

Creative Business Project

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Business Plan for
erb. Music Ltd.



Contents Page

- 1. Executive Summary** (pg. 4)
- 2. Company Profile** (pg. 8)
- 3. Market Research** (pg.12)
- 4. Branding** (pg. 31)
- 5. Marketing** (pg. 35)
- 6. Sales Strategies** (pg. 40)
- 7. Services & Pricing** (pg. 47)
- 8. Management & Team** (pg. 56)
- 9. Operations** (pg. 62)
- 10. Financial Projections** (pg. 67)
- 11. Funding & Investment** (pg. 77)
- 12. Conculsion** (pg. 81)
- 13. Reflective Summary** (pg. 83)
- 14. Bibliography** (pg. 97)

1

Executive Summary



1. Executive Summary

erb. Music aims to deliver a fresh approach to music management offering personalised, all-encompassing, and affordable solutions to artists helping them in the early stages of their career.

The concept for erb. Music came to fruition as I recognised, and empathised, with the hardships many aspiring artists have to endure in an ever fragmenting music and media landscape. After personal experiences of helping bands in their early stages of their career I have understood the struggles of musicians finding a balance between focussing on their artistry and then the business side of their creative output, which includes a multitude of duties such as distribution, marketing, financing and booking performances to name just a few. Over the past two decades, the music industry has witnessed a remarkable transformation and seen an incredible rise in the number of independent artists. This shift has been driven by several key factors, mainly how the internet and digital technology have made music production, distribution, and promotion much more easily accessible. Artists are now able to invest in affordable recording and producing software, enabling them to create high quality recordings from the comfort of their own home (Yellowbrick, 2023). There is no longer a demanding need to enlist help from major record labels, ultimately empowering independent musicians to maintain creative control and retain a more substantial portion of their earnings. In the most recent Midia Research study on the music industry revenue, it has been reported that independent artists are continuing to out-perform the wider streaming market, growing revenues by 17.9% from 2021 to 2022 (Mulligan, 2023). Whilst it's clear that these digital and technological advancements have positively empowered independent artists and enhanced their creative craft, it has in turn created a growing demand for artists to also take on the business duties of music.

It has become widely accepted that artists should put up with the struggles of balancing a multitude of business tasks, on top of their creative output. As Herstand (2023, pg. 39) describes, musicians should “embrace the hyphen” of their responsibilities, in other words a

'musician-entrepreneur'. However, no matter how many additional tasks an artist tries to balance alongside their creative output, they face a strong chance of failing, and it has been suggested that artists who believe they can tackle the intricacies of the music industry themselves will fail 99% of the time (Narayanan, 2015). As Ben Yonas describes, "there's usually a point in the growth phase of an artist where it just becomes too much to be creating music AND handling all of the business" (2023). It's erb. Music's goal is to not only offer a service to help those already drowning in the endless tasks outside of their craft, but it should be considered *before* the struggles take a hold. Further to this, these growing pressures are likely to have a negative toll on musicians. A survey from 2016 commissioned by MusicTank and The University of Westminster found that 68.5% of musicians reported to have experienced depression, attributed to several reasons including poor working conditions, a lack of recognition for one's work and financial worries (Help Musicians, 2017). It is clear that musicians need help, now more than ever.

The digital and online transformation has also impacted the role of the artist manager, but fundamentally still serves as the guiding force behind an artist's career handling both the artistic and business aspects of an artist's career. Developments in the digital world have driven managers to adapt and expand their responsibilities to better serve the needs of the artists they represent, most significantly within the rise of streaming platforms, social media, and digital marketing. Music managers are expected to navigate the intricacies of the online world, and leverage digital tools to promote their artists, engage with fans, and maximise their online presence. There is a saying in the industry that artists 'don't find a manager, a good manager will find you'. But in reality, a lot of time and effort has to be put into the business side of things before a manager will even know who they are. And how are artists meant to book their own shows, distribute their own music, navigate through the maze of promotions? The early stages of an artist's journey is the most vital - it truly is make or break.

The ultimate goal of erb. Music is to be a helping hand to artists by navigating them through the challenging world of music as they see fit. The service is designed to empower the artists on

their journey, building their own managerial packages which work for them. This business plan for erb. Music will contain all the important matters that will contribute to making the business successful, which Entrepreneur Media state are: the business concept, the strategy, the product / service, the market, background on employee structure and financing needs (2015, pg. 4). The business plan concludes with funding objectives, based on financial projections across a two-year period.

2

Company Profile



2. Company Profile

In essence, erb. Music mission statement can be summarised in the following sentence:

Elevating indie artists on their musical journey with tailored business solutions

erb. Music Ltd. will be based in London, UK, often regarded as the capital of music (Visit Britain, n.d.) which has seen some of the world's biggest acts including Sex Pistols, Amy Winehouse and Stormzy. Basing the company out of London will ensure the business is operating in a vibrant location, full of innovative opportunities to work with up and coming talent.

There will be two pillars to the erb. Music:

- erb. Agency, a tailored management and PR service operating on a retainer basis
- erb. Management, offering a traditional management service based on a percentage of gross revenue

Delving deeper into the first arm - erb. Agency - essentially, retainers are structured agreements in which the customer or client pays a specific amount of money for an agreed set of services during a time period (Williams, 2023). The retainer model will offer bespoke agreements, with the aim of servicing each individual artist's skill sets, needs and goals. The idea is that a package will be delivered by specialists at erb. Music to help artists enhance the skills they already have, and to essentially fill in the gaps to success that have been identified. Or, for those artists who need an all-encompassing package there will be a Gold Tier package available covering all services. The services on offer will include:

- Marketing
- Brand Partnerships
- Social Media Management
- Release Planning and Strategy

- Content Creation
- Press and PR
- Sync Licensing Opportunities
- Admin, Contracts and Legal Advice

A client would have the choice to choose all or a number of services from the list, split across tiered packages at different price points. There will be packages available on an on-going contractual basis or tactically for certain periods of time, such as release campaigns.

The second pillar, erb. Management, will operate in a similar way to traditional management and will take a 15% commission off the artist's gross revenue income. erb. Management is the arm of the business which scouts and approaches exceptional talent to be their management representative. The traditional role of the manager, as Frascogna and Hetherington describes, "consists of anything that will help enhance or further an artist's career" (2004, pg. 11), which can be incredibly time-consuming and slow to deliver rewards (Allen, 2022, pg. 3). It is essentially the manager's role is to also be the biggest fan of the band because, as Olson describes, being a fan of the music helps to connect with the band and understand what they are about, meaning the manager has a better feel for the fan base and a greater ability to represent them (2015). Because of this, the process of choosing which artists to approach to manage will be highly scrutinised to mitigate as much risk as possible. The role of the manager has changed over the years, as Frascogna and Hetherington continues (2004, pg. 11), with many managers having specialisms or narrowly defined duties, such as solely looking after the financial books. With my specialism in marketing and partnerships during my decade experience in advertising solutions, I will bring this at the forefront of how the business approaches management, pushing for high value brand deals for artists on the roster.

The services on offer across erb. Management will be extensive and cover all angles required to excel the artists' career. The role will be fluid, delivering an all-round service to artists and

opening up opportunities across all relevant environments such as brand partnerships, managing tours, release strategy, collaborations and more.

erb. Music will operate as a private limited company. The primary advantage of setting up the business in this way, compared to other methods of trading, is that the business liability for limited companies is limited to only the business (Hughes and Weller, 2010, pp. 26 - 27).

Hughes and Weller also continue to state that it is necessary for the limited company to have a minimum of one shareholder and that the business has a legal requirement to be registered to the Companies Registration Office (CRO) at the Companies House (2010, pg. 27). When the company launches, I will assign myself to both the shareholder and company director roles.

3

Market Research



3. Market Research

The Market Research of this Business Plan includes the following elements:

- The Target Market
- Consumer Analysis (First Party Research)
- Market Analysis
- Competitor Analysis

Target Market

It is crucial to lay down the framework for who the Target Market of the business is. With two different services on offer, it is essential to determine two different target groups for each part of the business. By identifying key attributes to both target market groups, erb. Music can create successful marketing strategies which relate to the market on a meaningful level and be able to bring a stream of artists on board.

For erb. Agency, the target market group are essentially new artists who do not have management and have seen none to some success by themselves. Although the business model is designed to work with any independent artist at any level, those with a smaller number of streams and followers will likely benefit the most from the services. For erb. Management, the target market group is difficult to characterise as it is impossible to predict where to find the next biggest artist. In essence, it would require finding artists who have, ideally, seen some success (although this is not essential).

The two different Target Market groups and their attributes are summarised in the below tables:

TARGET MARKET (ERB AGENCY)

Demographic & Attributes

Ages: 16 - 34
Gender: Male & Female
Location: UK

Artist Attributes:

All genres

Appearances on smaller,
independent playlists

Picked up on local radio or press

Social following of 500 - 2,000

Monthly DSPs 200 - 1,000

Not working with any other
management

TARGET MARKET (ERB MANAGEMENT)

Demographic & Attributes

Ages: 16 - 34
Gender: Male & Female
Location: UK

Artist Attributes:

All genres welcome

Strong brand identity, work ethic
and appetite for success

Appearance on more notable
media platforms (NME, BBC
introducing, etc.)

Decent social media following and
engagements

Good, consistent DSPs

Might already have management

Consumer Analysis: Survey

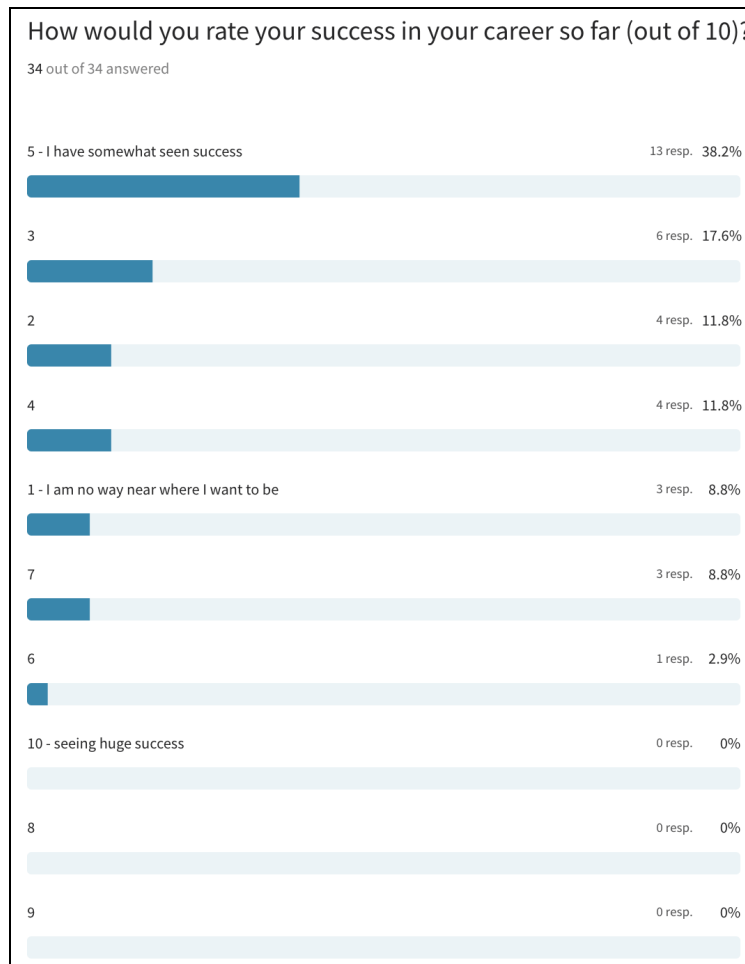
Primary research has been conducted in order to delve deeper into the business' target market of new and emerging artists, and essentially to gain qualitative insights into their views and behaviours of artist management companies. This research took the form of a survey, and was shared in various music networking groups online. The details of the survey are below:

- **Survey title:** To understand views and opinions around Artist and Music Management Services
- **Date:** September 2023
- **Responses:** 34
- Link to the full report [here](#)

The findings from the survey received both qualitative and quantitative data which highlighted interesting insights from the target market:

- **How would you rate your success in your career so far (out of 10)?:**

This question served to learn more about how respondents rated their own success by providing a number out of 10, with 10 being the highest score. Although a subjective question, and one that would differ from artist to artist, these answers will be able to gain important context around what success is and what it is attributed to as more questions are answered throughout the survey. Respondents mostly answered '5' out of 10, followed by '3'. This shows an opportunity for erb. Music to tap into an opportunity and help increase what success, in whatever way it means to them.



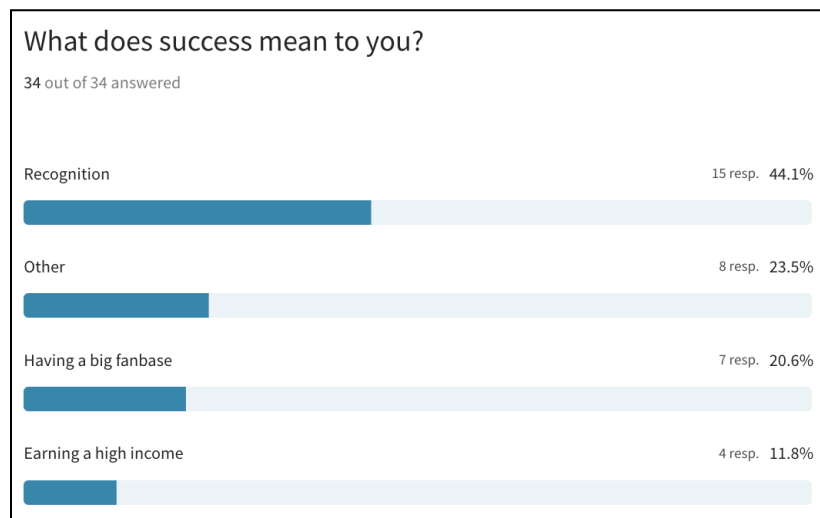
Appendix 3B: Market Research (Bowen, 2023)

- **What does success mean to you?:**

Answers to this provided some context to the previous question, understanding what it is to be successful as an artist. The answers to this question would also help to shape how erb. Music speaks to prospective customers. By using the same or similar language, the business can help to connect with their target consumer in a more meaningful way.

‘Recognition’ was the most popular answer, followed by ‘other’. The most common answer in ‘other’ included sentiments around wanting to earn enough to be financially dependable. This presents an interesting opportunity for erb. Music Ltd. to offer a service

which doesn't promise the 'rockstar' or 'popstar' status which many management companies can try to sell, and therefore may seem unattainable. This also mirrors Herstand's views that highlight the issue around music being one of the only professions where the sole definition of "making it" is superstardom, where in reality the goal should be to be sustainable as a full-time musician (2023, pg. 16). It appears this view is shared amongst some of these respondents too, posing an opportunity to offer more administrative and local-scale services in the business, in addition to the promotions and PR packages on a national level.



Please elaborate on 'other'

8 out of 34 answered

Achieving a sustainable career in which I am able to support a family from my earnings

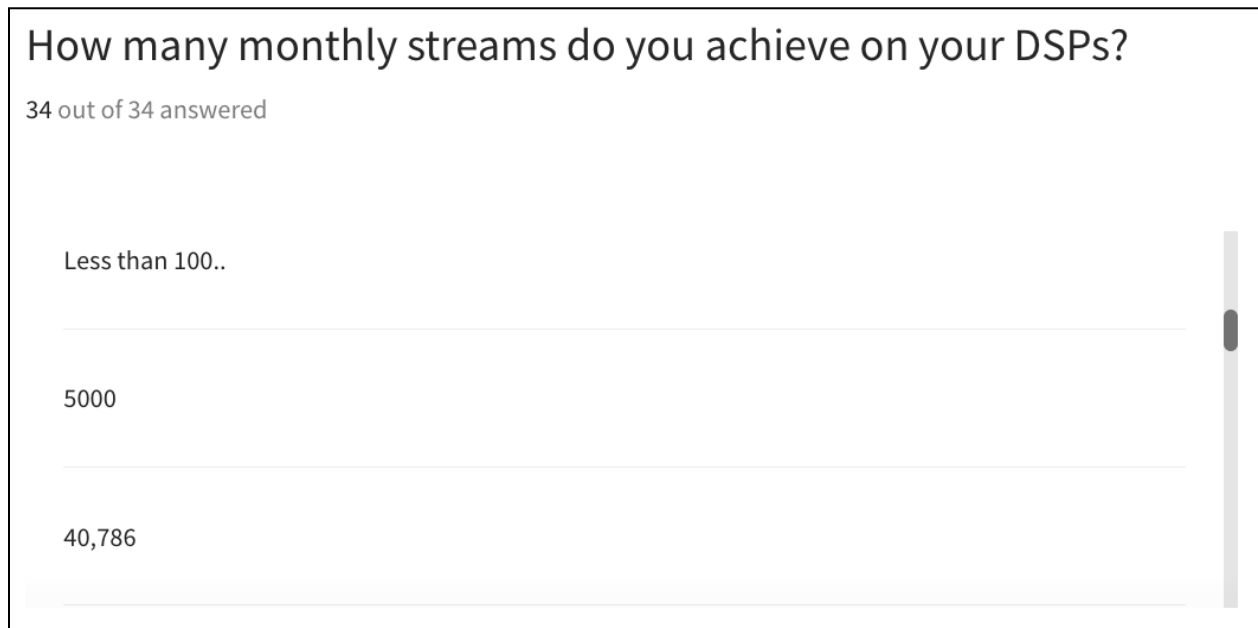
To be able (economically) to only do music and not need another job

Music being sole source of income and living comfortably.

Appendix 3C: Market Research (Bowen, 2023)

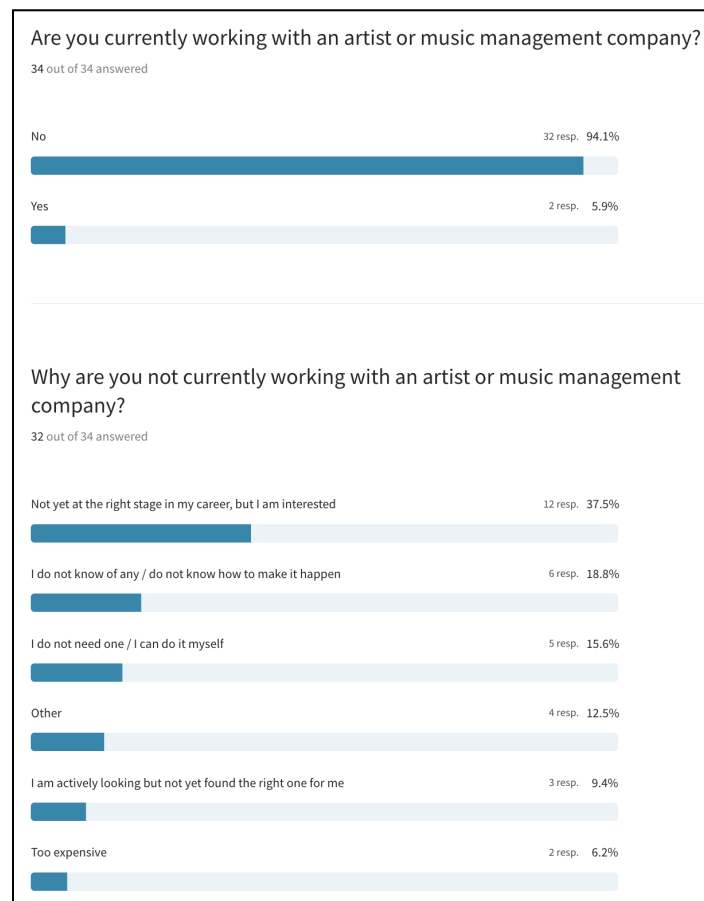
- **How many monthly streams do you achieve on your DSPs?**

The answers to this question provided some interesting context to Question Three, which asked artists to rate their success. The interesting finding for this question is that the scale of 'success' doesn't necessarily match a large number of DSP streams. For example, one respondent answered a fairly high success rating of 7 out of 10, with their monthly DSP streams being 1,000. Whereas another respondent answered 2 out of 10 but they achieve a greater number of DSP streams at 5,500 every month. This answer really highlights that success is hugely subjective and differs from artist to artist, proving a need for tailored approaches when working in music management.



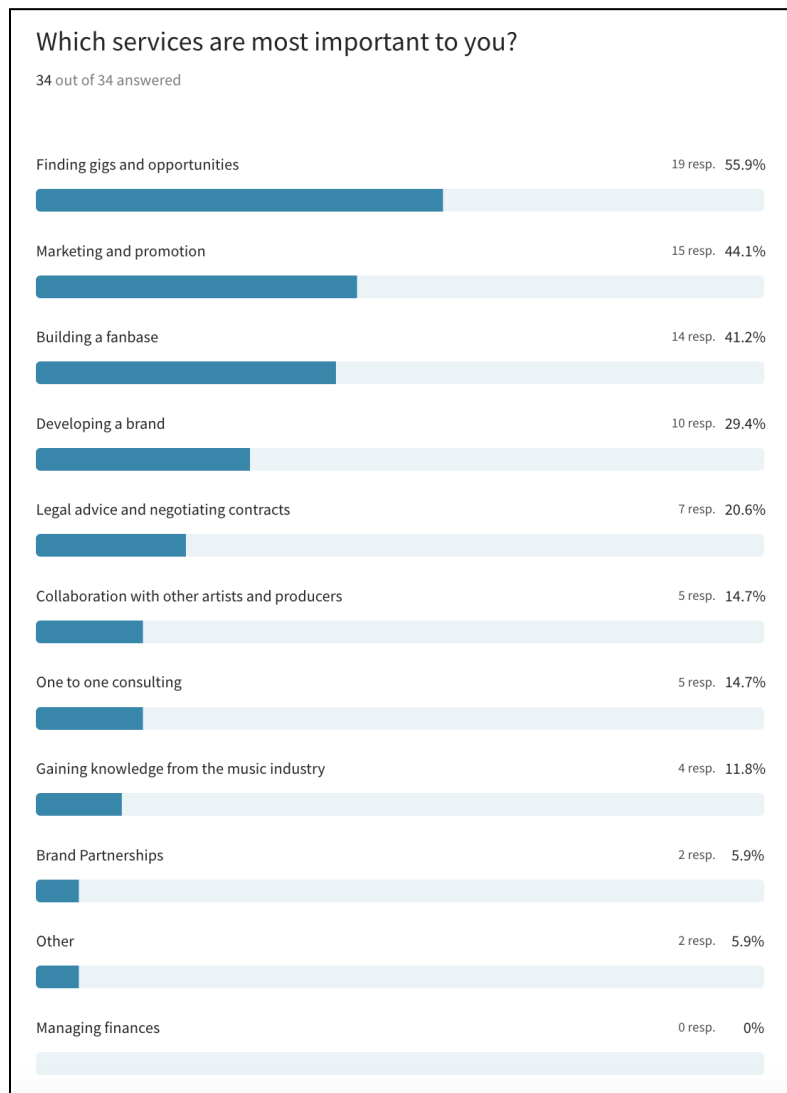
- **Do you currently work with an artist or music management company? If not, why not?**

The vast majority of respondents answered ‘no’ for this question. Most respondents stated that they were interested but just not yet at the right stage of their career, followed by not knowing any management companies or not knowing how to make it happen. This presents an opportunity for erb. Music to tackle some of these opinions during the launch period. For example, the strategy could be tackling this challenge across all marketing communications and sparking conversation in panel talks at relevant industry events. By leading the conversation, erb. Music can be positioned as a trusted, leading voice as an approachable and understanding management company.



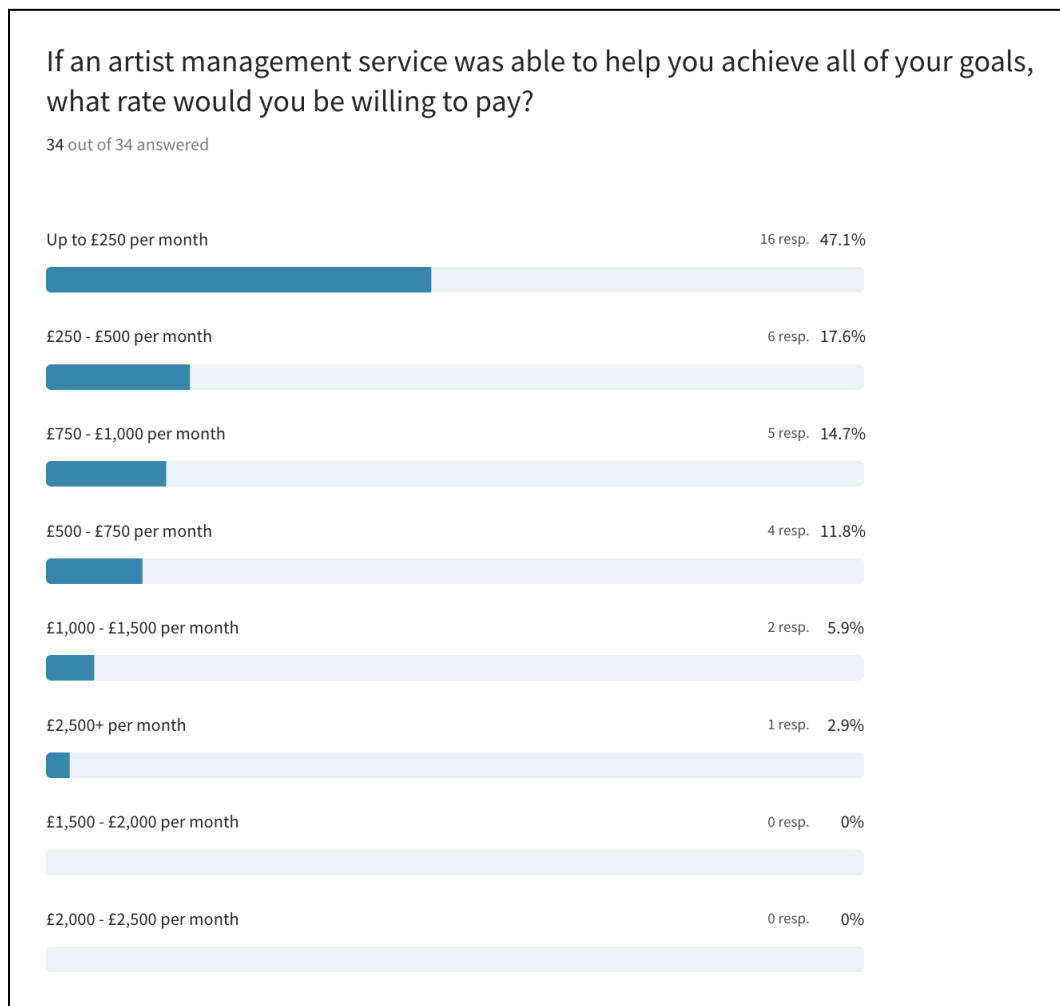
- **What services are most important to you?**

Respondents to this question put gigs and opportunities as the most important service they want to see from an artist management company, followed by marketing and promotion and then building a fanbase. These will be considered as key areas of growth at erb. Music as these hold particular importance and significance to artists striving for success.



- **If an artist management service was able to help you achieve all of your goals, what rate would you be willing to pay?**

The answer to this question reveals, perhaps unsurprisingly, that independent artists aren't willing to pay a higher monthly fee for business services. Whilst this could pose a challenge in terms of onboarding clients and ensuring the business revenue is sustainable, it does also offer an opportunity for erb. Music offers much simpler solutions and services at a lower rate which could help to bring more clients more frequently.



- **Is there anything else you would like to add in relation to your experience with artist management companies?**

The responses to this question highlighted the innate need for artist management to be personal, and that some have had negative experiences in the past. There is a wider challenge to address that managers are 'sales people'. These comments will be taken on board when looking at the company's people structure and defining the roles of the team, ensuring erb. Music is seen as personable as can be.

Is there anything else you would like to add in relation to your experience with artist management companies?

34 out of 34 answered

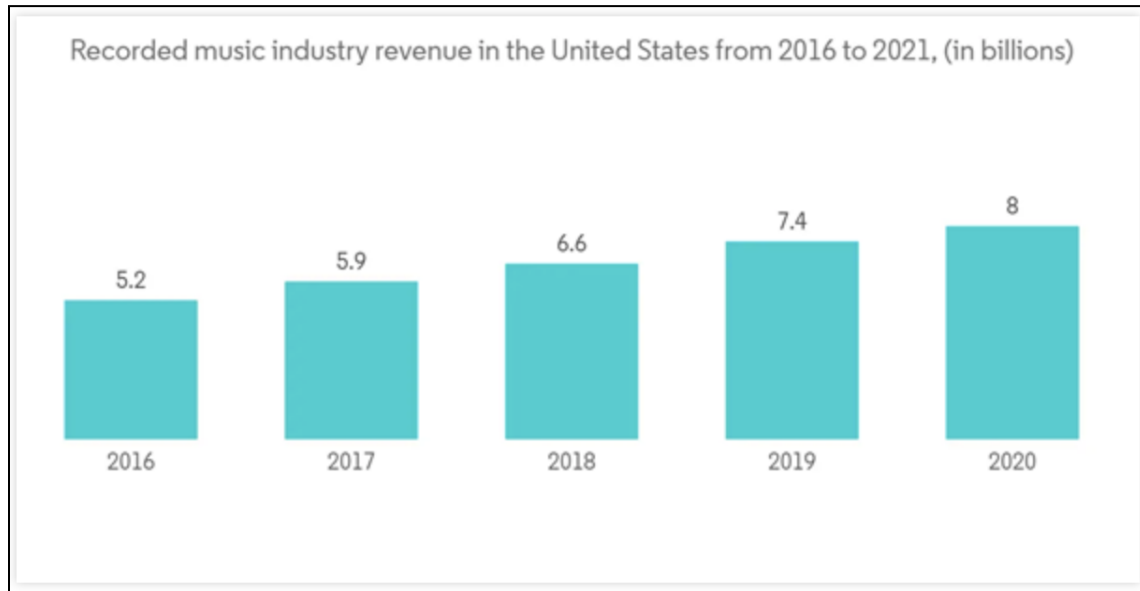
i truly believe a manager can positively affect the career of an artist, just by helping them search further, push them to not give up, to look deeper in their own creativity, whether it's in making music, meeting potential collaborators, or finding ways to promote themselves and build their fanbase. I don't think i would work with a management company, as the idea of a company already puts me off, it feels impersonal, industry / business obsessed. Unless each department of the company is just there for a specific task, legal / promo / finances etc.. and very efficient, and then you'd get a personal manager / one to one committed rep to talk to / that really understands your project. Fingers crossed that's the case. it's a real team work, a partnership, and it's often very hard to find the right one.

Appendix 3H: Market Research (Bowen, 2023)

Market Analysis

It is essential to take a complete analytical view of the Music Market, given erb. Music's wide ranging services on offer across release planning, touring, PR and more. According to a recent

study, “the Music Market size is expected to grow from USD 28.29 billion in 2023 to USD 42.62 billion by 2028, at a CAGR of 8.54% during the forecast period (2023-2028)” (Mordor Intelligence, 2023). As shown in Appendix I, revenue from the recorded music industry in the United States has seen a steady growth from 2016.



Appendix 3I: Music Market Size 2016-2021 (Mordor Intelligence, 2023).

A growing market size offers a visible opportunity for a new business to launch into this space with the aim of establishing a strong foothold in the market. The main advantage, as Faster Capital summarises, is that there is increased demand and faster return on investment (2023). Ultimately, growing markets see a surge in consumer interest and demand for products or services, providing businesses with ample opportunities for growth. A Mordor Intelligence report (2023) outlines, some of the trends the Music Market has seen and will continue to see over the following years are:

- Intelligent device usage will rise with digital platform penetration, driven by music streaming services with features like personalised playlists, recommendations, and broad podcast genres.

- Online and social media platforms, like YouTube, empower aspiring artists to reach a global audience, particularly in the growing Asian and Latin American music markets.
- Record labels are major investors in the music industry, investing over \$5.8 billion annually in artists through A&R and marketing, contributing to market growth.
- Music foundations are striving to support artists' long-term sustainability as the market expands in the digital era.

Managing tours for artists will be an area of opportunity for erb. Music, so it is also essential to look at the Live Music market specifically too. According to a Verified Market Research study into the Events Industry Market Size, the market was valued at over \$886 billion in 2020 and is projected to reach over \$2 trillion by 2028, growing at a CAGR of 13.48% from 2021 to 2028 (Verified Market Research, 2023). Again, a growing industry poses a strong opportunity for erb. Music, so strategies will be devised to ensure the business invests and capitalises in this Live Event space through touring opportunities.



Appendix 3J: Global Events Industry Market 2021 - 2028 (Verified Market Research, 2023)

Although Global trends for the Music Market are growing positively, erb. Music will focus solely on the UK market. As highlighted in the 2023 Mordor Intelligence report above, there is a huge growth in areas such as Asia Pacific with the region seeing a Compound Annual Growth Rate (CAGR) of 8.9% from 2020 to 2027 for streaming services (The Insight Partners, 2020).

However, as a business decision it would be wise to launch locally at first, and then expand into international territories once growth has flat lined, proving its success and minimising risk of failure overseas (Credit Decisions, 2020).

Competitor Analysis

There are numerous competitors to both sides of erb. Music which I have identified in the UK market via online research and personal experience of managing a band whereby companies have approached me directly to offer their services. erb. Agency's competitors in the market are

other companies also acting on a retainer model, such as Decent Music, Liberty PR, Blinding Talent. Companies similar to erb. Management are more aligned with the traditional talent management sphere, such as Earth Agency, Rock People Management and Empire Management, where they take a percentage of an artist's gross revenue. There are other music management companies which are much more reputable working with more established artists, such as Primary Talent and CAA Talent, however I would not consider these as direct competitors for erb. during the early stages of the business due to the nature of these companies working with established artists with a higher revenue stream.

Decent Music, Liberty PR and Blinding Talent all offer promotional packages designed to help new and emerging artists. In all instances, I had personally come across all three companies in cold-calling emails, whilst representing a band. The emails reached out to the band directly, and offered to schedule in Zoom calls to discuss the band's goals and opportunities the companies had to offer. The emails were received on the back of releases and since the band's Chart Metric data had been updated, suggesting these companies use analytical tools and follow smaller independent playlists to identify their target clients.

In Appendix K, I have provided an competitor analysis table of all three companies to clearly draw comparisons of what they are offering:

COMPETITOR ANALYSIS

COMPANY NAME	LOCATION	SERVICES OFFERED	BEST FEATURE	PRICING	CONS
					
LIBERTY MUSIC PR	Brighton office, employees also based remotely	- Digital ads - TikTok - Playlisting - Press - Radio plugging - Reporting	Impressive relationships with Spotify and a focus on algorithmic strategies to boost streams across all services. Genuine love for music.	From £835 for a 4 week press & PR campaign, but open to discussing deals	One of the higher priced companies, but this is reflected in quality
DECENT MUSIC PR	UK (employees based remotely including London and Manchester)	- Playlisting - Press - Radio - YouTube ads	One of the more affordable options	From £680 for a 4 week radio plugging campaign (unsure whether option to deals)	The relationship element with rep was lacking - didn't do homework on the music and the love didn't shine through. Outsourced their pluggers.
BLINDING TALENT	London office, employees also based remotely	- Online Press - Playlist pitching - EPK - Press Release - Website	Well known company	From £800 for a 4 week online press campaign (open to doing deals)	No radio plugging on offer. Relationship with artist was also lacking, more research needed into the band. Less likely to do deals.

Appendix 3K: Competitor Analysis



Protected: Liberty Music PR Services

Pricing

Service	Length	Pricing
Press	4 Weeks	£835
Press	6 Weeks	£940
Playlisting	4 Weeks	£788
Playlisting	6 Weeks	£998
Radio	4 Weeks	£730
Radio	6 Weeks	£835
TikTok Influencers	5 Influencers	£1799
TikTok Influencers	10 Influencers	£3099
YouTube Advertising - Go Big Go Global	6 Weeks	£895
YouTube Advertising - Niche Is Nice	6 Weeks	£995
Retainers & Packages are available dependant on release strategy £POA		
all prices are quoted in GBP and are exclusive of VAT which is applicable to UK residents		

2023

DECENT

www.decentmusicpr.com

SERVICE	PRICE	DESCRIPTION
Digital Publicity (6 weeks)	£950	Influential media coverage secured by dedicated publicist - maximum impact over longest timeline
Digital Publicity (4 weeks)	£750	Influential media coverage secured by dedicated publicist - this time 1 month duration
Playlisting (6 weeks)	£750	We pitch to our pool of influential playlist curators (no bots)
Playlisting (4 weeks)	£550	See above - and another note, we always keep it genre-relevant
Radio Plugging (4 weeks)	£680	We pitch your track to National, Regional & Online Radio - UK mainly
Youtube Google Ads (4 weeks)	£300 + Ads spend (min £100)	Get views on your Youtube video using optimised, targeted Google Ads.
UPGRADES		
EP Upgrade for Digital Publicity	Additional £100	For a music release that has 2 to 6 tracks
Album Upgrade for Digital Publicity	Additional £150	For a music release that has 7+ tracks
BUNDLES		
Platinum Digital Publicity + Playlisting (6 weeks)	£1615.00 (includes a 5% discount)	Let us take care of the PR AND Playlisting side of things for you.
Gold Digital Publicity + Playlisting (4 weeks)	£1,235.00 (includes a 5% discount)	Maximise the power of your campaign by combining two services

Disclaimer: international payments may be subject to a 3% fee

Appendix 3M: Decent PR Ratecard

£800GBP +VAT - Online Music Press (Campaign 1) In light of Spotify's best practices when editorial pitching, we encourage off platform marketing campaigns to support your releases. This press package gives you the tools to pitch to online music press as well as the independent blogs and websites. <i>What's Included?</i> - Targeted Editorial Coverage (10+) - Electronic Press Kit (EPK) - Press Release - Reporting Included - Duration: 4 Weeks £1500GBP +VAT - Online Music Press (Campaign 2) In light of Spotify's best practices when editorial pitching, we encourage off platform marketing campaigns to support your releases. This press package gives you the tools to pitch to industry focused press as well as the independent blogs and websites. <i>What's Included?</i> - Targeted Editorial Coverage (20+) - Music Website Advertising - Electronic Press Kit (EPK) - Press Release - Reporting Included - Duration: 6 Weeks £1800GBP +VAT - Online Music Press (CUSTOMISED) In light of Spotify's best practices when editorial pitching, we encourage off platform marketing campaigns to support your releases. This press package gives you the tools to pitch to industry level press as well as the independent blogs and websites as well as DSP pitching. <i>What's Included?</i> - Targeted Editorial Coverage (20+) - Official DSP pitches into Spotify, Amazon, Deezer and Apple Music - Editorial Pitching (Third Party Playlisting on Spotify to encourage monthly listeners) - Music Website Advertising - Electronic Press Kit - Press Release - Reporting Included - Duration: 6 Weeks
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Appendix 3N: Blinding Talent Ratecard

These rate cards broken down by price and services give a valuable insight into how competitors are charging their retainer offers. Areas I have noticed across all three competitors which offers opportunities for erb. Agency shape USPs are:

- Packages seem fairly similar, and not unique to each company
- Not a huge range of services on offer and sits more on the PR and Promotions angle
- Some services not included at all such as content creation, brand partnerships and booking gigs / touring, legal advice

erb. Music will be able to offer the gaps in these services, offering a more all-rounded approach outside of just Press, PR, playlisting and digital / social.

4

Branding



4. Branding

A strong brand identity is essential in creating a credible and authoritative voice against competitors (Wheeler, 2023). The branding must be clear, consistent and of high quality to make an immediately good first impression for any person viewing the brand - whether that is online or offline.

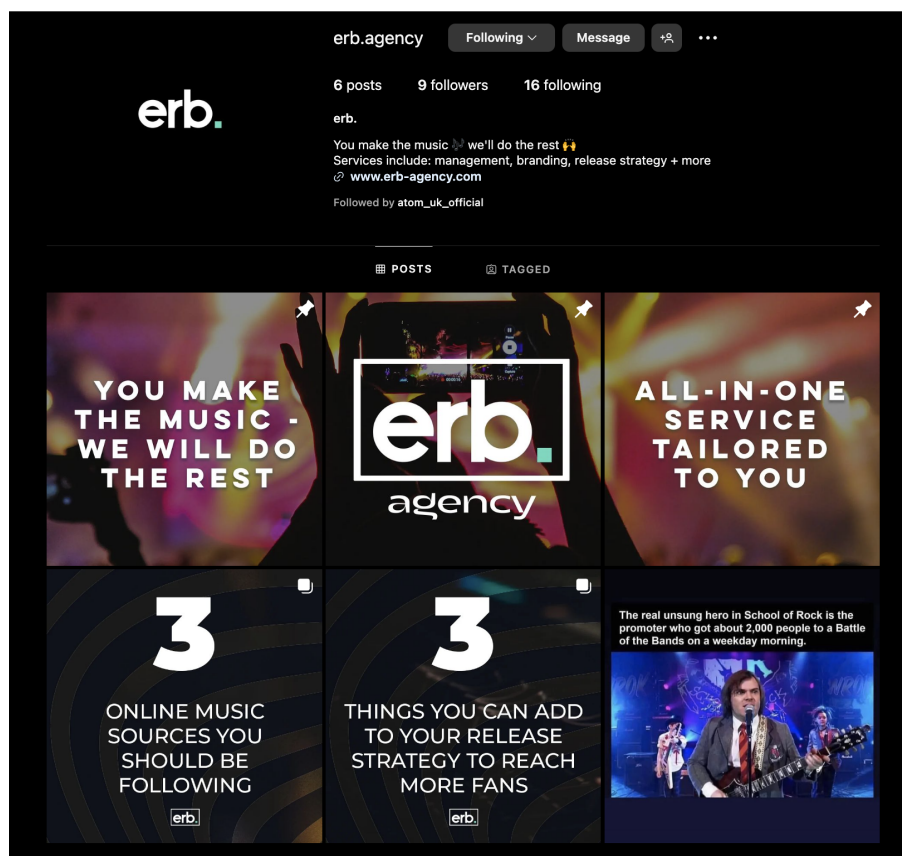
The brand identity for erb. Music can be defined by the below elements:

- **The Name:** erb. is simply the abbreviations of the CEO's initials. Rather than choosing an existing word to identify the business, coining a new word, or in other words neologism, and such short neologistic words can have a simple yet effective, such as IBM (Torossion, 2021). Unique words also help the brand to be more unique and memorable.
- **The Values:** erb. Music empowers artists. The values are supportive, collaborative and understanding of the struggles independent musicians go through.
- **The Logo:** a simple, sleek design all in lowercase. The simplicity is to mirror the simplicity of working with erb.
- **The Design / Color Scheme:** black, white and turquoise. Turquoise can evoke feelings of self-expression, creativity and recharging the spirit; it is one of the most inspiring colours to use in marketing (Lischer, n.d.).

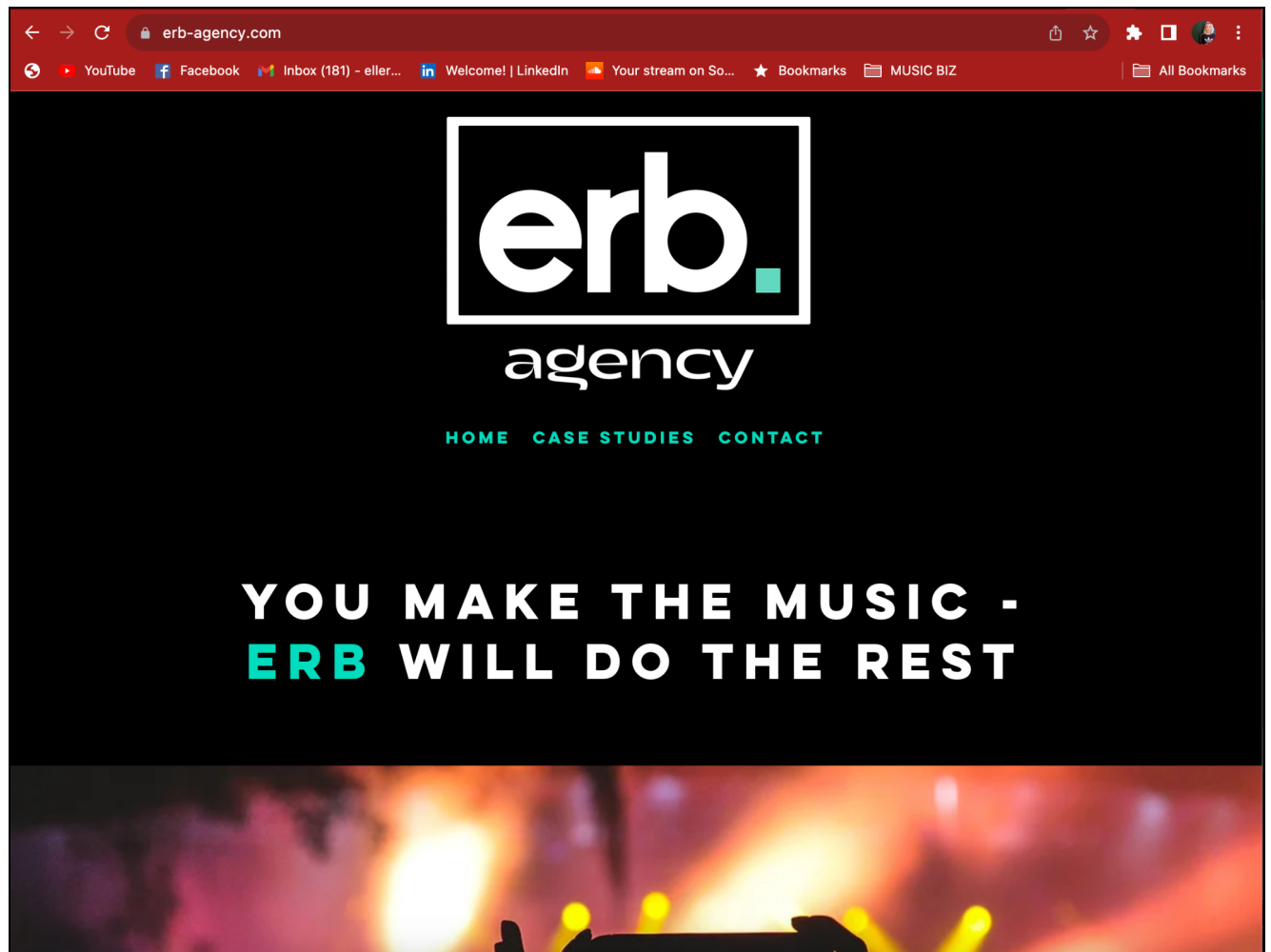


Appendix 4A: Logo designs

The branding for erb. will be consistent across all channels including the website, social media and email marketing to seamlessly align the brand identity across all communication touchpoints.



Appendix 4B: Instagram design



Appendix 4C: Website designs

5

Marketing



5. Marketing

There will be multi-channel marketing strategies deployed to achieve different objectives with Key Performance Indicators (KPI's) in order to launch erb. Music successfully and ensure the business is reaching the target consumer. A multichannel marketing approach is essential for growing a business, as it will let the consumers choose when, where and how they make a purchase (Castillo, 2022). To build on this, applying a multichannel marketing approach will also enable the strategy of the business to test what channels are working well and optimise to the best performing channel accordingly.

Although a different industry, this Dickies case study is a fantastic example of how a mixed channel approach can increase organic social media growth, Search Engine Optimisation (SEO) and Return on Investment (ROI). In summary, Dickies produced a number of content across their website, social media, outreach and email which drove the following results (Simpson, 2015):

- 1000% organic growth on social media (following grew from 2,000 to 20,000 in one year)
- SEO traffic increased by 180% year-on-year (YoY)
- Extra 903% in ROI for paid search

To apply the most relevant marketing strategies for erb. Music, it is essential to look at the overall business goal:

- Reach £160,000 gross revenue at the end of Year One
- Onboarded 20 new artists by the end of Year One
- Increase awareness of erb. Music amongst target market

In order to achieve this, the marketing objectives for Year One will be:

- Receive a minimum of 30 new inbound lead gen every month
- Grow social following to a minimum of 5,000
- Increase website visits to 20k minimum unique views
- Grow brand awareness and affinity

These objectives will increase over time to ensure growth of the business.

The Marketing Strategy Overview can be seen below:

MARKETING STRATEGY			
OVERALL BUSINESS OBJECTIVES: Reach £160k revenue by the end of Year One Increase overall awareness of ERB Music			
OBJECTIVES	STRATEGIES	TACTICS	MEASUREMENTS
30 new inbound lead gen every month	Increase the number of inbound leads coming through the website and social media	Google ads Social media ads Retargeting	Conversions Click Through Rates (CTRs)
Grow social following to a minimum of 5,000	Content and social strategy, mix of organic and paid	Set out a social media content schedule Boost posts to reach more users Social media ads to increase followers	Increased followers Engagements
Increase website visits to 20k	Increase SEO	Produce blog content SEO campaigns on Google ads Affiliate marketing with relevant publishers	Website visits
Grow brand awareness and affinity	Engaging with consumers directly in different environments offline	Guest talks / sponsorships at The Great Escape, Brighton Bespoke event	Footfall

Appendix 5A: Marketing Strategy Overview

Lead Gen Growth

Google ads and social media ads will be the primary channels for hitting this KPI, as these are optimised for retargeting users who have clicked on an ad and not taken any action. Retargeting is a powerful tool for business growth, as this technique can achieve higher conversion rates, lower customer acquisition costs and better engagement with potential customers (Raitaloto, 2023). It also can lead to brand awareness, covering another KPI from the marketing strategy as a secondary KPI.

It will also be essential to sign up to industry memberships, such as the Music Manager's Forum, which provides artists resources and directories for contacting managers directly.

Grow Social Following

As of 2022, the typical daily social media usage amounted to 151 minutes per day, up from 147 minutes the previous year (Dixon, 2023). It goes without saying that it is a huge channel to have direct communication and engagement with the target consumer, giving people an opportunity to feel connected with the brand. In a report from eMarketer, 77% of buyers said they are more likely to buy from a company if the CEO uses social media and 82% say they trust the company more (Gleeson, 2012). This presents an opportunity for CEO-presented content to be posted on the social channels, helping to bring a face to the identity. Paid social campaigns will be implemented to ensure views, engagements and increased followers are achieved.

Increase website visits

By users visiting the website, they have shown an interest and therefore would be able to be retargeted with relevant digital ads to persuade the target consumer to enquire. There are multiple ways to increase page views, such as starting a blog content series. This will help to

drive SEO and give users a reason to stay on the website. There is also an opportunity to implement an affiliate marketing strategy, where relevant publishers can include links to the erb. Music website and be paid a commission for every click. Industry websites such as The Unsigned Guide and Music Business Weekly would be ideal publishers to launch affiliate partnerships with.

Grow brand awareness and affinity

The strategy to elevate awareness and affinity for erb. Music will be to bring the brand into the real world and engage with real people. Sponsorship opportunities and guest speaker slots will put the brand in the most relevant environments, and give an opportunity to speak to artists directly and on a much more personal level. Spotify are masters in bringing their brand into the real world in truly meaningful ways, including various activations at notable industry event Cannes Lions over the years where they hosted masterclasses and sessions with artists (Hoffman, 2023).

6

Sales Strategies



6. Sales Strategies

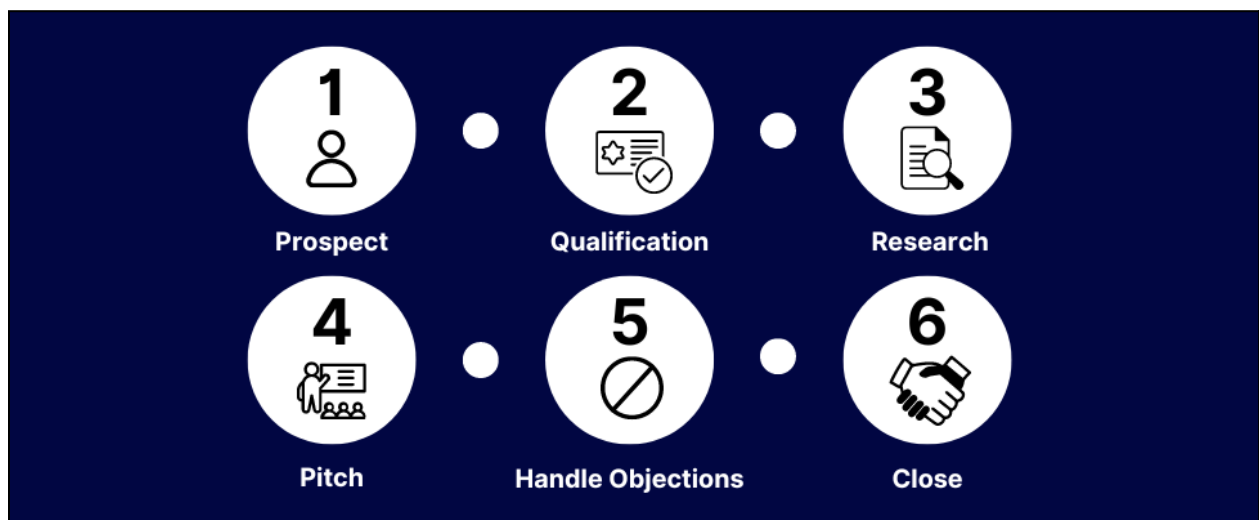
erb. Music will implement a solid sales strategy to ensure growth of artists being onboarded, implementing strategies for both reactively and proactively pitching the services to artists. This business plan goes into detail what the approach will be across the whole sales process, involving identifying new clients and delivering exceptional client service once a deal is in place.

erb. Music will implement the key Five Steps of a Sales Strategy, which according to SalesKen are Prospect & Qualification, Research, Pitch, Handle Objections and Close (2023).

1. **Prospect & Qualification:** this involves identifying who your Ideal Customer Profile (ICP) is, or in other words who the Target Market is. Each of the two Target Market as identified in the Market Research will have defined strategies for prospecting and qualifying is a lead that meets all of the criteria. This will ensure all conversations being have the potential to convert into business at the end of the process
2. **Research:** researching the target markets thoroughly will help to develop a USP, which will be clearly communicated throughout the sales process. This is vital as it sets the business aside from a busy competitive market.
3. **Pitching:** this is defining the sales process, and strategising how to reach out to targeted prospects and what the sales pitch should be, implementing market research support.
4. **Handling Objection:** this goes through all possibilities from identifying prospects through to conversions, including objections and pain points along the way. This will ensure all client-facing employees are able to have effective negotiations during the pitch stage.

5. **Close:** not only effectively agreeing on the terms and deliverables, but also providing high quality after-sales or post-campaign service to ensure artists come back as returning customers.

Once a sales process has been laid out, it will be essential to execute a coaching framework to train the reps who will be actively selling or client facing. This is an essential stage to ensure unison across the team; that all reps are consistent with how erb. Music approaches artists.



Appendix 6A: Sales Process (SalesKen, 2023)

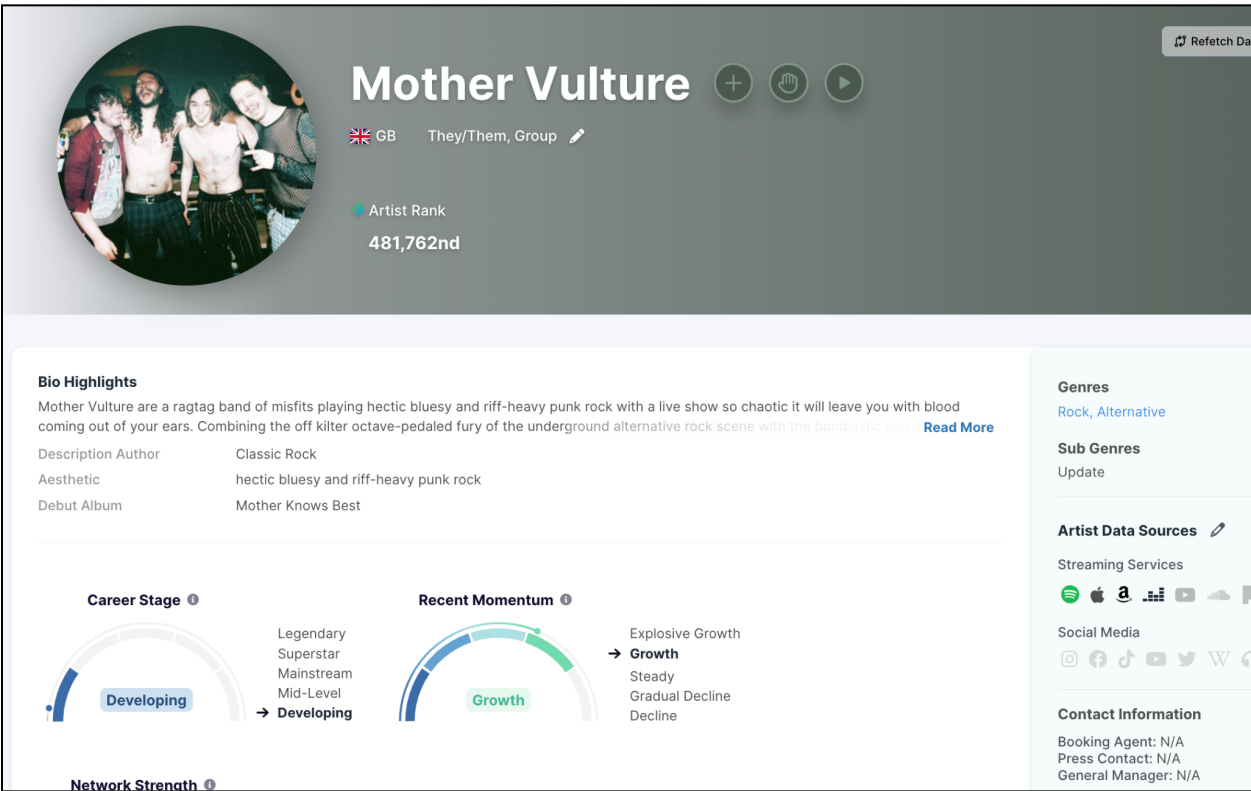
Building on the Sales Process in more detail, this will be a vital role in order to grow the business and leads. There will be an emphasis on the three key pillars below:

- Cold-calling / Proactivity
- Client Service
- Inbound leads

Cold-calling / Proactivity

As the business launched into the market, the awareness of erb. Music will virtually be zero, so it is essential there is a cold-calling and proactive strategy in place to make the target consumer aware of the business and its services. Cold-calling, or cold-emailing, involves identifying prospective clients and reaching out to them directly. It’s an important practice to initiative and maintain a company’s growth (Arif, 2023), however there needs to be a strategy in place to be able to build quality leads. Some ways to achieve this are:

- **Analysing Chart Metric data:** the platform has an array of tools to use to determine opportunities with growth artists. This will maximise the chance of reaching out to prospective artists before competitors.



Appendix 6B: ChartMetric data for Mother Vulture

- **Following independent and editorial playlists to discover new talent:** this is more of a manual approach, but a way of seeing which artists are actively releasing music and therefore likely to be investing in their business too.
- **Networking at key industry events:** events such as Notting Hill Music Events at Tileyard and BBC Introducing Live offer multiple opportunities to generate new leads with a range of professionals including artists, song-writers, publishers and more (Issberner, 2023).
- **Attending local gigs and striking conversations:** artist management is inherently personal, so it is vital to factor in facetime to build valuable leads.

Client Servicing

Artist Relations is all about exceptional Client Service based on trust and strong relationships. There will be processes in place to ensure artists are receiving the highest quality of service from the AR Team and the Ops team including:

- Weekly / Bi-Weekly / Monthly calls (depending on the Service Level Agreements set in place)
- Reporting, keeping the artists up to date with how their objectives are being hit
- Personable and charismatic Artist Relation team, with a rep matched to the right artist, taking into account a range of factors including love and knowledge of the genre and personalities

Excellent client servicing ultimately helps to achieve high retention rate. According to research, the average retention rate in the media industry is 25%, so the goal would be to meet this

average or exceed it (Rubkiewicz, 2023). To further help generate new leads, testimonials and case studies will be uploaded onto the website to boost credibility and trust in the services.

Inbound leads

As erb. Music grows and the paid marketing campaigns are deployed, there will be a goal of 30 inbound leads coming from either the social media channels or the website. These leads will go through the sales process as normal to qualify the inbound lead, then following to the pitch stage and then the close stage if the inbound lead is qualified.

Targets

In order to ensure business growth, there will be set sales targets across the Artist Relations and Press & PR teams. A framework for the sales has been devised based on the headcount of employees and ensuring there is enough resource for the number of artists. There will also be targets set for different tiered packages and deals. Setting targets, and accompanying those with commission, are effective in achieving revenue growth and propelling the business forward. These targets have also taken onboard seasonalities, and that Q4 tends to be the biggest, and most competitive, quarter for releasing music meaning there is an opportunity to upsell services during this period (Peleg, 2023).

In addition to the retainer packages, there will be goals set for signed artists under the management arm. The opportunities will be incoming from royalties and revenue streams such as touring and merch.

Sales Targets Year 1	Example client target for 1 AR Staff						No. of Artists per M:		Team of 1
	BRONZE	SILVER	GOLD	4WEEK	6WEEK	8WEEK			
	£800.40	£1,560.00	£2,040.00	£660.00	£816.00	£1,020.00			
January							£0.00	0	£0.00
February							£0.00	0	£0.00
March	1						£800.40	1	£800.40
April	1						£800.40	1	£800.40
May	1						£800.40	1	£800.40
June	1						£800.40	1	£800.40
July	1	1					£2,360.40	2	£2,360.40
August	1	1					£2,360.40	2	£2,360.40
September	1	1					£2,360.40	2	£2,360.40
October	1	1	1				£4,400.40	3	£4,400.40
November	1	1	1				£4,400.40	3	£4,400.40
December	1	1	1				£2,360.40	3	£2,360.40

Sales Targets Year 1	Example client target for 1 PR Staff						No. Of Campaigns per		Team of 1
	BRONZE	SILVER	GOLD	4WEEK	6WEEK	8WEEK			
	£800.40	£1,560.00	£2,040.00	£660.00	£816.00	£1,020.00			
January				1			£660.00	1	£660.00
February				1			£660.00	1	£660.00
March				1			£660.00	1	£660.00
April				1	1		£1,476.00	2	£1,476.00
May				1	1		£1,476.00	2	£1,476.00
June				1	1		£1,476.00	2	£1,476.00
July				1	1	1	£2,496.00	3	£2,496.00
August				1	1	1	£2,496.00	3	£2,496.00
September				1	1	1	£2,496.00	3	£2,496.00
October				1	1	1	£2,496.00	3	£2,496.00
November				1	1	1	£2,496.00	3	£2,496.00
December				1	1	1	£2,496.00	3	£2,496.00

Appendix 6C: Example sales targets

7

Services & Pricing



7. Services and Pricing

As previously mentioned, erb. Music will have two pillars to the business:

1. **erb. Agency:** a retainer service, tailored to service the individual needs and requirements of independent musicians
2. **erb. Management:** an all-encompassing management service available to carefully selected artists and operating on a 15% percentage on gross revenue

By having two approaches with their own defined strategies, this allows the business to focus on both short term and long term revenue. Artist management, on a traditional level, can be seen as a high-risk investment into a band or artist as there is not a guaranteed return on investment at the other end. This means that there is a mutually beneficial relationship between the artist and the manager as they are both invested in the project and driven to succeed. The retainer part of the business has a much larger pool of potential artists to market the services at, therefore ensuring shorter term revenue which is essential to keep the business running. In the launch period, there will be a focus on Pop, Rock and Electronic genre artists, with the ambition to grow into other areas when business expands.

erb. Agency

As already described, a retainer is a set fee for an agreed service over a time period. There are two different types of retainers a business should consider, which is based on the type of service they are offering. Firstly, there are pre-paid retainers, which are services agreed for a fixed period of time, and postpaid retainers, which allow the consumer to use a businesses services for as and when they are needed, and are priced based on time and materials (Williams, 2023). Out of the two types, erb. Agency will operate on a prepaid (fixed time) basis, with payments made in advance of any work being carried out.

There will be two types of ratecards which artists can choose from:

- Tiered MNGMNT Packages
- Campaigns

Each will have a tiered approach, and will be based on an agreed set of deliverables, or in other words Service Level Agreements (SLAs).

Tiered MNGMNT Packages

There will be 3 different levels of Management Packages available, which are designed for artists who require regular managerial work. There will be 3 different tiers to choose from, depending on how much assistance the artist requires. For Gold, the highest tier, erb. will offer an all-round management service. There will be weekly calls or meetings set to discuss all areas of the artist's development and opportunities. A Silver package offers 2 of the services on offer with bi-weekly calls or meetings and a Bronze package offers 1 of the services with monthly one-to-one calls and meetings. These are agreements for a minimum of 6 months. All artists who sign up to a Management Package will be assigned an Artist Relations Manager, who will be their main point of contact.

The services which artists can choose from include:

- Legal advice on contractual agreements
- Brand development
- Brand partnership pitching
- Scheduling tours and gigs
- Leading release strategies
- Press and PR

- Financial advice

The tiered Mngmnt Packages and their price point can be seen below:

erb.AGENCY - MNGMT PACKAGES		
PACKAGE LEVEL	WHAT'S INCLUDED	MONTHLY RATE (excl. VAT)
GOLD (min. 6 months)	Weekly Calls / Consultation for Artist Development & Strategy Bi-Weekly Report + all managerial services ERB Music has to offer: including release strategies, Press & PR plugging, social media management, paid social and digital ads, booking & touring, partnership opportunities, admin, legal, distribution and more	£1,700
SILVER (min. 6 months)	Bi-Weekly Call / Consultation for Artist Development & Strategy Bi-Weekly Report + 2 of the services ERB Music has to offer	£1,300
BRONZE (min. 6 months)	Monthly Call / Consultation for Artist Development & Strategy Monthly Report + 1 of the services ERB Music has to offer	£667

Appendix 7A: MNGMT Ratecard

Campaigns

Campaigns are designed for artists who require services on a tactical level and for a fixed period of time, like an album release campaign. These are ideal for artists who have or may not have management already, but require additional help when it comes to promotion strategies. There are 3 different packages on offer, for an 8 weeks, 6 week or 4 week campaign. All campaigns are managed by the Press & PR team.

All 3 campaign types offer services which cover the below areas:

- Press and PR Outreach
- Radio Outreach
- Playlist pitching
- Social and Digital campaigns
- TikTok Outreach

The Campaign rate card can be seen below:

erb.AGENCY - CAMPAIGN RATE CARD		
DURATION	WHAT'S INCLUDED	RATE (excl. VAT)
8 WEEKS	Ideal for Album Releases Minimum 20 Press and PR Outreach Radio Outreach Playlist pitching Social and digital campaign (<i>requires additional £100 min. budget</i>) TikTok Outreach (<i>talent fees may apply</i>) EPK	£850
6 WEEKS	Ideal for Album or Single Releases Minimum 12 Press and PR Outreach Radio Outreach Playlist pitching Social and Digital campaign (<i>requires additional £100 min. budget</i>) TikTok Outreach (<i>talent fees may apply</i>)	£680
4 WEEKS	Ideal for Album or Single Releases Minimum 8 Press and PR Outreach Playlist pitching Social and Digital campaign (<i>requires additional £100 min. budget</i>) TikTok Outreach (<i>talent fees may apply</i>)	£550

Appendix 7B: Campaign Rate Card

In Year One, prices of services will be at a price penetration point as an introductory offer to erb. Agency's services encouraging new business, and to effectively gain some of the market share. From Year Two to Year Five, the prices will increase steadily to become more competitive, by which point there will be a range client case studies and testimonials. Example of the rate increases can be seen below:

YEAR ONE			
Campaign Rates			
Year One			
Service	Fee	VAT	Total
4 Week Campaign	£550.00	£110.00	£660.00
6 Week Campaign	£680.00	£136.00	£816.00
8 Week Campaign	£850.00	£170.00	£1,020.00
Mngmt Rates			
Year One			
Service	Monthly Fee	VAT	Total
Bronze	£667.00	£133.40	£800.40
Silver	£1,300.00	£260.00	£1,560.00
Gold	£1,700.00	£340.00	£2,040.00
Minimum. 6 month contract			
YEAR TWO			
Campaign Rates			
Year 2			
Service	Fee	VAT	Total
4 Week Campaign	£700.00	£140.00	£840.00
6 Week Campaign	£750.00	£150.00	£900.00
8 Week Campaign	£900.00	£180.00	£1,080.00
Mngmt Rates			
Year 2			
Service	Monthly Fee	VAT	Total
Bronze	£850.00	£170.00	£1,020.00
Silver	£1,350.00	£270.00	£1,620.00
Gold	£1,800.00	£360.00	£2,160.00
Minimum. 6 month contract			

YEAR THREE			
Campaign Rates			
Year 3			
Service	Fee	VAT	Total
4 Week Campaign	£850.00	£170.00	£1,020.00
6 Week Campaign	£1,000.00	£200.00	£1,200.00
8 Week Campaign	£1,250.00	£250.00	£1,500.00
Mngmt Rates			
Year 3			
Service	Monthly Fee	VAT	Total
Bronze	£880.00	£176.00	£1,056.00
Silver	£1,400.00	£280.00	£1,680.00
Gold	£1,900.00	£380.00	£2,280.00
Minimum. 6 month contract			
YEAR FOUR			
Campaign Rates			
Year 4			
Service	Fee	VAT	Total
4 Week Campaign	£870.00	£174.00	£1,044.00
6 Week Campaign	£1,100.00	£220.00	£1,320.00
8 Week Campaign	£1,500.00	£300.00	£1,800.00
Mngmt Rates			
Year 4			
Service	Monthly Fee	VAT	Total
Bronze	£950.00	£190.00	£1,140.00
Silver	£1,500.00	£300.00	£1,800.00
Gold	£2,000.00	£400.00	£2,400.00
Minimum. 6 month contract			

Appendix 7C: Pricing increases

erb. Management

erb. Management will not be available to all artists who enquire, and artists would most likely be approached from the business who have have identified as potential stars. This part of the business will operate on a traditional managerial rate, where management will receive 15% of the gross revenue of the artist. This rate is based on that artist management typically earns 10% - 25% of the artists' earnings, with the average being 15% (Allen, 2022, pg. 22). As managers are required to be involved in all areas of the business of the artist, there will be one or a maximum of two artists being worked with in the early stage with the goal of increasing as the business grows and more managers are employed. This part of the business will be primarily led by the CEO, tapping into the rest of the erb. Music workforce for different projects when they are needed.

The services to artists on the roster will be an all-round 360 management service, offering everything from legal representation through to marketing and promotions.

Preferred Suppliers

Some services will require partnering with external companies or freelancers on a project by project basis, such as video or photography studios. There will be a list of preferred partners to use, with erb. adding a 15% fee on top for the agency management. A list of preferred suppliers are below:

PREFERRED SUPPLIER EXAMPLES				
SUPPLIER	LOCATION	SERVICE	APPROX. PRICING	15% AGENCY FEE
				
SIBLING STUDIOS	London	Photography studio	£400 / day	£60 / day
MANU AMLER	London	Videography Freelancer	£2,000 for a project	£300 / project

Appendix 7D: Preferred Suppliers example

Innovation

Behind the scenes, there will be a budget set aside into research and development, exploring new and innovative services and products to offer artists to keep the business growing. Here are some ways in which the services can grow in the future:

- **Subscription-based model:** offering exclusive content and resources, group Zoom consultations and webinars and more. This will be offered on a lower monthly or annual fee, and for those artists who are in the very early stages of their career who are not ready for a fuller-scale management service
- **Content production studio:** offering music videos, photography shoots and more to all artists (artists on the roster will be offered these services at a lower rate)

- **Virtual Manager powered by AI:** exploring how AI technology can be packaged in a Virtual Manager offering 24/7 advice to artists and analyse their data to effectively pinpoint gaps in their career or areas for growth

8

Management & The Team

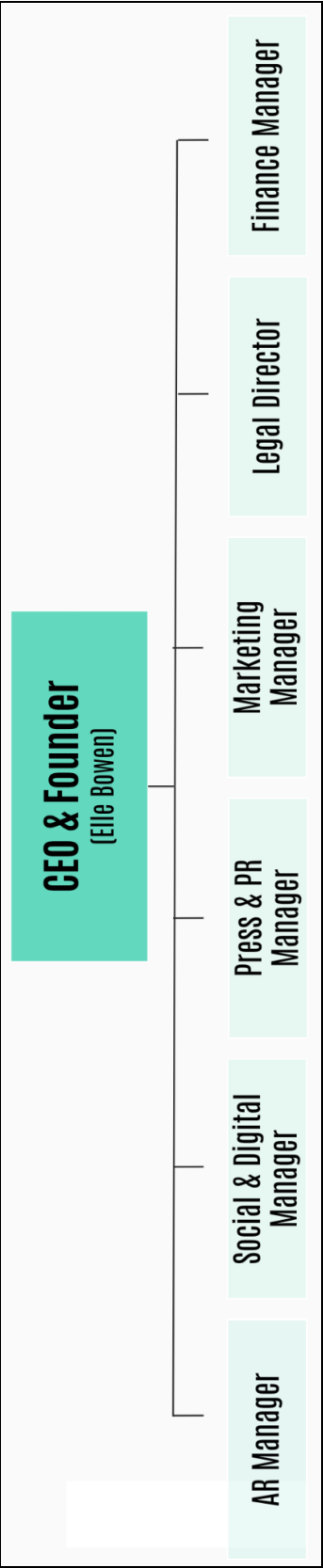


8. Management and the Team

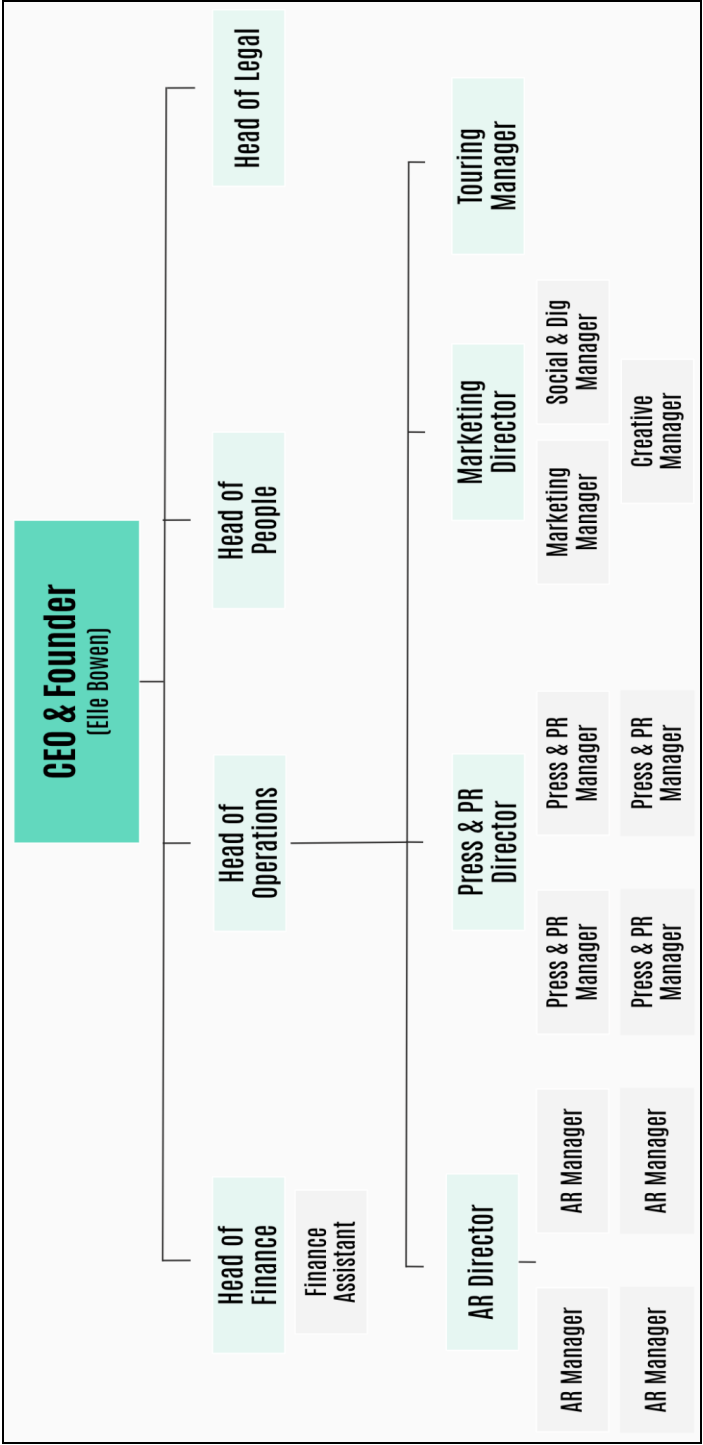
The company structure of erb. Music will be made up of the below, upsizing in certain departments across a five year period:

- CEO / Founder
- People & HR
- Finance Manager
- Legal Manager
- Press & PR
- Artist Relations
- Social & Digital Media
- Touring
- Creative

As defined by Hubspot, this business structure is categorised as a Small-Medium Business (SMB) which has between 50-100 employees (Coleman, 2023).



Appendix 8A: Year One Company Structure



Appendix 8B: Year Two Company Structure

Defining the Roles of the Team

- **CEO / Co-Founder:** this role will have an active role in bringing in new artists into the business, and taking charge of the Management side of the business looking for long-term artist relationships to invest in for the future. This requires a high level of relationship building and management, networking and staying on top of industry news to stay ahead of the curve in order to minimise risk and invest in bands with a positive future.
- **People:** responsible for employee admin and implementing employee perks and benefits, with much research showing that such perks boost productivity and help retaining talent (Mannion, 2023). This department will be introduced in Year Five as the business grows.
- **Finance:** an essential role in ensuring invoices from clients are paid correctly, the business is paying taxes and managing payroll for the staff. They will also be responsible for drafting contracts for artists. This department will grow from one to two by Year Five.
- **Legal:** drafting up new agreements and contracts as well as being on hand to advise on other contracts received from artists on the roster.
- **Operations:** this department will launch in Year Five, and will oversee all of trading from onboarding new artists through to existing relationships. Director level personnel across AR, Press & PR, Marketing and Touring will report into this department.
- **Artist Relations:** this team will proactively sell the Mngmt Packages to artists, answering inbound leads and continually nurturing relationships with the roster of artists.

They will have previously had sufficient experience in similar Artist Relations roles, preferably headhunted from a competitor business, and will have an existing list of artists to continue relations with. This department will grow from one to five over a five year period.

- **Press & PR:** driving revenue growth through selling Campaign packages. This will be a team with an extensive list of contacts in the press and public relations world with the ability to position artists on the most relevant channels. This department will grow from one to five over a five year period.
- **Marketing:** this department will look after artist's digital and social media campaigns, as well as be involved in internal marketing projects to promote the business.
- **Touring:** this will be an area of investment in Year Five, scheduling larger scale tours and shows for artists on the roster.

9

Operations



9. Operations

erb. Music will initially trade remotely in Year One, moving into a co-working office space in London in Year Three once the team has grown and business momentum is picking up. A co-working space will be a place for all of the team to collaboratively work on projects, whilst keeping monthly costs lower to a private office rental.

Shoreditch Exchange



Common Area



[View in 3D](#)

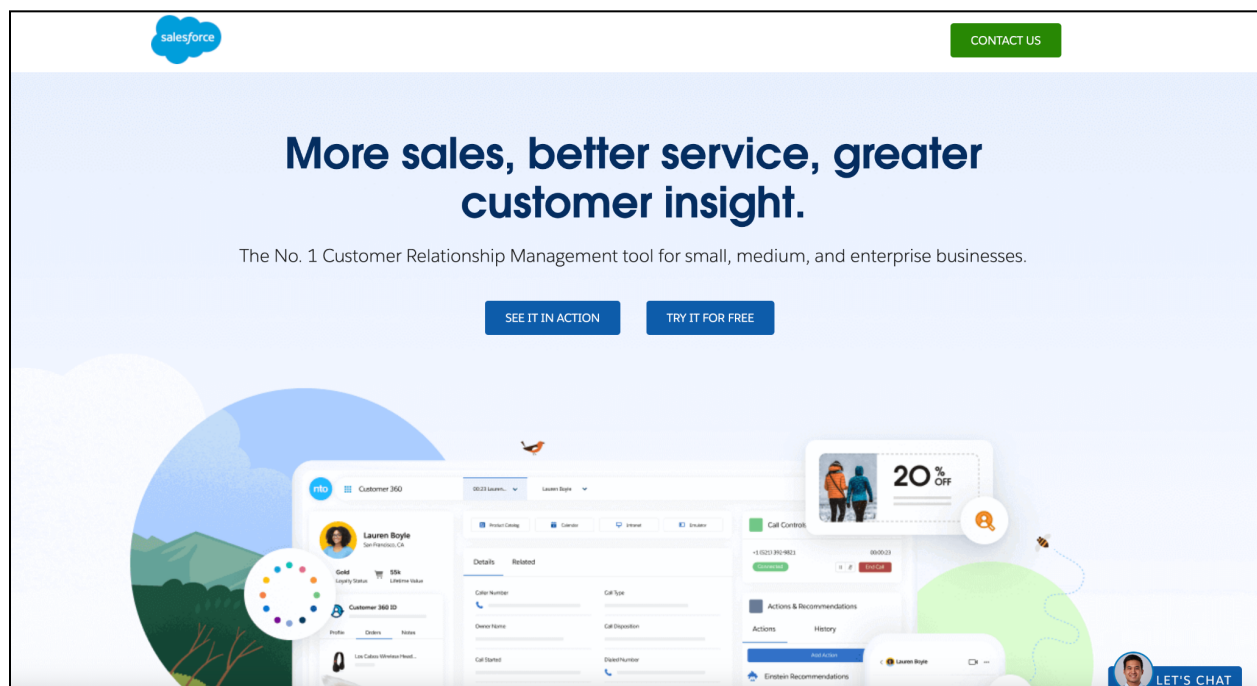
Appendix 9A: WeWork Office Example (WeWork, 2023)

Day-to-Day Operations

Day-to-day operations for erb. Music to trade will rely on computers / laptops and mobile devices connected to the internet. Regular video calls, calls and meetings will be required to be able to successfully deliver the erb. Music service. There will also be specialist tools required in order to complete tasks successfully:

CRM Platform

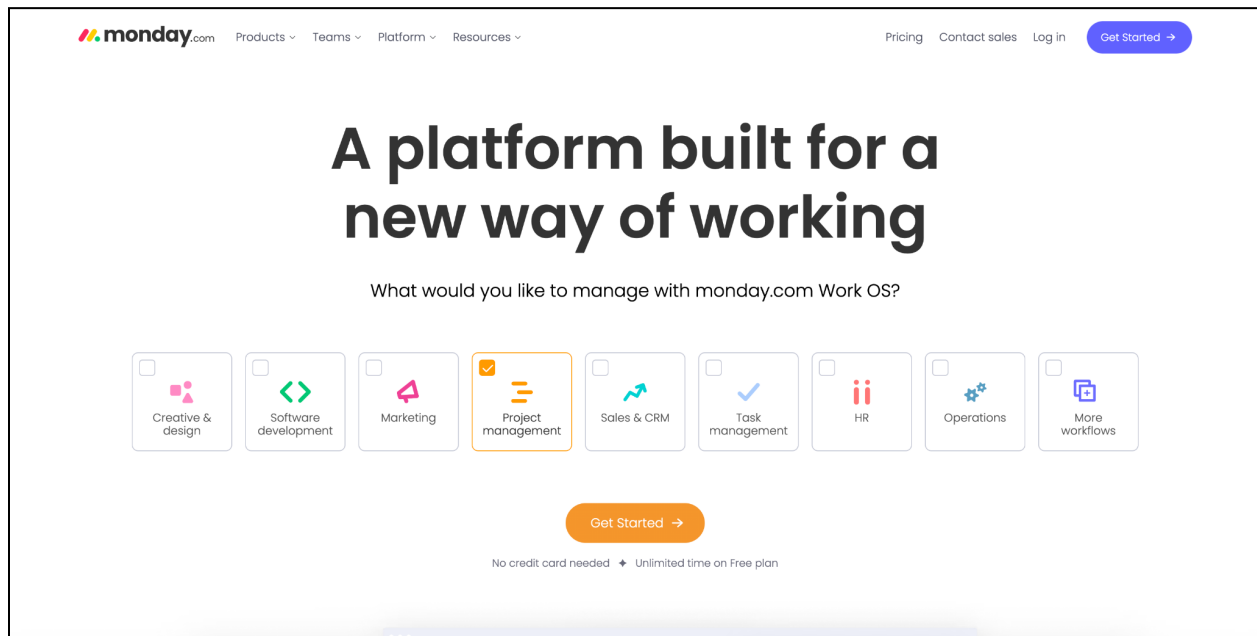
A Customer Relationship Manager (CRM) Tool, such as Salesforce, will also be required to efficiently track sales pipelines, forecast and maintain contacts including artists, partners and other relationships relating to the tasks (for example, radio presenters and journalists).



Appendix 9B: CRM Example (Salesforce, n.d.)

Campaign Management

A Campaign Management platform will be required to successfully manage multiple projects and campaigns at once. This will allow employees to assign tasks and deadlines, ensuring campaigns for artists are effectively managed.



Appendix 9C: Campaign Management Platform (Monday, n.d.)

Operational Planning

A year-long plan will be made ahead of the business' first year of trading. This will include all necessary stages to complete in order to launch the business, including deadlines for the website build, recruitment process and advertising. An Operational Plan showing key dates ahead of the first year of trading can be seen below:

10

Financial Projections



10. Financial Projections

This business plan has provided the following financial tables:

- Startup Expenses
- Projected cash flow for Years One to Five

Startup Expenses

A start-up budget will be required to launch erb. Music successfully into the market and to build up a prospective lead list for when the business launches. The projected initial expenses are as below:

ADMIN EXPENSES	AMOUNT
LEGAL AND ACCOUNTING FEES	£10,000.00
TOTAL	£10,000.00
ADMIN EXPENSES	AMOUNT
LAPTOPS, MOBILE PHONES	£7,500.00
TOTAL	£7,500.00
ADVERTISING & PROMOTIONAL EXPENSES	AMOUNT
ADVERTISING	£10,000.00
TRAVEL / ENTERTAINMENT	£5,000.00
MERCH / MARKETING	£10,000.00
TOTAL	£25,000.00
SALES SUPPORT	AMOUNT
RESEARCH & DEVELOPMENT	£7,500.00
TOTAL	£7,500.00
TOTAL	£50,000.00

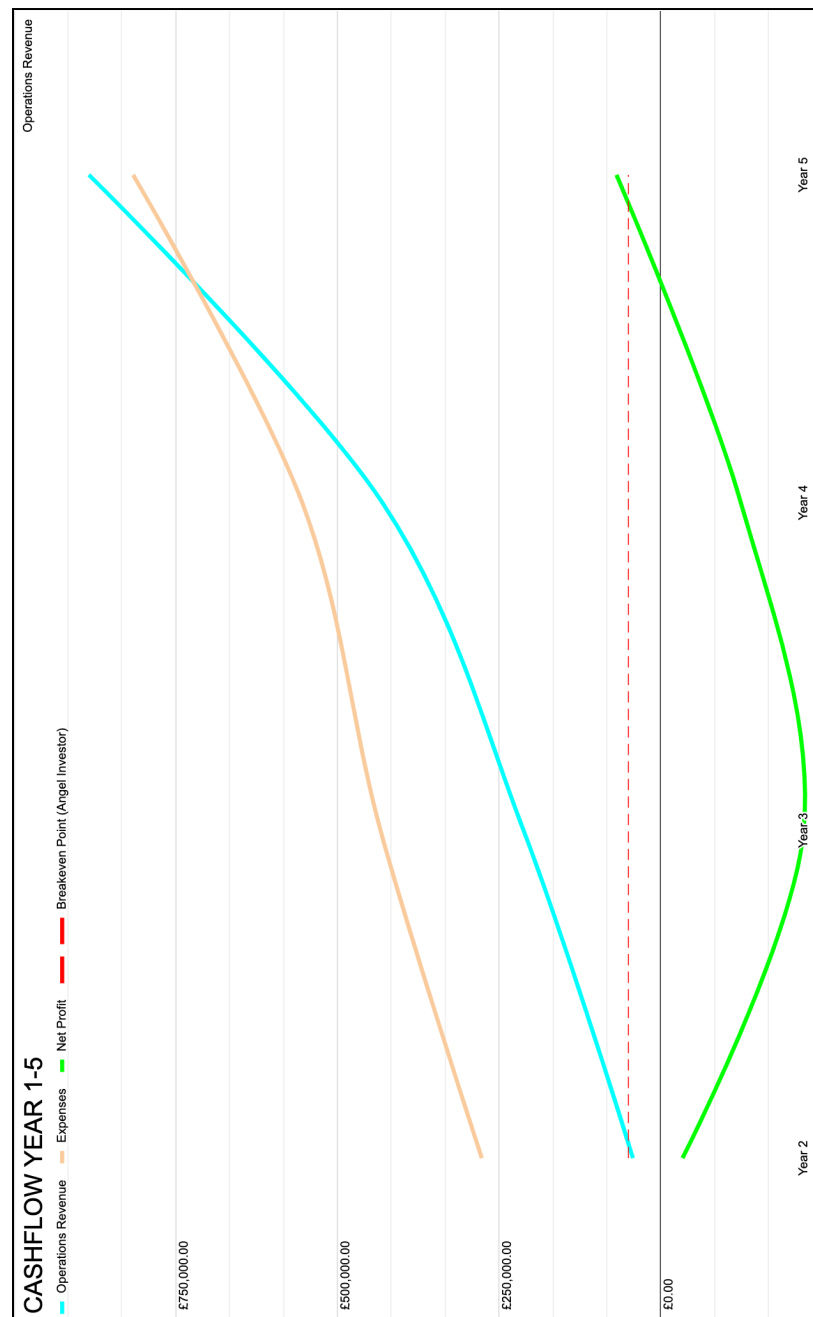
The startup expenses have been factored in costs across Tech and Equipment Purchases, Advertising & Promotion and Sales Support, which I've highlighted are the three key areas where investment is required to launch the business effectively.

- **Tech & Equipment Purchases:** investing in high quality laptops and mobile phones to be used by the business and employees
- **Advertising & Promotion:** an advertising budget will ensure awareness and consideration of the business is increased, therefore building a prospective client list ready to be contacted on Day One of trading. Additionally, the business of artist management is a highly personal one which requires networking and relationship building, therefore a travel and entertainment budget will be used for industry events.
- **Sales Support:** this includes subscriptions to industry resource and data analytical tools, such as Chart Metrics. In a data-driven world, being analytical with building leads as well as using such data platforms to report on client success is essential
- **Finance & Legal:** costs associated with an Accountant and Legal advice to ensure all requirements are met when setting up the business.

Cashflow Projections

A cash flow table has been created to forecast the monthly incomings and outgoings for running erb. Music business across a five year period, also factoring in proposed cash injections into the forecast. The key takeaways are:

- Trading period starts **1st January 2025**
- Year Four will begin to see the business turn a profit, with the end of year net cost at **£68,366.08**
- By end of Year Five, the net profit is projected to be **£235,388**
- The Year Five opening balance will be **-£310,540.68**, and the closing balance is projected to be **-£2,961.45**
- The business is eligible to pay Corporate Tax in Year Five based on Year Four's net profit



Appendix 10B: Cash Flow Projections and showing break-even for the Angel Investor

Cashflow: Forecast in Year 1																		
	Month	January	February	March	Q1 TOTALS	April	May	June	Q2 TOTALS	July	August	September	Q3 TOTALS	October	November	December	Q4 TOTALS	END OF YEAR TOTALS
		Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
OPERATIONS INCOME																		
	Supplier Payments	600.00	600.00	1,400.00	2,700.00	2,776.40	2,276.40	2,276.40	6,872.80	4,856.40	4,856.40	4,856.40	14,569.20	6,896.40	6,896.40	6,896.40	18,692.00	42,828.00
	Commission				0.00				0.00					0.00				0.00
TOTAL OPERATIONS INCOME																		
CAPITAL GAINS INCOME																		
	Angel Investor	600.00	600.00	1,400.00	2,700.00	2,776.40	2,276.40	2,276.40	6,872.80	4,856.40	4,856.40	4,856.40	14,569.20	6,896.40	6,896.40	6,896.40	18,692.00	50,000.00
	Bank Loan	50,000.00	0.00	0.00	50,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150,000.00
	Grants	150,000.00	0.00	0.00	150,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300,000.00
TOTAL CAPITAL GAINS INCOME																		200,000.00
TOTAL INCOME																		242,828.00
		200,000.00	600.00	1,400.00	202,780.40	2,776.40	2,276.40	2,276.40	6,872.80	4,856.40	4,856.40	4,856.40	14,569.20	6,896.40	6,896.40	6,896.40	18,692.00	242,828.00
EXPENSES																		
Salaries and Wages																		
	Travel (maximum 1% of monthly revenue)	17,666.67	17,666.67	17,666.67	53,000.00	17,666.67	17,666.67	17,666.67	17,666.67	17,666.67	17,666.67	17,666.67	17,666.67	17,666.67	17,666.67	17,666.67	17,666.67	176,666.67
	Contract Packages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VAT (20% of forecasted services)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Dividends	132.00	132.00	292.08	556.08	455.28	455.28	455.28	1,365.84	971.28	971.28	971.28	2,913.84	1,376.28	1,376.28	1,376.28	3,729.84	8,565.60
	Stationery and Materials	100.00	100.00	100.00	300.00	100.00	100.00	100.00	300.00	100.00	100.00	100.00	300.00	100.00	100.00	100.00	300.00	900.00
	IT and Support Systems	50.00	50.00	50.00	150.00	50.00	50.00	50.00	150.00	50.00	50.00	50.00	150.00	50.00	50.00	50.00	150.00	450.00
	Research and Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Office Space	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Advertising & Marketing	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	4,500.00
	Employee Benefits	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	4,500.00
	Employee Liability Insurance	420.00	420.00	420.00	1,260.00	420.00	420.00	420.00	1,260.00	420.00	420.00	420.00	1,260.00	420.00	420.00	420.00	1,260.00	3,600.00
	Bank Loan Repayments	0.00	3,000.00	3,000.00	6,000.00	3,000.00	3,000.00	3,000.00	6,000.00	3,000.00	3,000.00	3,000.00	6,000.00	3,000.00	3,000.00	3,000.00	6,000.00	18,000.00
	Credit Cards	150.00	150.00	150.00	450.00	150.00	150.00	150.00	450.00	150.00	150.00	150.00	450.00	150.00	150.00	150.00	450.00	1,350.00
	Annual sales support subscriptions (Chart Metrics)	1,152.00	1,152.00	1,152.00	3,456.00	1,152.00	1,152.00	1,152.00	3,456.00	1,152.00	1,152.00	1,152.00	3,456.00	1,152.00	1,152.00	1,152.00	3,456.00	10,368.00
Annual web and domain costs	200.00	200.00	200.00	600.00	200.00	200.00	200.00	600.00	200.00	200.00	200.00	600.00	200.00	200.00	200.00	600.00	1,800.00	
Corporation Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
TOTAL EXPENSES																		
		20,876.67	22,518.67	22,678.75	66,064.08	22,641.95	22,641.95	22,641.95	68,525.84	23,357.85	23,357.85	23,357.85	70,073.54	23,765.95	23,765.95	24,357.55	71,889.44	276,557.66
Net Cash		179,123.33	374,681.33	1,177,721.25	136,716.32	1,554,134.45	1,053,634.45	1,053,634.45	1,644,302.16	1,622,498.15	1,622,498.15	1,622,498.15	1,799,195.66	1,672,732.45	1,672,732.45	1,672,732.45	1,820,302.56	1,820,302.56
Opening Balance		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closing Balance		179,123.33	374,681.33	1,177,721.25	136,716.32	1,554,134.45	1,053,634.45	1,053,634.45	1,644,302.16	1,622,498.15	1,622,498.15	1,622,498.15	1,799,195.66	1,672,732.45	1,672,732.45	1,672,732.45	1,820,302.56	1,820,302.56

Appendix 10C: Cash Flow Table Year One

Cashflow: Forecast in Year 2

Month	January	February	March	Q1 TOTALS		April	May	June	Q2 TOTALS		July	August	September	Q3 TOTALS		October	November	December	Q4 TOTALS		END OF YEAR TOTALS
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
OPERATIONS INCOME																					
Sales Revenue	15,240.00	15,240.00	15,240.00	45,720.00	15,240.00	15,240.00	15,240.00	15,240.00	45,720.00	15,240.00	15,240.00	15,240.00	15,240.00	15,240.00	15,240.00	15,240.00	15,240.00	15,240.00	45,720.00	15,240.00	188,040.00
Commission	2,000.00	2,000.00	2,000.00	6,000.00	2,000.00	2,000.00	2,000.00	2,000.00	6,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	6,000.00	2,000.00	24,000.00
TOTAL OPERATIONS INCOME	17,240.00	17,240.00	17,240.00	51,720.00	17,240.00	17,240.00	17,240.00	17,240.00	51,720.00	17,240.00	17,240.00	17,240.00	17,240.00	17,240.00	17,240.00	17,240.00	17,240.00	17,240.00	55,200.00	17,240.00	212,040.00
CAPITAL GAINS INCOME																					
Angel Investor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank Loan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL GAINS INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL INCOME	17,240.00	17,240.00	17,240.00	51,720.00	17,240.00	17,240.00	17,240.00	17,240.00	51,720.00	17,240.00	17,240.00	17,240.00	17,240.00	17,240.00	17,240.00	17,240.00	17,240.00	17,240.00	55,200.00	17,240.00	212,040.00
EXPENSES																					
Salaries & Wages	25,500.00	25,500.00	25,500.00	76,500.00	25,500.00	25,500.00	25,500.00	25,500.00	76,500.00	25,500.00	25,500.00	25,500.00	25,500.00	25,500.00	25,500.00	25,500.00	25,500.00	25,500.00	76,500.00	25,500.00	306,000.00
Target Incentives (2% of monthly revenue)	304.80	304.80	304.80	914.40	304.80	304.80	304.80	304.80	914.40	304.80	304.80	304.80	304.80	304.80	304.80	304.80	304.80	304.80	914.40	304.80	3,768.00
Bonus (10% of company profit above £100k)	3,448.00	3,448.00	3,448.00	10,344.00	3,448.00	3,448.00	3,448.00	3,448.00	10,344.00	3,448.00	3,448.00	3,448.00	3,448.00	3,448.00	3,448.00	3,448.00	3,448.00	3,448.00	10,344.00	3,448.00	42,600.00
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Travel	100.00	100.00	100.00	300.00	100.00	100.00	100.00	100.00	300.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	300.00	100.00	1,200.00
Travel and Manpower	200.00	200.00	200.00	600.00	200.00	200.00	200.00	200.00	600.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	600.00	200.00	2,400.00
IT and Support Systems	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	1,500.00	500.00	6,000.00
Research & Development	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	1,500.00	500.00	6,000.00
Advertising & Marketing	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	1,500.00	500.00	6,000.00
Artist Investment	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	1,500.00	500.00	6,000.00
Artist Investment	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	1,500.00	500.00	6,000.00
Artist Investment	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	1,500.00	500.00	6,000.00
Artist Investment	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	1,500.00	500.00	6,000.00
Employee Liability Insurance	540.00	540.00	540.00	1,620.00	540.00	540.00	540.00	540.00	1,620.00	540.00	540.00	540.00	540.00	540.00	540.00	540.00	540.00	540.00	1,620.00	540.00	6,480.00
Bank Loan Repayments	3,000.00	3,000.00	3,000.00	9,000.00	3,000.00	3,000.00	3,000.00	3,000.00	9,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	9,000.00	3,000.00	36,000.00
Bank Loan Repayments	150.00	150.00	150.00	450.00	150.00	150.00	150.00	150.00	450.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	450.00	150.00	1,800.00
Annual Costs	1,152.00	1,152.00	1,152.00	3,456.00	1,152.00	1,152.00	1,152.00	1,152.00	3,456.00	1,152.00	1,152.00	1,152.00	1,152.00	1,152.00	1,152.00	1,152.00	1,152.00	1,152.00	3,456.00	1,152.00	13,824.00
Annual sales support subscriptions (Chart Metric)	200.00	200.00	200.00	600.00	200.00	200.00	200.00	200.00	600.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	600.00	200.00	2,400.00
Annual web and domain costs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EXPENSES	38,248.80	38,248.80	38,248.80	116,745.60	38,248.80	38,248.80	38,248.80	38,248.80	116,745.60	38,248.80	38,248.80	38,248.80	38,248.80	38,248.80	38,248.80	38,248.80	38,248.80	38,248.80	116,745.60	38,248.80	453,206.40
TOTAL EXPENSES	38,248.80	38,248.80	38,248.80	116,745.60	38,248.80	38,248.80	38,248.80	38,248.80	116,745.60	38,248.80	38,248.80	38,248.80	38,248.80	38,248.80	38,248.80	38,248.80	38,248.80	38,248.80	116,745.60	38,248.80	453,206.40
Net Cash	15,991.20	15,991.20	15,991.20	54,974.40	15,991.20	15,991.20	15,991.20	15,991.20	54,974.40	15,991.20	15,991.20	15,991.20	15,991.20	15,991.20	15,991.20	15,991.20	15,991.20	15,991.20	54,974.40	15,991.20	222,156.00
Operating Balance	31,739.80	31,739.80	31,739.80	97,953.60	31,739.80	31,739.80	31,739.80	31,739.80	97,953.60	31,739.80	31,739.80	31,739.80	31,739.80	31,739.80	31,739.80	31,739.80	31,739.80	31,739.80	97,953.60	31,739.80	344,846.40
Closing Balance	51,744.20	51,744.20	51,744.20	155,232.40	51,744.20	51,744.20	51,744.20	51,744.20	155,232.40	51,744.20	51,744.20	51,744.20	51,744.20	51,744.20	51,744.20	51,744.20	51,744.20	51,744.20	155,232.40	51,744.20	344,846.40

Appendix 10D: Cash Flow Table Year Two

Cashflow: Forecast in Year 3																	
Month	January	February	March	Q1 TOTALS	April	May	June	Q2 TOTALS	July	August	September	Q3 TOTALS	October	November	December	Q4 TOTALS	END OF YEAR TOTALS
OPERATIONS INCOME																	
Retailer Package	28,208.00	28,208.00	29,288.00	81,644.00	28,208.00	28,208.00	32,436.00	84,852.00	32,436.00	29,376.00	38,036.00	97,448.00	29,376.00	36,036.00	40,536.00	105,948.00	378,332.00
Commission	4,000.00	4,000.00	4,000.00	12,000.00	4,000.00	4,000.00	4,000.00	12,000.00	6,000.00	6,000.00	6,000.00	18,000.00	6,000.00	6,000.00	6,000.00	18,000.00	60,000.00
TOTAL OPERATIONS INCOME	30,208.00	30,208.00	33,288.00	93,644.00	30,208.00	30,208.00	36,436.00	96,852.00	38,436.00	35,376.00	42,036.00	115,448.00	35,376.00	42,036.00	46,536.00	123,948.00	438,332.00
CAPITAL GAINS INCOME																	
Angel Investor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank Loan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL GAINS INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL INCOME	30,208.00	30,208.00	33,288.00	93,644.00	30,208.00	30,208.00	36,436.00	96,852.00	38,436.00	35,376.00	42,036.00	115,448.00	35,376.00	42,036.00	46,536.00	123,948.00	438,332.00
EXPENSES																	
Salaries and Wages	31,250.00	31,250.00	31,250.00	93,750.00	31,250.00	31,250.00	31,250.00	93,750.00	31,250.00	31,250.00	31,250.00	93,750.00	31,250.00	31,250.00	31,250.00	93,750.00	375,000.00
Travel Incentives (3% of monthly revenue)	786.24	786.24	876.04	2,448.52	786.24	786.24	871.08	2,443.56	973.08	881.78	1,081.09	2,835.44	881.78	1,081.09	1,216.08	3,178.44	11,199.36
VET (20% of forecasted services)	6,041.60	6,041.60	6,653.00	18,736.20	6,041.60	6,041.60	7,267.20	19,370.40	7,687.20	7,075.20	8,407.20	23,189.60	7,075.20	8,407.20	9,307.20	24,789.60	86,064.40
Dividends	150.00	150.00	150.00	450.00	150.00	150.00	150.00	450.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Stationery and Materials	75.00	75.00	75.00	225.00	75.00	75.00	75.00	225.00	75.00	75.00	75.00	225.00	75.00	75.00	75.00	225.00	675.00
IT and Support Systems	200.00	200.00	200.00	600.00	200.00	200.00	200.00	600.00	200.00	200.00	200.00	600.00	200.00	200.00	200.00	600.00	1,800.00
Software Licences	200.00	200.00	200.00	600.00	200.00	200.00	200.00	600.00	200.00	200.00	200.00	600.00	200.00	200.00	200.00	600.00	1,800.00
Office Space	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	4,500.00
Advertising & Marketing	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	4,500.00
Travel Expenses	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	4,500.00
Employee Benefits	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	4,500.00
Insurance	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	4,500.00
Student Liability Insurance	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	4,500.00
Business Interruption Insurance	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	4,500.00
Public Liability Insurance	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	4,500.00
Credit Cards	150.00	150.00	150.00	450.00	150.00	150.00	150.00	450.00	150.00	150.00	150.00	450.00	150.00	150.00	150.00	450.00	1,350.00
Annual Costs	1,152.00			1,152.00													1,152.00
Annual support subscriptions (Chart Metric)																	
Annual web and domain costs	200.00			200.00													200.00
Corporation Tax (19% - Dec Year 2)																	
TOTAL EXPENSES	46,164.64	44,812.84	46,516.64	138,644.32	44,812.84	44,812.84	46,245.28	135,870.96	46,245.28	45,841.48	47,473.28	140,066.04	45,841.48	47,473.28	48,068.28	141,923.04	554,348.36
Net Cash	14,043.36	15,395.16	16,771.36	44,999.68	15,395.16	15,395.16	10,190.72	60,979.04	12,190.72	10,534.52	14,562.72	75,381.96	10,534.52	14,562.72	18,467.72	81,924.96	284,083.64
Opening Balance	253,936.00	273,837.28	293,833.68	307,730.72	327,730.72	347,730.72	367,730.72	387,730.72	407,730.72	427,730.72	447,730.72	467,730.72	487,730.72	507,730.72	527,730.72	547,730.72	567,730.72
Closing Balance	267,979.36	289,232.44	310,605.04	327,730.72	347,730.72	367,730.72	387,730.72	407,730.72	427,730.72	447,730.72	467,730.72	487,730.72	507,730.72	527,730.72	547,730.72	567,730.72	587,730.72

Appendix 10E: Cash Flow Table Year Three

Cashflow: Forecast in Year 4

Month	January	February	March	Q1 TOTALS	April	May	June	Q2 TOTALS	July	August	September	Q3 TOTALS	October	November	December	Q4 TOTALS	END OF YEAR TOTALS
OPERATIONS INCOME																	
Referral Packages	48,752.00	46,752.00	46,752.00	142,256.00	63,408.00	60,768.00	60,768.00	184,944.00	75,168.00	75,168.00	75,168.00	225,504.00	75,168.00	75,168.00	75,168.00	225,504.00	774,238.00
Commissions	3,000.00	3,000.00	3,000.00	9,000.00	8,000.00	8,000.00	8,000.00	24,000.00	10,000.00	10,000.00	10,000.00	30,000.00	10,000.00	10,000.00	10,000.00	30,000.00	106,000.00
TOTAL OPERATIONS INCOME	54,752.00	54,752.00	54,752.00	154,256.00	71,408.00	68,768.00	68,768.00	208,944.00	85,168.00	85,168.00	85,168.00	255,504.00	85,168.00	85,168.00	85,168.00	255,504.00	884,238.00
CAPITAL GAINS INCOME																	
Angel Investor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank Loan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL GAINS INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL INCOME	54,752.00	54,752.00	54,752.00	154,256.00	71,408.00	68,768.00	68,768.00	208,944.00	85,168.00	85,168.00	85,168.00	255,504.00	85,168.00	85,168.00	85,168.00	255,504.00	884,238.00
EXPENSES																	
Salaries and Wages	41,250.00	41,250.00	41,250.00	123,750.00	41,250.00	41,250.00	41,250.00	123,750.00	41,250.00	41,250.00	41,250.00	123,750.00	41,250.00	41,250.00	41,250.00	123,750.00	406,000.00
Travel Expenses (4% of monthly revenue)	1,870.08	1,870.08	1,870.08	5,610.24	2,538.32	2,430.72	2,430.72	7,397.76	3,006.72	3,006.72	3,006.72	9,020.16	3,006.72	3,006.72	3,006.72	9,020.16	31,648.32
WAT (20% of forecasted revenue)	10,950.40	10,950.40	10,950.40	32,851.20	14,261.60	13,753.60	13,753.60	41,768.80	17,033.60	17,033.60	17,033.60	51,100.80	17,033.60	17,033.60	17,033.60	51,100.80	176,841.60
Dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Insurance	150.00	150.00	150.00	450.00	150.00	150.00	150.00	450.00	150.00	150.00	150.00	450.00	150.00	150.00	150.00	450.00	1,350.00
Stationery and Materials	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	4,500.00
IT and Support Systems	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	4,500.00
Office Space	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	4,500.00
Office Supplies	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	4,500.00
Advertising & Marketing	1,000.00	1,000.00	1,000.00	3,000.00	1,000.00	1,000.00	1,000.00	3,000.00	1,000.00	1,000.00	1,000.00	3,000.00	1,000.00	1,000.00	1,000.00	3,000.00	9,000.00
Employee Benefits	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	4,500.00
Employee Liability Insurance	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	4,500.00
Professional Fees	3,000.00	3,000.00	3,000.00	9,000.00	3,000.00	3,000.00	3,000.00	9,000.00	3,000.00	3,000.00	3,000.00	9,000.00	3,000.00	3,000.00	3,000.00	9,000.00	27,000.00
Credit Cards	150.00	150.00	150.00	450.00	150.00	150.00	150.00	450.00	150.00	150.00	150.00	450.00	150.00	150.00	150.00	450.00	1,350.00
Annual Costs	1,152.00			1,152.00				1,152.00				1,152.00				1,152.00	3,456.00
Annual web and domain costs	200.00			200.00				200.00				200.00				200.00	600.00
Annual Tax (Apr - Dec, Year 3)																	0.00
TOTAL EXPENSES	63,722.48	62,370.48	62,370.48	188,463.44	66,387.92	65,734.32	65,734.32	197,856.56	71,590.32	71,590.32	71,590.32	214,770.96	71,590.32	71,590.32	71,590.32	214,770.96	815,841.92
Net Cash	9,029.52	7,381.52	7,381.52	65,792.56	5,020.08	3,033.68	3,033.68	11,087.44	13,577.68	13,577.68	13,577.68	40,733.04	13,577.68	13,577.68	13,577.68	40,733.04	68,396.88
Opening Balance	373,838.16	387,217.24	384,828.16	384,828.16	383,153.12	385,074.12	383,848.44	383,848.44	382,298.76	378,428.56	384,851.40	382,298.76	380,748.12	377,466.44	384,118.84	382,298.76	
Closing Balance	387,217.24	384,828.16	383,153.12	383,153.12	385,074.12	383,848.44	383,848.44	383,848.44	382,298.76	378,428.56	384,851.40	382,298.76	380,748.12	377,466.44	384,118.84	382,298.76	

Appendix 10F: Cash Flow Table Year Four

Cashflow: Forecast in Year 5															
Month	January	February	March	April	May	June	Q2 TOTALS	July	August	September	Q3 TOTALS	October	November	December	Q4 TOTALS
Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
OPERATIONS INCOME															
Revenue	107,400.00	107,400.00	107,400.00	107,400.00	120,000.00	120,000.00	347,400.00	120,000.00	120,000.00	120,000.00	360,000.00	120,000.00	134,700.00	144,700.00	461,400.00
Commission	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	30,000.00	10,000.00	10,000.00	10,000.00	30,000.00	10,000.00	10,000.00	10,000.00	120,000.00
TOTAL OPERATIONS INCOME	117,400.00	117,400.00	117,400.00	117,400.00	130,000.00	130,000.00	377,400.00	130,000.00	130,000.00	130,000.00	390,000.00	130,000.00	144,700.00	154,700.00	581,400.00
CAPITAL GAINS INCOME															
Angel Investor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank Loan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL GAINS INCOME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL INCOME	117,400.00	117,400.00	117,400.00	117,400.00	130,000.00	130,000.00	377,400.00	130,000.00	130,000.00	130,000.00	390,000.00	130,000.00	144,700.00	154,700.00	581,400.00
EXPENSES															
Salaries and Wages (5% of monthly revenue)	5,365.00	5,365.00	5,365.00	5,365.00	5,900.00	5,900.00	17,530.00	5,900.00	5,900.00	5,900.00	17,700.00	5,900.00	6,585.00	6,985.00	20,470.00
Bonus (5% of company profit above £200k)	2,925.00	2,925.00	2,925.00	2,925.00	3,225.00	3,225.00	9,800.00	3,225.00	3,225.00	3,225.00	9,675.00	3,225.00	3,575.00	3,775.00	11,375.00
Depreciation (20% of forecasted services)	2,000.00	2,000.00	2,000.00	2,000.00	2,200.00	2,200.00	6,600.00	2,200.00	2,200.00	2,200.00	6,600.00	2,200.00	2,420.00	2,520.00	7,660.00
Travel	300.00	300.00	300.00	300.00	300.00	300.00	900.00	300.00	300.00	300.00	900.00	300.00	300.00	300.00	900.00
Insurance and Materials	500.00	500.00	500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00	500.00	500.00	500.00	1,500.00
IT and Support Services	600.00	600.00	600.00	600.00	600.00	600.00	1,800.00	600.00	600.00	600.00	1,800.00	600.00	600.00	600.00	1,800.00
Research & Development	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	6,000.00	2,000.00	2,000.00	2,000.00	6,000.00	2,000.00	2,000.00	2,000.00	6,000.00
Advertising & Marketing	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	3,000.00	1,000.00	1,000.00	1,000.00	3,000.00	1,000.00	1,000.00	1,000.00	3,000.00
Arts Investment	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	3,000.00	1,000.00	1,000.00	1,000.00	3,000.00	1,000.00	1,000.00	1,000.00	3,000.00
Employee Liability Insurance	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	3,750.00	1,250.00	1,250.00	1,250.00	3,750.00	1,250.00	1,250.00	1,250.00	3,750.00
Bank Loan Repayments	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	9,000.00	3,000.00	3,000.00	3,000.00	9,000.00	3,000.00	3,000.00	3,000.00	9,000.00
Annual Costs	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	3,450.00	1,150.00	1,150.00	1,150.00	3,450.00	1,150.00	1,150.00	1,150.00	3,450.00
Annual sales support subscriptions (Chart Matic)	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	3,450.00	1,150.00	1,150.00	1,150.00	3,450.00	1,150.00	1,150.00	1,150.00	3,450.00
Corporate Tax (Jan - Dec Year 4)	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	7,500.00	2,500.00	2,500.00	2,500.00	7,500.00	2,500.00	2,500.00	2,500.00	7,500.00
TOTAL EXPENSES	105,484.67	105,652.67	105,652.67	105,652.67	111,276.67	111,276.67	333,708.67	111,276.67	111,276.67	111,276.67	333,708.67	111,276.67	119,164.67	127,944.67	358,384.67
Net Cash	11,915.33	11,747.33	11,747.33	11,747.33	18,723.33	18,723.33	43,691.33	18,723.33	18,723.33	18,723.33	56,291.33	18,723.33	25,535.33	26,755.33	22,995.33
Opening Balance	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Closing Balance	20,915.33	21,747.33	21,747.33	21,747.33	28,723.33	28,723.33	53,691.33	28,723.33	28,723.33	28,723.33	66,291.33	28,723.33	35,535.33	36,755.33	32,995.33

Appendix 10G: Cash Flow Table Year Five

11

Funding & Investment



11. Funding and Investment

A proposed investment of £200,000 will be injected into the business during the start-up and launch phase.

There are three ways in which this investment will be attained:

- Equity Financing (Angel Investor)
- Bank Loan
- Equity Crowdfunding

Equity Financing (Angel Investor)

Goal £75,000 for 10% equity

An Angel Investor with experience in investing in a new business and experience in the music industry would be able to add unrivalled value in the success of erb. Music. Angel Investor Richard Fearne has been identified as a potential investor with his sector focus covering Entertainment, and having previously invested in live music company Sofar Sounds (Rahamim, 2023). If successful with an Angel Investor, shares will be offered as part of the investment deal, which are typically offered to investors as shares come with certain rights such as dividend payouts and voting rights (Prezman, 2022).

The Equity Financing from an Angel Investor would go towards the initial start-up expenses needed before the business starts trading.

Bank Loan

Goal: £150,000

There are banks which offer loans which do not require a minimum time for trading or a minimum turnover, making these ideal for new business start-ups:

Barclays Secured and Unsecured Business Loans



Fixed or variable rate loans

£1,000 to £5,000,000

1 to 240 months

No specified minimum turnover or time trading

[Hide details](#) ^

Subject to application, financial circumstances and borrowing history. Other terms may be available.

Key details

Security	Security may be required	Personal guarantee	A personal guarantee may be required
Arrangement fee	No	Repayment holiday option	Yes
Additional eligibility info	Subject to application, financial circumstances and borrowing history. Other terms may be available.		

Appendix 11A: Barclays Bank Loan

The Bank Loan would help to finance the everyday costs associated with running the business between Year One to Q2 of Year Four (i.e. when the business starts to see a regular net profit). Payments will be made on a monthly basis, covering the loan and any interest accrued on top.

Equity Crowdfunding

Goal: £50,000

Equity Crowdfunding offers shares to multiple investors on a smaller scale (UK Crowdfunding, n.d.), Choosing the right crowdfunding platform is essential, with Seedrs and Crowdcube being two of the most recommended platforms for businesses in the start-up and growth stages (MicroStartups, 2023).

12

Conclusion



12. Conclusion

As demonstrated throughout this business plan, erb. Music will be able to successfully service artists which addresses the challenges they face in today's evolving music industry. The concept was born out of a deep understanding of the difficulties artists come across when trying to balance their creative pursuits with the demanding business aspects of their careers. As exhibited in the primary Market Research, It's a service that artists are willing to pay for, if the management is right - but there is a widely shared view that artists just do not know how to go about it. erb. Music supports artists embracing the digital and technological revolution, and is uniquely positioned to offer tailored and affordable solutions to assist artists which slot in perfectly in their existing strategy. Or, is available on a full-scale approach should they need it.

Whilst the first Five Years of erb. Music focuses on launching the business and on growth, there are strong opportunities to grow into other areas to keep the company moving forward. As described in the Services section, there are a few routes to pursue including offering a subscription-based service, launching Content Studio or investing in an AI tool. erb. Music has a forward-thinking mindset with an exciting future.

Here are the 4 key takeaways I want to conclude with:

1. A fresh approach to management which artists would pay for
2. Future potential is exciting, with many new avenues to explore
3. erb. is data-driven, using the best analytical tools to find artists with high potential and mitigate risks
4. erb. is projected to be a profitable business in Year 4

13

Reflective Summary



13. Reflective Summary

A well drafted business plan is crucial for any new venture as it provides a clear and structured roadmap, helping to define the purpose, goals, and strategies. Furthermore, as Hughes and Weller describe, a business plan is essential for any business seeking investment and funding. (2010, pg. 32). Heberling (n.d.) builds on this statement, and suggests that businesses which execute a strong, data-driven business plan will see a return on investment on time and money spent writing them, and individuals 2.5x more likely to actually start the business. By reflecting on the business plan in a more critical way, I improve my chances of securing investment if I was to pursue this business as a reality.

Drafting this business plan has been an insightful experience and one that I can take into a real world scenario. Whilst the process was challenging, it provided a comprehensive understanding of our business's core components and potential strategies for success. There are undoubtedly aspects of the plan that I would revisit, as *erb. Music* is a venture I would consider pursuing and this process has encouraged me to think critically about the business' mission on a more granular level. In particular, more research needs to be done around the services on offer and the steps required to achieve them. It reinforced the importance of thorough market research and a well-defined value proposition, and it's at this stage I think would benefit external input from an outside perspective who is established in the artist management world. They will be able to effectively guide me through any gaps currently in the offering.

Firstly, by bringing to life my personal experience in the Business Description this brings forward a real world insight and challenge being presented to potential investors in the plan. It also humanises the business, engages the investor on an emotional level, and demonstrates the entrepreneur's passion and commitment to the business. Including a real experience or narrative highlights the relevance of the business idea, as well as builds an initial trust with potential stakeholders reading the plan. However, it's crucial to maintain a balanced approach,

ensuring that the personal story is relevant, concise, and supportive of the core business details, rather than overshadowing them.

I also stated ERB Music Management will be a private limited company. As Hughes and Weller describe (2010, pp. 24 - 31) there are multiple ways to trade as a business which are: sole trader, partnership, limited company, franchise, registered charity and multi-level marketing. To build on this, there are two types of limited companies which are private and public. A public limited company must have a minimum capital of £50,000, so these types of company structures are much more expensive to start-up in comparison to a private limited company (Fleming, 2021). In reflection, if I was to revisit this business plan for ERB Music Management I would factor in a 2 to 3 year launch period where the company is set up as a sole trader. This is because I see the company being a one-person business initially, with trading to operate from home to keep overheads to a minimum. Furthermore, it would not be essential to be VAT-registered as I would not project the turnover to be more than £81,000 in these initial years (Hughes and Weller, 2010, pg. 25.).

The primary aim of Market Research, as Entrepreneur Media explains, is to understand the reasons why a consumer would buy your product or service by analysing cultural societal and personal factors which influence their purchasing behaviour (2015, pg. 151). Market Research is a systemic process which collects, analyses and interprets data or information about a market, playing a critical role in mitigating risks for the business. Ultimately, the findings from market research will determine if there is a viable business offering by delving deep into areas such as “is there a demand for this product or service?” or “can this business offer something a competitor can’t?”

Gaining statistics and data from secondary sources for erb. Music proved to be challenging as the business model covers many different areas of the industry, from touring to music streams. Ultimately, the business’ success is going to be reflective of how well the overall music market is doing. If the music market is seeing growth, then there is an opportunity for ERB to grow into

that space. For this reason, I provided insights into both the Music Market and the Live Event Market. However, my access to these latest reports were limited as many of the most reputable sources require a paid subscription service. Mordor Intelligence, which I referred to in my business plan, requires a fee of over £4,000 to access the full findings, including data filtered down by markets (Mordor Intelligence, 2023). This scenario was mirrored with the Verified Market Research study into the Live Events industry, which costs just under \$3,000 to access the full report (Verified Market Research, 2023).

As Cote describes, there are two types of market research to conduct: primary and secondary (2022). Primary research involves collecting new data first-hand, such as focus groups and surveys, whereas secondary research involves collating data which hasn't been conducted first-hand, including industry reports and public databases. For this business plan, I will be presenting both forms of market research to understand more of the market the business is operating in to determine areas of growth and risk, and to gain valuable insight into the target consumer.

As Cote also describes, market research is an ongoing endeavour (2022), so although it's an essential part of business planning it must continue to be visited throughout the venture to ensure how the business is marketing to the consumer is relevant and responsive to changing market trends over time. After conducting further research into competitor services, I would have amended the survey question regarding pricing. My question around pricing aimed to gather information around how much an artist would be willing to pay for a monthly retainer, however in reflection I would have included an option for whether respondents would like to agree to a percentage split of 15% of their gross revenue going to management (as long as the minimum is £1,000), as well as pricing for 4 - 8 week campaigns. As Market Research is a continually evolving technique, I will ensure to create a new survey which delves deeper into pricing.

Sapio Research suggests (2023), having a holistic approach to market research combining both primary and secondary research, incredible insights will come to light such as:

- Audience insight: a profound understanding to the target consumer is revealed, leading to more precise strategies
- Guided business decisions: allowing businesses to make solid decisions based on robust data
- Narrative crafting: helping to convince potential new customers by crafting unique content on the back of quality research, helping the business to stand out against the market

Based on these statements from Sapio Research, I would have conducted more primary research to help set aside erb. aside from the many other management companies in the market. Another form of primary research I would have liked to have included would have been interviews, where I would conduct one-on-one interviews with industry experts, potential artists / customers, and key stakeholders to gather more in-depth qualitative information. These interviews can provide valuable insights and opinions to help identify gaps in the business and its offering.

Where I conducted competitor analysis in retainer businesses, such as Liberty PR and Blinding Talent, I would also do more of a deeper dive into management companies to understand more of their business structure and operations. In my research online, information on management companies and their pricing, market share and services were difficult to come by. In order to tackle the lack of information via secondary research, I would have liked to have done first party research at a management company such as Autonomy. An interview with an employee or stakeholder would provide first-party insight into how the business operates and the kind of services they offer to their artists.

Entrepreneur Media explains that there are a few different ways to develop a list of competitors, such as talking to customers and suppliers, engaging with industry groups and reading industry

material such as journals (2015, pg. 159). For my business plan, my primary method of identifying competitors was using online resources and searching on Google. I also had received sales emails from Decent PR and Liberty PR directly, offering their services to a band I am currently managing. This opened a fantastic opportunity to speak to the competitors directly, ask them questions and understand their approach on a much more granular level than simply searching online. In the future, I would implement more ways to identify key competitors in the market, like attending industry events such as The Great Escape or SXSW. The Great Escape in Brighton, UK is one of the biggest industry events of the calendar which attracts 4,000 music industry professionals to networking parties, keynote speakers, workshops and insight panels (The Great Escape, n.d.). Whilst I have included attending such events as part of ERB Music's marketing strategies and new client prospects, it would also play an important role in investigating other similar companies who are making an impact in the music industry.

For the business' marketing strategies, I opted for a Media Mix approach, also known as the Marketing Mix, which is a combination of methods applied in order to reach the target consumer. Amazon Ads explain that the Media Mix approach takes some key elements of marketing - product, place, promotion and people - and encompasses all the ways in which a product can reach its desired audience (or 'people') (2021). I used a Dickies case study as part of the business plan, although in future I would use one that is a service-based company instead, which is more aligned with how erb. Music business operates and therefore a more compelling case study to present in the business plan. Dickies is also an established brand, so it wouldn't be as accurate to compare this to a new business launch. However, this case study was effective in proving the primary channels that were opted as part of the marketing plan (content marketing, paid social and digital).

In reflection, one area of the business I would explore further would be a more defined strategy on how I would market the business at networking events, such as SXSW and The Great Escape. Whilst I discussed panel talk opportunities, the power of networking and relationship building itself would serve as a vital marketing strategy for such a music management business

because of the industry's inherently relationship-driven nature, which White describes as a tool for fostering future business rather than immediate sales (White, n.d.). By fostering connections with artists, industry professionals, and key stakeholders, the erb. Music can access unique opportunities and insights that traditional marketing approaches cannot provide, as strong relationships can translate to valuable referrals, endorsements, and collaborations. In an industry where word-of-mouth and trust hold immense value, these strategies play a critical role in securing success and ultimately contributing to the long-term growth of the business. The Music Managers Forum also offers plenty of resources, events and even a directory for artists to approach managers themselves (Music Managers Forum, n.d.) so this would be an extremely valuable organisation to sign up to.

Pricing services correctly is a multifaceted task, especially when launching a new business in a competitive market. In the business plan, I chose to implement an introductory rate, commonly referred to as Penetration Pricing, with the intention of drawing in the initial wave of customers. There are many advantages to Penetration Pricing, as Teodorescu (2023) explains. Not only does this type of strategic pricing help to introduce new products by establishing them in the market, it can also foster positive branding, increase market share by luring customers from competitors, attract loyal customers, improve cost control, and potentially lead to increased profits from other regular-priced products as customers explore the brand's offerings (Teodorescu, 2023). However, one challenge may lie in finding the right price-point, as pricing too low might inadvertently create a perception of lower service quality.

Throughout the business planning process, the pricing strategy became a focal point of continual scrutiny, analysis and adjustment. It was essential to revisit and refine the pricing structure, as it became evident that our initial pricing point was too low. At the stage where I delved into the cash flow projections, it became much more evident that the initial pricing structure fell short of adequately covering the outgoing expenses, including staff costs. This continuous adjusting and fine-tuning the pricing strategy is instrumental in ensuring the

long-term sustainability and profitability of our business venture. And whilst a balance was found, the services are at a higher price of the maximum I was initially willing to go to.

Service Level Agreements (SLAs) emerged as a key component of our pricing strategy. These agreements, I recognised, are pivotal in effectively managing the allocation of time and labour resources, ensuring that we can meet our commitments and maintain consistent service quality. The importance of ironing out these SLAs before finalising our pricing structure became evident, given their impact on our operational efficiency. These SLAs can be seen on the rate cards in the business plan.

Furthermore, I delved into the concept of preferred suppliers, a strategic move that could broaden the scope of ERB Music's services beyond our core offerings. By establishing partnerships with preferred suppliers, the business has the potential to create an additional revenue stream through a 15% agency fee, mirroring industry practices commonly seen in the domain of media planning agencies.

The services on offer are a mixture of lower value (i.e. less labour-intensive) and higher value (i.e. more labour-intensive). This is also known as a Tiered Pricing Model, which is a pricing strategy that offers different levels or tiers of a product or service at varying price points each with a different set of features, capabilities, or limitations (Paddle, 2021). I opted for this pricing method as the concept for erb. is about putting artists in control; they choose what they want, which is unique for their own need. Further to this, it allows them to choose the tier that best aligns with their budget. However, getting the balance right between the lower tiered options versus the higher tiered options can be difficult to get right. As Majaski (2023) explains, this refers to the the law of diminishing marginal returns, which predicts that when an optimal level of capacity is reached, and that adding a factor of production will result in smaller increases in output. In other words, the pricing of what is on offer needs to reflect the amount of labour that is going into delivering the service. For a new business, this will be an ongoing endeavour to ensure this balance is effectively met.

I wanted to include a wide range of services on offer for the business, to truly reflect the all-encompassing nature that Artist Managers are involved with. As defined by Indeed (2022), the key values which managers should have include strong communication abilities, negotiation skills, a deep understanding of the music industry, and the capacity to build and maintain professional relationships. However, Kate the Socialite (n.d.) suggests the importance of not offering too many services, particularly in the context of a service-based business. While it may seem tempting to offer a wide array of services to cater to a wide range of needs, this could dilute the brand's focus and potentially overwhelm both the business and its clients. Kate the Socialite continues this idea by suggesting on focussing a specialism and niche expertise when building a successful service business, encourages business owners to streamline offerings. However, Thompson (2020) argues that diversifying services can be a strategic move to attract a broader market and to enhance revenue streams. By offering additional services, businesses can increase their market share and customer loyalty while reducing the risk of relying solely on a single offering. As long as careful planning and research has took place, small businesses can successfully broaden their service portfolio to meet evolving customer demands and remain competitive. The nature of Managers taking on multiple roles for their Artists will always create a more challenging framework for a service-based business model, however I am confident with thorough research and planning that erb. Music can offer artists a fresh approach to music management.

Defining a brand is much more than simply designing a catchy logo or choosing the right colours - it's about defining the values of the business, what the business says, what the values are, how to communicate this service and how we want artists to feel when they are interacting with the business (Wheeler, 2023). Branding is vital for a business plan because it serves as the foundation upon which the entire venture is built. Beyond creating a visually appealing logo or a catchy company name, branding forms the bedrock of the business's identity and value proposition. It guides decisions related to product or service positioning, target audience, and marketing strategies.

A well-defined brand acts as a compass for the company, ensuring that every aspect of the business, from marketing materials to customer interactions, aligns with a unified message and identity. Moreover, it helps establish the business's reputation and credibility, making it easier to attract customers, investors, and partners. In a business plan, clearly articulating the branding strategy is essential to convey the business's unique value, competitive advantage, and its potential to resonate with the intended audience. It provides a roadmap for how the business intends to position itself in the market, thereby demonstrating a comprehensive understanding of the competitive landscape and its plans for success. A well-thought-out branding strategy is, therefore, a fundamental and indispensable component of a compelling business plan.

Strategising the sales process is essential in a business plan because it lays the foundation for revenue generation and business growth. I approached this section of the business plan by following a five step sales process, from identifying leads through to closing the deal. I also set some Sales targets across the business, which Bailey explains should be attainable, measurable and contribute to the strategic vision of the company (2020). The sales targets are also essential in helping to shape the projected cash flow forecast. However, they have multiple functions outside of just delivering business growth, as Jaureguy (2022) describes. Sales targets also have the power to motivate employees, offering incentives like commission for surpassing targets. They also improve focus, ensuring employees have a clear path to follow, enhancing productivity. And finally, goals encourage innovation, as employees are motivated to seek out ways to improve performance and share strategies with the team in order to reach the targets.

When setting the sales strategy and targets for the business plan, I also took on board typical seasonal trends the music industry experiences. As Peleg (2023) describes, different months offer distinct advantages and drawbacks for music releases. January and February, being less competitive, are ideal for new artists to gain recognition. March is best for those attending (SXSW) but not recommended for unknown artists. April and May are great for exposure,

coinciding with the start of the touring season and Record Store Day. June and July are festival months, perfect for energetic releases. September and October are excellent for emerging artists, while November and December are highly competitive (Peleg, 2023). Each period will take on board different strategies for each month, prioritising services which are likelier to yield the best results during that time.

As part of my team structure, I opted to employ on a permanent level offering a salary as it poses some advantages over hiring freelancers. There are several considerations to bear in mind when building out the workforce, and perhaps it might be that some roles are better filled by freelancers or contractors until the business is ready to employ staff on a permanent level. Firstly, freelancers are able to provide flexibility, being on hand for specific projects when they are needed (Bonfield, 2023). This in turn makes them a cost-effective choice for temporary projects. However, Bonfield continues that contractors may lack loyalty, and business owners have less control over their work. This is where employees have their advantages, as they are more loyal and can be trained to fit the business culture. However, they require more administration, including legal compliance and additional costs like pensions and sick pay which has an implication on the outgoings of the business. In reflection, it might be that some of the roles at first should be offered on a contractual basis, and only offer the fixed-term contracts to employees which the business wants to keep on a long-term basis.

Operations are the often-underestimated driving force behind a business's success, as Kiisel (n.d.). Explains. They involve managing the internal workings of your business to enhance efficiency, reduce costs, and make the most of your resources. With erb. Music being a digital, service based company some of the key considerations I would need to take are the communication methods the team are taking with clients, effective hiring procedures and efficient digital tools to carry out tasks and projects.

In approaching erb.Music's operations within the business plan, I have emphasised flexibility and cost-efficiency in the initial stages of the business. Opting for remote work during Year One

and transitioning to a co-working office in Year Three aligns with the goal of cautious growth. Although an office isn't essential for day-to-day operations, it does have its advantages. Being a service-based business, Payne (n.d.) describes that co-working spaces have a significant effect on positive wellbeing so it might be that renting an office space may be a better solution for the wellbeing of employees. A co-working office space allows for collaborative teamwork while keeping monthly expenses in check.

Additionally, my focus on day-to-day operations highlights the essential tools required to streamline our processes. The CRM platform will enable efficient sales tracking and relationship management, crucial for building our network of artists and partners. The Campaign Management platform will ensure the successful execution of multiple projects and campaigns. Furthermore, the creation of a year-long operational plan signifies a commitment to organised and strategic growth, providing a roadmap for key milestones and deadlines. To enhance this approach, I could consider further exploring opportunities for remote work and digital collaboration tools, which might be cost-effective and flexible while contributing to efficient operations as erb. Music expands.

The finance section of my business plan presented a significant challenge, emphasising the need to seek professional assistance from an accountant in a real world scenario. The Cashflow was a method of trial and error, where I tested different outgoings and incomings to reach a projection I believe is a positive and profitable one, but perhaps might be a little optimistic in areas. Firstly, for outgoings such as IT support, I relied on quotes from online resources which could range considerably depending on the business who is quoting it. For IT Support, I based this out-going on TechSolve which suggests this service to range between £400 - £1,000 for a 10 person company (IT Strategy, 2020).

Pricing the business' services and managing labour capacity was another complex task, aiming to ensure net profit from the business within five years. I was determined to breakeven in this timeframe, signalling a need to explore expense reduction options, perhaps reinforcing my

earlier point around shifting from fixed-term salaries to contracts. The gross revenue target of £1.1 million for year 5 was ambitious and might need revision. This is based on a high risk strategy, with some of the gross revenue income coming from return on artist investment and receiving a percentage on their income every month.

Leading on from the need to hire an accountant or financial help, another area they would be able to provide guidance in is funding and investment options. As the FCA suggest, there are five key questions to ask before agreeing to an investment (FCA, n.d.):

- Are you comfortable with the level of risk, and can you afford potential losses?
- Do you thoroughly understand the investment, including liquidity options?
- Is your investment regulated, ensuring protection under specific schemes?
- What safeguards are in place if the investment provider or adviser faces financial issues? Are you protected in such cases?

Equity funding through an Angel Investor emerged as one of my preferred methods of financing during the business planning process, primarily because it offers a distinct advantage: it doesn't require traditional repayment, as ownership shares are offered instead (The Hartford, n.d.).

When asking for an investment from an Angel Investor, it is essential to balance all elements around how much the business is valued or will be valued at versus the investment amount being asked and the equity share being offered in return (British Business Bank, n.d.). While researching this option, I initially explored angel funding and angel investors through online channels. However, I recognised that attending networking events where angel investors gather presents a more dynamic and engaging approach, as these events allow for direct interaction and dialogue with numerous potential investors, therefore maximising the chances of securing the right match for the business.

One crucial aspect I would need to explore further is the amount of interest to pay from a bank loan investment. This may turn out to be considerably more than what had been factored into the cashflow outgoings.

I had considered Crowdfunding as one potential option for investment, however after further research I made the conclusion that perhaps equity crowdfunding would be more successful in the business' later years. As Solarz describes, the five business types which are most successful on crowdfunding platforms are product-based businesses, artistic and creative ventures, restaurants and food-related businesses, and innovative tech startups (Solarz, n.d.). With erb. Music having a vision where the business expands into a Virtual Manager powered by AI, this perhaps would have more success in a crowdfunding investment as this falls into an innovative tech idea.

Creating this business plan has been an insightful task, offering essential insights into the core components required for planning success in the competitive music industry. A well-drafted business plan serves as a roadmap for the venture, aligning purpose, goals, and strategies, and although there are elements which can be revisited to propose a more solid offering Courtney (n.d.) describes having such an agile approach to business means it is more likely to be a survivable one, versus a business who are more rigid in their method. From investing in extensive market research, scrutinising the services on offer and accompanying price points, through to careful considerations to take when seeking investment, drafting the business plan emphasised the importance of continually adapting. But for now, it has played a crucial role in building the foundational clarity.

14

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