



**'Sensier Music Services'**

**Creative Business Project**

**Joseph Sensier**

**BMTY7006**

**2020/21**

**Lecture – Steve Cole**

**Student Number - 2006863**

**Assignment Title - Report**

**Word count – 11,979**

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## **1 Executive Summary**

Sensier Music Services (SMS) is a digital-focused modern Artist and Label services company designed to help revolutionise the way the music industry operates. The business offers a variety of different services within the Artist and Label services sector on launch, including Social Media Strategy and Management, Creative Services, Digital Advertising and Label Services, which includes Music Distribution assistance, Rights Management and Licensing and Sync.

Sensier Music Services aims to make the industry fairer and to encourage and allow new, young upcoming artists and brands more creative freedom and autonomy. A central goal for Sensier Music Services is to facilitate a shift away from the current culture, where young artists regularly sign unfavourable record contracts, towards a culture where artists can thrive and have control of their creative outputs. Sensier Music Services are committed to helping modernise the music industry and to support the growth and sustainability of young artists within the industry into the digital age.

Sensier Music Services' Unique Selling Point (USP) will be affordable pricing targeting new artists and talent from within the student population at colleges and universities whilst undercutting the current market and market competitors. Sensier Music Services will initially create networking links with music colleges and specialist music universities to help build a substantial client base. They will add to this base by reaching out to all universities and colleges offering music courses. Sensier Music Services' offer will target entry-level musicians looking to make their big break within the industry and will aspire to support independent Record Labels and music companies with Label services.

Sensier Music Services' key management team will initially consist of the founder, Joseph Sensier, and additional team members who have yet to be employed. These roles will be advertised, and successful applicants will be recruited if their individual skills set align with the roles and responsibilities required. People for these roles will initially be considered from within the founder's network, from BIMM London and Tileyard Education. SMS is looking for ambitious self-starting individuals who are committed to the music industry, have a shared vision, and who are passionate about creating a more equitable industry for young artists who wish to create successful careers.

The company is confident that it will be successful because those involved will bring energy, enthusiasm and will strive to create a professional and productive business. Together the team will create an effective business model that develops strengths and minimises weaknesses. A SWOT analysis will be used to help facilitate this process. The SWOT analysis tool was created by Albert Humphrey, an American business management consultant in the 1960s, to explore the Strengths, Weaknesses, Threats and Opportunities that must be considered when creating a new business venture. A complete and robust SWOT analysis will maximise the overall success of this project in the early stages of development (MindTools,2021).

Financial forecasts and investment information are essential to help guide the business and attract potential investors. A detailed cash flow spreadsheet will be created and can be found in the appendices along with information on how SMS will run its investment rounds over the next 18 months.

## **2      The Business | Products and Services**

Sensier Music Services intends to start trading on the 1<sup>st</sup> September 2021 and has therefore completed full market research, business analysis, and financial planning in advance of this date. Sensier Music Services is a digital music services company. SMS is specifically an Artist and Label services company focusing on providing artists and labels with a range of high-quality services for a fair and competitive price. SMS is a service-based company offering monthly, quarterly and yearly subscriptions. SMS's Unique Selling Point (USP) will be affordable pricing targeting new artists and students at colleges and universities and undercutting the market and market competitors. SMS will create networking links with specialist music colleges and music universities to help build an initial client base. The company will then reach out to all universities and colleges providing music courses to increase its reach. The offer will focus on entry-level musicians looking to make their big break within the music industry. An additional aim would be to support independent record labels and music companies within the label services offer. The business is new and was started by Joseph Sensier, in spring 2021. The company has been set up as a Limited Company with Companies House. The single current shareholder, founder, and Chief Executive Officer, Joseph Sensier, will seek to hire other permanent members of staff to assist with the company's design, development, and day-to-day operations.

Sensier Music Services' vision and ambition, in the short term, is to increase the options and choices available for artists and labels within the music industry, including different services from rights management to artist management, to enhance artists and label autonomy and to increase their control of their creative outputs. In the medium term, the plan is to expand services into diverse areas of the entertainment sector, including TV, Film and online

creation (e.g. YouTube and Twitch). SMS aims to secure long term clients, create enduring productive relationships that support their development whilst simultaneously maintaining a focus on developing young talent. The overall vision in the long term is for SMS to become a leading company managing many different companies under the Sensier Group umbrella within the ever-progressing media sector.

### About the Founder

As the founder and Chief Executive Officer of Sensier Music Services, Joseph Sensier aspires to create a company that will change how young independent artists gain access to Artist and Label services. He studied for an undergraduate degree at BIMM London in Music Production and was an avid producer and worked with many talented peers and artists on several different projects, mainly within the Rap and RnB genres. Joseph was intrigued by music for TV and Film, working on several projects over the years, composing soundtracks and creating audio effects. Throughout the duration of the course, he became fascinated by the range of subjects that make up music business and collaborated with like-minded peers on different projects, including creating several business ideas.

Joseph decided that in order to progress his interests and career aspirations, he needed to expand his knowledge within the area of business and enrolled on the master's in Music Business at Tileyard Education, with the specific goal to learn about, and understand how to operate in, the music business arena. Joseph was attracted to the course at Tileyard Education because, like the courses at BIMM London, it is taught by industry professionals and designed to provide relevant academic preparation for working in the music industry. The MA at Tileyard Education favours collaborating with peers on projects, delivering presentations and writing reports. Joseph created a Marketing Strategy and Campaign for

an artist's single release for the Entertainment Marketing module, organised a Music Festival for the Live Event Management module, completing all relevant documents, such as risk assessment and licensing application. Later he was introduced to two mentors from Tileyard Music who have been excellent in supporting his career development plans and have arranged a one day per week unpaid internship with their marketing executive to help him gain experience.

Throughout his education and work experience, Joseph has learnt relevant academic theories, acquired appropriate skills, and developed the tools needed to execute this business idea to the highest possible standard.

In addition, while at Royal Russell School, he played for the school cricket first team and represented Royal Russell in competitive swimming. Also playing club cricket for the Alleyne Cricket Club between the ages of 9 and 14 years. As someone who valued and thrived in team sports situations, Joseph believes that this business idea will succeed as a result of collaborative working and the building of team resilience.

Joseph is now an avid golfer and a member of Dulwich and Sydenham Golf Club.

#### What products or services will SMS offer on launch?

Sensier Music Services will offer a variety of different services to clients on launch, including Social Media Strategy and Management, Creative Services, Digital Advertising, and Label Services, which will include Music Distribution assistance, Rights Management and Licensing, and Sync.

Social Media Strategy and Management services will offer to collaborate with the artist or labels to create their bespoke marketing strategy, with particular emphasis on social media,

providing clients with the most effective and current methods and tools. Ideally, SMS would wish to continue to manage all its client's social media accounts.

Creative Services will offer to arrange creative assets for clients' online portfolios across all their digital accounts. This will be provided using in-house and highly rated third parties.

Digital Advertising will offer to create and maintain clients' digital advertising campaigns across all online platforms.

The Label Services will offer Music Distribution, Rights Management and Licensing and Sync assistance to help ensure new and young artists and brands have access to high-quality information and support within these areas.

Each client will be offered unique services, and SMS values working closely with individual clients to understand their brand and cater to their specific needs. SMS plan to offer services that are accessible and available to a diverse range of artists and brands, reducing the barriers that exist for artists within the music and entertainment industries and targeting new artists and businesses. By building a company that offers affordable prices for desirable and valuable services, competing with well-established firms as an agile competitor, SMS will help clients reach their target audience. SMS will focus on providing the best customer service and aim to be competitive, efficient and successful.

Sensier Music Services have designed a pricing structure that will range from £9.99 to £79.99 per month for services, with certain additional features costing extra on top of the subscription fees. SMS will not operate as a traditional Record Label but instead as a company designed with the future of the music and entertainment industry in mind, offering increased choices and products to clients.

SMS hope to benefit entry-level clients wishing to access high-quality services as an alternative to those provided by market competitors and other leading service providers. SMS aims to achieve this by offering flexible choices of services at affordable, competitive rates using an agile business model. SMS will provide a range of experience and expertise, accompanied by an openness to approach a new task with the most up to date methods and tools, in order to reach the most favourable outcome for clients and to help drive their careers to new heights.

As the company gains experience, it will work to improve its services and be able to offer more affordable services to clients. In addition, SMS aims to learn and adapt by constantly updating business plans and strategies and to use research from the business and the sector to aid its learning.

### **3 Markets and Competitors**

The digital service market within the music industry has been increasing rapidly in recent years, and the market is saturated with different companies offering Marketing, PR and Label services. Many companies operate at the high end of the sector, whilst Sensier Music Services will be targeting entry-level consumers. Many businesses are offering similar services across the entertainment industries and beyond, and SMS are therefore aware that its products need to be unique and sustainable within a competitive market. The company goal is to create a niche and capture a significant portion of the market share both in the UK and then globally. Sensier Digital Management will operate within the Music Marketing, PR and Label Services. This combination of services model is becoming increasingly popular with more and more companies offering a mixture of services, moving away from traditional

record label approaches where flexibility was minimal and where sections of the market were excluded. This flexible model has become increasingly popular due to increasing numbers of artists releasing independently and requiring options to select services that record labels previously offered as full packages. Companies like AWAL, Ditto Music, PIAS, Believe and MN2S are experienced companies targeting a more equipped customer. Sensier Music Services aims to target the less equipped, new and young artists and brands. The company wishes to use these established companies as foundations for its business model, hopefully gaining some market share from these companies. The company's niche market is a section of the industry that is growing rapidly due to the nature of the music industry becoming more service-based, with consumers opting for these more flexible options, which allows them more creative freedom. According to Midem's white paper 'How technology is energising an artists-first global business':

The Artist & Label Services sector is the new competitive player in the global music-industry arena, and it looks set to overhaul the state of the business in the 2020s (Midem,2020).

The last five years has seen massive growth within the Artist and Label services sector of the music industry. The change from product-based to service-based has allowed a new type of music company to evolve and thrive. According to MiDIA Research, Artist and Label services generated \$1.58 billion in 2018 (Midem,2020). This is illustrated by Spotify disclosing that around 60,000 new tracks across more than 5,000 genres are uploaded to the service every day, with expansion into 80 new markets in 36 languages (Music Business Worldwide, 2020). In addition, the number of uploads from new and unsigned artists requiring marketing and label services is at an all-time high. In 2020, "the ratio of artists "doing it

themselves" exceeded the output of the three major labels by a ratio of 8 to 1" (Music Business Worldwide, 2020).

The expansion of technology and streaming platforms over the last five years is confirmed by GCA Capital who issued its latest quarterly trend report on the music industry, noting that the creator platforms and services sector "is a critical part of the digital music market driving the broader theme of democratisation in the music industry" and is "underpinning the secular trends and growth in the market" (Music Business Worldwide, 2020).

When starting up a new business within this rapidly expanding market, where there is immense competition, it is crucial to consider the projected forecasts and how streaming revenues could grow the overall global music industry's revenue. In May 2020, Goldman Sachs, one of the world's leading financial institutions, published a report on the music industry's revenue and growth forecast. An important point they identified for 2020 was that the overall industry would suffer a significant decline of 25% compared to 2019 due to COVID-19, the lockdowns, and social distancing measures implemented worldwide. However, streaming would continue to grow significantly as more people than ever before were at home listening to music on devices using streaming services.

Goldman Sachs's report states the following.

We expect streaming revenue, which accounted for 56% of the recorded music market in 2019, will continue to grow at a healthy rate of +18% in 2020 (vs +21% prior and +23% in 2019). We expect paid streaming growth to remain resilient at +19% (vs. +20% prior and +25% in 2019) while the weaker advertising demand will more impact ad-funded streaming (GSe +15% vs +21% prior and +18% in 2019). (Goldman Sachs, 2020)

Goldman Sachs forecast 2020/21 total streaming revenue to be \$25.4 billion and by 2030 growing to \$75 billion. They have also predicted that music publishing will grow 3.5% year on year from 2019 to 2020/21. This forecast optimistically shows that despite COVID-19, the music industry will survive and continues to grow. (Goldman Sachs, 2020)

A challenge, and area for growth, is identified in noting that Spotify is currently active in 79 markets compared to Netflix which operates in 194 markets. Evidently, there are more markets that streaming services must enter to enable record labels and artists to further their global reach.

### Competitors

Many companies within the music industry sector have continued to grow from strength to strength, and Sensier Music Services hopes to replicate this growth potential by conducting a deep dive investigation into its competitors to better understand their business and expansion models. Therefore, in preparation to launch, SMS are researching and analysing a select few businesses within the sector who are direct competitors. This process is crucial for understanding the current market and for finding the most effective way to bring Sensier Music Services to market. This market research exercise will focus on three competitors for research and analysis: Kobalt Music Group (AWAL), Ditto Music and PIAS.

### Kobalt Music Group (AWAL)

As the largest of the independent labels, Kobalt Music Group is a significant competitor to Sensier Music Services. As its most direct rival, SMS will need to create a business model that is robust enough to compete with Kobalt Music Group. Kobalt Music Group has successfully created a modern approach to the record label business over the last decade.

Kobalt Music Group offers label services that operate a fee driven model without taking ownership of the masters from the artist. As this Tech Crunch article explains.

Kobalt Music Group is driving the music industry to provide more transparency and faster royalty payments to musicians and challenging the traditional record labels and publishers with its alternative service offerings that do not take ownership of copyrights. Competition and market size are headwinds in its future growth. (Peckham, 2019)

### Ditto Music

Ditto Music began its life as a music distributor for online and digital outlets originating from the UK, charging artists a flat fee for distribution services. Ditto Music have since progressed into the label services business after releasing a service called Ditto Plus, which included public relations, social media support, creative design, digital marketing, radio promotion and playlist pitching. Ditto says that it is open to artists, managers and independent labels, although it seems to have consolidated these offers into one package sold for £399 per promotion (Ditto Music, 2021). Ditto Music was nominated for Artist and Label services award two years in a row in 2017 and 2018 from Music Week Awards (Music Week, 2018/2017).

Ditto Music also offered a label tool called “Label in a Box” which allowed people to start a label by giving them all the necessary tools and equipment. The “Label in a Box” included ISRC codes needed to sell music legitimately, information and guidance on how to distribute an album to hundreds of digital storefronts, and sample contracts that had been drawn up by legal teams and that could be signed without the need to hire a lawyer. In addition, their online site showed up-to-date analytics revealing how certain tracks or collections were

performing, the ability to register for the Billboard Charts, along with calendars and lists of opportunities. This incredibly unique product no longer appears to be available.

### PIAS

PIAS Group has many different interests across the music industry, but here the focus is on their Artist and Label Services. They operate globally as the most prominent global company, with many impressive independent labels and artists working with them and using their services (PIAS, 2021). Their unique selling point is their offer of a range of different services within the Artist and Label services, and in June 2021, they created a strategic global alliance with Universal Music Group (UMG).

Under this new alliance, Universal Music Group has access to PIAS's international distribution network and expertise in providing services to the independent music community through its long-standing services division, Integral. In return, PIAS can use resources and funding provided by Universal Music Group to grow its global offering further and strengthen its position as the leading independent services provider (UMG,2021).

## **4 Marketing and Sales**

### SMS's position in the market

Sensier Music Services has considered carefully where it would like to position itself in the market and is clear about its central aim to provide excellent services at affordable prices to a particular section of the market, namely new artists and students at colleges and universities. SMS's Unique Selling Point (USP) will be providing products that are accessible, affordable and offer choices to clients. A significant challenge in the business design is to

create products that can be delivered efficiently whilst undercutting the market and threatening competitors. To overcome this challenge, it is important for SMS to target the appropriate market and therefore it will seek to build networking links with specialist music colleges and universities to help grow a solid client base. SMS will then reach out to all other universities and colleges offering music courses to extend its client base. Accurate client targeting will be crucial to strengthen SMS's position as a viable competitor in this busy market. As SMS's offering will be focused on entry-level musicians looking to make their big break within the industry, this method of building a client base is especially important. SMS also hope to support independent record labels and music companies with its label services.

### Pricing Strategy

Sensier Music Services will be using a subscription-based pricing model featuring a three-tier system, offering choices of prices and packages to clients who will have a range of different service requirements. Having researched competitors and compared various pricing strategies and assistance, SMS have developed the following subscription and onetime fee services model. In planning, SMS used market analysis of various competitors to craft a fair yet profitable pricing strategy and model. The challenge posed was how to make prices competitive so that the company could meet its aim to undercut the market. SMS aims to undercut the market by offering affordable monthly subscriptions, although this means it will make less profit in the first two years of operating. This has been factored into the financial planning.

The three tiers are Basic £9.99 per month, Artist £22.99 per month, and Label £79.99 per month. Depending on which tier clients choose will give them varying access to different features of each service that are provided. In addition, some advanced features will be sold

separately as add-ons to basic subscriptions. SMS would look to increase its prices after two years of business operations, with an increase of approximately 5% to 10%, calculated on the success and engagement of its products within the marketplace.

The pricing structure is simply displayed in the pricing chart below.

Subscription Price list

| <b>Basic<br/>£9.99 per month</b>                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Artist<br/>£22.99 per month</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Label<br/>£79.99 per month</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Music Distribution</li> <li>• Creative Services - access to artwork and content creation advice from a member of our team.</li> <li>• Social Media Campaigns limited to 4 weeks long.</li> <li>• Digital Advertising Campaigns limited to 4 weeks.</li> <li>• Social Media Management services will be limited to Facebook and Instagram with a reduced price of £6.99 per month</li> </ul> | <ul style="list-style-type: none"> <li>• Music distribution.</li> <li>• Rights management, licensing, and sync support from our Artist and Label services.</li> <li>• Creative Services will allow access to artwork, photoshoot and content creation advice from a member of our team.</li> <li>• Social media campaigns - 4 or 8 weeks.</li> <li>• Digital Advertising Campaigns - 4 or 8 weeks.</li> <li>• Social Media Management services will be available across all platforms that we support. £14.99 per month.</li> </ul> | <ul style="list-style-type: none"> <li>• Music distribution.</li> <li>• Rights management, licensing, and sync support from our Artist and Label services.</li> <li>• Creative Services, with access to artwork, photoshoots, video shoots, editing and content creation advice from a member of our team.</li> <li>• Social media campaigns - 4 weeks, 8 weeks or 12 weeks.</li> <li>• Digital Advertising Campaigns – 4 weeks, 8 weeks or 12 weeks.</li> <li>• Social Media Management is offered at £6.99 per Artist.</li> </ul> |

Services Price List

| <b>Weeks</b> | <b>Social Media Strategy</b> | <b>Digital Advertising</b> | <b>Creative Services,</b> |
|--------------|------------------------------|----------------------------|---------------------------|
| 4            | £45                          | £40                        | £POA                      |
| 8            | £70                          | £65                        | £POA                      |
| 12           | £100                         | £95                        | £POA                      |

If Social Media Management and Digital Advertising are purchased together the price for both is discounted.

| <b>Discounted</b> | <b>Prices</b> |
|-------------------|---------------|
| 4                 | £35           |
| 8                 | £60           |
| 12                | £90           |

Subscription Tiers

The tier structure begins with the entry-level tier which is 'Basic', followed by 'Artist' tier, and then 'Label' tier.

The basic tier is designed for new and young artists. This subscription tier will give access to:

- Music distribution support provided by the label services team.
- Creative services will provide access to artwork and content creation advice from a member of the team.
- Social media campaigns provided by the marketing executives and limited to 4 weeks.
- Digital advertising campaigns provided by the marketing executive and limited to 4 weeks.
- Social Media Management services will be permitted and will be limited to Facebook and Instagram with a reduced price of £6.99 per month (only available to basic tier).

The artist tier is designed for the more developed artists looking for an alternative to a record or publishing contract, helping them remain independent. This tier will allow greater access to the services that SMS provide. This subscription tier will give access to:

- Music distribution.
- Rights management, licensing, and sync support.
- Creative services will allow access to artwork, photoshoot and content creation advice.
- Social media campaigns will be increased to 4 or 8 weeks.
- Digital advertising campaigns will be increased to 4 or 8 weeks.
- Social media management services will be available across all platforms that SMS support.

The label tier is the highest subscription level and is aimed towards records labels and music companies wishing to use SMS's services to help increase growth, exposure and productivity within their businesses. The label tier includes access to all services listed above, and importantly, there are no additional fees for services except social media management fees. This tier is essentially the fully inclusive tier for access to the complete range of Sensier Music Services products. This subscription tier will give access to:

- Access to music distribution.
- Rights management, licensing, and sync support.
- Creative services, with access to artwork, photoshoots, video shoots, editing and content creation advice.
- Social media campaigns - increased to 4 weeks, 8 weeks or 12 weeks.
- Digital advertising campaigns – increased to 4 weeks, 8 weeks or 12 weeks.

- Social media management is offered at £6.99 per artist.

### One Time Fees

The pricing structure for Social Media Strategy and Management is broken down into three sections. Each price tier offers a defined period for a campaign to run, including a 2-week planning window before the campaign launches. The Social Media Strategy and Management services will consist of a dedicated team creating bespoke marketing strategies specifically designed for social media using the most up to date methods and tools. An overall aim for Sensier Music Services is to continue to manage all its client's social media accounts after the initial campaign period.

The management service can also be purchased outside of the campaign period and is priced at £14.99 per month. This service will help create, post and manage client accounts which include Facebook, Twitter, Instagram, YouTube and Tiktok.

A 4-week campaign will cost £45, an 8-week campaign will cost £70, and a 12-week campaign will cost £100. If these are combined with the Digital Advertising services, the prices will be reduced with a 4-week campaign costing £35, an 8-week campaign costing £60, and a 12-week campaign costing £80.

Digital advertising services are again broken down into three sections. Each price tier offers a set period for a campaign to run, including a 1-week planning window before the campaign launches, which is included in the price. The services provided will create and maintain digital advertising campaigns across all online platforms and use adverts across all leading social media platforms and online digital providers like Google. Googles advert tools

and search engine optimisation will be critical tools used by the SMS team to help create the most effective and engaging adverts.

A 4-week campaign will cost £40, an 8-week campaign will cost £65, and a 12-week campaign will cost £95. If these are combined with the Social Media Strategy services, the prices reduce to a 4-week campaign costing £35, an 8-week campaign costing £60, and a 12-week campaign costing £80. It will cost an additional £15 for an adaptive campaign which means SMS will monitor the digital advertising campaign and use analytic tools from leading providers like Facebook Pixel and SMS's expansive knowledge to retarget and evaluate client's campaigns.

Creative services consist of advising and arranging the creation of creative assets for clients' online portfolios across all their digital accounts. These are provided via sourcing using highly rated third parties. The different services include artwork, photoshoots, video shoots and editing services. SMS will charge a £3.99 service fee for any of these services. All services will be quoted on an individual basis. SMS will ensure that all prices are fair and competitive.

Label and artist services will offer music distribution, rights management and licensing and Sync assistance to help ensure new and young artists and brands have access to high-quality information and support within these areas. These services will be offered via subscription only. These services will help both artists and labels manage these areas, which are usually governed by record or publishing contracts. Importantly, Sensier Music Services will offer these services in a modern and fair way, allowing artists and music companies alike to thrive, succeed and remain independent.

## Marketing and Promotion

Sensier Music Services will design a marketing and promotional strategy that is able to bring the business, and the services on offer, to the market and the effectiveness of this strategy, will be critical in contributing to the best possible success and outcomes for the business.

Effective marketing is a fundamental element in penetrating the market and gaining a significant amount of the sectors market share. Sensier Music Services will be using several different methods to ensure that there is a successful marketing plan in place for the business. It will be using a mixture of traditional and digital marketing alongside a blend of traditional and digital advertising. Direct marketing methods will be the fundamental backbone of the strategy, using all the available digital marketing tools to accomplish a significant market share. This will consist of mail, email, social media, and texting campaigns. It has become increasingly possible to execute direct marketing campaigns due to the digital age, with the possibility of utilising sophisticated methods to identify and reach a customer base, such as Data-Driven Marketing. Eugen Kipple explains what data-driven marketing is:

Data-driven marketing is the approach of optimising brand communications based on customer information. Data-driven marketers use customer data to predict their needs, desires and future behaviours. Such insight helps develop personalised marketing strategies for the highest possible return on investment (ROI).

(Kipple,2021)

Advancing technology has allowed for a more sophisticated understanding of whom businesses are targeting which means that customers can be reached at a reduced expense and with a much higher success or ROI. Tools such as Facebook Pixel are brilliant at helping

create more effective and efficient marketing campaigns. Facebook Pixel allows businesses to gather necessary market research and data insights which can help create more effective Facebook and Instagram adverts allowing businesses to target adverts far more efficiently. In addition, Facebook Pixel can help narrow down additional factors and niches and can help businesses gain more targeted exposure enabling increased success at reduced costs.

The use of search engine optimisation tools (SEO), and the creation of a professional website, will be used to list all information about the business, including services provided, pricing, store and contact information. By using SEO, businesses can ensure that their website gains traction, remains listed at the top of google searches and are advertised around the search engine. These are vital marketing support strategies that will increase client base and sales.

The use of mailing lists for exclusive deals and information remains incredibly effective and are used by most of the businesses that were researched within the sector. The success of this method continues because it engages with the customer more directly and personally. For example, businesses are six times more likely to get higher click-through rates using emails rather than tweets. In addition, emails are 40 times more effective at acquiring new customers than Facebook or Twitter (Campaign Monitor, 2019).

Creating social media accounts to help promote the business by posting content, reviews, and services is another highly effective marketing method. Social media advertising using previously mentioned tools such as Facebook Pixel, and other data insight tools from social media sites, helps to generate exposure and business reach.

The implementation of digital marketing and advertising methods will be particularly important for Sensier Music Services as it wishes to target a broad range of college and

university students. With an ever-growing digital world, reaching these customers via social media platforms is crucial. Whilst SMS plans to reach out to universities and colleges to promote its services to the students, it will be easy and efficient to use direct digital promotion methods as well.

To summarise, Sensier Music Services will focus its marketing strategy on combining digital advertisement with direct digital marketing, which will allow SMS to secure the highest return of investment for the lowest cost of acquisition.

For reference, Appendix B shows the full social media marketing strategy for the release of Champagne Story's single 'Juice' which is an example of SMS's work.

### Branding

Creating a brand and logo which is attractive and recognisable and encourages new customers to feel that they can trust SMS is vital. SMS will use Abode Spark to design its logo. The logo can be found in Appendix D.

### Sales

As a business, Sensier Music Services has identified the most effective routes to promote and sell its services. These services will be sold primarily via the website using an e-store. SMS will be using Wix to create its website as the tools and services that Wix provide best matches with the company's needs. This method of website design and creation is easy and cost-effective. The website will generate membership portals showing users all their details, including subscription choices and add-on information. For a monthly subscription Wix provide access to premium online business tools. These tools allow companies to run a professional website with an e-commerce section including subscription management,

invoicing and financial management tools. They also provide tools to help promote the products and website by showing the best way to utilise SEO. The total cost of setting up and running the website's e-store is detailed in the financial section of this document. The website details can be found in Appendix A.

## **5 Management and Personnel**

Designing a structured management plan is a crucial part of the setting up process for a business to ensure that the company will have a workforce infrastructure to support it running efficiently and effectively. Therefore, choosing the correct management team and additional staff members requires planning. Sensier Music Services will use a traditional hierarchical management structure where the chain of command goes from the top to bottom. Evidence suggests that this model increases the potential for a successful business (Williams, 2020). The hierarchical management structure is the most common type of structure within business models. There are positives and negative aspects to this model.

### **Pros**

- Better defines levels of authority and responsibility
- Shows who each person reports to or whom to talk to about specific projects
- Motivates employees with clear career paths and chances for promotion
- Gives each employee a speciality
- Creates camaraderie between employees within the same department

## **Cons**

- Can slow down innovation or essential changes due to increased bureaucracy
- Can cause employees to act in the interest of the department instead of the company as a whole
- Can make lower-level employees feel like they have less ownership and can't express their ideas for the company

(Williams, 2020)

## **Management Roles**

Initial planning requires assigning management roles by matching individual skill sets to the required positions. SMS will be looking, in the first instance, to its network within the industry and to BIMM London and Tileyard Education. In doing this, SMS can select motivated individuals who have knowledge, skills and a passion for working in the music industry to join the company and to manage and grow the company. As of now, only one position has been filled, the CEO and Founder Joseph Sensier. As a startup business, the management team will be young and inexperienced. This could be considered a weakness that would need to be addressed by providing support using mentoring and leadership training. However, on the plus side, young entrepreneurs can bring energy and a can-do attitude that is invaluable for a creative startup initiative. These roles will form an Executive Management team like those featured in most traditional startup companies upon which SMS are modelling its business. The Executive Management Team will consist of different roles, and each role is outlined below (Dawson, 2021).

- Chief Executive Officer (CEO) – responsible for the overall company strategy and long-term strategic planning to enhance business growth.
- Chief Operating Officer (COO) - the COO's primary responsibility is to operationalise the CEO's strategy and ensure that operations function correctly.
- Chief Financial Officer (CFO) - the CFO will be responsible for driving investment opportunities and will work closely with the CEO, COO and the entire finance team. They will hold responsibility for budgets, cash flow and asset management.
- Chief Marketing Officer (CMO) –the CMO will be responsible for the marketing department, which will design and project the brand vision. The CMO will work with their team to create marketing strategies and campaigns and lead a team of experts to help raise the business's profile.
- Chief Technology Officer (CTO) - If a business is built upon the latest technology, a CTO will hold responsibilities for these operations. The CTO works alongside the IT department to ensure that all systems and infrastructure are in place to enable the company to work efficiently.

The existing CEO will create Job Descriptions and Person Specifications for each of these roles, which will identify reporting structures and roles and responsibilities. The CEO will draw upon colleagues from similar businesses to support him to use interviews and selection procedures to ensure the people taking on these roles have appropriate experience and knowledge within these areas. The CEO will also consider recruiting individuals who evidence talent but would benefit from additional training. These management and executive roles will form the backbone of the company from day one. An understanding and commitment to lean and agile business development and management

will be a key value for all those in the executive team, as this shared value is central to the business model.

### Staff

In this business model, the plan in the first phase will not involve hiring any permanent members of the team beyond the executive team. Initially, the company will be using the sourcing of third parties. Sourcing third party workers on a flat fee basis will save the business money in its early days and allow the company to build financial stability. SMS hope to start employing staff once it has either gained enough investor capital or created enough sales revenue. SMS hope to begin to hire full-time staff by the start of 2022 and by Q2 of 2022 at the latest. The hiring of this wider team will allow SMS to accelerate its productivity and progression within the sector.

During the initial phase, SMS will review staff requirements in order to plan future staffing needs. As the business grows, it is envisaged that the business will operate several different departments. These will include Finance, Marketing, HR, Technology and Management, all of which will be managed by Heads of Departments who will report to Executive Managers. All departments will monitor productivity and will assess outputs for each department per financial quarter. The business model includes a bonus scheme initiative; departments who reach their objective, targets and goals, will be given a bonus via the bonus scheme. The bonus scheme will be fair and inclusive for every staff level and will be split according to the department. This scheme hopes to encourage a competitive and motivated workforce.

The company will aim to grow and develop a strong group of staff, modelling an excellent standard of work for its clients. In addition, SMS hope to build long-lasting partnerships with many different artists, brands and businesses within the music industry.

Research shows that staff are far more likely to continue working for a company if they receive good company benefits (Staff Squared, 2018), and this has become an ever-increasing way to boost morale and productivity within staff teams. SMS will therefore offer staff benefits which will help the team stay positive and productive. These staff benefits will include:

- Competitive Salary
- Private Medical Insurance
- 25 paid days of annual leave
- Interest-Free Season Ticket Loan
- Holiday help scheme
- Bonus Scheme
- Gym Membership

Ensuring staff wellbeing and supporting staff to remain motivated will remain a priority for the business, and SMS plan to boost these staff benefits with events and methods to drive motivation. For example, SMS will be looking to create an office space that allows for the best possible work environment with social networking spaces, relaxation spaces, kitchen spaces and a table tennis area so that staff can have some fun. Providing masterclasses with motivational speakers and industry leaders to help motivate and stimulate the team and to help them strive to do their best work will be essential. Monthly work drinks and dinner will be encouraged to support the staff team to connect and network across departments, and SMS hope this will increase workflows and collaborations within the staff teams.

Provided in Appendix F is a job description that has been created from a template by MonsterJobs (Monster, 2021)

## **6 Operations**

The operations and operational strategy are a vital part of the business plan. The operational strategy will consider premises, management information systems, equipment and information technology and details of how SMS will sell its services, reach new clients and maintain an existing client base.

Essential operations will consist of managing a working day with core office hours between 10:00 to 18:00 with a break for lunch between 13:30 and 14:00. The day will comprise of the necessary daily tasks being completed. Sales staff will source and secure new clients to purchase the services, and the marketing and PR teams will continue to work actively with clients. An effective operational strategy, including clear protocols and guidance, will make these processes easier to execute. KPMG, a leading business consulting firm, says the following about operational strategy.

The operational strategy involves refining and specifying a company's business strategy and developing strategic initiatives and operational plans, aiming to implement the overall strategy for their business successfully.

The work involves, among others:

- Challenging management regarding the way in which they think about their business,

- Performing, where needed, detailed strategic and operational analysis to identify any omissions/problems or areas for improvement.
- Developing clear, achievable action plans to deliver the strategy
- Supporting clients in implementing the action plans and measuring the results against predefined goals and key performance indicators.

(KPMG,2021)

This business plan will encourage using a consulting company to help the company to formulate the most effective strategy to build the company and to form the blueprint upon which to continue working.

In addition, embedded within this business plan is the Lean business model, which will allow Sensier Music Services to adapt readily to new situations and be ahead of the ever-changing business world. Sensier Music Services needs to stay lean in the way it operates to keep itself viable, especially during such changing and volatile times.

As this American Express article explains, a Lean Business model is.

Traditionally, being "lean" has meant doing more with less, but the concept has expanded. Today, a lean business model is a strategy that streamlines processes to address customer requirements rapidly. It involves fast cycles of surveying customers about their needs, developing and prototyping new products and services accordingly, and adapting to shifts in demand. (Levit, 2018)

With all business models, there are pros and cons, but as this is a progressive model, it is fair to say that the positives of lean business heavily outweigh the negatives.

Shown in Appendix E is the SWOT chart, which was a tool used to consider how the company plans to be lean, agile and successful.

### Premises

Securing premises in the form of an office is necessary for the company's growth and productivity. Currently, SMS have no secure office space, but are negotiating for an office space that could house the startup. Firstly, it was necessary to consult the financial plan to see how to cost office space. SMS located affordable office space in a central location suitable for a new and growing business like Sensier Music Services. The office identified is in a lovely complex with a kitchen and toilets on site. The rent is £1,710 per month, with additional broadband costs of £120 per month. The office is on the second floor of a multi-purpose office building and can house up to 10 people, suitable to accommodate a startup team with potential for extra staff as the company grows. In addition, the office is located on Fleet Street and is only an 8-minute walk from Blackfriars Station, which has excellent transport links, including over and underground services (Workspace, 2021).

The location is excellent, but expansion within the same building would be expensive. More affordable premises could be found in a less central location, but Sensier Music Services are keen to begin working in a desirable location to help with the business's marketing. SMS therefore plan, in the longer term, on relocating the office when the business has gained traction and growth, preferably within the same site and area, in order to accommodate further the business expansion, which is expected to happen in 2022 and beyond. Currently, at the facility in Fleet Street, they have an office space available that can accommodate up to 26 people, with a cost of £4,120 per month. This would be the perfect upgrade.

### Equipment

The business will initially be able to operate without any specialist equipment needing to be purchased. The company will require five standard Mac Pros from Apple, which cost £1,250 each (Apple, 2021). Staff will be provided with 64Gb iPhone SE work phones with business contracts from 02 costing £28.50 for 6Gb of data, unlimited minutes and texts (Carphone Warehouse, 2021). This will allow the team to make business-related calls and messages from the office or remotely from an official number. This allows all the staff to have flexibility in the ever-changing world due to the COVID-19 pandemic.

All equipment will be kept up to date, although it is not envisaged that an update will be needed for a minimum of 3 years. After three years, all equipment will be updated, and any additional equipment will be purchased. These items would be considered as investments into the company as these devices are fundamental to the functioning of the business.

### Management Information Systems

The business has in place the various systems required to manage and monitor all sales and client accounts. The business will be using Microsoft's Office Access, a database application that can be used to store data efficiently and effectively. Access is super reliable, as is standard with all Microsoft Office software. The tool is super easy to use and can expand and grow alongside the business. Companies can either use templates provided by Access or create its own database from the ground up, allowing maximum customisation. This is included with the Microsoft Office Suite package.

All team members will be given training in how to use the software in line with company guidelines for data collection and protection, which will be in line with the Data Protection Act 2018.

As laid out by the government, everyone responsible for using personal data must follow strict rules called 'data protection principles. They must make sure the information is:

- used fairly, lawfully and transparently
- used for specified, explicit purposes
- used in a way that is adequate, relevant and limited to only what is necessary
- accurate and, where necessary, kept up to date
- kept for no longer than is necessary
- handled in a way that ensures appropriate security, including protection against unlawful or unauthorised processing, access, loss, destruction or damage

(Gov. The UK)

### Technology

Sensier Music Services will operate as a highly digitalised company using the latest technology to help drive business growth and keep in touch with the ever-changing digital world.

This will require the company to use the most up to date software and hardware to ensure that it remains relevant and competitive. As most of SMS's services are focused on digital and online platforms, technology is a crucial element of the business. As mentioned earlier, the company will purchase iMac Apple desktops and install the most up to date software

suitable for the tasks it needs to complete. SMS will have Office 365 on all computers and Adobe Photoshop.

A website has been created using Wix, which is one of the leading website providers. Wix also host the website and provide all the tools required for successfully running a website and online store. The website will promote the services with all necessary information and allow customers to purchase services (Wix, 2021). Importantly, the site has an integral member's area where customers can access all their data history, including subscriptions and services. The website is fully functional, with all the necessary backend tools for taking payment and storing data correctly in place.

The website can be seen here at <https://sensier.wixsite.com/website-1>

Also found in Appendix A.

## **7 Financial Forecasts**

Managing the business finances sensibly and correctly is crucial for the stability and longevity of the business.

As a startup, SMS will be looking for significant investor capital to help facilitate the company's launch. These funds will be used to pay rent, staffing costs and to cover all general investments required to get the company up and running. The aim is for the business to be completely profitable by the start of 2023. The founder of the company has invested an initial £5,000.

SMS have already taken the first step for investment which is called the seed round, in which we secured initial investment from friends and family amounting to £15,000. The

following investment stage is Series A funding, where Sensier Music Services are opening to outside investment, and are looking to secure £50,000 of capital from this round. In return, investors will receive a share of the company (Reiff, 2021). Finally, the CEO will create an investors presentation to pitch to investors in which he will highlight the critical areas of the business, plans and projections, showing the potential of the company and encouraging investment support.

In series B, which is planned to roll out in spring 2022, the company will look to secure £75,000 to help the business further grow and enable its development plans to take shape. Sensier Music Services hopes to do a third round of funding investment before the end of 2022; the goal would be to secure a further £150,000.

Creating, planning and executing a financial forecast is essential to ensuring business growth, and the cash flow document includes projected figures for anticipated sales, expenses, capital and other general financial information. The spreadsheet covers the first eight months of the business and includes business insurance which is necessary for the company to be able to operate within the law. The insurance cost starts from £5 from the chosen provider, SuperScript, who specialises in businesses' like Sensier Music Services (SuperScript, 2021). The estimated insurance cost is £20 per month.

The cost of running the website through Wix will be £22 per month and upgrading to their 'Business VIP' will give access to all their premium tools and features required to successfully run a business online.

Shown in Appendix C is the full financial spreadsheet.

## **8 Reflective Analysis**

### Introduction

Embarking on the creative business project marked the final stage of a strange year. The MA in Music Business at Tileyard Education is a course that celebrates collaboration and networking; COVID-19, the lockdown and remote lectures, limited the potential to collaborate and network within Tileyard Education and Tileyard as a whole. However, despite these challenges, collaboration was possible, and the year has been incredibly interesting. For this finale, I would need to pull together all the knowledge that I had learned, the countless hours researching and reading for the different modules over the year, to complete this task. It was a daunting moment, but I was prepared to tackle my dissertation head-on.

The task for the creative business project was to create a functioning and realistic business plan for a business idea designed and developed by ourselves.

The Creative Business Project requires students to create a proposal demonstrating our ability to autonomously plan, manage and deliver a large-scale fit for purpose, real-world business entity with its remit centred within a music industry idiom of our choosing.

(Cole,2021)

This was by far the most extended piece of work I had ever been asked to produce, with a word count of twelve thousand words. The first task was to prepare and submit a proposal for the business idea, laying out the foundations and structure for the creative business project and to receive feedback for the concept and execution plan.

## Proposal

The proposal was brief, essentially a one-thousand-word summary that would provide an overall description of the business idea. I began this process by reviewing and researching a selection of different companies that resonated with my burgeoning ideas, selecting a range of businesses that I found interesting, some large and globally successful, others that were small, niche UK based companies. I compared these different models and how each operated. It was vital to decide upon a business idea that genuinely resonated with my own area of interest within the music industry, an area that would excite and stimulate my creative juices. I also needed to remain mindful that the business idea needed to be realistically viable and relevant in the current music industry context. It was also crucial to create a business idea that would positively impact the artists within the industry. I wanted this business to overcome the challenges that artists currently experience in an industry that does not always put the artist at the centre of the business model.

The first idea that I considered focused on Intellectual Property (IP) Investment and Song Management, and I was inspired by companies like Hipgnosis Song Fund. Hipgnosis buys music catalogues as investments and is one of a few companies trying to get music IP seen as an asset class. Hipgnosis is currently valued at \$2.2 billion and reports a \$200 million increase since 2018 when listed on the London Stock Exchange (Ingham,2021). I was excited by this business idea. However, I concluded that I did not fully understand the financial elements of the business and after extensive reading, I decided to shelf this idea for the moment and moved to a business idea that matched my current knowledge and skill set.

I gravitated towards an area of the industry that had originally chimed with my skills and interest as an undergraduate, and an area I aspire to become more familiar in, with a view

to career choice and progression. I decided to focus primarily on digital marketing. I needed to research further into this area to combine the course's marketing elements that I had found remarkably interesting with a viable business proposition.

During the MA course, I had opted to be the person responsible for creating the marketing strategy for the first group assignment, which involved working with a team to release a new single. I also referred to the Entertainment Marketing module assignment, which had been a successful piece of work. I began to explore and research different digital marketing companies to provide context, reference and inspiration. I found several companies of interest; WMA and Blackstar are digital marketing agencies that offer essential and different types of services, including social media management, creative services, marketing strategies and more. Both companies had appealing websites which were crisp, smooth and easy to navigate. I conducted further reading and research into what WMA and Blackstar offer, and using some additional reading material, including "Mastering Entrepreneurship" by Sue Birley and Dan Muzyka (2000), "Music: The Business" by Ann Harrison (2017) and "All you need to know about the Music Business" by Donal Passman (2019), I began to flesh out my plan. These were the three core literary resources I used for research and to further my understanding of the topic areas; certified authors identified on the recommended reading list for the course and specifically for the dissertation module.

I was now satisfied with my decision to proceed with a digital marketing agency business as my business idea, and I set to work to craft the project proposal. I was keen to use the 5 W's (Adesope, 2017), the What, Why, Who, When and Where, to formulate and develop the business plan. The 5 W's model is key to creating a business plan that translates into a workable and successful project management plan. I also wanted to look at the economic

and financial considerations and conduct a competitive analysis to investigate the issues and challenges related to where the business idea would fit into the sector. Another aspect of the proposal planning was conducting a draft swot analysis; a SWOT is a great way to assess the business idea's key strengths, weaknesses, opportunities and threats. SWOT is used in most business plans and is one of the most effective development tools (MindTools,2021). I have added the final SWOT analysis to my creative business project within the appendices. Another key challenge was coming up with a name for the business, and I realised that naming a business can be complex and challenging. I made a long list of the different options that would suit the business, and it took a while before Sensier Music Services (SMS) stuck. The proposal was then completed swiftly, and submitted for feedback.

### Foundations

The next stage was to consider the proposal feedback and set about creating the scaffolding framework or foundation upon which to build the business plan. In the weeks that followed, I started to make notes of all and any ideas that came to mind, and I played around with these different ideas to begin building a SMART (Specific, Measurable, Achievable, Realistic and Timely) plan on how I could execute the business idea. I thought it would be helpful, now that I had a workable idea, to research how to write a comprehensive business plan. I gathered examples of different types of business plans and different templates to help to decide a layout and structure that would work for this business strategy, to help formulate the different sections and create a shape for the business plan. After browsing the internet, I came across "The Prince Trust" business plan template, a professional and detailed example of a business plan. However, I realised that this template did not include enough relevant information on sections that I needed to factor into my plan, so I continued to

search for more relevant templates to add to The Princess Trust template. Eventually, I found a template from the Leeds Beckett University, which matched my needs entirely. It contained a brilliant guide on how to plan, develop and execute a business plan successfully. I was now ready to get underway, and I continued working on my ideas and researching the sector. However, during this process, I noticed that my business ideas were evolving from the initial idea set out in my proposal. The business was beginning to morph into an artist and label services business. As my planning and reading continued, it became increasingly apparent that my business no longer was simply a digital marketing agency. It was important to recognise this shift, and I would imagine evolving and shifting ideas is a common feature when planning a creative idea. I welcomed this new iteration of my thoughts.

I decided to act and follow this organic process and amend and refine the business idea before it was too late to turn back. I pushed on and started to put pen to paper, working for several weeks on a draft of the business plan, testing out how it would work in real life and what services it would provide, continuing to find inspiration from research on key companies within the sector, including AWAL, Ditto Music and PIAS. These three companies were the main inspiration for my model, and I was excited to create a unique blend of these three large scale Artist and Label Services for my business. These three companies are industry-leading, and it was essential to study their business models as part of my market research and competitive analysis.

### The Business Plan

To start the business plan, my first focus was on the section, 'The Business: Products and Services,' for which I needed to consider exactly what type of business Sensier Music

Services was. Essentially, I needed to be clear about the Unique Selling Point (USP) for this business idea. A precious part of this clarifying process was talking to my mentor about my ideas. After a meeting with my mentor from "Tileyard Music," we came up with the idea that my USP should be that Sensier Music Services would offer affordable pricing targeting new artists and talent from within the student population at colleges and universities. Also focussing on undercutting the current market and market competitors whose systems and pricing structures currently provide barriers and challenges for this group of emerging new talent. The USP is a significant part of any business plan. It clarifies to the business creator his market and critical business objective and creates an attractive, easily accessible and punchy idea to grab the interest of investors. I was incredibly grateful to have the attention and the advice from my mentor, who is a successful businessman. I look back on that conversation about the USP as a hugely beneficial moment, and it reminds me of the importance of collaborating with my network in the development of my ideas and career aspirations.

The subsequent section I worked on was the Initial Offering of the business, putting together a description of the different services that Sensier Music Services would be selling. This is where I first outlined the variety of services that I wanted the business to offer to our customer base, and I was able to compare these to my research companies and tweak them according to my market needs. The section also needed to give a comprehensive overview of where the company is aiming to go in the future. I decided to be ambitious and set out aspirational goals for the company to expand beyond music and further into the rest of the media industry. This is a fundamental goal of mine that I wanted to incorporate into this business plan.

I found articles from Music Business Worldwide which were extremely helpful, providing information about the current context of the Artist and Label services sector, and I used this information throughout my business plan to rationalise my business decisions. The quote below talks about how technology has caused a blur between the traditional relationships between Artist and Label , between executive and creator and between major and independent and summarises nicely where my business model sits in the changing landscape that is occurring within the music industry and confirms that companies like Sensier Music Services are the future of the music industry, as artists seek modern alternatives to historical limiting and unsatisfactory recording contracts.

What we're seeing now is an industry maturing and evolving. The convergence of technology, global scale, and a greater demand for a service mentality is blurring the increasingly faint lines between Label and Artist, between executive and creator, and between major and independent. (Ingham,2021)

As the business plan progressed, I turned my attention to the Market and Competitors section, where I used knowledge gained from the economics modules I had completed towards the end of last year. I was reminded of how fortunate I had been to have had Dr Judith Shapiro as my tutor; Dr Shapiro was extremely helpful and wise. I investigated the economic trends of the music industry. I tried to gain information about how the industry was likely to shift and change over the coming 12 months and onwards to 2030, using brilliant, detailed reports from Goldman Sachs, one of the world's leading investment banks. The information I gathered investigated the music industry forecast over the next decade compared to the previous 5 and 10 years. The report, called 'Music in the Air' (Goldman Sachs, 2020), contains a mass of brilliant data and statistics and has been used as the

backbone of my market research. As I mentioned before, I had chosen three companies to compare for my competitive analysis: AWAL, Ditto Music and PIAS. In this section, I took a deep dive into how these companies' function, their pricing strategies, the services they offer, their marketing strategies, and any other information I could find. I used all the data I collected to help build my business plan as these were the companies, I was hoping to replicate in terms of my business model. Overall, I consider that the market analysis achieved its aim and helped to formulate and build the business plan, including operational strategy and financial forecasts.

A significant benefit of the competitive analysis was the information gained that helped inform and create the pricing strategy for the services that SMS would offer. I used the data that I had collected from the three main competitors and other general research into the music services sector to develop a pricing strategy. I began developing a pricing strategy to meet my primary aim and objective to support new and young artists and undercut other competitors. This was a challenging task, firstly as the costs needed to be realistic and achievable and secondly, because it was important to present a complex pricing structure as simply as possible. The website really helped to overcome the latter challenge. I also created a pricing chart which clearly laid out the pricing structure.

I decided to offer a monthly subscription service, a system that has become increasingly popular to lock and unlock certain content at different price levels. My aim here was to allow new and young artists access to valuable services whilst still appealing to a broader and more advanced audience. Creating three tiers, Basic, Artist, and Label, allowed me to target three different categories of customers and businesses and thus enable me to

generate maximum profit whilst not losing sight of my commitment to supporting young emerging artists and talent.

Additionally, I decided that Sensier Music Services would charge small one-off fees for specific services at a far more affordable price than our competitors were offering, thus increasing the scope of the company's attraction. Currently, only Ditto Music, of the three chosen companies that run a similar monthly subscription service, offers this flexibility. The others have a more closed-door approach in which customers must make contact and acquire a specific quote for these additional services. I wanted to make the services that Sensier Music Services offer accessible as well as affordable.

Moving on to the Marketing strategy, I was acutely aware that for the company to gain traction and become successful, effective marketing would be the primary method to drive sales of the services. I have experience, knowledge and a good understanding of the music marketing world, and therefore, found creating the marketing strategy for the business relatively easy. I considered and factored into the strategy many tactics, strategies and tools that I would use to market an artist and applied these to this project. I used the 7Ps of marketing tool to underpin my marketing philosophy. The 7Ps model was initially devised by E. Jerome McCarthy and published in 1960 in "Basic Marketing. A Managerial Approach" (Hanlon,2021).

The 7 Ps are as follows:

- Product
- Promotion
- Price

- Place
- People
- Process
- Physical evidence

I utilised all available marketing tools, including social media and a website. Designing a website was a significant part of the marketing and sales strategy. I decided to use the website builder Wix, one of the leading website builders and cloud hosting companies. My decision to select Wix instead of their competitors was as a result of having used Wix previously and therefore having knowledge of their tools and services. Wix is an attractive option because it is simple and its services are affordable, and its tools are excellent, including search engine optimisation assistance (Wix,2021).

To complete the marketing strategy, attention needed to be turned towards the company's branding, a logo that customers and investors would recognise easily. I wanted a logo that was appealing and made people feel that they could trust the company. I sourced Adobe Spark, which allows companies to create and generate custom branding for free with a simple online tool. I created a logo that worked for the company, and Adobe allowed for the download of a five-pack with different design variations (Adobe,2021). The branding can be found in Appendix D.

Choosing the correct organisational setup and the right people to make up the management team was crucial. I devoted time to planning the roles and requirements. Appendix F shows an example of the job description and person specification created for the Chief Financial Officer.

Alongside planning the staffing, I needed to consider the essential ingredients for a productive working environment and how to create the best working environment. I researched finding the perfect office with good on-site facilities and a prime location that would help boost the company status. Researching and costing for the necessary equipment, including computers and software, was essential, and therefore there was time allocated to researching the best deals from various websites that offer discounts for business purchases. Following this research, I settled on iMacs, iPhones and Office Suite 365 and Adobe Creative Cloud as these are leading products and suitable for the company requirements. These will provide an up-to-date range of digital devices and software that will be key to the everyday operations of the business. Finally, research was conducted into systems and operational techniques that would enable the business to operate smoothly, efficiently and effectively. I sourced a large management consulting company called KPMG, who provide a business consultant to assist the company in finding the most effective operational methods. I also utilised tools such as SWOT Analysis to help analyse and design the operating model, to consider areas that would provide challenges, areas of strengths and weaknesses of the business model, as a guide to building a robust business operating strategy. SWOT can be found in Appendix E.

Throughout the whole process of building the creative business project, financials were a constant consideration. This created several challenges because it was necessary, from start to finish, to keep the financials grounded and realistic. Balancing costs between projected income and actual expenditure meant that securing significant investments or accessing business loans would be necessary to fund the company. The only other alternative would be to reduce expenses significantly, but the impact of reducing initial investment would hinder the company's growth in the long run. A spreadsheet was created detailing the

costings and balances for the first eight months of the business operations. The figures in the sales and investors columns are estimations and projections loosely based on previous projects.

### Conclusion

In conclusion, I am satisfied with the outcome of this project and believe that overall, this business plan has been thoughtfully researched and designed. The creative process involved the initial idea evolving into a final business idea that was original and had great potential. The process involved investing countless hours reading and researching in order to build this efficient and effective business plan, a plan which needed to be fully operational and executable. I am proud of this achievement and pleased with how confidently I overcame the inevitable challenges in designing and building the business plan for Sensier Music Services. This project is the culmination of this last year of academic study, and the excellent lectures at Tileyard Education have supported my gaining a deepening knowledge of the Music Industry and increased my skill set, allowing me to pull together this piece of work.

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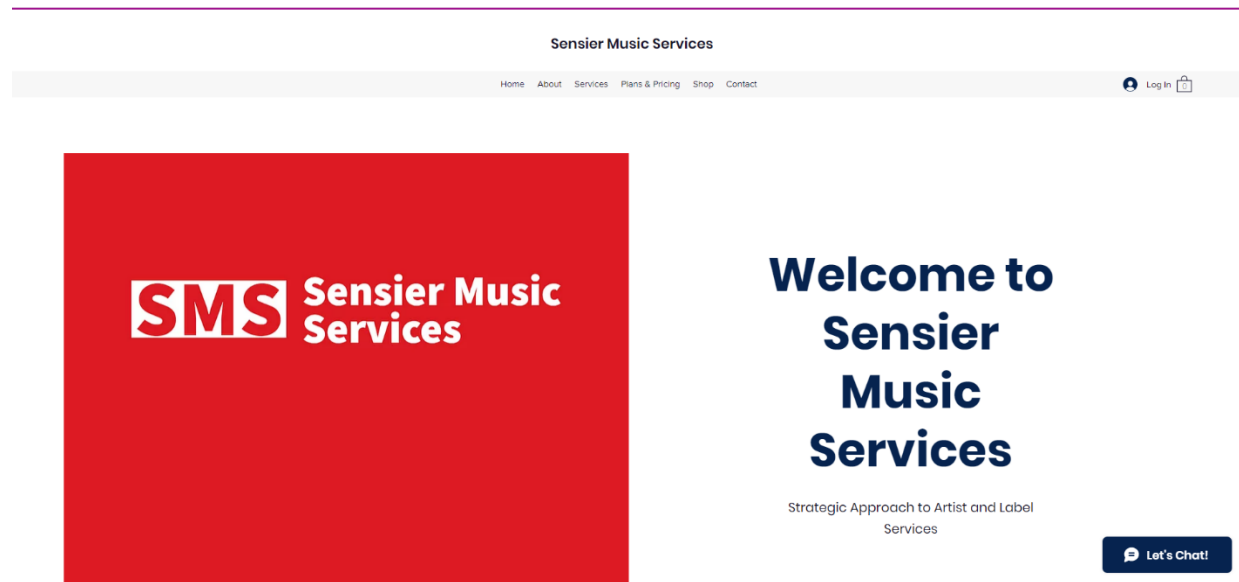
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## 10 Appendices

### Appendix A – Website

Link: <https://sensier.wixsite.com/website-1>



## Appendix B – Juice Marketing Strategy

### Juice Marketing Strategy

#### Marketing Objectives

- Stimulate internet hype for the release of 'Juice'.
- Create interest in the upcoming EP 'Night Messiah'.
- Grow Champagne Story's audience on social media and music streaming services.
- Create new social media accounts on a variety of platforms to reach the target audience effectively.
- Build an email list (database) to be used for future marketing campaigns.

#### Key Performance Indicators (KPIs)

- 75k streams across all streaming platforms within 10 months of release.
- 15 - 20% increase in follower on social media platforms.
- 10-15% increase in engagements on social media posts.
- Build and grow Snapchat account to over 200 followers.
- Analyse internet hype for the release of 'Juice'.
- Record interest in upcoming EP 'Night Messiah'.

#### Target Audience Demographics

- Age group 16-30 years.
- UK, USA and Europe. Mainly focusing on urban cities such as London, New York, Los Angeles, Amsterdam, Paris and Berlin.
- Fans of Hip/Hop Rap, RnB and alternative RnB
- Fans of artists such as Travis Scott, The Weekend, Juice Wrld, Kanye West Blackbear and similar artists.

#### 'Juice' 8-week release plan

Weeks 1 - 4:

- Creation of assets including photos and videos.
  - Begin running daily Instagram adverts to reach four thousand impressions per day, rotating the content from a range of available assets. Budget £20 per day, £140 per week.
-

- Three-time per week running Facebook Ads to reach one thousand impressions. Budget £20 per day, £60 per week.
- Run YouTube Ads to reach 50,00 impressions.
- Post content to all social media platforms – using available assets (Instagram, Twitter, Snapchat and Tik-tok)
- Launch the Pre-Save campaign

Release Day:

- Social media content across all platforms announcing the release.
- Going live on Instagram
- Create hashtag: #juiceandchampange
- Posting to people listening to Juice on Instagram and Snapchat stories (and thanking them).

Week 4 – 8 (Post Launch):

- Ad campaigns to continue.
- (Early release) Use the mailing list to send exclusive information about behind the scenes content and touring information.
- The general release of BTS content, Q&A (live or IGTV)
- Touring info to all social media platforms
- In week 5 release 'Juice' music video

### Appendix C – Finances

|                              | Sep-21 | Oct-21 | Nov-21  | Dec-21  | Jan-22  | Feb-22  | Mar-22  | Apr-22 | Totals  |
|------------------------------|--------|--------|---------|---------|---------|---------|---------|--------|---------|
|                              | £      | £      | £       | £       | £       | £       | £       | £      |         |
| <b>Cash balance*</b>         | 0      | 28     | 41,156  | 32,184  | 23,712  | 15,218  | 7,848   | 1,965  |         |
| <b><u>Income</u></b>         |        |        |         |         |         |         |         |        |         |
| Investor Capital             | 0      | 50,000 | 0       | 0       | 0       | 0       | 0       | 75,000 | 125,000 |
| Founder Capital              | 5,000  | 0      | 0       | 0       | 0       | 0       | 0       | 0      | 5,000   |
| Seed Capital                 | 15,000 | 0      | 0       | 0       | 0       | 0       | 0       | 0      | 15,000  |
| Loans                        | 0      | 0      | 0       | 0       | 0       | 0       | 0       | 0      | 0       |
| Sales                        | 950    | 1800   | 1,700   | 2,200   | 2,178   | 3,302   | 4789    | 5123   | 22,042  |
| <b>Total Monthly Income*</b> | 20,950 | 51,800 | 1,700   | 2,200   | 2,178   | 3,302   | 4,789   | 80,123 | 167,042 |
| <b><u>Expenses</u></b>       |        |        |         |         |         |         |         |        |         |
| Office Rent                  | 1,710  | 1,710  | 1,710   | 1,710   | 1,710   | 1,710   | 1,710   | 1,710  | 13,680  |
| Staff                        | 7,500  | 7,500  | 7,500   | 7,500   | 7,500   | 7,500   | 7,500   | 7,500  | 60,000  |
| Construction                 | 0      | 0      | 0       | 0       | 0       | 0       | 0       | 0      | 0       |
| Telephone                    | 142    | 142    | 142     | 142     | 142     | 142     | 142     | 142    | 1,136   |
| Equipment                    | 10,000 | 0      | 0       | 0       | 0       | 0       | 0       |        | 10,000  |
| Insurance                    | 20     | 20     | 20      | 20      | 20      | 20      | 20      | 20     | 160     |
| Fees Paid Out                | 300    | 300    | 300     | 300     | 300     | 300     | 300     | 300    | 2,400   |
| Research materials           | 0      | 0      | 0       | 0       | 0       | 0       | 0       | 0      | 0       |
| Internet /Website costs      | 500    | 250    | 250     | 250     | 250     | 250     | 250     | 250    | 2,250   |
| Travel                       | 250    | 250    | 250     | 250     | 250     | 250     | 250     | 250    | 2,000   |
| Waste                        | 0      | 0      | 0       | 0       | 0       | 0       | 0       | 10,000 | 10,000  |
| Tickets                      | 0      | 0      | 0       | 0       | 0       | 0       | 0       | 2,500  | 2,500   |
| Bank Charges                 | 0      | 0      | 0       | 0       | 0       | 0       | 0       | 0      | 0       |
| Marketing                    | 250    | 250    | 250     | 250     | 250     | 250     | 250     | 250    | 2000    |
| PR                           | 250    | 250    | 250     | 250     | 250     | 250     | 250     | 250    | 2000    |
| Cost of Goods Sold           |        |        |         |         |         |         |         |        | 0       |
| <b>Expenses*</b>             | 20,922 | 10,672 | 10,672  | 10,672  | 10,672  | 10,672  | 10,672  | 23,172 | 108,126 |
| <b>Income less expenses*</b> | 28     | 41,128 | (8,972) | (8,472) | (8,494) | (7,370) | (5,883) | 56,951 | 58,916  |
| <b>Cash balance*</b>         | 28     | 41,156 | 32,184  | 23,712  | 15,218  | 7,848   | 1,965   | 58,916 |         |

Appendix D – Branding



Appendix E – SWOT

|                                                                                                                                                                                                                                                  |                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Strengths</b><br>What do you do well?<br>What unique resources can you draw on?<br>What do others see as your strengths?                                                                                                                      | <b>Weaknesses</b><br>What could you improve?<br>Where do you have fewer resources than others?<br>What are others likely to see as weaknesses?                                    |
| <div data-bbox="217 656 489 689">Lean business model</div> <div data-bbox="217 719 462 752">Technology Driven</div> <div data-bbox="217 781 362 813">Affordable</div> <div data-bbox="217 844 413 878">Large Network</div>                       | <div data-bbox="837 656 1077 689">No existing clients</div> <div data-bbox="837 719 1176 752">Inexperienced young staff</div> <div data-bbox="837 781 997 813">Low capital.</div> |
| <b>Opportunities</b><br>What opportunities are open to you?<br>What trends could you take advantage of?<br>How can you turn your strengths into opportunities?                                                                                   | <b>Threats</b><br>What threats could harm you?<br>What is your competition doing?<br>What threats do your weaknesses expose to you?                                               |
| <div data-bbox="225 1256 526 1290">Ability to grow rapidly,</div> <div data-bbox="225 1319 462 1352">Strong leadership</div> <div data-bbox="225 1382 617 1498">Good connection to emerging talents and business through <u>networking</u></div> | <div data-bbox="853 1256 1088 1290">High competition</div> <div data-bbox="853 1319 1176 1352">Vulnerable and unstable</div>                                                      |

## Appendix F – Job Description



Sensier Music services

Chief Financial Officer

Chief Financial Officer Job Responsibilities:

- Develops financial well-being of the organisation by providing financial projections and accounting services, preparing growth plans, and directing staff.
- Accomplishes finance human resource strategies by determining accountabilities; communicating and enforcing values, policies, and procedures; and communication programs; planning, monitoring, appraising, and reviewing job contributions; and planning and reviewing compensation strategies.
- Develops finance organisational strategies by contributing financial and accounting information, analysis, and recommendations to strategic thinking and direction and establishing functional objectives in line with organisational objectives.
- Establishes finance operational strategies by evaluating trends; establishing critical measurements; determining production, productivity, quality, and customer-service strategies; designing systems; accumulating resources; resolving problems; and implementing change.
- Develops organisation prospects by studying economic trends and revenue opportunities; projecting acquisition and expansion prospects; analysing organisation operations; identifying opportunities for improvement, cost reduction, and systems enhancement; and accumulating capital to fund expansion.
- Develops financial strategies by forecasting capital, facilities, and staff requirements; identifying monetary resources; and developing action plans.
- Monitors financial performance by measuring and analysing results, initiating corrective actions, and minimising the impact of variances.

- Maximises return on invested funds by identifying investment opportunities and maintaining relationships with the investment community.
- Reports financial status by developing forecasts, reporting results, analysing variances, and developing improvements.
- Updates job knowledge by remaining aware of new regulations, participating in educational opportunities, reading professional publications, maintaining personal networks, and participating in professional organisations.
- Accomplishes finance and organisation mission by completing related results as needed.

Chief Financial Officer Qualifications/Skills:

- Financial planning and strategy
- Managing profitability
- Strategic planning and vision
- Quality management
- Promotion of process improvement
- Forecasting
- Corporate finance
- Budget development

Education, Experience, and Licensing Requirements:

- MBA or bachelor's degree in business, finance, accounting, or equivalent experience.
- Master's degree preferred.
- Certified Public Accountant certification a plus.
- Proficiency with accounting software, word processing, and spreadsheets.
- Solid financial reporting technical skills.

Reporting to the Chief Executive Officer. Please send you CV.