



Business Proposal

AUDIOSTEM – THE FUTURE OF MUSIC DISCOVERY



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1. INTRODUCTION

Audiostem is a new, music provision service that combines the functionality of a background music system with a streaming system. Providing a holistic platform that ties businesses, music listeners and artists together to create a symbiotic relationship that will bring music and artists to new audiences in new, creative ways that in turn provide management tools for artists to promote and manage their careers whilst contributing to customer growth.

Music is the one medium that is consistent across the majority of media experiences in modern life, from watching television, playing video games, browsing the internet, through to the retail experience of shopping and socialising with friends. It is this convergence that is becoming increasingly exploited through advertising, film scores, soundtracks, and other media, however the point that is often discussed by those in media and those who listen to music, is that it is becoming increasingly hard for musicians, bands, artists to get their music heard. With the ever-increasing expanse of the Internet and use of streaming services such as Spotify and their inclusion on systems such as games consoles, smart TV's and smartphones, why is the music industry struggling to such an extreme? The music and musicians are out there, in the pubs and clubs trying to get their music heard and in turn posting their music on the Internet through services like Soundcloud, YouTube and similar services however, it is harder to find new music and indeed appreciate the vast expanse of musical history. For example, in 1984, there were a mere 6,000 albums released in the UK. Today streaming services can release up to 55,000 songs every day. Since 2009, the number of British Songwriters has increased by 115%. Furthermore, the growth in the number of genres available is staggering with as many as 5,224 different styles of music available on Spotify. (Page, 2021). It is clear that the music marketplace is saturated with an everlasting stream of new acts, songs and styles that make it all the more challenging to get music into the mainstream.

Whilst Audiostem is a music streaming platform it is designed on the principle that the most effective, inspiring and influential way of promoting music is still being led by individuals recommending great music; someone playing music to an audience. Of course, this role naturally fits into the job description of the DJ, predominantly the radio DJ; the person who selects the music for their show, who has passion and emotional skin in the game. This is becoming an increasing rarity due to commercialism of radio and media, where producers or sometimes even brands decide what music is played on a particular show. If this is becoming the accepted norm for the way in which music is heard and "learnt", is it any surprise that the industry is choking? So, what is the answer?

The solution is a simple one, music grows through sharing with people, *through* people; not brands. The current perception is that this can be achieved over the internet, but the truth is "*with*" implies human interaction. The experience of discovering and experiencing music is a much more basic and communal experience. When we listen to music together, we connect in a more profound, human way that cannot be achieved remotely. Music needs to be able to grow in a more natural and instinctive manner. Technological innovations should be utilised to allow this to happen in such a way that enhances the experience, and not replace it.

So, if music is a communal experience and is an art form that brings people together, it would be logical to conclude that enhancing the environment with an interactive music platform would be the next step in the evolution of the music industry.

The statistics below are taken from research carried out by PRS/PPL between February and March in 2020 from 73 participants in the Hair and Beauty industry. (PPLPRS, 2020)

- 93% of businesses surveyed agreed that music has a positive effect on their business
- 88% surveyed agreed that music lifts the mood and creates a more welcoming atmosphere.
- Playing music in waiting rooms makes over three-quarters of people more relaxed

So, how do we allow this communal experience to grow? That's where Audiostem comes in. Audiostem allows artists to interact directly with their audience, wherever they may be, whether in shops, cafés, restaurants or in bars. Audiences, artists and businesses are able to work together in a unique way that allows direct interaction between all three components.

The following section describes how Audiostem is constructed and formed into three separate elements that come together to form one all-encompassing music platform.

2. AUDIOSTEM: THE PRODUCT

One of the aspects considered when looking at solutions and functionality was the concept of the jukebox. This piece of technology was very popular from the 1950's onward and would often be found at the end of each table in the coffee bars of the 60's in the UK or Diners in the U.S. With the explosion of rock and roll and at a time when there was a renewed optimism for the future economy, this time is considered to be responsible for the birth of the teenager. This group of young people would spend their time and money in these establishments often just to play music and be with friends as there were not many places where young people could gather and discover music at that time.

The birth of the internet has provided a world of music discovery platforms, from the creation of MySpace in 2003 through to the music streaming platforms of today such as Spotify and Apple Music. Teenagers then, have more options at their fingertips and therefore no longer need to spend their time and money in Cafés to find new music. A fundamental shift in culture has impacted this aspect of the economy and removed the inherent relationship between the physical space and discovering new music with friends. We live in a world where social media provides that link in a virtual sense and therefore, it can be argued that the very thing that is designed to bring people together provides a division at the very root of human interaction and music.

Audiostem is a background music service that combines the functionality of a controlled Business to Business (B2B) background music system, whilst at the same time providing access to the system to customers who are able to patch into the businesses system through the app and effectively use their phone as a jukebox.

Artists can upload their music directly into the system whilst being able to gain information as to where their music is being played and in turn, allow them to keep a track of their own music royalties. This three-way interaction builds a symbiotic relationship that allows businesses to grow revenue through music; customers to discover new music and to know where they can see their favourite bands and in turn allow artists to interact directly with the system to manage their own schedules and grow their fanbase directly.

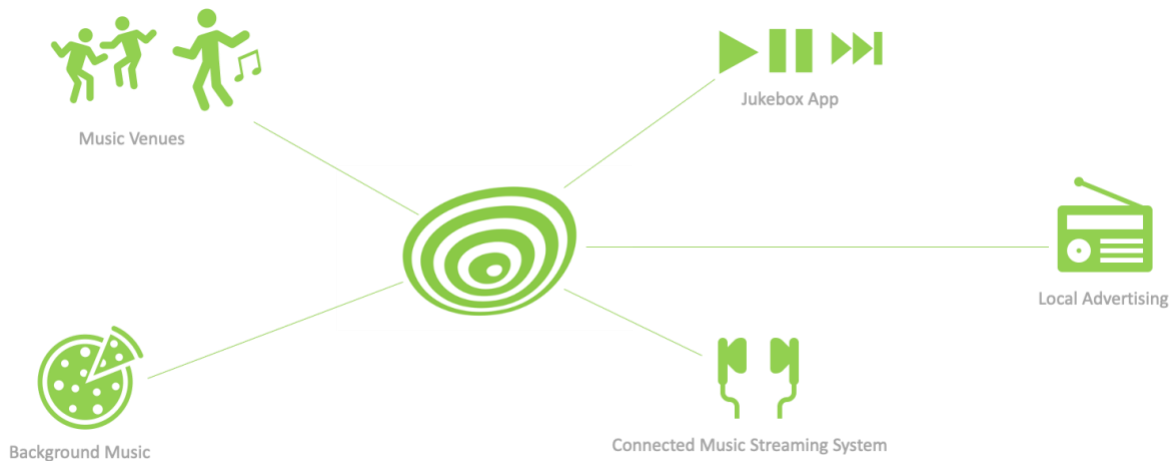


FIGURE 1 - AUDIOSTEM HUB

Audiostem can be seen as a hub; a central point where people interact at different levels and ways that mean there are different experiences for each user group.

To give these user groups their own identity within the system we have defined the following terms as follows:

- Businesses are defined as **Venues**
- Consumers are defined as **Explorers** and
- Artists and Musicians are defined as **Creators**.

The user's interaction with the system will vary depending on whether they are a Venue, Explorer or Creator. The system has been designed to break these points of interaction into defined product categories and services. These are as follows:

- Audiostem Venue
- Audiostem Explorer
- Audiostem Creator

2.1. AUDIOSTEM VENUE

Audiostem Venue is the interface where businesses can access the Audiostem library of music. It is a cloud-based system that provides access to the Audiostem server. From here unique playlists can be uploaded and managed directly from this screen.

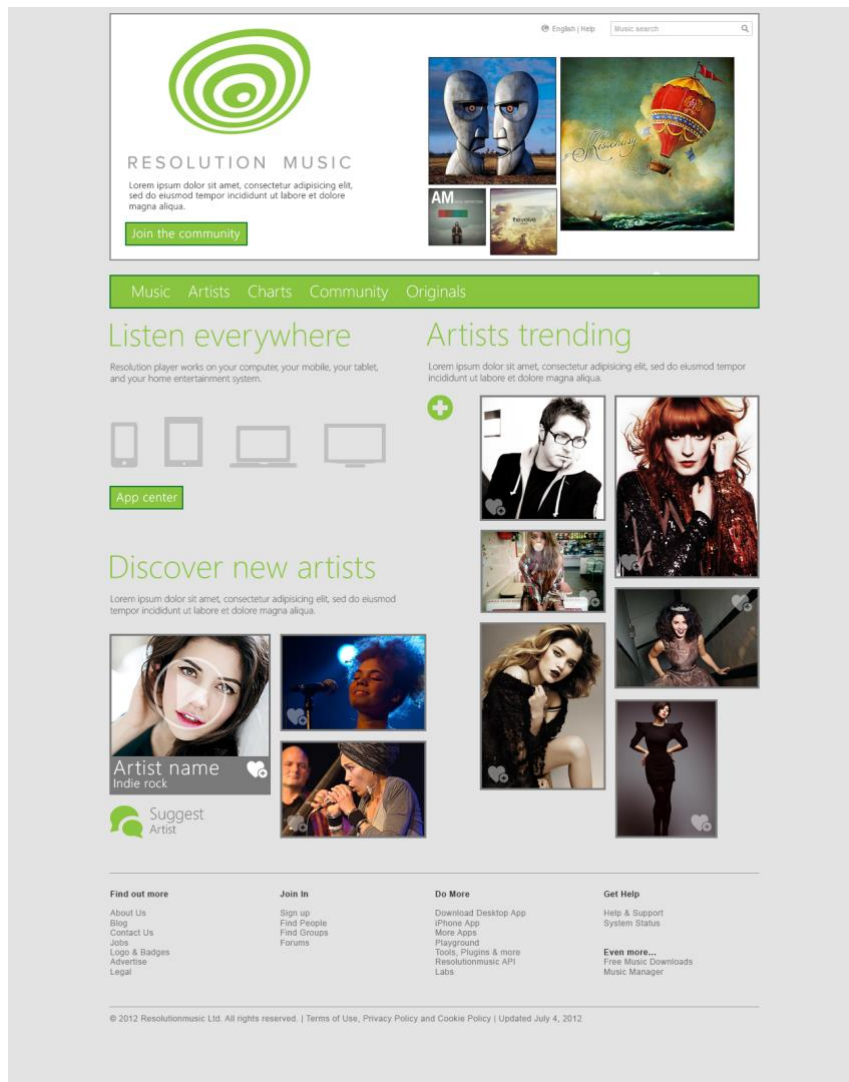


FIGURE 2 - VENUE INTERFACE DESIGN

Business owners and managers can monitor which artists are most popular with their customers. This provides a unique opportunity to understand for example, the next act they should book, or change the music settings in their business to fit with the type of clientele that may be within their Venue during different times of the day. If there are multiple premises the business will be able to tailor, the service for each venue/business outlet to provide one solution for all outlets.

The Audiostem Venue system will allow a venue to access a powerful tool that will allow them to have direct control of how music is listened to within their space whilst having direct interaction with their customer base.

The benefits of the system include:

- Directly control music in the space through their own Audiostem account and player
- Link their system across multiple sites to enhance brand identity and to gain greater control of their environments simultaneously and independently

- Gain metrics of what music is being played when and where within their environment.
- Interact directly with artists and arrange events such as live performances to build customer loyalty and greater interaction.
- Advertising services that will enable the business to advertise through the system via the app and streaming service directly to customers.

A unique aspect of the Audiostem Venue system is the advertising and radio stream module that allows unique curated playlists to be supported by advertising for subscribers of the system. These localised adverts will be streamed to subscribers of the Audiostem Explorer system who elect for the Free Service which includes advertisements. Free subscribers will be able to stream local curated playlists that include ads for local businesses and therefore create a community aspect of the system. This service is designed to further build the symbiotic relationship between artists, consumers and businesses reaching customers who may be streaming music at home, at work or college.

2.2. AUDIOSTEM EXPLORER

Audiostem Explorer allows Explorers to interact with their environment in a new and unique way.

Users of the system will be able to access different levels of functionality dependent upon their subscription options, further detail of these options is provided within the Pricing Strategy section.

Explorers will have access to the Explorer streaming platform and app as illustrated below.



FIGURE 3 - AUDIOSTEM STREAMING AND APP

Essentially the Audiostem Explorer acts as a music streaming system much like any other. Subscribers have access to the Audiostem Explorer interface which has the same layout

as Audiostem Venue, however, the interface is targeted toward the Explorer's listening experience. Subscribers of the system are able build playlists, follow their favourite artists and bands, just the same as Apple Music, Spotify or any other streaming system. The exciting development with Audiostem Explorer is that when the Explorer is mobile the accompanying Explorer App offers a unique way of interacting with their environment creating an immersive and engaging experience.

When Audiostem Explorer is used within a Venue that also uses the system the Explorer can interact with the Venue's music library and request music through the Jukebox functionality within the app. In addition to this, the Explorer can explore new music, to find information relating to local artists and to discover new music. Interfaces with social media apps such as Twitter, Facebook and Instagram allow the Explorer to share content relating to the music they are listening to in that venue, connect with other fans and with artists directly.

Some of the main features of this application include:

- Quick and accurate identification of songs
- Use their device as a Jukebox
- Full Social Media Interaction
- Access to exclusive promotional offers for subscribed businesses
- The ability to add songs that the Explorer has heard into their own Audiostem Explorer library
- Find artist information such a bio's, touring dates, access to fan websites and other links

Future functionality will involve the development of an Audiostem Music Store to facilitate the purchase of merchandise, music in digital and hard formats, concert ticketing and more.

Audiostem Explorer provides a unique listening and discovery experience for the music listener. The system is designed to keep the Explorer engaged with the system whilst exploring the music being played in their local area building the connection between their local environment and their music discovery experience. This approach ultimately places the emphasis on the most import link in the music industry between the listener, and the artist whilst bringing the world of background music alive and therefore building the relationship with their customers and in turn growing their own businesses and enhancing their environment with bespoke, unique music that builds brand identity.

2.3. AUDIOSTEM CREATOR

The Audiostem Music Manager is where bands/artists/record labels can upload their music directly into the Audiostem Library.

Creators are able to have direct access to specific information about how their music is being used; where and who is listening to their music. The system will gather data from both Venues and Creators to provide live data through a dashboard format easily manipulated by the Creator subscriber in order to build their own reporting interface. The music management system places the control into the hands of the independent artist or label.

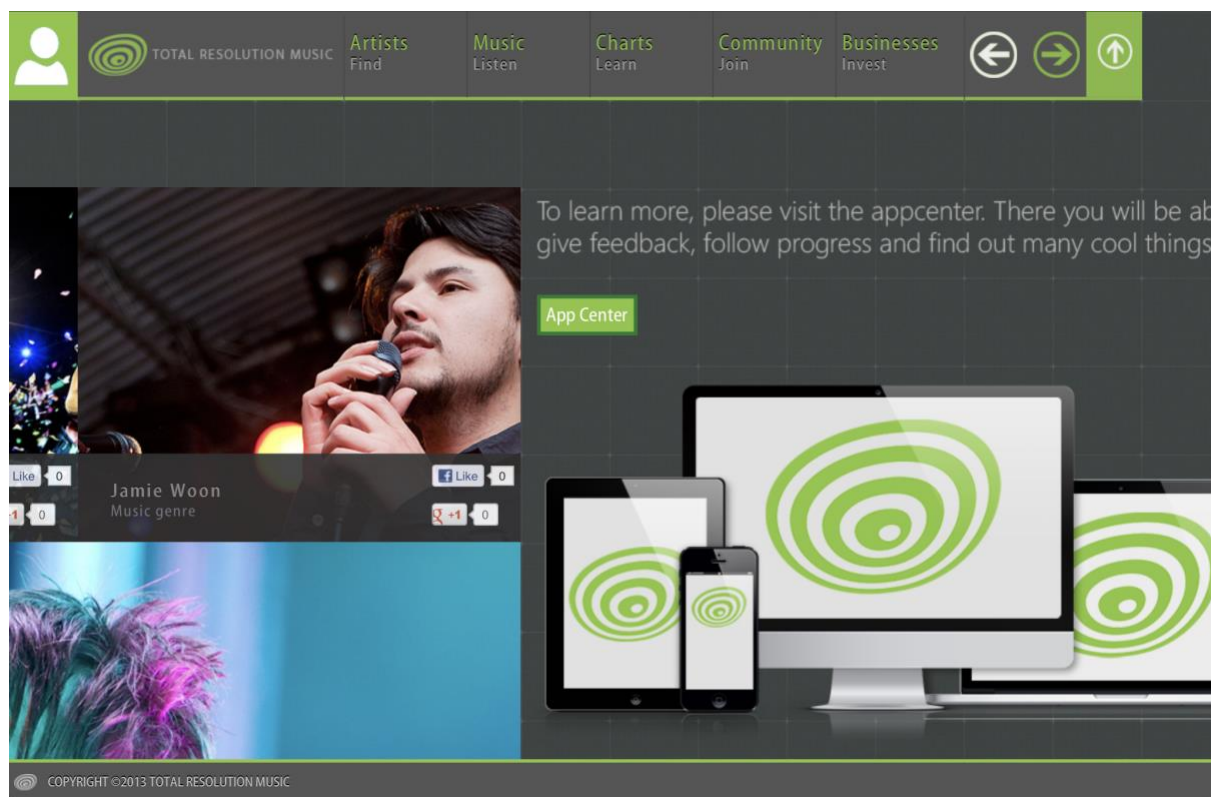


FIGURE 4 - CREATOR INTERFACE

This back-end music management system provides several benefits to users who can use Audiostem Creator as a tool to develop and support their music careers.

- Access to dashboard data providing detailed information of how their music is being used
- Which Venues are using their music
- Identify Explorers requesting their music in Venues and access their data for marketing purposes

- Track royalties and interface with PRS/PPL through the system
- The ability to build their own specific page on the Audiostem Explorer providing links to material and social media feeds site
- Free to use for artists basic package

Audiostem Creator will also be able to provide Digital Label Service solutions market by providing a Management Information System (MIS) for their own reporting and management requirements. The system can facilitate the following:

- Live Dashboard Reporting
- Catalogue Management
- Catalogue Reporting and Analytics
- Sales Performance
- Reports and Statements
- Live access for artists and bands

This system would initially be provided for free and through analytics and feedback the systems would be refined further to eventually build a system that would provide a tier based charging system similar to the Venue and Explorer models.

3. PRODUCT DEVELOPMENT

3.1. THE ECONOMICS OF THE BACKGROUND MUSIC INDUSTRY

From a micro-economics perspective, the B2B music provision business has been delivering music services to business for many years, ever since the invention of the gramophone and the advent of music licensing in the 1920's there has been the need to control and provide governance surrounding the playing of recorded music in public spaces such as shops, cafés, bars etc. This requirement ultimately led to several music service providers being established and formulated. With the emergence of companies such as Muzak in the 1940's there has been an established market for the provision of background music services to businesses for a number of decades. However, with the evolution of the internet and the current challenges in terms of the impact to retail coupled with the impact of the pandemic a more innovative approach is required.

With the success of streaming services such as Apple Music, Deezer and Spotify, music streaming platforms aimed at the individual listener market have proven to be very successful with UK music streaming subscription revenues at £1.208bn in 2020 (Music Business Worldwide, 2021) and has pathed the way to a new and sustainable music industry model that will be able to provide a solid income revenue stream for rights holders and artists.

Whilst the pandemic has seen streaming revenues increase in 2020, the COVID-19 pandemic has had a global impact to the worldwide economy. The retail sector alone

comprises almost 5.1% of UK GDP (Office for National Statistics, 2021). Therefore, the impact to the background music market is clear, with shops being closed, royalty payments for music performed in public spaces has been impacted considerably. In addition, inaccurate reporting and improper licensing leads to projected losses of approximately \$3.2 bn (Business Cloud , 2019) per year. This figure is extracted from an interview with Ryan Edwards by Business Cloud, a resident at Tileyard who has created Audoo, a device designed to capture these lost revenues because of inaccurate reporting to PRS/PPL. Edwards initially started out as a drummer with British band, The Lines and had some success with hits such as 'Domino Effect' in 2007. In the interview Edwards stated that "I was never paid, so I did some research to find out more" He went on to say "In theory when you pay for streaming services you're paying for a personal licence so they shouldn't be broadcasting that in a public space" (Business Cloud, 2019). The continued challenge of royalty collection and reporting coupled with the new challenges facing the retail and hospitality sector, it is more important now than ever before to capture and resolve these challenges to ensure that music and creative industries are able to thrive and contribute to the overall economy. Solutions such as Audoo and Audiostem are well placed to help build a sustainable long-term answer to these challenges.

In addition, the impact of the economic downturn has further exasperated and in some cases, accelerated the demise of a number of high street retail business such as Debenhams, Top Shop and other retail outlets that have historically played music within the retail spaces creating a revenue stream for artists. Companies such as Boohoo have been buying these brands and moving these retail brands to online distribution and sales and therefore the background music industry needs to consider how it will evolve and adopt within these macro-economic environments.

3.2. THE LEAN MODEL

The initial aim of the Audiostem model is to create a Minimum Viable Product (MVP). This section will highlight how this approach will be applied. By launching a Beta version of the system we will be able to test, measure, evaluate and learn how to enhance the product further and ultimately refine the target market. By working with smaller businesses who would benefit from such a system and in turn help them build a rapport with their customers via the system. In turn these businesses will be able to build relationships with artists who are able to bring revenue to their business. Ultimately, Audiostem provides a 'Grass-Root approach for artists and venues alike.'

The Lean Start -up model first established by Eric Ries in 2011 provided a foundation and method for building a new business from the base level. The phrase Build, Measure, Learn has proven to be a reliable approach to building a new business, certainly within the technology sector. (Reis, 2011) This approach is built largely on the idea of experimenting with ideas and products. It is common practice in today's software and technology driven industries to launch a 'beta' version of a product and effectively evolve that product through constant measurement and then learning how the product can be adapted to operate in a

more efficient and effective manner. This 'beta' version or Minimum Viable Product (MVP) in the Lean Start-up model, is the approach that will Audiostem will take in order to launch the product.

3.3. AUDIOSTEM - MVP

Audiostem is the first completely interactive music discovery interface that will allow users to access and play the music they love anywhere, anytime to anyone. However, as discussed, the streaming industry is dominated by a small number of dominant service providers such as Apple Music and Spotify who whilst don't hold a monopoly of the market have strong brand loyalty with the customer base. Equally, the Background Music industry is a developing economy with companies such as Spotify investing in companies such as Soundtrack Your Brand and therefore building a strong presence in the marketplace. It is, therefore, a challenge to establish a new service and system with in such a competitive marketplace.

To be able to launch the service Audiostem needs to create some strategic relationships that will support the launch of a new and independent service that is focused on growing local business and talent. The logical step forward therefore would be to work with independent businesses who might be focussed on developing new ideas and supporting and growing new ideas and initiatives.



The process of establishing these relationships has commenced with a recent meeting with the Association of Independent Music (AIM) proving to be a successful step in the formulation of support network for the launch of the initial product. It was interesting to learn that AIM's members account for 26% of the overall music marketplace, it is therefore clear to see why AIM would be a particularly useful advocate of the Audiostem system and would be potentially helpful in the development of the business.

Callum Johnson from AIM is the Friends of AIM Manager explained that his role is to promote and establish relationships with organisations who promote music and associated industries such as textiles, media and technology. During this meeting Callum offered support for the Audiostem idea by stating that he would utilise his network with labels such as Domino and Bella Union amongst others, to secure songs that could be uploaded into

the system for free to achieve a Proof of Concept for Audiostem and to help in securing further investment into the system.



SONICDATA

Furthermore, Callum provided points of contact for a company called SonicData who use sonic watermarking technology to ensure that music is tracked via the use of metadata to ensure artists are accurately and fairly remunerated for their work.

This led to a meeting with Kelly Sumner, the owner of the business in later October 2021. During our meeting Kelly explained that SonicData would be able to help in provided watermarking facilities to artists who upload their music into Audiostem. This process is designed to place an audio data file within a song that will allow identification of metadata when played and detected by the system. Kelly went further to suggest a partnership would be mutually beneficial.

Furthermore, it transpired that Kelly owns an offshore software development company called Arba Development Studios who would be able to assist in developing the app and website at a reduced price. I am currently awaiting a proposal at the time of putting this business plan together. But a budget of £2,000 has been considered to build a functional app and website.

Signature Brew is a small independent brewery based in London and are also Friends of AIM. I am currently awaiting a meeting with them to discuss a possible partnership in developing a launch event that will involve launching the app and website in a small venue in London with a one of the artists who have uploaded their material through our association with the Friends of AIM.

3.4. BRAND IDENTITY

An important aspect of the design, feel and identify of Audiostem is captured within the logo. It is designed to be reminiscent of a crop circle whilst also representing a sound wave. The intention of this design is to illustrate the power and impact of music is a local community. Essentially the concept of making a mark. There is also a sense of music growing from a seed and growing organically within a community. The green colouring is intended to support this idea further.

Several concepts were created to capture these aspects and feelings in a simple and powerful image with the final logo being selected as show if figure 5



FIGURE 5 - LOGO DESIGN OPTIONS

4. MARKETING

One of the increasing trends in music and media and marketing is convergence of technology platforms to promote a business and build a relationship with the customer. A sense of ownership and identity can have a significant impact to customers, particularly in the youth market who are keen to identify with a brand as this has a contributory factor in developing their own identity.

Increasingly music is proving to be a very successful way of promoting a clients services or brand. The type of music that is played within a premises has a considerable impact to how a business is perceived. Indie, high energy and bouncy music can be easily suited to a clothing brand, both within the shop, website or indeed, on a TV ad. Whereas classical or traditional music might be more identifiable with a more sophisticated; traditional type of business, such as a solicitor's business or luxury brand, instilling a sense of security or trust and loyalty.

Background music has been found to be an effective cue in accessing the physical environment and further influences the customers perception of quality and service. (S.A.Hibbert, 2002), with music played in restaurant's found to extend the dining experience.

Significant research has been carried out to demonstrate the link between the audio sensory experience and the aesthetic and physical experience of the dining environment Adrian North, a psychology professor at Curtin University in Perth conducted a study in a restaurant in 1997 and found that shoppers were more likely to choose either French or German wine, depending on which of the respective countries' music was being played and heard. (Hulyer, 2018).

Conversely, there are those who do not necessarily believe the link between audio and sensory experience is as strong as some analysts would believe and indeed there are groups such as Pipedown which was started by Nile Rogers in 1992, who was particularly frustrated by "unwanted piped background music" after a trip to a restaurant in Kensington, London. One of the groups' claims is that there is 'no genuine evidence' that music increases productivity or sales. (Pipedown , 2021). However, it is difficult to deny the connection music has in influencing behaviour when used in the right way. Music that is not overbearing and used in the right setting and environment absolutely enhances the experience. For example, a bar without music such as a Wetherspoon can lack atmosphere however, in other environments such as a hospital, using background music needs to be carefully considered, controlled and managed.

The key is providing background music that is tailored to the environment. Curated and considered music solutions have been as important to the retail experience as the aesthetic feel and look of a retail or hospitality environment. In fact, organisations such as

Mood Media go as far as to consider the introduction of aromas to provide a sense of quality or authenticity into the retail environment.

In Jake Hukyer's article *Inside the Booming Business of Background Music*, (Hukyer, 2018), Rob Wood, the founder of Music Concierge is interviewed and provides an insight to his approach of designing music solutions for clients that provide a curated soundscape that enhance the aesthetic feel and overall experience, increasingly music is not just something that sits in the background of the business, trickling Muzak type sounds through the environment, it is something that is playing a fundamental aspect in the design and identify of the built and functional environment as much as the materials used, lighting, fabrics even the architectural design of an environment. As an example of the levels of detail that Music Concierge gather, for a recent hotel development in London, Rob Wood attended a project meeting, viewed the half built site and even consulted with the hotel owners to understand the type of clientele they were looking to attract, how much money they would typically spend on a meal; the detail involved with the process is considerable in order to provide a palette of sounds tailored for the businesses needs and therefore, the manner by which music is delivered, monitored and controlled is also a vital aspect of the overall experience.

Through understanding the impact of music and the need to apply different layers of music experience to a businesses overall strategy, Audiostem is able to provide a multi-layered solution that builds a connection between the physical space and the customer. This connection and ability to interact with music within Venues, even at the most basic level, starts to build loyalty and a relationship between businesses and customers. The interactive element of Audiostem Explorer allows customers to share their experience via social media platforms such as Instagram, Facebook, Twitter amongst others. Using technology in such a way provides an element of freedom, it brings the listening experience from beyond the headphones and personal listening experience, back into the open and allows people to discover music together and share in that tribal experience of listening and sharing music.

This is how we use technology as a tool to bring music to each other in the same physical space whilst providing a platform for music Explorers to then take that listening experience and personalise that music to build their own personalised music library based on real life interactions.

In order to translate these points into a tangible, profitable business that offers something different in a competitive market there needs to be some clear, defined steps.

Ultimately the aim of Audiostem is to build an organic mechanism by which music can be discovered, experienced and used in such a way that provides a sustainable music market place that is able to use the companies range of services in a unified and beneficial manner for music creators, consumers and businesses; to be the hub where music is found, marketed and experienced.

In order to understand how the Audiostem range of services can influence, support and grow, it is important to consider the current marketplace, what services are currently available and how they are used. Importantly we need to understand if there is anything like Audiostem in the market at present and if so, how do they compare to the services being offered by the system.

4.1. MARKET DATA

The demand for music background music streaming services has increased steadily over the past five years:



FIGURE 6 - INCREASE IN B2B MUSIC STREAMING - RETAIL

By 2026 the background music market is expected to surpass \$2.3bn (£1.6bn) with North America expected to hold a dominant position in the market. (Coherent Market Insights, 2019)

In addition, the music streaming industry is the largest growth area of the music industry with global on-demand song streams increasing in 2021 between the period 1st January – 26 August by 25.9% compared to the same period in 2020. (MRC Data , 2021). It is clear from this data that there is a synergy between these two growth markets that needs to be exploited.

There are several methods that have been used to help understand the current background music marketplace. Harvard professor, Michael Porter's Five Force Analysis developed in 1979, provides a useful tool in developing the overall strategy for Audiostem.

4.2. FIVE FORCE ANALYSIS

This diagram demonstrates how Audiostem compares to the current market and what the key differentiators are compared with other organisations and also considers its place in the marketplace in order to identify key strategies in the development of the product, its identity and target markets.



FIGURE 7 - FIVE FORCE ANALYSIS

4.2.1. RIVALS

The dominant rivals within the current market include companies such as Soundtrack Your Brand, Music Concierge and C-Burn who operate mainly within the music service provider markets. These companies provide background music services to businesses through licenced deals with a publishers and as such are in a position to be able to provide vast catalogues of music to their clients. In addition, there are companies such as Jamendo who provide access to copyright free music for customers offering a cheap and accessible alternative to the main providers in the market.

Audiostem system however, provides something different. An amalgamation of the services currently provided by music discovery applications, music services and music management systems for artists.

4.2.2. POWER OF SUPPLIERS

Audiostem is able to demonstrate that by having access to musicians and fans whilst being able to provide a music provision system, places Audiostem in a unique space within the current music market. Whilst there are companies in the market that provide a jukebox function within their offer such as C-Burn and their Secret DJ service, they are not currently offering a complete joined up and holistic service in the same way as Audiostem can.

4.2.3. POWER OF BUYERS

Business owners need flexibility at an affordable price. There is still a great deal of naivety within the hospitality industry with many businesses using services such as Spotify to provide music to their business without realising the legalities of not holding the appropriate licenses in place for music streaming within their organisations.

From the perspective of the consumer, or music Explorer there is the matter of brand loyalty. Consumers become invested in their chosen system, there is a sense of loyalty to the service they subscribe to, whether it be Spotify or Apple Music. One of the considerations to overcome this challenge would be to build an interface between Audiostem Explorer and the main streaming providers such as Spotify/Soundtrack Your Brand and Apple Music so as to create an open protocol system that allows interaction between platforms to counter this concern. In order to facilitate this approach an Application Programming Interface (API)

4.2.4. SUBSTITUTES

Background music service providers currently remain focussed solely of the provision of background music services. However, there are two business that may present a challenge to Audiostem.

4.2.4.1. SOUNDTRACK YOUR BRAND

Founded in Stockholm, Sweden in 2013, Soundtrack Your Brand was formed by Andreas Liffgarden; an ex-employee of Spotify leading their Business Development team and Ola Sars, the co-founder of Beats Music, the headphones innovator that was bought by Apple in 2014 for \$3bn. (BBC, 2014). The solution identified by Andreas Liffgarden and Ola Sars was to sell Spotify music streaming subscriptions to businesses offering a wide range of business focused solutions that offer a wide range of services. By utilising Spotify's existing music library, they could offer a more full and rounded catalogue of music than its competitors. In August 2020 Soundtrack Your Brand announced their own deal with Universal Music Group, enabling them to establish deals with all three of the major record labels. (Hisson, 2020)

Soundtrack Your Brand have a strong advantage in the music streaming industry through their relationship with Spotify. This makes Soundtrack Your Brand a particular concern to Audiostem and their ability to build a competitive alternative.

4.2.4.2. C-BURN & SECRET DJ

Based in London, C-Burn provide a background music service and have an established customer base throughout the UK., such as Superdry, Greene King and Soho Place amongst others. Their bespoke Jukebox app, Secret DJ offers similar functionality to that of Audiostem and since its initial development has evolved to include social media interaction and an element of gameplay within the app that allows users of the system to be ranked as the top DJ of a venue dependant on the number of song requests they put through the system. This interactive gameplay element of the app promotes interaction with the system and venue.

Whilst C-Burn are clearly in an established position and have an app that is similar in function to Audiostem, there are differences in functionality between the two systems in that Audiostem offers a complete solution for Venues, Explorers and Creators. It is these three elements tied together that provide a completely joined up solution that allows music to be shared, grown and discovered locally, whilst also being able to provide a complete marketing and business solution for businesses that allow them to market their business at a local level.

4.3. MARKET RESEARCH

In order to establish the viability of this product including the method and approach to entering the market; it is important to understand the appetite and understand market need for a product and service such as Audiostem. To that end, a number of surveys and interviews have been completed in order to justify and support the overall strategy.

These surveys have been completed across a spectrum of candidates, each relating to the three service offers provided by Audiostem as follows:

- Audiostem **Venue** – Business Owners
- Audiostem **Explorer** – Music Consumers
- Audiostem **Creator** – Artists

From the feedback received it is clear that the fundamental idea provides appeal to both music consumers and artists. The feedback from business owners provided some interesting responses, with the predominant view being that the most important aspect of any system used for the provision of background music is simplicity of use and control.

Having spoken to a number of business owners about the challenges of playing music in their businesses it is clear that there is a space in the market for a background music provision service that can actually help a business advertise within a local business community. Lorraine Liston, owner of hairdressing salon Tangles in Medway, Kent said “Our business has been

badly affected by the pandemic and we have had to layoff some of our girls during that time. The problem is that as we couldn't work when the world started to open again, getting customers back was hard. We need to remind them that we are here and websites are not always the answer. A system like Audiostem that not only provides music to shops but also customers and uses local advertising is a great deal. It seems that everyone gets something from this idea".

During another discussion with John the landlord of public house, The Mackland Arms in Rainham, Kent when thinking about the benefits of Audiostem he stated that

"It would be nice for customers to contribute to their own experience and provide choice, I think that would be a really good way of keeping customers in the pub and talking and sharing their music tastes with each other".

For the purposes of talking to customers, Survey Monkey was used to gather feedback from perspective customers. Again, the feedback was very positive. However, it should be noted that the number of responses available were limited.

When asked if customer would use their phone as a jukebox, the result was an overwhelming 100% yes.

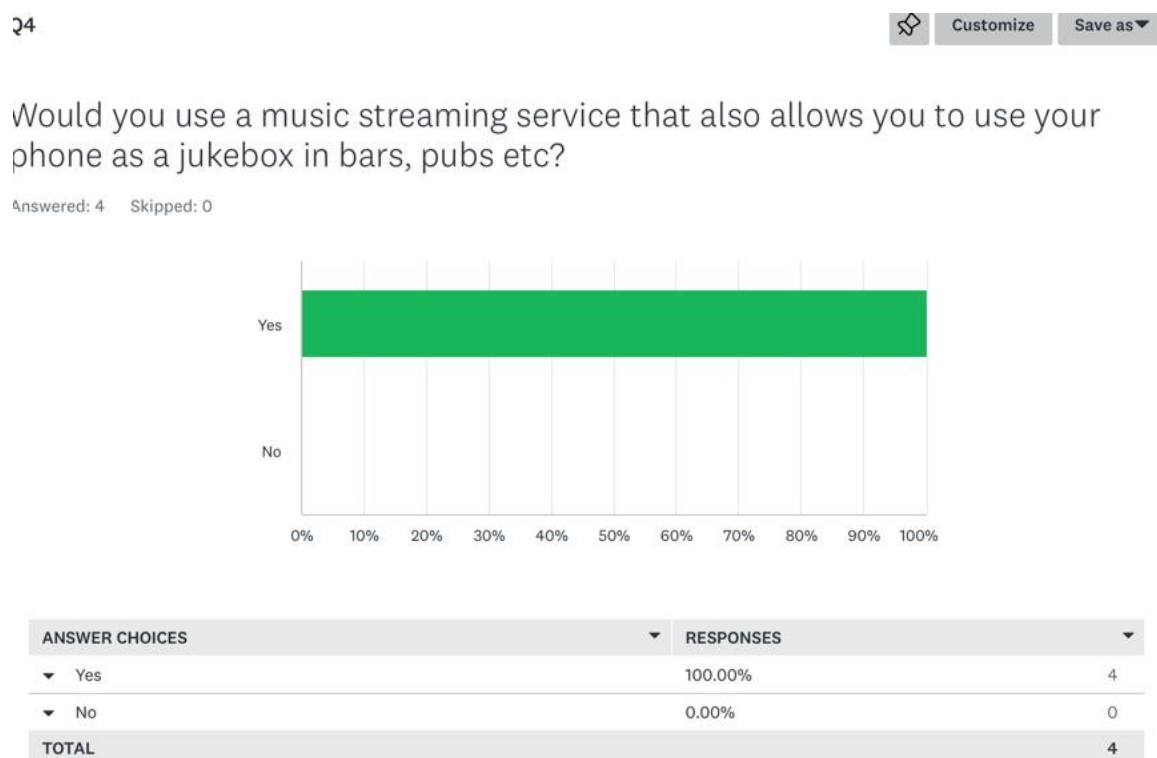


FIGURE 8 - PHONE AS A JUKEBOX

Furthermore, when asked how important music was in making a choice as to where to go and spend their evening, the majority of responses stated that it was either important or very important.

How important is the type of music a pub/bar plays in deciding whether to go that pub/bar or not?

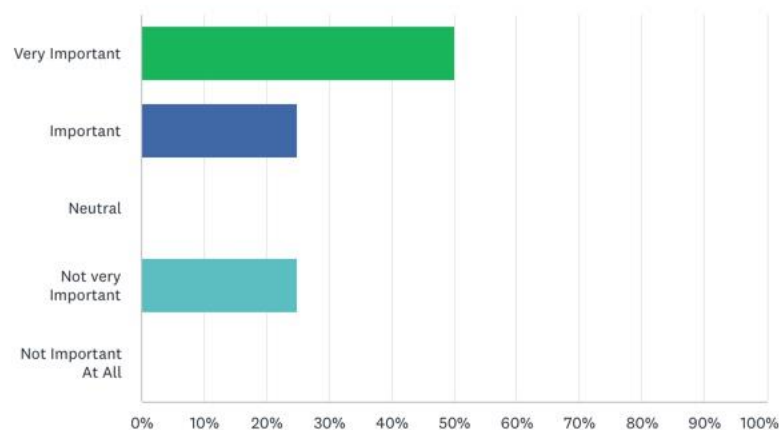


FIGURE 9 - SURVEY MONKEY FEEDBACK

4.4. THE SECTOR AUDIOSTEM OPERATES IN – THE TARGET MARKET

Our target customer consists of three types of customers:

4.4.1. THE HOSPITABILITY, LEISURE & RETAIL INDUSTRIES – AUDIOSTEM VENUE

The predominant clients in relation to the background music aspect of the offer operate within the hospitality sector. Bars, restaurants, hotels, anywhere that provides background music within their place of business. However, the industry is not the exclusive target market and businesses such as hairdressers, beauticians, gyms, spas etc would also be target clients for Audiostem Venue.

During the early stages of the business, we would seek smaller businesses, sole traders or independent businesses. This would allow the service to be refined, tailored and teething issues with the system to be refined in a Beta version. We would then gather feedback from these clients to develop the product further with the view to taking the system to a wider group of clients with the aim of targeting larger brands who might have a chain of restaurants or venues such as Frankie & Bennies, Pizza Express etc.

4.4.2. THE CONSUMER – AUDIOSTEM EXPLORER

It is important to understand the type of music consumer who would be interested in a system such as Audiostem Explorer. The impact of the Covid-19 pandemic has had a profound impact in how people engage with music with varying statistics in relation to how listening habits have impacted music consumption during the various 'lockdown' faced by the UK and across the globe.

The resulting economic turbulence of the pandemic has also directly impacted the hospitality sector and therefore the need to bring customers into the hospitality, retail and leisure sector has never been greater.

The opportunity to bring customers into the physical space through a music streaming service that can stay with the customer from the moment they wake to the moment they go to sleep provides obvious marketing appeal and opportunities. It is important however, to understand the exact target market we want to aim this service at. To that end the following consumer profile of the typical Audiostem Explorer provides a clear understanding of who we need to target in terms of selling the concept of Audiostem.

4.4.2.1. THE AUDIOSTEM EXPLORER

For the sake of building an identity we will name our Explorer Ben. Ben's age range is between the late teens and early to mid-thirties. This is someone who is likely to have a large social circle, who enjoys socialising in bars with friends, enjoys going for meals and is an active individual who lives a full social life.

This person is someone who enjoys music; uses streaming services such as Spotify, Apple Music and also enjoys the live music experience. He is also likely to use apps such as Shazam on his phone when he is in a bar or retail environment and wants to know the name of the song being played in the background. Ben is likely to already subscribe to a music streaming service such as Spotify or Apple Music and is likely to have extensive music libraries and playlists within those systems that provide a sense of brand loyalty, however he is also likely to be open to new technologies and ideas and interested in innovation within technology and music. Ben is the sort of person that would be an early adopter of new innovations and is the kind of person who wants to be seen as pioneering and advocating new ideas and solutions. Ben is going to be someone who uses social media to express ideas and views and therefore a system like Audiostem would likely appeal to this demographic and provide the opportunity to discover new music both within the system and within the physical space. The ability to share his experience online will be appealing and beneficial in promoting the Audiostem platform to wider audiences.

4.4.3. THE ARTIST – AUDIOSTEM CREATOR

The Audiostem Creator is aimed at bands, artists, writers, any individual who is involved with the music creation process and has an interest in understanding where their music is being played and what they will be paid for the use of that music.

Tracking royalty payments has, historically been an arduous task. Predominantly the process involved a paper driven procedure which heavily relied on background music suppliers, venues, businesses to accurately report music use back to PRS/PPL where this information would be collated by administrators and managers through Excel spreadsheets where payments would be made to publishers and artists dependant on the validity of this data. This convoluted process often leads to inaccurate payments and often means payments are not made at all.

As discussed earlier in this document Audiostem is working with SonicData to develop a music tracking service with the Creator module that would link straight into their system.

In addition, the system will be able to allow artists to liaise directly with businesses or potential Venues to create a two-way dialogue between the business and artist and in turn bring a mutually beneficial relationship into place where Explorers are able to see local bands within their local environment.

Whilst this system is built for all artists, labels and publishers alike, the target market is essentially, 'grass-roots' artists; bands that are looking to grow a fanbase who are low on resources and need to play to their crowd directly in order to build a presence and fanbase.

5. SYSTEM LAUNCH

The following table provides an indicative timeline and plan for the launch of the system. This plan will become further refined one we obtain feedback from Signature Brew and Friends of AIM. The intention is to run a campaign with AIM, SonicData and Signature Brew to arrange a small scale gig where free access to the Audiostem is provided to customers who can then experiment with the functionality of the system directly and provide direct feedback to the Audiostem team.

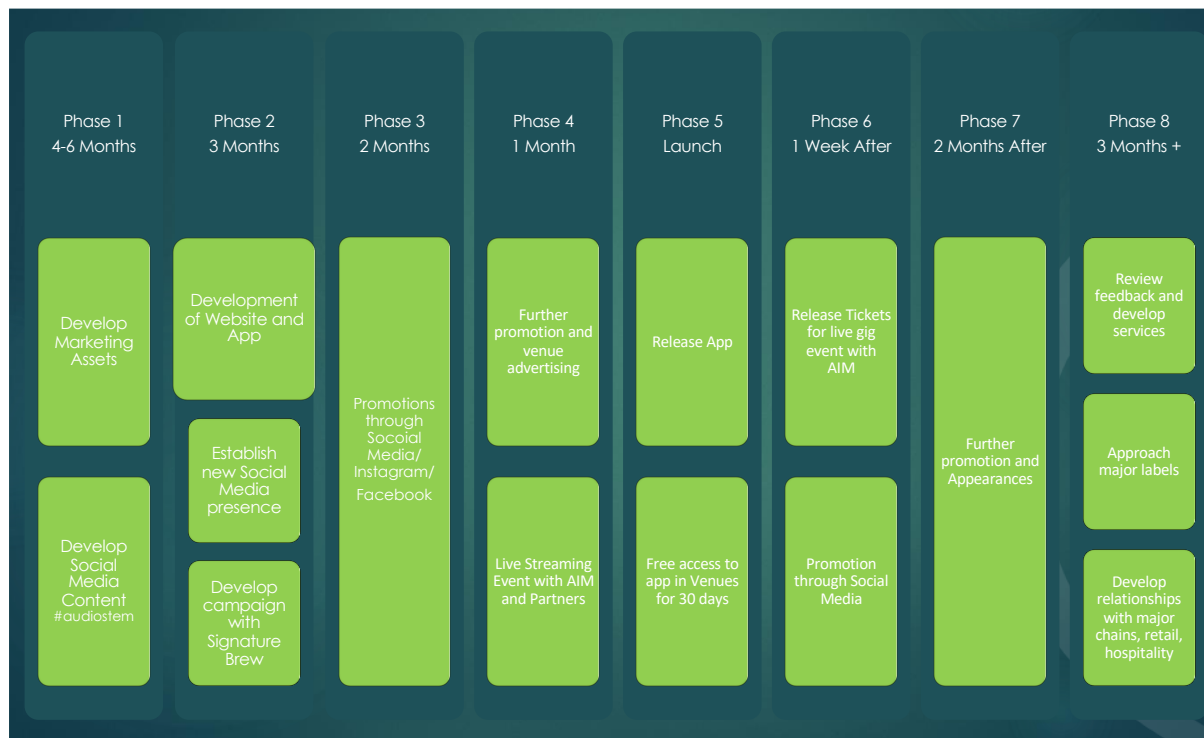


FIGURE 10 - MARKETING TIMELINE

6. LEGAL

The UK Copyright Designs and Patents Act 1988 is the current UK Copyright Law that gives the creators of literary, dramatic, musical and artistic works the right to control the ways in which their material may be used. (The UK Copyright Service, 2021)

The fundamental challenge within the music streaming and background music industry is that of the understanding for the need of the correct level of music license for the provision of background music within business. Many businesses use streaming services such as Spotify and believe that their PRS licence adequately covers their requirements. This is simply not the case. Using personal streaming services for business requirements is not just a case of non-compliance with the terms of the agreement with the streaming provider but also against the law. It is therefore, crucial to ensure that the business model considers the relevant licencing agreements in order to ensure compliance with the act.

6.1. LICENSING

As the music industry has evolved over recent years, so too has PRS/PPL approach to providing music licensing for streaming services and particularly in relation to streaming services.

In 2018 the two services combined so as to simplify the process of applying for music licences and to ensure that both the recorded and live performance aspect of copyright licensing requirements under the Act are adequately considered.

It is vital to ensure that Audiostem holds the correct licence to ensure that the correct rates are applied to the artists whose music is used within the system.

Research on the PRS for Music website suggests that The Supply of Background Music Services (MSB2B) licence provides the appropriate level of cover to ensure Audiostem is compliant. (PRS for Music , 2021)

The MSB2B licence is set at £1,000 for an advance payment. For the provision of Background Music and Interactive Services, the cost is as follows:

Online Delivery	Background	Interactive service
% of applicable revenue	7.0%	8.0%
Minimum per site per month	£2.50	£3.50

FIGURE 11 - MUSIC LICENCE FEES

This cost will be absorbed and considered in Audiostem's pricing strategy, however each venue will be responsible for putting into place their own Public Performance Licence though PPL as these licence fees are flexible dependant on a number of factors such as size of premises, type of business and expected number of customers who might hear the music being played within the premises.

7. PRICING STRATEGY

With an increasing number of competitors within this growing market Audiostem's pricing strategy is designed to be elastic in nature in that the price will be very much driven by market forces and an increasingly competitive marketplace.

In order to ensure that Audiostem provides a range of services that are accessible for a wide range of business types, the pricing strategy provides a range of options that deliver a flexible range of service options.

The following tables provide a breakdown of the options on offer for:

7.1. AUDIOSTEM VENUE

The Venue tariff is built with the consideration of the various types of business that may want to subscribe to the Background Music system. Each tariff is tailored to either a small single venue through a chain of venues and can be scaled accordingly to provide a complete holistic solution. Advertising services are built into the Standard and Premium options to provide advertisements for the business within the local business community if selected as an option. The frequency of advertisements including timings is completely driven by the client.

Venue Price Schedule		
Basic Subscription £45 Per Month	Audiostem Standard £85 Per Month	Audiostem Premium £120 Per Month
1 Channel of music Access to Audiostem Library	Up to 2 Channels Access to Audiostem Library	Up to 5 Channels Access to Audiostem Library Non-Copyrighted Music
1 Zone Pre-selected Playlists	Regularly updated and curated playlists	Regularly updated and curated playlists
Regularly updated and curated playlists	Up to 2 Zones Pre-selected Playlists Tailored Playlists	Up to 5 Zones Pre-selected Playlists Tailored Playlists
Network Audio Player £50 per month	Promoted advertising in app and streaming channels	Network Audio Player £50 per month
Advertising included in Audiostem Explorer App	Network Audio Player £50 per month	Purchase Price £869 +fees
	Purchase price £269 + fees	

Figure 12 - venue pricing

7.2. AUDIOSTEM EXPLORER

The Audiostem Explorers pricing options are very much focussed on a traditional streaming model with a free service including advertisements that will be filtered to provide ads for businesses that use the system within the local area, again building a sense of community and promoting businesses and music at a local level.

Explorer Price Schedule		
Free	Audiostem£ 5 Per Month	Audiostem Premium£ 10 Per Month
Access to the Audiostem app with limited plays per venue per visit Access to the Audiostem Web Service and able to play Copyrighted tracks for a max of 5 plays Geo-mapping for venue and music location Social Network Pluggins. Facebook, Twitter etc Ads Included In-store Purchase offers	Full Access to the Audiostem app with unlimited plays per venue per visit Full Access to the Audiostem Web Service and able to play tracks from the Audiostem Library Geo-mapping for venue and music location Social Network Pluggins. Facebook, Twitter etc Ads Included Music Matcher In-store Purchase offers	Full Access to the Audiostem app with unlimited plays per venue per visit Full Access to the Audiostem Web Service and able to play Copyrighted and music from the Audiostem Library Geo-mapping for venue and music location Social Network Pluggins. Facebook, Twitter etc Ads excluded Music Matcher In-store Purchase offers

FIGURE 13 - EXPLORER PRICING

The fundamental differences between Soundtrack Your Brand and personal streaming services are :

Scheduling – The ability to programme in advance the songs that the client wants to play and where. A simple drag and drop system allows music to be programmed in alignment to business operational times;

Artificial Intelligence (AI) stations designed specifically for business- A tagging system allows clients to select a number of tags such as mood, genre and energy. The system then builds playlists based on the selected criteria;

Centralised Music Management – A cloud-based interface allows the client to have complete control over the music played within their business, the ability to control by zone what is played where. Playlists that are able to be controlled across a number of different sites, stores etc facilitate brand identify.

8. TECHNOLOGY

8.1. TECHNICAL SET-UP AND CONFIGURATION

Dependent on the type of package that a business elects to subscribe to there are a number of options available in terms of hardware. A basic subscription to the system will require only an internet connection and ability to connect to a set of speakers to be able to stream music from the system. However, if the business wishes to have a greater level of control and the ability to stream different music channels in different areas of their building, the following options are available.

The unit price for a Networked Streamer is £269. Audiostem would place a modest 10% markup as a management fee for the purchase and delivery of the system and would also offer an installation fee of £75 plus parts. This unit will allow two different music streams through the system which will enable two separate streams to take place within the business simultaneously.



Pro-Ject Stream Box S2 Network Streamer

£269.00

[See more Pro-Ject products.](#)

The Stream Box S2 is a high-quality network audio streamer with support for high-resolution data up-to 24-bit / 192kHz. With both ease of use and sound quality at its core, the Stream Box S2 makes playing your music easy – whether it's owned music stored on your phone or held on a NAS drive, or simply streamed using the world's most recognised subscription streaming platforms.

Multiple Stream Box S2's can easily form a multi-room setup, while in addition two units can be connected to build a stereo pair (with assigned left and right channels). Alongside the wireless and wired network connection options there are also three audio output options; Fixed line-level (RCA pair) for use as a traditional source, variable (mini-jack) for use with powered speakers or power amplifiers or digital (optical) transmission for connection straight to a dedicated DAC.

The Stream Box S2 is easy to set-up and add to the network, and is fully controlled by Pro-Ject's new free iOS and Android App, "Pro-Ject Stream S2". Boasting full Tidal integration inside the app interface and Spotify Connect built-in, radio fans will also be happy to learn that the popular TuneIn internet radio streaming platform is also built-in. There is also a Line Input, for introducing traditional sources to your streaming environment, and a USB input for playback direct from a USB hard drive.

The Stream Box S2 is the ideal solution when space is tight or budgets are limited. With a full technical specification and a world-leading analogue company behind it, the proposition of great sound and myriad features is something that's hard to ignore.

FIGURE 14 - STREAMING HARDWARE 1

For a more advanced streaming experience and Audiostem will be able to provide a multi-channel streaming system that will allow up to five separate channels throughout a premises. Again, Audiostem would be able to source and install the system for the same management and installation fees mentioned above. In addition, a rental options for these systems would also be available at £50 per month.



Bluesound PowerNode 2i Streamer and Amplifier

£849.00

[See more products.](#)

The BLUESOUND POWERNODE is the HiFi amp reinvented for the streaming age, combining audiophile-grade componentry and multi-room music capabilities to create an intuitive "Just add speakers" hi-res sound system for modern music lovers. The compact minimalist exterior disguises 2 x 80 watts of award-winning HiFi amplification, a premium hi-res DAC design, and access to all the music ever recorded with a tap in our BluOS Controller app for smart devices and laptops.

- Easily drive your existing pair of premium speakers.
- 80 Watts per channel of HybridDigital™ amplification technology
- A state of the art Quad-Core 1.8ghz ARM® Cortex™ A53 processor and a 32-bit/384kHz premium DAC design ensure flawless playback with precision and clarity.
- HDMI (ARC & eARC) connectivity.
- Featuring digital, optical and analog input options, wired and wireless headphone and subwoofer outputs.
- Wireless Dolby® surround sound.
- Dual band Wi-Fi, Gigabit Ethernet and support for 2-way Bluetooth aptX HD Bluetooth ensures music playback without interruption.
- Hi-res audio streaming with access to Internet radio stations, cloud music services, and your own local music library to multiple Bluesound Players.
- Create and control a seamless multi-room system with the intuitive BluOS Controller app.
- Top panel touch controls with presets.
- IR input and remote learning capability – Control it with the optional Bluesound RC1 remote Control.
- Connect with the BluVoice skill in the Alexa app and use Amazon Alexa voice assistant to control Players around the home.
- AirPlay 2 lets you play music or podcasts from Wireless Stereo Components throughout your house — all in sync.

FIGURE 15 - STREAMING HARDWARE 2

Finally, for businesses who would have a chain of facilities such as a brewery or group of restaurants who may want to subscribe to the system across their estate, fees would be negotiated on a case by case basis based on the number of facilities that would need to be linked to the system and therefore discounts based on this volume would be considered.

The reliability of the system would be reliant on internet speeds and capacity and therefore, a high-speed internet connection would need to be in place and provided by the client.

9. FINANCE

The initial budget has been established to consider the requirements for putting in place a minimal viable product (MVP) and therefore costs for year one is modest. The spreadsheet in fig 16 provides a full breakdown of the initial budget required for the product launch.

First year - Budget	Unit Cost	Quantity	Total
System Development			
Website Design	1000	1	1,000
App Development	1000	1	1,000
Server	1000	1	1,000
Music Licence Fee	1000	1	1,000
Hardware			
Network Streamer	269	15	4,035
Network Steamer and Amplifier	849	15	12,735
			-
Marketing & Advertising			
			-
Social media boosts	99	3	297
Printing	2000	1	2,000
Website Hosting	200	1	200
Outgoing Total			23,267

Project Income

Subscribers - Explorors Premium	10	1000	10,000
Clients - Venue - Basic	45	20	900
Standard	85	20	1,700
Premium	120	20	2,400
Hardware Sales Basic	269	15	4,035
Hardware Sales Premium	849	15	12,735
Installation Fees	75	30	2,250
Antipated Income			34,020

Pre Licence Profit

10,753

Music Fee - Music Licence

860

Total Profit

9,893

FIGURE 16 - FIRST YEAR BUDGET

As discussed in the Product Development section, the intention is to build a MVP through support of organisations such as Friends of AIM and their associated partners in order to demonstrate that the concept works and is a sustainable model. At this point Audiostem would need to seek further investment to scale the business model accordingly, and it is likely that at this point, there would be a requirement to consider office space, staffing overheads and further investment in the look and feel of the product.

10. CONCLUSION

As we have seen, over the past twenty years or so, technology and social media has transformed the way in which we interact with each other and media. Networks such as Facebook, Twitter, Instagram etc influence and define how we communicate and with whom, with the information attained through these interactions used for marketing and purposes. Technology has played a key role in changing the way in which we make, discover and play music and whilst in the main, these enhancements have benefitted the industry in the production, exploration and access to music, it can be argued that technology has inadvertently placed barriers in the way of sharing music in the most fundamental of ways; sharing music together. In a time when the industry is suffering along with a wounded economy as a result of the Covid-19 pandemic and other economic factors, it is more important now more than ever, to use technology to bring people together in physical spaces; in bars, restaurants etc, and empower people to share music together using technology as an enabler and not a barrier.

Audiostem is the ultimate enabler, by unifying every strand of the music production, performance and discovery lifecycle into one unifying system.

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REFLECTIVE SUMMARY

Reflective Summary

The final assignment in this course was to put together a business plan for a new business, service or initiative within the music industry. This process of reflection regarding how I approached this task has been a deeply personal experience. Audiostem is a project that started in 2012, when I had the idea of using a phone as a jukebox and then started to research how music is provided to businesses such as bars and restaurants. This led to setting up a company called Total Resolution Music Ltd with a business partner with whom I developed an initial Minimal Viable Product (MVP) This resulted in Audiostem being taken to the Web Summit in Dublin in 2016 where we gained some interest from potential investors. Unfortunately, the business was dissolved before investment could be achieved and now going through this MA with Tileyard has allowed me to resurrect the idea and refine the approach to build a new Minimal Viable Product that is ready for investment and bring the system to the marketplace.

It is therefore important that the process is structured in such a way that an objective view is taken throughout to ensure consistency and an accurate reflection of the steps taken in this final objective. The learning cycle process first developed by Gibbs in 1998. (Cambridge Assessment International Education , 2021) allows for a structured method in self-reflection and allows for the learning cycle to refine the Audiostem further beyond the MA course with Tileyard.

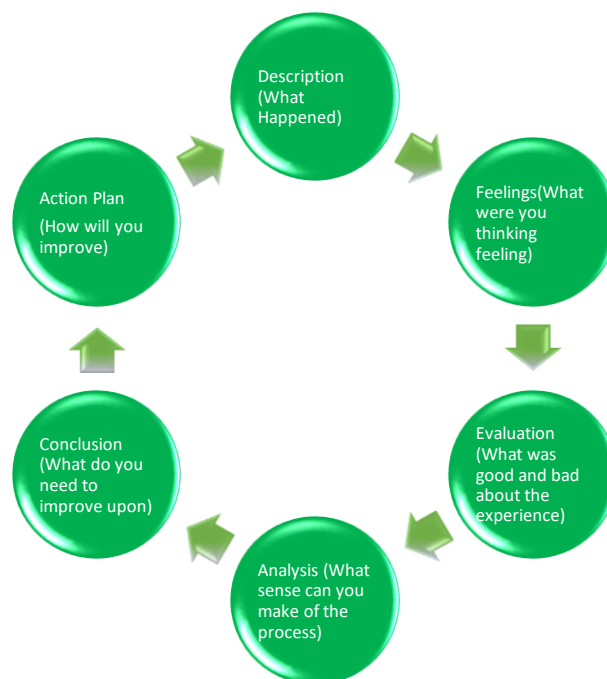


FIGURE 17 - GIBBS LEARNING CYCLE

Description - The Assignment

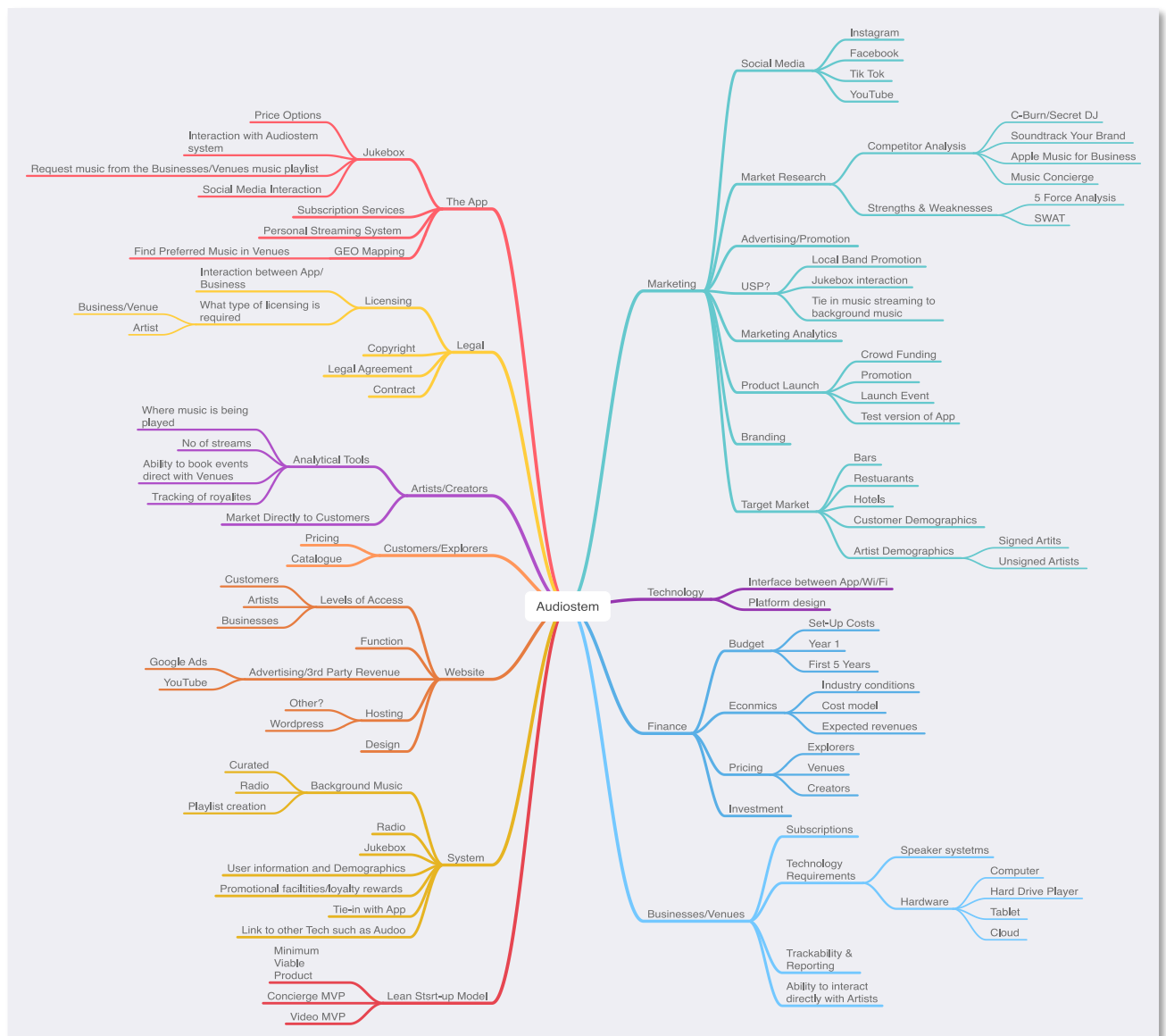
The concept of Audiostem, whilst initially a simple idea consists of many complexities in regard to how the system will potentially work and in terms of the mechanics of pulling the operation together. There are essentially three main components that all rely on a technological solution to make the system work:

- Venue – the user interface and background music system for businesses
- Explorer – the streaming system that allows users to patch in a 'Venue's' system to their device to be used as a jukebox and then finally
- Creator – the user interface for artists, bands and labels to upload music directly into the system, manage their own catalogues and marketing

The first step in understanding the scale of the task was to adopt Tony Buzan's mind map tool as shown in fig 2. This method is extremely effective in being able to visually identify every component within the system and in turn, to be able to understand co-dependencies within the over plan that need to be considered to ensure that all elements of the plan work to deliver the overall strategy.

The mind map process provided the basis of compiling the structure of the plan. In addition, The Princes Trust Business Plan Pack, (The Princes Trust , 2021) provided a good source of reference to ensure that the structure and content of the Audiostem Business Plan provided the required level of content.

FIGURE 18 MIND MAP



Through identifying these co-dependencies, it became clear which critical paths needed to be considered in putting the overall product together. The challenge of building a system such as Audiostem is to understand and identify which elements need to be in place first. Having a background music system that offers a new way for businesses to interact with customers and artists requires a library of music, equally obtaining a music library means convincing artists and labels to upload music into the system and equally artists will need to understand if there is a demand for such a system so that they may benefit from using the system.

The next step was to review the original business plan and data acquired during the first iteration of the business in 2013. Whilst I still had a great deal of information that I had acquired during the time, the actual website and physical assets no longer existed. Despite this frustration, I decided to take a different approach to the business plan and proposal and speak from a position of experience and simply highlight the development costs required to re-develop the concept. Furthermore, I took the opportunity to make new contacts and hold preliminary discussions with potential developers who might be able to help re-imagine the original concept.

Part of the formation of the overall strategy for the development of the business plan was to analyse the current marketplace. I found that Michael Porters Five Force Analysis process helped me to evaluate the current background music industry and refine my overall strategy through understanding the strengths, weaknesses, and competition within the industry. It became clear that my biggest threats were from companies such as Soundtrack Your Brand who have access to an established music library with Spotify. In addition, C-Burn and music provision services based in London, have created Secret DJ, a similar concept to Audiostem Explorer and so therefore I needed to identify ways that I could set Audiostem apart from the competition. Audiostem's Unique Selling Point had to be focussed on the indie aspect of the offer. Local Advertising, promoting smaller businesses within a community whilst promoting indie music to a new audience.

My current career is within the property development market, and I work with a prestigious developer in London who are at the forefront of building intelligent design led spaces throughout the city. Part of the company's development has been regarding the provision of an app that allows building users to interact with their environment; being able to report such issues as air conditioning faults, book rooms and interact with other building users and customers through the system. This new initiative was developed by an internally employed developer who was able to provide some direct feedback and guidance in regard to Audiostem. Michael Simons, Programme Manager at Derwent London pointed out that the actual technology was relatively straight forward and cheap to develop compared to when I first started looking at the project in 2013. Whilst this was re-assuring, the challenge still resides around building an app that can provide a Minimal Viable Product that will demonstrate the functionality of the system. The goal is to ultimately create a system and service which is simple in design and sophisticated in its function. However, as simple as the technology may be to build, the challenge was driven more by resource; both physical and financial. After careful consideration and through the further research and discussions, it became clear that I needed to focus on building a simple concept.

During this thought process I revisited Eric Reis' book *The Lean Start-up* (Reis, Pivot (or Persevere) , 2011) and considered a Pivot of my idea. As discussed in the book the decision to Pivot or Preserve can be the all deciding factor in whether a business will ultimately succeed or fail. Taking an agile approach to a business idea is crucial to ensure that the aspiration of achieving the vision does not overcome the practicalities of whether the vision can be realised.

A good example of this making decision and the challenges faced in understanding how to evolve a business in an objective manner is in American company, Votizen. David Binetti set to tackle the problem of civic participation in the political process. His first product was a social network that was designed as a place where people could meet, exchange views and engage in politics. (Reis, *The Lean Start-Up* , 2011)

Through feedback and learning, David learnt that whilst the public wanted the ability to interact and discuss politics, the product itself was not ultimately achieving its original goals and therefore, David carried out a Pivot

and Votizen became @2gov a “social lobbying platform”, a system that allows people to engage directly with elected-representatives via social networks such as Twitter and Facebook, this data is then converted into a more traditional format to allow those elected-representatives to respond.

My thoughts in pivoting the idea at this stage, when considering the complexity and significant initial funding that would be required to resurrect an idea with limited financial resources was to simply focus on the Jukebox aspect of the system and think about possibly creating an app that would allow users to add songs to their existing playlists with providers such as Spotify and Apple Music. However, at this point after a discussion with Steve Cole from Tileyard, I was introduced to the Association of Independent Music (AIM). I met with Callum Johnson who is the manager of the Friends of AIM initiative. After discussing the project with him, he became very enthused about the overall concept of Audiostem and offered to help regarding providing contacts within the industry and also in providing music from AIM’s members to help establish a working model of the platform. This encouragement led to further discussion and more importantly, helped to persuade me to persevere with the project under its current strategy.

With these aspects taken into consideration, it became clear that the focus would need to be focussed on the functionalities within the system that create a MVP. These basic elemental functionalities were:

- Local advertising
- Focussed on the Indie market
- The ability to upload music into a music system
- A jukebox app that would allow customers to interact with a venues music library
- The ability for customers to stream music autonomously
- Proof of Concept.

Feelings

When reflecting on the feelings that encountered during this process, it is important for me to recognise the profound emotion of resurrecting a project that I had invested a lot of time and energy in over the years and to understand the need to take and maintain an objective and pragmatic approach as to how to approach this project and in turn understand that the aspiration of launching something in tangible and ‘real’ was in fact more within reach now than it had been previously when I had approached the development of a product with a business partner and developer several years previously. The sudden interaction with real industry professionals and to gain direct feedback was extremely encouraging. It was important however, to remain focussed on the overall aim of delivering an academic business plan that would satisfy the requirements of the MA whilst preparing a platform to launch a real product to the market.

Evaluation

In regard to evaluating the process as a whole, there are always aspects that on reflection, could have required greater planning, more research and direct feedback. For example, the need for primary sources to refer to within the plan to provide context, structure and positive enforcement of the idea was vital. The survey carried out for artists and customers received a disappointing response from the Tileyard student group and in fact, broadening the audience for this survey would have provided a better response that would have allowed for more substantiated data.

Furthermore, it would have been beneficial to have obtained a greater field of responses from businesses to obtain a broad and varied range of feedback. However, several factors impacted the ability to obtain a wider range of feedback. Firstly, the job that I currently have is particularly demanding and during the final stages of this course my role became all the more demanding which placed particular time constraints in terms of being able to arrange meetings with business owners. In an attempt to counter these time constraints, I used LinkedIn as a medium to send surveys to business owners in the Medway Towns where I currently live. Unfortunately, there was no response and I was unable to obtain any feedback through this method.

However, I was able to gain some feedback from a local hairdressing business and a local pub who were able to provide some useful feedback regarding the system and this data was used as primary information.

In contrast to these frustrations and constraints, there were some positive aspects in the knowledge and research gained as a result of undertaking this process. The introduction to AIM led to another introduction to a company called SonicData owned by Kelly Sumner. His company has created a service called SonicVenue that uses watermark data to track songs, where they are played or used in media and therefore provide services back to PRS, PPL and artists to ensure that they are being fairly remunerated for the use of their work. During this meeting I found that Kelly also owns a software and app development business that would be able to help re-develop the Audiostem app and website for a modest budget. Kelly was also keen to discuss ways in which SonicData could help launch Audiostem and indeed became a potential partner in sharing knowledge and contacts through our respective systems and website once fully established.

Ideally, I feel that if there was more time available to put this final project together, the overall output would have been a more rounded and complete plan. However, time constraints will always present challenges in any project and the important piece is to remain cognisant of these time constraints and challenges and plan the individual tasks in such a way that the critical paths and co-dependencies are measured and adequately controlled as part of the project management process.

Analysis

From an analytical perspective, the project was both demanding and rewarding and resulted in a learning experience that will ultimately benefit the way in which I approach the next stage of Audiostem's development. Being able to remain emotionally detached enough to make pragmatic decisions whilst maintaining the passion and focus of the original vision was challenging. It was, therefore, vitally important to follow a structured approach to the project and to constantly evaluate and measure the progress of the project to ensure the overall goal was achieved.

However, through engaging with industry professionals new avenues have presented themselves such as the conversation with Kelly Sumner of SonicData who, during my meeting with him informed me that he owns a software development business and would be able to provide assistance in building a cost effective and functional basic version of the Audiostem app for the purposes of establishing an MVP. This hugely beneficial and allows for the possibility of bringing Audiostem one step close to being fully realised.

Conclusion

In conclusion, I am reasonably satisfied that the business plan provides a strong foundation to enable a minimal viable product to be re-created and launch Audiostem in a fresh and more substantive way than when the business was created in 2012. The course has enabled me to understand in more detail, how business works within the music industry. My extensive background business has enabled me to be involved with and lead multi-million pound contracts and solutions within the property and facilities management industry for more than 25 years, but the ability to apply that experience in a coherent manner has been further enhanced

by completing this course. In particular the marketing and technology elements have provided a deeper understanding of how to target particular markets and demographics and grow the awareness of the product within the business community. This is a vital aspect of being able to launch this product in a more successful and economic way. On reflection, I feel that the business plan would have benefitted from having more detail in terms of how I would analyse feedback from the initial launch and therefore how this feedback would feed into the development of the product.

Action Plan

Finally, this process has allowed me to breathe new life into Audiostem, which has been a very personal project of passion over a number of years. My learning and development areas are within marketing and the importance of how to use the data from feedback and analytics are vital. Therefore, the next steps in the development of the system will be to focus on how I will gain detailed analytics when the system is launched.

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