovery	Social platforms, live clips, streaming signals, and fan behavior can identify candidates. Digital metrics inform evaluation but do not replace live proof.

5. A&R Funnel

The Artist funnel should be deliberately narrow. The Company is not attempting to sign a high percentage of the Artists it encounters.

Illustrative Volume	Stage
1,000	Artists identified or referred
150	Serious internal reviews
40	Live or performance evaluations
15	Development conversations
5-8	Validation engagements or extended diligence
3-5	Company-Funded Artist approvals

These figures are operating targets, not quotas. The Company should fund fewer Artists if the available talent does not meet the standard.

6. Evaluation Process

Phase 1: Evidence Review - Music, live footage, existing audience, catalog, release history, team, rights position, work history, and referral context.

Phase 2: Human Performance Test - The Artist must demonstrate real ability in a live, stripped-back, rehearsal, or equivalent environment. The objective is to identify what remains when production support is reduced.

Phase 3: Founder / Creative Review - Founder-led evaluation of identity, instinct, repertoire potential, artistic ceiling, and whether the Company can genuinely create material value.

Phase 4: Professional Fit - Communication, deadlines, work ethic, self-awareness, coachability, emotional maturity, and willingness to perform.

Phase 5: Commercial Review - Audience signals, market position, possible live pathways, rights clarity, capital requirements, competitive landscape, and likely route to revenue.

Phase 6: Validation Engagement - Where appropriate, a limited Commercial Services or development engagement allows the Company to work with the Artist before investment approval.

Phase 7: Investment Committee - Formal scoring, capital recommendation, risk review, initial development plan, and approval of the first funding tranche.

7. Artist Investment Scorecard

The scorecard turns founder judgment into a repeatable institutional process. Performance ability carries the greatest weight because the Company is underwriting Artists whose ultimate commercial destination is live performance.

Criterion	Weight	Question

Human Performance Ability	25%	Can the Artist genuinely sing, play, rap, produce, or perform at an exceptional level?
Authenticity + Creative Identity	12%	Is there a distinct point of view that can survive development without becoming manufactured?
Live Potential	15%	Can the Artist become a compelling paid live act?
Song / Repertoire Potential	10%	Is there strong material, or sufficient creative ability for the Company to build it quickly?
Work Ethic + Professionalism	10%	Will the Artist execute consistently and treat the opportunity as a career?
Coachability + Collaboration	8%	Can the Artist accept expert input while retaining identity?
Commercial Potential	7%	Is there a credible path to revenue and audience growth?
Existing Audience / Traction	4%	Is there evidence of organic attention or existing demand?
Rights + Contractual Cleanliness	4%	Can the Company safely invest and commercialize the relevant work?
Team / Management Quality	2%	Does the existing team improve or complicate execution?
Capital Efficiency	2%	Can meaningful commercial progress be created without disproportionate spend?
Company Fit	1%	Does the Artist strengthen the Company brand, standards, and portfolio?

Recommended underwriting threshold: 75/100 overall, with no Company-Funded approval if Human Performance Ability scores below an internally defined minimum regardless of total score.

8. Automatic Disqualifiers and Hold Conditions

- Material rights uncertainty that cannot be cleared before capital deployment
- Unwillingness to perform live as a meaningful part of the career model
- Repeated professional unreliability during diligence
- Material misrepresentation of audience, streaming, finances, or credits
- A creative identity substantially dependent on undisclosed synthetic performance
- Inability to cooperate with reasonable Company development requirements
- Existing contractual obligations that make Company participation economically or legally impractical
- Conduct that creates unacceptable safety, reputation, or partner risk

A hold condition is not necessarily a permanent rejection. Rights, team, readiness, or professional issues may be resolved and reconsidered later.

9. Capital Gates

A&R approval does not equal approval of the full $50,000 initial Artist authorization. Capital is released only as evidence supports further deployment.

Gate	Capital	Stage	Approval Logic
Gate 1	Up to $10K	Validation and Development	Confirm talent, rights, working relationship, initial production direction, and live potential.
Gate 2	Up to $30K cumulative	Production and Quality Control	Artist executes, music reaches required quality, deadlines are met, and commercial pathway remains credible.
Gate 3	Up to $45K cumulative	Commercial + Live Development	Release assets are commercially ready, live development is progressing, and audience or partner evidence supports expansion.
Gate 4	Up to $50K cumulative	Opportunity Reserve	Deploy only where a specific opportunity or measurable need justifies the spend.
Acceleration	$25K-$100K+ additional	Evidence-Backed Growth	Reserved for Artists demonstrating material ticket demand, audience acceleration, festival interest, catalog performance, or strategic opportunity.

Selection unlocks diligence. Evidence unlocks capital.

10. Commercial Services as a Paid A&R Funnel

Commercial Services is not merely a revenue stream. It can become one of the Company's most efficient Artist discovery systems.

When a fee-paying Artist, manager, or label engages the Company, the business can observe real behavior before risking balance-sheet capital. The Company may learn more from three months of actual collaboration than from years of public metrics.

- Can the Artist deliver on time?
- Can they perform?
- Can they absorb creative direction?
- Does the audience respond?
- Is management competent?
- Are rights manageable?
- Does additional Company capital have a believable route to return?

Conversion from Commercial Artist to Company-Funded Artist must require a separate investment decision. Paying for Company services does not create an entitlement to Company capital.

11. Live Performance as Core Diligence

Because the Company's commercial thesis ultimately moves Artists toward paid live performance, live ability is not a late-stage marketing concern. It is part of initial underwriting.

Where practical, the Company should evaluate Artists through one or more of the following:

- Unamplified or minimal-accompaniment performance
- Existing live show
- Rehearsal observation
- One-take performance footage
- Small-room Company showcase
- Performance with unfamiliar or limited production support

The purpose is not to force every genre into an acoustic test. The purpose is to determine whether a real performer exists underneath the production environment appropriate to that Artist.

12. Genre and Geographic Strategy

The Company should not define itself by one genre. Its brand should be defined by quality, authenticity, professionalism, and live capability.

Early portfolio construction should deliberately avoid excessive concentration in one narrow scene while remaining realistic about the Founder's network, operating reach, and the markets where partner relationships are strongest.

Geographic expansion should follow evidence rather than ambition. Remote production allows broad sourcing, while live development and commercial partnerships can initially concentrate around markets where venue, manager, agent, and festival relationships are strongest.

13. Artist Acquisition Economics

The Company should measure A&R as a capital-allocation function, not merely a creative function.

- Cost per serious Artist reviewed
- Cost per live evaluation
- Cost per validation engagement
- Cost per funded Artist acquired
- Percentage of funded Artists reaching each capital gate
- Time from first review to first commercial release
- Time from first Company capital to first paid live performance
- Percentage of Commercial Artists converting into investment candidates
- Percentage of funded Artists reaching 1.0X Company capital recovery
- Percentage reaching the 2.0X return threshold
- Referral rate from Artists and professional partners

Over time, these metrics allow the Company to become more sophisticated about which Artists deserve capital and which sourcing channels generate the highest-quality opportunities.

14. Investment Decision Governance

At launch, Founder judgment will be central to Artist selection. The process should nevertheless create enough governance that the Company is not simply financing personal taste.

Recommended initial Artist Investment Committee:

- Founder / Chief Executive and Creative Authority
- Artist Partnerships / Operations lead
- Independent or advisory commercial voice, potentially drawn from management, live, finance, or rights expertise

No Artist should receive meaningful Company-Funded capital without a documented scorecard, risk assessment, initial Development Plan, and approved first tranche.

As the Company scales, specialist A&R personnel can source and evaluate Artists, but investment authority should remain centralized and disciplined.

15. Scaling Beyond Founder Taste

The Company begins with Founder-led judgment because that judgment is part of the initial competitive advantage. The long-term business cannot depend on one person personally discovering or producing every Artist.

The scaling path is:

- Document the Founder's evaluation criteria
- Require shared Artist scorecards
- Track the relationship between underwriting scores and actual commercial outcomes
- Develop genre-specific A&R contributors without changing the Company-wide performance standard
- Create a curated producer and musician network
- Promote high-performing scouts and A&R partners based on portfolio results, not volume of signings
- Use operating data to refine capital decisions while preserving human creative judgment

16. First 24-Month A&R Objectives

Period	Primary Objective
Months 0-6	Build referral channels, establish live-scouting practices, activate direct submissions selectively, identify initial cohort, fund first Artists.
Months 6-12	Evaluate early development results, build manager and venue referral relationships, use Commercial Services as diligence, expand scouting coverage.
Months 12-18	Refine scorecard using real portfolio data, identify second cohort, increase capital behind early winners, formalize A&R contributors.
Months 18-24	Demonstrate repeatable sourcing, measure conversion and recovery metrics, broaden partner channels, reduce dependence on Founder-originated introductions.

17. The Long-Term Sourcing Advantage

The strongest future A&R system should become the Company's reputation itself.

Artists should seek the Company because they believe they will receive professional development, transparent economics, meaningful ownership, safety, speed, and a credible pathway toward live revenue.

Managers, agents, venues, festivals, musicians, and producers should refer Artists because they trust the Company to develop talent rather than exploit it.

Great Artists should eventually become the people who bring us the next great Artists.

18. Core A&R Thesis

The Company is not looking for Artists who have learned how to appear successful.

It is looking for people who possess rare human ability and can become increasingly valuable when surrounded by disciplined capital, professional production, commercial education, and live-development infrastructure.

Metrics can confirm opportunity. They do not create talent.

The Company therefore underwrites in this order:

1. Talent
2. Performance

3. Identity
4. Professionalism
5. Commercial pathway
6. Audience evidence
7. Capital requirement

Human talent gets the Artist into the room. Professional execution keeps them there. Evidence earns the capital. Live performance proves the career.

Status: Working Framework v1, prepared for internal review and integration into the investor business plan.