



Managing director, Karen Emanuel, who founded Key Production in 1990 and built a sustainable hotel in Nicaragua in 2010. She shares her insight into music manufacturing, including record pressing and creative packaging, with Tileyard Education.

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Key's Acquisition strategy for bespoke products

TYe : Digital media is ubiquitous nowadays. How does it influence Key Production in the music- manufacturing industry? Could you tell us more about Key's management scheme with Think Tank Media, MODO and Breed Media?

Karen : Basically, Key Production was established in 1990 by myself. We manufacture Vinyl, CDs, DVDS, cassettes and bespoke packaging for individuals, record labels and label service companies as well as creative packaging for a variety of other industries. Over the past 27 years, we have developed relationships with trusted suppliers, both in the UK and worldwide. We have 50 incredibly knowledgeable and passionate staff.

TYe : How did you gain such comprehensive knowledge to serve a wide array of clients?

Karen : I worked at Rough Trade Distribution and started as a receptionist. I moved quite quickly to the production department, then I became the head of production. And that's really doing all the things we do here. So, I gained all the production knowledge and took that away with me when the company (Rough Trade Distribution) got into trouble. I had contacts with both suppliers and some customers. That's how Key Production started.

As it grew, I made several acquisitions. Each acquisition was made for specific reasons. When people started to download music, I was aware that our business would reduce as most of our knowledge and skills are based on physical products. I thought that if the music manufacturing disappears, we need to transfer our knowledge and skills of printing and creative packaging to another field. However, as a music company, it was very difficult to enter other industries.

One acquisition was luxury packaging specialist Think Tank Media in 2011. I knew one of the owners of Think Tank Media who provided similar services to Key Production. But they focused outside of the music industry on all types of creative packaging, and products. This acquisition was made almost by chance. I met with one of the owners to chat about my hotel project in Nicaragua. By the end of the meeting we were talking about our companies and as I had seen the decline of our business, an idea would be to buy a company that was present in alternate industries.

By merging with Think Tank Media, we bought a wealth of creative packaging knowledge and skills. They had very good reputation for what they're doing, we decided to keep the company as separate name. Key Production concentrates more on music, while Think Tank goes outside of music to other creative industries, such as: packaging for cosmetics, drinks, etc.

TYe : How do you see the changes of consumptive habit in music and creative industries?

Karen : Music industry and manufacturing have changed sharply through decades. A lot of high- volume products we used to produce, like CD singles, have disappeared completely but high-end bespoke products have increased a lot, such as : boxsets. If the fans like the band, they will be happy to spend 50 to 100 Pounds on a very luxury boxset, which might include several albums with posters, books, magazines and other merchandise.

That is to say, the fans are more willing to purchase records with those relevant products in one box. And to produce such varied and interesting 'boxsets' needs lots of specific knowledge about creative packaging. That is why we made this acquisition to bring things together.

Breed Media is part of the Key Production Group based in Sheffield. The reason that we bought them was for their online marketing skills that we didn't have in house and to have a base in the North of England. They concentrate on smaller projects, a lot of times for people who have just started in the industry — individual singer-songwriters and bands that are „doing it themselves“. So, Key Production covers a wide range of clients from people who haven't done anything before to the established labels, distribution companies, and label services companies.

Most recently, we made another acquisition with *MODO* which is based in Brighton. Again, they have we didn't have—an amazing creative department doing product design and 3D rendering. We have therefore added to our knowledge and skills base and can provide extra services to our clients.

The majority of Key Production's work is still music, around 80%, but we also focus outside of the music industry on the creative packaging. If we are able to join a project from the beginning, we can make practical suggestions and have a lot of input into it.

Physical media and Digital streaming go hand in hand

TYe : How do you think about the digital streaming services? And how do those digital service work with physical media (i.e., vinyl, CD, DVD) in Key Production?

Karen : The world is changing, so things have to work together. Although people are discovering more music through digital means, a lot of people still want to buy physical products. From my point of view, that is one reason why vinyl has been in such demand recently.



People might want to listen to it digitally, but they also want to own something. Vinyl is a really beautiful format to own, and its sound is really great. I think physical formats and digital streaming should work hand in hand. Thus, Key Production provides not only physical manufacturing, but also digital download services to our clients.

In terms of CD, people felt it is going to disappear very quickly. Well, CD manufacturing is indeed declining, but it's not declining as quickly as everybody thought. What will happen in the future is difficult to say. I think people want to consume, so it just depends on how they want to consume. And they can consume through various means. I still believe people yearn for some form of physical products and whatever form it is, we will make it!

TYe : As you said, 'we'll make everything,' which sounds very ambitious.

Karen : Absolutely. Nothing wrong with ambition!

There are still more CDs sold than vinyls but the amount of vinyl manufacturing has gone up over the past few years, while the amount of CD manufacturing is going down. A while ago, people thought vinyls was going to die, so many major companies stopped pressing it. But when people began to realise how great it sounds, and how great it looks, people started buying more. Then, more people want it, so vinyl has been growing and growing. The vinyl audience is increasing, especially amongst younger people, which is wonderful as a few years ago, they didn't know what it was.



Karen and the "Shock and Gore" Limited Edition Box Set.
(photographed at Key Production's HQ in London)

Key's Sustainability : making goods and doing good

TYe : There is one quote on website I like very much : "Sustainability is no longer about doing less harm. It's about doing more good." Can you share with us your stories about this concept ? And how does it reflect on the manufacturing/ partnership policy of Key Production?

Karen : We're making goods that necessarily deals with plastic. As a company, we always try to be eco-friendly. For example, all the print is FSC certified, and there is a lot of recycled material that goes into production. We're always careful about what we do. We've recycled since I started the company. It's the way I am, as you can see, by the fact that I have a sustainable hotel.

We try to offer green alternatives. Things have changed quite a lot over years. The factories have realised that they should care more about the environment. So, they put it into practice. For instance, one of the plants we use turns the energy that they produce from manufacturing into energy for heating the factory.

TYe : Does it raise the production cost?

Karen : With paper, not so much, because everything has to be certified now. But when we offered the alternative eco-friendly option in the past, high price was an issue. People wanted that version, but they were not willing to pay for it. So, it's difficult. We definitely see the trend away from plastic trays and packaging on CDs. That is, people use more card-base products now, which is obviously better.

TYe : What is the turning point that urged you to buy a hotel in Nicaragua?

Karen : I didn't buy it. I built it. In fact, I bought an island. The hotel was not built with my own hands, but I got a lot of reliable people to do that. Around 2006 to 2007, I realised that my skills are transferrable. And I felt maybe I needed another challenge. At that point, I started to put my eco-friendly beliefs into action—to build a sustainable hotel. We used local materials to build the hotel and hired local people to work in the hotel which opened in January 2011.

We always try to do our best, not only to be aware of the environment but also to be aware how we can help others, and how to give back our knowledge. For example, we have staff work with local schools in local villages. We helped them install solar panels and a water filtration system with donations from our guests. We teach people about sustainability and what is good for the natural environment, and help the local community to recycle.

TYe : Did you do it all by yourself ?

Karen : Yes, my team at Key Production were able to manage the company without me being there all of the time. The idea indeed came from me, and I set everything up. Then I employed the right people to be able to fulfil the dream for me. The key (excuse the pun) to a successful business is to have great staff, which I do in both the UK and Nicaragua.

TYe : Do some staff of Key Production visit Nicaragua regularly to maintain the hotel?

Karen : One former employee took care of the website design of the hotel, and another employee came to Nicaragua as her 20-years of service present. Otherwise, no, there is a management company that runs the hotel for me.

I go over there 3 to 4 times a year there, normally for about a week each time. I check everything is up to the correct standard and leave them a long list of things to improve on.

Key's Vision : supporting female professionals

TYe : What are Key Production's expectations on the bursary candidates? What kind of project you would like to develop with the bursary winner?

Karen : I think sharing knowledge is really an important thing, so I try to help Tileyard Education as much as I can. We've chosen one female MA student of Tileyard Education as the bursary winner, and we've met several times. She is absolutely lovely and has run a social media company for quite a long time. I'm really happy the decision we made. She is really enthusiastic and a self-motivated learner, so I would like to support any project she wants to develop with us.

TYe : Did you feel any difficulty as a woman in music industry? How did you overcome the difficulty?

Karen : Oh yeah, silly question. (Laughter)

It took long time for people to take me seriously. I think at the beginning, they thought that I was funded by someone, like my father. When I started, Key Production was in a small office. So, when people came in, they asked me to see my boss. Then, I answered : 'I'm her'. (Laughter) In short, people just didn't treat you with respect.

It took long time for me to get respect in the industry as a whole. The publications rarely came to me to ask for an interview. They preferred to ask my competitor, a man, for his opinions. I just felt I didn't get the recognition at that time.

TYe : I feel sorry to hear about that. Because I found it seems to happen in every field.

Karen : It is. Even though it's getting better now, it's still not good enough.

TYe : That is why we need to support more female professionals in music industry.

Karen : Absolutely.

Key's Action : the 'Brexit' challenge

TYe : How do you see the challenge and opportunity of creative industries in the next 5 years? And what is Key Production's action to respond to these challenges?

Karen : As I said before, it's very hard to predict the future. Things change so quickly. Certainly, people still want to buy stuff which I think will not go away. They will consume in different formats, and we'll be there to produce any format, especially the physical ones that people want to own. Vinyl won't go away in the next 5 years for sure. I don't think CDs will disappear in five years, and the special products in packaging won't go away neither.

I always try to listen to the trends and to see if we need to change our strategies according to what is going on. Obviously, we keep building in the music industry and outside of the music industry as well.

I still believe people yearn for some form of physical products and whatever form it is, we will make it !

- Karen Emanuel, Managing Director of Key Production -



TYe : Do you consider to expand your business outside of UK, Europe and extend to US or Asia?

Karen : US? No, because a friend of mine already runs a similar company over there. Also, US is a completely different market which I know nothing about. So, trying to break into that market would be a massive job and that is not something that I feel I would be good at. There is a lot of competition there. I don't see there is a niche for Key Production to get into.

We provide our services to European companies, because we manufacture many products in Europe. To make a company successful, you need to know the market. I learned from many failures before. Just try to do what you know well and focus on your strengths. In terms of Europe, if I see a niche there, I think that would be easier...certainly with Brexit coming.

TYe : How do you think about 'Brexit'? Have you seen any influence after the 'Brexit' announced?

Karen : Well, I'm certainly not a supporter. Our prices from European plants have increased substantially due to the weakened pound. In my opinion, that has been not good for any business. If prices keep going up, the record labels can't make money anymore.

There is also the possibility of taxing goods purchased from Europe and delaying the border crossings which would cause all sorts of problems. We don't know what's going to happen, so we can't plan for it. One thing really worries me is that we have a lot of European staff who I wouldn't want to lose. They've been working here for long time, so they should be able to stay.

TYe : Since more and more music are available online, does it decay the whole music industry?

Karen : No, I don't think so. It took very long time for the music industry to realise there was a digital industry. So it took them a while to build an appropriate model in order to get the artists rewarded properly. But I think we're getting there!

I think digital media provides the ability to find and listen to lots of music which makes people interested in new artists. When they find something they like, they tend to want to physically own something.

TYe : So the physical media still have charm for the audience?

Karen : Yes, I think so. It is like when you go to a museum, you would like to buy something as a memento. Then you can have it to remember it. I think that is part of human nature. So I don't think that would go away. It just appears in different forms.

I try to look ahead, be one step ahead of what's happening and then move the company accordingly. We are always looking to increase our knowledge and provide better services for our clients. We are here to stay but we will change with the changing markets. / **2017.Dec**

Key Production <https://www.keyproduction.co.uk/>
Jicaro Island Lodge <https://www.jicarolodge.com/>



The Boxset of Herschel Deluxe.