

Stakeholder Analysis of Ableton Live

Ableton Live is a digital audio workstation (DAW) developed by Gerhard Behles and Robert Henke in 1999 to facilitate live and improvisational music creation. They partnered with software developer Bernd Roggendorf, launching the first commercial version in 2001. Although Henke left in 2009 to focus on music, he remains connected to the company. Initially programmed using Max/MSP, Live includes essential tools for writing, recording, and performing music, with support for external hardware and third-party devices.

Live entered the market at a time when several other DAWs were already available. Most of these programs functioned either as replacements for multi-track recording devices with limited audio editing capabilities or as sequencing tools that sent note information to internal or external instruments to trigger their sounds. This note information, known as MIDI (Musical Instrument Digital Interface), is a communication protocol that allows electronic instruments, computers, and other devices to interact by sending instructions for pitch, velocity, and timing rather than actual audio. MIDI enables users to control synthesizers, drum machines, and other instruments, providing flexibility and precision in music production.

What set Live apart from other DAWs was its "Elastic Audio" feature. This time-stretching and compressing algorithm allowed Live to change the tempo of audio material without altering the pitch, ensuring that audio elements remained synchronized. At the time of its release, no other platform offered this capability. Initially, Live worked exclusively with audio and did not include any MIDI functionality, which came in later versions as the software evolved. "Elastic audio," now referred to as "warping," remains a fundamental feature of Ableton Live.

Live was designed around the concept of "Session View" where "Clips" containing audio information are aligned on a grid. Vertical rows are "Channels" and horizontal rows are "Scenes". Only one clip can play per channel, but a scene can play all clips as a kind of musical phrase allowing the grouping of different sections of the composition. The workflow centered around the idea of live performance. When Live was released in 2001, the program was expanded to include a separate view called "Arrange". Arrange allows the

user to write compositions in a more traditional left to right linear timeline. The two views work in tandem, and the user switches between them using the Tab button. In 2004, Live added MIDI, allowing the user to write clips containing note information used to trigger internal and external instruments such as synthesizer and drum machines.

Developers have continuously enhanced this concept, expanding it to make it more user-friendly and powerful, creating a versatile, well-documented, easy-to-learn, and engaging platform for users. Live's ease of use and spontaneity have driven consistent growth and attracted a diverse and expanding user base across all continents. Users approach the program from various perspectives and can adapt the technology to achieve their music-making and performance goals while increasing their skills through continued interaction with the software.

Since its first release, Ableton Live has continuously evolved to meet the changing needs of its users. In 2007, Ableton partnered with Cycling '74, the developers of Max/MSP, leading to the 2009 debut of Max for Live (m4l), which enabled users to create custom components within Live. Some developers sell these tools, others offer them for free, and some create tools specifically for individual users that are not publicly released. In 2017, Ableton AG acquired Cycling '74, maintaining it as an independent entity under its umbrella. Continued innovation in Max for Live, available exclusively in Ableton Live, fuels the product's sales by offering a modular and ever-expanding platform that responds to user needs for new and inspiring devices. The device library at www.maxforlive.com expands daily with new devices, the majority offered for free.

Ableton AG expanded into hardware with the release of the Push controller in 2013, followed by Push 2 in 2015 and Push 3 in 2023, which can operate standalone. Initially created in partnership with Akai, Ableton moved to in-house manufacturing with Push 2. The company holds multiple patents related to this technology. In 2022, Ableton launched Ableton Note, a mobile app with cloud integration for seamless project transfers. The 2016 release of Ableton Link enabled other developers to synchronize their applications with Ableton Live over Wi-Fi, further integrating it into a wider ecosystem of music tools.

Ableton primarily distributes its products and peripherals through its website, www.ableton.com. The company has a well-defined web presence that guides users to

purchase its products and provides step-by-step instructions on how to use them. The products are also available from select retailers. In addition, they have created peripheral websites, learningmusic.ableton.com and learningsynths.ableton.com, which aim to educate users on musical theory and synthesis theory. These sites are free to anyone who wishes to visit them and are not advertisement driven. They present information that can be applied to any platform.

Ableton engages company sanctioned networks of certified trainers, user groups, and affiliated educational entities. These educational entities are both public and private, with promotional equipment and licenses available to public educational entities free of charge if necessary. These groups exist independently of each other, but there is some influence overlap. These efforts have helped build a global community of users, attracting and retaining them while introducing younger students who may not be drawn to traditional music programs to music-making technology.

Information about Ableton's recent finances is limited, but available data suggests positive outcomes. However, a financial analysis site of uncertain credibility noted a significant revenue loss around 2022-2023. This loss aligns with a substantial layoff and restructuring within the organization, which I observed through my contacts at Ableton. Unfortunately, I could not find corroborating information online.

Significant capital expenses from developing a major update to Ableton Live and creating the Push 3, along with inflation-related market fluctuations in 2022 and 2023, likely contributed to this revenue loss. Despite having personal connections within the company for over a decade, discussions on specific topics—such as new projects, ongoing developments, financials, corporate hierarchy, and organizational structure, are generally off-limits. While many Ableton employees and executives are active on LinkedIn, they are cautious about the information they share publicly, including in press releases and communications with the music technology media.

Ableton has two subsidiaries that manage operations in the Americas and Asia, located in Pasadena, California, and Tokyo, Japan, respectively. Both are entirely owned by Ableton AG.

From the 2020 shareholder list filed at

https://www.handelsregister.de/rp_web/welcome.xhtml, it is concluded that Gerhard Behles owns 42.92% of the company's total shares. Bernd Roggendorf owns a 33.72% share, while Jan Bohl, the CFO, and Jan Bohl GmbH own 21.04% and 2.33%, respectively. Behles, Roggendorf, and Bohl maintain primary control of Ableton AG, keeping it privately held, even though an AG (Aktiengesellschaft) can be publicly traded in Germany. Gerhard Behles has recently stated that Ableton plans and is actively working to transition into an employee-owned entity which will exist in trust in perpetuity, which Behles has said has been time-consuming and costly to implement.

Ableton Live, Ableton AG's flagship product, is the company's largest selling product. It serves as the core of a music-making ecosystem, encompassing various interrelated tools for music production and performance. Its total market saturation is difficult to determine, but most estimates put Ableton Live as the most used DAW in circulation today. Most of the user base is estimated to be male, with the majority in North America. Usage information is also complex to determine, but from personal experience being a music producer and working with music producers, most people utilize these technologies as much as they possibly can, anywhere from an hour a day to 16 hours a day, depending on their ability to focus and available time. Most music makers tend to stay loyal to one platform for long periods due to the expense of these products and the time required to become proficient in them. While there is some expense involved in purchasing a DAW, most DAWs are available pirated online free of charge if a user is willing and able to find them. Behles has stated that piracy is of minimal concern and leads to conversions.

The Ableton Live user base is varied and involves both professional and amateur music producers, DJs, live musicians, installation artists, visual artists, lighting directors, worship directors, educators, sound designers, film composers, audio engineers, music therapists, podcasters, plugin and Max/MSP developers, content creators, influencers, game developers, educators and students, amongst others. Most users are hobbyists, as the number of "professional" music makers is minimal compared to the overall number of users. The exact numbers are unknown and may be unknowable because other major DAW manufacturers are not publicly traded, with the exceptions of Apple (the maker of Logic Pro) and Avid Technology, Inc. (the maker of Pro-Tools).

Core stakeholders include Ableton AG, the founders, Gerhard Behles and Bernd Roggendorf, and the CFO Jan Bohl (who are all shareholders), Robert Henke (who divested but remains connected), the Ableton subsidiary companies in the US and Japan, and the employees of these companies. All these stakeholders have a direct stake in the profitability of Ableton Live. The employee stakeholder position is further complicated by the potential of the company transitioning into an employee-owned corporation, so both the founders and primary shareholders and the employees have a direct desire to see the product continue to generate profit in a sustainable matter. Numerous interviews with these employees and founders also state that many are music makers, so they also have a creative stake in the product. The company had an estimated 441 employees in 2021, and their stakes would also vary based on their position. Personnel expenses in 2021 amount to €31,069,000, making the average employee salary €70,448. These numbers would be different today, as the Ableton website states that the current number of employees is “more than 350 people”. The stake of a developer could be a desire for continued evolution and efficiency of the code, along with an economic stake and a creative stake. The personal stake of an employee responsible for community outreach would differ from that of a marketer or accountant.

In financial data obtained from German public sources, two silent partners are mentioned as external financial stakeholders with a vested interest in the company’s continued financial success: IBB Beteiligungsgesellschaft mbH and tbg Technologie Beteiligungs-GmbH, both based in Berlin. These venture capital firms have provided financial backing to Ableton AG and receive annual fixed returns on their investment, along with profit-based compensation.

External stakeholders could include other shareholders and investors (if they exist), partner companies who also manufacture devices designed to work primarily with Ableton Live, including Akai and Novation, partner companies, including ones owned by Ableton AG (Cycling' 74), and independent companies developing products that work with any DAW (such as Natives Instruments, Behringer, and Arturia). These companies profit from users of their products because their products function with Ableton Live which drives sales. Distributors and retailers like Sweetwater, Amazon and Thomann have an external stake because they profit from selling Live. Licensing bodies have an external stake in Live due to the prevalence of sampling in music creation and the need to license these samples. Finally, direct competitors such as Apple, Native Instruments (who also make a DAW called

Maschine), Image-Line (the maker of FruityLoops), and Avid have an external stake in Ableton Live as this product detracts from their bottom line.

User-related stakeholders include aspiring and professional artists, producers, DJs, VJs, church worship leaders, lighting directors, installation artists, sound designers, game developers, composers, filmmakers, podcast editors, and students. These stakeholders rely on the product's continued positive development to support their various creative endeavors.

Additionally, a significant educational community is involved, consisting of educators, administrators, staff, and students. This community includes high school and college music programs, private for-profit production schools, online educators, private tutors, and influencers on platforms like YouTube and other social media. Many of these individuals rely on teaching Live as a key part of their livelihood. Similarly to education, multiple music production forums have a stake in this product, as users of these forums frequent them to teach themselves about Live.

Owners, promoters, organizers, staff, and customers at festivals, churches, art galleries, and nightclubs also serve as user-related stakeholders. They consume music and entertainment made with Live. Adjacent stakeholders encompass family members, collaborators, dancers, and performers who engage with these related stakeholders, and users and audiences who enjoy the final creative output. These can be considered community stakeholders.

Lastly, community and societal stakeholders include the regions surrounding the main offices in Berlin, Pasadena, and Tokyo and areas where remote employees or successful users operate. Any location where activity related to employees or users occurs, including unmentioned organizational outposts, also falls under this category.

Live has grown from a niche tool into one of the world's most versatile and widely used digital audio workstations. Its unique features have cultivated a diverse and loyal user base across all continents and industries. The company's fiscally cautious yet developmentally ambitious approach has positioned it as a cornerstone of the musical world for the

foreseeable future. If the founders' commitment to maintaining creative control and sustainability holds, Ableton Live is poised to remain a pivotal force in music production.

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-Gerhard Behles, Why Ableton should own itself, May 24, 2023.

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-Link to Gerhard Behles quote from a 2014 Highsnobiety article that is no longer online.