



PROFESSIONAL

LEON BROYD

Business Plan

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1. EXECUTIVE SUMMARY

Leon Broyd is an independent music label company that aims to implement and solidify the use of Non-Fungible Token (NFT) contracts in the music industry to eliminate the misuse of funds, mistreatment of artists and the unfair splits between labels and artists. It is very clear that the music industry is changing more and more every year, but we aim to not only change with the industry but trailblaze new techniques to and for the artist. NFT contracts are very essential to the message we are trying to send as it is a form of technology that is currently being ignored by the major labels as it will most likely decrease their profitability and help the artist more than it would help the organization. This is most likely because the blockchain technology embedded in the NFT contracts are unchangeable and all transactions are done automatically from the original splits agreed upon and all members of the contract need to agree for any changes to be made. This would stop the pocketing of shares and funds by labels and rightfully put the power back in the hands of the artist.

We aim to not only start trailblazing through NFT contracts but to continue implementing new technology that benefits the artist and we value ourselves as a company that is for the artist. Furthermore, we want to act as a bridge between the services that labels offer as well as managers. We see a gap in this area as the relationship between labels and artists has always been an employee/owner power dynamic. We want it to be more of a partnership where the artist feels valued, and decisions are made that are beneficial to both parties not just one. The stigma against labels have always been bad but with the very pro sensitive era we are in now and the recent horror stories being brought to light from the past negotiations and dealing of current majors there is a huge distain for artists signing with labels. With the increase in technology, they have also released that they may not need to sign with labels to garner success. We have seen recent self-proclaimed stars who have never signed such as Chance the Rapper, but we are also seeing artists turn down further deals with majors to go independent as seen with Super-Duper Kyle and Disclosure.

We see our willingness to put the artist first as our competitive advantage as it makes us more appealing and with artists starting to realize they can unionize and make the industry suffer its most likely only going to get worse and having a trust-worthy entity to rely on for individuals who do not want to endure the stress of being an independent artist we would be one of the only options available as past practices by labels currently in the market will always be on record and hard to justify or conceal.

However, there are a lot of struggles and negatives which we will talk on about the risk of starting a business like this and the possible threats and road bumps that may be waiting for us. Such as the monopoly held by the major labels and their high barrier to entry for smaller companies who do not have as high of a working capital to match their marketing spending annually.

We will also go into depth on how the industry is changing and how this business could topple and already wobbling industry and make way for a new segment or market altogether with Leon Broyd as one of the leaders and innovators.

2. COMPANY OVERVIEW

To start an independent Music label, we will need make sure we are not further saturating the music industry and adding more to a market that is not needed. This label goes under the name 'Leon Broyd' a Latin play on the words for Brave and Bold. The two qualities needed by any artists willing to chase their dreams. Company Slogans will be quotes such as ***"Thoughts to Reality"*** and ***"Don't Rush"*** to further give a quick-thinking explanation to consumers about our brand for our artists.

This label is not only entering the market with high ambitions, but I believe it is entering the market with several extremely unique Selling Points (**USPs**). The business landscape is so vast that it demands authenticity and distinctiveness. This is because a company has a maximum of 34-40 months to put its stamp on the market (FreshBooks, 2021). With a company that fresh and new there is a 'Pandora's Box' effect which allows for an endless number of possibilities for what the consumers can perceive from the brand and company.

When an artist begins to look for a label to house their music, it is often presumed that the best and only chance of getting found is by a local independent label or an international label. It is often thought that funding is what is needed for a label to be able to house international artists. However, in the new world of super interconnectivity (due to the internet and advanced technology), this is very far from the truth. With the right alliances and business partners in distribution and promotion any independent label can house artists from anywhere. Furthermore, Leon Broyd aims to take this further with advanced electronic NFT (**Non-Fungible Token**) contracts to make sure all artists have faith in the accounting and splits given to them. One of the many things that has held decade old markets back is their inability and unwillingness to fully embrace the advancement in technology. This was seen by the music industry entering both online selling of music and music streaming late, leading to new industry leaders for that era of music consuming, Apple (iTunes) and Spotify respectively.

Here at Leon Broyd, we aim to not let new advancements fall at the wayside and aim to embrace and further grow new technologies possible applications in the music industry.

2.1 – Mission Statement

Leon Broyd's aim is to trailblaze a new way of viewing a label-artist partnership. We pride ourselves on making sure our effort is always tenfold the artists'. Leon Broyd chooses to believe in, sign and develop artists that we can identify a strong passion and eagerness for success. We will always uphold our part of any partnership entered and we continue to take steps each year to further find innovating ways to increase the assimilation between artists and ourselves.

2.2 – Company History

The company was originally founded by Dami Dina operating as a sole trader for artists abroad with talent. At age 14 he began managing himself (artist) and a friend (producer) who eventually moved to Canada during their GCSE years. Dami continued managing his friend despite the struggles and eventually they moved on to selling product (beats) internationally through YouTube. After their GCSE's his friend again moved to Tokyo and a year later Angola. These next two years were very difficult for his friend. However, there had been a significant increase in traction for his friends YouTube and this was where Dami had to take control of the situation as there was limited access to internet for his friend. Dami began advancing his knowledge on contracts and business lingo to eventually begin selling a few produced beats to Labels and well-established artists. This became addictive and a passion was found. Through the years Dami's repertoire of knowledge, connections, colleagues grew, and this led him to wanting to start a house for international artists who are willing to take the leap of faith and entrust their careers with his newfound company Leon Broyd.

A year leading up to this pitch Dami sat down with Un:Hurd company owner about a partnership involving their publications company and how their connections and experience working with majors such as universal could help Leon Broyd get off to a very wonderful start. Justin was more than willing to accept and negotiate terms as we will discuss further down but this was due to past campaigns Dami had run with his company and the great working relationship Dami had built going on 2 years.

2.3 – Company Services

Leon Broyd aims to enter the market by offering top standard services for all its artists. Mutually beneficial partnerships are one of the many ways we have found to offer services that competes with market leaders such as Sony, EMI, Universal and Warner.

I. Distribution:

Distribution is handled in-house by a third-party service Distro-Kid. We offer to have the best services available for our clients, however when there is an industry leader available for all at an affordable price. It would be silly of us to pay more for a worse or equal to product. Distro-Kid will allow us to have the music sent to all DSP for a roster of 10 artists for \$140 / £100. Cutting costs at the distribution end will allow us to be a lot more flexible when it comes to marketing and promotion which will allow consumers to gravitate towards the brand.

II. Promotion & Public Repertoire

Leon Broyd has managed to enter a PR partnership with Un:Hurd Music. For an annual fee of £2,000 and a split of 15/85 of the first annual sales of each record partnered with them (with the majority take going to Leon Broyd) Un:Hurd is willing to make Leon Broyd a priority and a partner for their PR efforts. Un:Hurd is a PR company already partnered with Universal and Sofar Sounds to help champion several artists directly to playlisting and magazine opportunities. They have helped with the come up of several global artists such as Saint Jhn and M24. With 15 years in the industry, they are looking to be partnered with talent from the beginning of their trajectory as opposed to past experiences of partnering with a larger company with an ill-favored power dynamic which can lead to unfair compensation and lack of credit or help needed. With past projects, Un:Hurd and Dami have worked very well together and the team at Un:Hurd are more than happy to help champion a new generation of artists for a fair price. This partnership will allow for the roster of artists on the Leon Broyd Label to have a direct stream of access and pitches of music to Magazines such as and Editorial and Indie Curated Playlists. Giving them opportunities to have these entities familiarize themselves with their name, brand and artistic influences.

Another way we aim to trailblaze is to not have our company be an endless stream of loss. No company aims to lose money but there is a well-known fact about a company not being profitable in its first 2-3 years (Murray, 2021). We aim to negate this by a form of Circular Cash Flow Marketing. This new era of music is dictated by the traction that can be brought onto a piece of music.

We aim to not only be a label house for music but to simultaneously cultivate and curate an international brand for shining a light on upcoming artists. This in turn would be mutually beneficial for us as we would already be looking to find artists but also giving them a platform will allow us to connect with fans who also value our tastes in music. Once the artists we have signed and shined a light on gain more exposure and mainstream success we aim to have a pop-culture pull to be able to then begin charging people to submit music to us. Similar to the likes of Pigeons and Planes and Complex Music. From here we can then branch off and begin doing more in the media world but also make it very clear that we are a label that houses artists also.

III. Publishing

As mentioned beforehand, we are taking the evolutionary step when it comes to how a Label – Artist partnership is perceived. We do not touch an artist's Publishing. We maintain a 50-50 split of the masters with our clients. Publishing will be split between the artist and the producer however they feel fit and on terms agreed on beforehand. However, we do offer services such as legal negotiations and if studio time needs to be provided for the artists on top of that we take a 15% of publishing for that track. All these details would be stamped on a NFT contract which will be discussed further later in the plan.

2.4 – Operational Structure

The Operational structure of the Company will be very similar to the standard system of operation for a company such as ours. However, to reduce the overall cost we will assign multiple roles to one individual. At Leon Broyd there will be a Head of legal and Business affairs which will handle sales and contracts, with advisory led by an industry lawyer on a company retainer. There will be two individuals in charge of artist development and promotion of those artists. Lastly, Un:Hurd will operate as our Media, Publicity and marketing department.

2.5 – Financial Goals

Our financial goals as a company are to be profitable within the first 25 months of business. We aim to do this by allocating our funds as carefully as possible. The first year of our venture will only be to find artists and groom them to be the best they can be within the time period remaining for the business year. This will allow us to keep spending as low as possible within the first year as most of the spending will be on studio time and media assets for each person. Once the music is done within the first 12 months, we will spend another 3 months planning releases and getting in touch with everyone we needed, to make the next 10 months as profitable as possible. We aim to have each artist release every 2 months meaning that half our artists will have released by the time we aim to be profitable.

The music industry has become very fertile when it comes to profiting from sales on records as these are now calculated by streams and the payout is unfair to all degree and the only real way to make any money is by generating a mass number of streams. So we intend to push our artists through Sync, Sponsorships and Playlisting. Sync is not easily available to everyone but thankfully with our partnership with Un:Hurd we have a client list to pitch songs too. Furthermore, an upcoming artist does not have access to high paying sponsors, but our goal is to have local organizations sponsor shows and events we put on at an attempt of reducing the cost and increasing the chances of profitability whilst also increasing awareness and traction for each artist. This will be done with mini concerts for our artists with guest appearances from people who are similar in sound at an attempt to merge fanbases and grow by association.

Lastly, we do not see ourselves as only a vertical growth company. Much like Platoon, we feel we can grow Horizontally. Platoon was acquired by Apple a few years into their launch due to their premise and business model fitting right with the values and freshness Apple wanted when wanting to start a label. We could be an acquisition for a larger company that has the capital and is wanting to enter the market but not start from scratch and does not have the intel, connections or staff to enable this.

3. BUSINESS DESCRIPTION

Due to the drastic decrease in the barrier to entry in the music industry, artists more recently have developed the ability to conduct themselves at a higher quality than ever before due to increased technology and accessibility. Artists can now order high quality equipment that was not available before, get high level marketing outsourced and conduct their own form of direct-to-consumer promotion through social media. As a result, this has made music label a lot more complacent by finding talent based on only quantitative efforts such as social media numbers and streaming numbers. With less work however, and with artists being signed with more brand identity and marketability than before the deals have still not become fairer to the artist. There are still many accounts of lost funds or misplaced papers about splits and percentages owed.

Leon Broyd is a chance for the music industry market to be segmented and make way for a paradigm shift. This is an opportunity for the company to revolutionize how a music label is looked at. One stigma that labels have had on them for decades is the way they mistreat their artists, misallocate resources and give unfair deals and opportunities to artists. Furthermore, the major labels' reluctance to adapt with the times allows for us to grab opportunities by their reigns and implement a new way of thinking. One of the ways we wanted to do this was explained earlier with the use of NFT contracts when brokering deals with our artists. However, I'm going to expand on this further because this opportunity could prove to be another case where the industries stubbornness causes them to let a ripe opportunity go because it affects their profit margins.

Other ways we wanted to stand out from the norm was by acting more as a managing house rather than just a label. We want to get the most out of our artists and this is one of the things that has been lost within the evolution of technology and complacency of the major companies. With the ability to now scout high level talent or individuals with an already built fanbase, the company does not look to help their artist grow. So, if there is no motivation on their part the artist will only remain the same and will not grow into the best artist they can be. In business sense this is leaving a lot of money on the table as they aren't getting the most out of the artists.

One of the ways I see the organization being able to scale is through location. Hip/Hop , Pop and R&B are very big in the western hemisphere and I can see small sublets of Leon Broyd in major cities in the form of a representative. With employees now being able to operate remotely and without office space it would drastically cut the costs to almost nil. The only costs being the cost of living, housing and singing fee for any potential artists found. With such a global sound it was also benefit the company more having such diverse talent as music is a universal language, but consumers gravitate to artists they have similarities with (such as hometown) and are more likely to form a connection and as a result look deeper into the. Company and the rest of the artist roster.

Another way we can see ourselves scaling is through horizontal integration. We believe that if we adapt a modern, unique and working method for signing artists through an NFT contract we would attract a lot of attention from our much bigger competitors. Additionally, we would have trialed and tested it to a point we believe we would be the market leader in this technology which might lead to deals for acquisition being sent to us. If they had the same values and were willing to implement our way of thinking we would be interested.

- **Opportunity:** With NFT contracts we will be able to re-invent the wheel. It's only a matter of time until the 'workers' (artists) recognize the power they truly have and begin unionizing and standing up against certain deals and treatment by the higher-ups. This has not been possible before because they haven't been given options. With NFT contracts, an artist's percentage is set in stone until all parties have agreed on a change and the autonomous system wires money straight to each member of the blockchain.

As a result, transparency will be demanded from all individuals running a label entity and set a new standard for treatment of the artist. Furthermore, being the first to implement this strongly will tie it to our organisational brand and can act as additional marketing with the added benefit of intense brand loyalty.

- **Importance of Quality:** Quality of music has become so rare with such an oversaturated market that identifying and grooming quality musician will increase brand loyalty as consumers will know what to expect from us every time we find and sign an artist. No matter what their sound s, they will know we will push the artist and help them be the best versions of themselves.

- **Staff Payroll:** We believe the optimal number of individuals to have on our payroll is 7. Un:Hurd will be tasked with setting up the Marketing, Publicity & New Media section of the organisation as mentioned previously. So we will not need any extra employees to focus on that area of the business as Un:Hurd have their own staff. Beyond that we will ideally need three Artist development representatives to make sure our roster of 10 artists is able to have the most hands on approach when it comes to improving the quality of their art. Our Promotion Team will only need two employees as one will oversee our social media and another with our playlist curating mentioned in the next section. Finally, we will need an employee each for our Business Affairs and Legal Department. Our legal department is the requirement of a music lawyer, so we might be able to pay a fee when needed instead of a salary.
- **Artist Advances:** as an upcoming company we won't be able to offer the luxurious advances that most of the majors and independents can afford but we do feel artists need to be taken care of financially to allow them that ease of stress which comes with not working or being able to earn money from their likeness. As we plan to be hosting a maximum of 10 artists for the foreseeable future, we believe that £10,000 would be a reasonable amount to fund an artist and once re-couped negotiations will show a rise in the advance correlating with the sales performances of the artist.

4. MARKET ANALYSIS

The music industry has been in a perpetual downward trending slop when it comes to profitability. This has been from many reasons such as the ease of access to music and the saturation of artists. Additionally, with streaming setting compensation prices so low not only are the artists not re-cooping their money, but neither is the label since they also own percentages of the Intellectual Property. With industry leaders such as Spotify paying out £0.003 per stream it is almost impossible to cross profit margins by just streaming sales alone, especially without major backing. Even the major labels most likely do not cross the profit margin because so much is needed to be spent on marketing to get the streaming numbers to where they need to be to be near profitable. Therefore, one could assume that quality is the new currency in the market as consumers will not be invested in an artist unless they feel the quality reaches the standard for them to pay tickets for a show. Streaming can now be seen as a glorified advertisement for further sales for shows, merchandise and any other endorsement deals the major companies can find for the artist such as sync deals.

- **Industry type:** The Music industry is an industry that was once seen before as a product due to the ability to sell physical records to individuals. Furthermore, the term 'Recording Artist' used to be exclusively reserved for artists who were recognised by music labels and had access to premier level knowledge and studio equipment to make music. Furthermore, due to the exclusivity during this period there was a limited availability for high quality music for consumption, especially to buy on the online music stores such as iTunes. However, with the ushering in of new technology we have seen this flipped on its head and we have seen the music industry become less of a product and more of a service.

Which is why I believe our approach is such an unconventional but needed pitch. It's not often that you see a market change from selling a product to a service. there are completely different ideals and attitudes towards consumers when selling a product or a service. When selling a product, it is about closing a sale, this is because unless they have lawful rights for a refund, once someone has given you money for your product you have most likely made a profit on that item, whereas with a service you pride yourself on repeat customers as they are buying into a brand identity as they can most likely get that same service somewhere else. Once a laptop is bought there is a calculation on whether the

company made a loss or profit on that product. when an individual is looking for a car fix, they will go to the best recommended place with the best reviews or that they have had the best experience within the past.

- **Market segmentation:** As discussed in the section above, with the music industry shifting from being a product to a service it has opened many segments in the market. Most of them aiming towards building a brand that garners repeat listeners or loyal fans. Additionally, like many other markets for services there have also been organizations and artists who implement the quantity method, where they try and release as much music as possible to allow their marketing expenses to work for all their latest projects instead of pinpoint marketing, they instead market the brand and continuously release as much as possible with the hopes one of the releases catches traction. One would argue that major labels have been able to implement both methods with the wide range of artists they have under their house.

Leon Broyd aims to segment themselves under the quality end of the market and as seen with the most profitable artists of 2021 in the genre we are pursuing. Drake, Kendrick, J. Cole, Travis Scott and many more; they do not release often but make sure each release is of quality and this translates to the traction garnered over time as well as the marketability and profitability outside of streaming.

- **Competition:** As a newly formed label we are less likely to initially be competing with the already established Major Labels such as Sony, Warner, EMI and Universal. The companies we are most likely going to be competing with are upcoming talent scouting labels such as Platoon. However, competing with smaller more veteran companies such as these will be hard as they also have overcome the first 30 months of non-profitability and will have more available capital to spend on advances and scouting of talent. As a result, we must focus as a company on the areas these established labels may fail to address. An example of this can be seen with Platoon. They offer great support to artists and help cultivate their talent; however, they also fail to keep the talent as a lot of their well-known artists have gone on to sign major label deals. Examples of these artists are Jorja Smith, Rex Orange County and Billie Eilish.

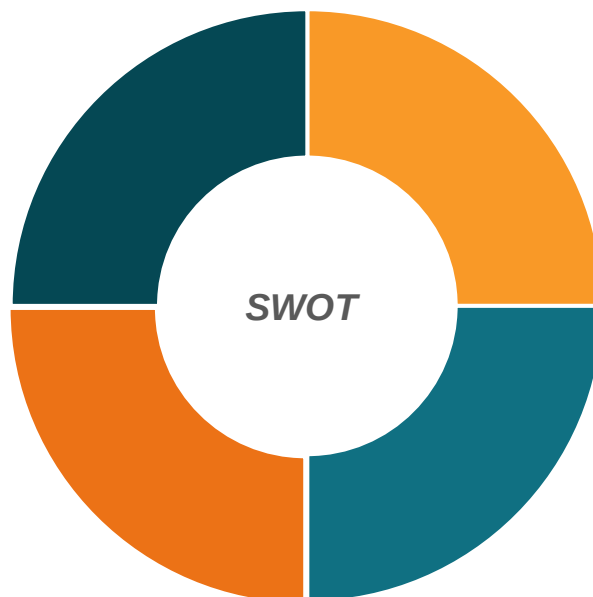
- **SWOT Analysis:** Underneath is a made Strengths, Weaknesses, Opportunities and Threats diagram (SWOT). This shows not only the bright sides for establishing the company, but also some weaknesses and threats that may arise for us to think about to make sure we are fully prepared for any outcome that may arise. If none of the threats arise, it is still also very useful to have the noted down for future reference so we can make sure to find ways to adjust and mitigate the threats as soon as possible.

STRENGTHS

- Cheaper than Modern techniques
- First businesses to adapt are usually the only survivor
- Taking on more of a managing role too allows us to maybe make a new market
- Could work to be bought out

OPPORTUNITIES

- Brand Image can equate to quality support
- Specialization is key
- Not as much initial funding needed beyond salaries



WEAKNESSES

- Saturation of market
- New idea which has not been field tested
- Monetization is hard
- Not dealing with some aspects may hurt
- Funding will be hard to find

THREATS

- Long process (4-year plan)
- Majors have made a high barrier to entry
- Could be copied by majors
- Technology may become harder to keep up with

The reason for making a SWOT analysis is because it us to move away from subjective assessments. It forces us to evaluate our business from the outside. When analysing, it is important to remember that an objective assessment of the company's condition will help to extract the most useful information that will make your business more successful. This will allow us to also find more possible strengths about the business that we can exploit and implement into our business.

5. MARKETING

Un:Hurd: Our partnership with Un:Hurd is unprecedented for a start-up but we are very lucky to be able to tap into the vast resources, connections and information they have garnered over the past decade. They agreed to head our promotions, media and PR section for 15% of the masters from each artist that they push through and an annual salary of £20,000. They have direct contact to Radio, editorial magazines and Editorial playlists at Spotify such as Complex, Pigeons and Planes, Revolt and Colors. This access for our artists will allow for direct access and pitches to industry leaders. Furthermore, giving Un:Hurd a percentage of the masters also allows us to know that they aren't just working for compensation but for success because the amount they get back is directly correlated to how well the records do.

Besides Un:Hurd heading up our promotions and PR side of the business, one of the ways we have decided to take advantage of the fact we are a lesser known label is through curation. We are going to spend a lot of time, money and attention into scouting for talent so it would be mutually beneficial for our artists and ourselves if we also began curating playlists ourselves. This would increase our brand image whilst also championing independent artists, giving us a reliable name to both the artists and the consumers. This is a form of silent marketing as we would have been looking and compiling lists of these artists anyways but curating playlists and updating them will allow our name to be recognizable by consumers and artists for finding up and coming talent. In addition, with the regular promotion of our Artists, if the playlists garner enough traction, it will allow us to have a pool of repeat and reliable consumers for all our artists.

Another form of Marketing we are endorsing, and funding is the use of a festival including other upcoming artists similar to our roster who have a bigger following. Our budget will only allow us to do this once a year, but this will allow us to assimilate ourselves with other growing brands and artists and also allow our consumers to assimilate and grow together even if the artists are not under the same label. Not only will this help our artists, but it will also continue to grow the brand of Leon Broyd and allow us to get sponsorships for the event. If executed well we could see this be a main attraction for consumers to stay updated on what we do and who we sign.

6. FINANCIAL PLAN

This financial plan was created to show projections of the first 3 years of our business starting up. 'Q4 2021' shows the initial startup costs for the final quarter of the year needed to launch the company. At a total of just under £27,000 this will allow us to close licenses and pay start up fees for the company as we get ready for our first fiscal year.

The initial year beginning January 1st 2022 will cost the company £350,000 to initiate all salaries, close contracts on studios for the upcoming year, pay artists their advance, hire legal / accounting and begin advertising and marketing campaigns for the company.

The final table shows profit and loss projections for the year 2023, the year which we expect to be fully up and running with all contracts activated, partnerships intact and the ability to begin selling music and conducting shows for our artists.

Having a financial plan is important as it helps us break down what is needed in our shorter-term budgets. In building the financial plan, we can take these cycles into account to keep a tight rein on expenditures. Poor cash management can result in negative consequences such as not being able to make payroll. Having a financial plan that is structured so there is always a cash cushion. The cash cushion allows us to take advantage of opportunities that arise. Additionally, we can also compare the projections to actual results during the year. This for example would Allow us to see, whether an increase in advertising expenditures led to the hoped-for jump in sales.

Services

Business Plan

START-UP COSTS				
Your Office-Based Agency			Q4 2021	
COST ITEMS	MONTHS	COST/MONTH	ONE-OFF COST	TOTAL COST
Advertising/Marketing / Un:Hurd	3	£ 300	£2,000	\$2,900
Employee Salaries*	4	£500	\$2	\$2,002
Employee payroll taxes and benefits	4	£100	£1,500	\$1,600
Rent/Lease payments/Utilities	4	£750	£2,500	\$5,500
Postage/Shipping	1	£25	£25	£50
Communication/Telephone	4	\$70	\$280	\$560
Studio Equipment		£0	£1,500	£1,500
Studio Software		£0	£300	£300
Insurance		£0	\$60	\$60
Interest expense		£0	£0	£0
Bank service charges		£0	£0	£0
Supplies		£0	£0	£0
Travel & entertainment		£0	£0	£0
Equipment		£0	£2,500	£2,500
Furniture & fixtures		£0	£0	£0
Leasehold improvements		£0	£0	£0
Security deposit(s)		£0	£0	£0
Business licences/Permits/Fees		£0	£5,000	£5,000
Professional Services - Legal, Accounting		£0	£1,500	£1,500
Consultant(s)		£0	£0	£0
Inventory		£0	£0	£0
Cash on hand (working capital)		£0	£1,000	£1,000
Miscellaneous		£0	£2,000	£2,000
ESTIMATED START-UP BUDGET				\$26,472

*Please note that areas that contain a \$ are meant to be in GBP but my laptop was not letting me use the pound sign at certain points

Services

Business Plan

Projected profit and loss model: The model below shows a projection for Leon Broyd in the year of 2023. This is forecasting for the first 12 months of active operations with roster artist releases. The top portion of the table shows projected sales and gross profit. This is a good place to begin creating the company's sales forecast. The next section itemizes the recurring expenses the business is projecting for the same months. These should be consistent with the estimated start-up costs completed in the prior section. At the bottom of this model, it will be possible to see when the company is becoming profitable and what expense items are the most impactful to its profitability.

START-UP COSTS													
Your Office-Based Agency												January 1 st 2023	
INCOME	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Estimated Sales	£5,000	\$13,000	£16,000	£7,000	\$14,500	\$16,400	\$22,500	\$23,125	\$24,549	£22,000	£25,000	\$27,349	\$216,423
Less sales returns & discounts	£0	(\$350)	£0	(\$206)	(\$234)	£0	£0	(\$280)	(\$1,200)	(\$1,600)	£0	(\$2,400)	(\$6,270)
Service revenue	£0	£0	£0	£0	£0	\$250	\$350	£100	£0	£0	\$1,245	\$1,360	\$3,305
Other revenue	£0	£0	£0	£0	£0	£0	£0	£1,500	£0	£0	£0	£0	£1,500
Net sales	£5,000	\$12,650	£16,000	\$6,794	\$14,266	\$16,650	\$22,850	\$24,445	\$23,349	\$20,400	\$26,245	\$26,309	\$214,958
Cost of Goods Sold*	£2,000	\$5,200	\$6,400	\$2,800	\$5,800	\$6,560	\$9,000	\$9,250	\$9,820	\$8,800	£10,000	\$10,940	\$86,569
Gross profit	\$3,000	\$7,450	\$9,600	\$3,994	\$8,466	\$10,090	\$13,850	\$15,195	\$13,529	\$11,600	\$16,245	\$15,369	\$128,389
EXPENSES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Salaries & wages	£2,500	£2,500	\$3,500	£5,000	£5,000	£5,000	\$8,000	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000	\$76,500
Marketing/Advertising	\$400	\$450	\$450	\$450	\$900	\$900	\$900	\$900	\$900	\$900	£1,200	£1,200	\$9,550
Un:Hurd Commission	\$250	\$650	\$800	\$350	\$725	\$820	\$1,125	\$1,156	\$1,227	\$1,100	\$1,250	\$1,367	\$10,821
Studio Space	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	£15,000
Utilities	\$250	\$150	£200	£200	£200	\$250	\$250	\$250	£200	£200	\$250	\$250	\$2,650
Website expenses	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$175	\$225	\$225	\$2,200
Internet/Phone	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$1,320
Insurance	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$165	\$1,980
Travel	£100	£0	£0	\$250	£0	£0	£0	£0	\$675	\$800	£0	£0	\$1,825
Legal/accounting	£1,200	£0	£0	\$450	£0	£500	£0	£0	£0	£0	£0	\$250	\$2,400
Studio Supplies	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	£1,500
Interest expense	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total expenses	\$6,525	\$5,575	\$6,775	\$8,525	\$8,650	\$9,295	\$12,100	\$13,131	\$13,827	\$13,825	\$13,575	\$13,942	\$125,746
Income before taxes	(\$3,525)	\$1,875	\$2,825	(\$4,531)	(\$184)	\$795	\$1,750	\$2,064	(\$298)	(\$2,225)	\$2,670	\$1,427	\$2,643
Income tax expense	(\$529)	\$281	\$424	(\$680)	(\$28)	\$119	\$263	\$310	(\$45)	(\$334)	\$401	\$214	\$396
NET INCOME	(\$2,996)	\$1,594	\$2,401	(\$3,851)	(\$156)	\$676	\$1,488	\$1,754	(\$253)	(\$1,891)	\$2,270	\$1,213	\$2,246

*Please note that areas that contain a \$ are meant to be in GBP but my laptop was not letting me use the pound sign at certain points

APPENDIX

START-UP COSTS

Your Office-Based Agency

January 1st, 2022

COST ITEMS	MONTHS	COST/MONT H	ONE-OFF COST	TOTAL COST
Advertising/Marketing	N/A	N/A	YES	£ 800
Employee salaries	12	£ 2,080	NO	£ 115,000
Employee payroll taxes and benefits	12	£ 2,080	NO	£ 25,000
Artist Advances	12	£ 8,333	NO	£ 100,000
UN:HURD	12	£ 1,667	NO	£ 20,000
Insurance	N/A	N/A	N/A	N/A
Interest expense	N/A	N/A	N/A	N/A
Bank service charges	N/A	N/A	N/A	N/A
Supplies	N/A	N/A	N/A	N/A
Travel & entertainment	N/A	N/A	N/A	N/A
Equipment	N/A	N/A	YES	£ 50,000
Security deposit(s)	N/A	N/A	N/A	N/A
Business licences/Permits/Fees	N/A	N/A	N/A	N/A
Professional Services - Legal, Accounting	12	£ 1,667	NO	£ 20,000
Cash on hand (working capital)	N/A	N/A	YES	£ 20,000
ESTIMATED START-UP BUDGET				£ 350,800

7. REFELCTIVE ANALYSIS

In this reflective analysis I will go over areas of this pitch where I felt I may have not tackled an area as well as I could have, or I missed out points to expand on after looking back. This is to assess and show the knowledge I have towards the topic as well as to explain reason why this might have been the case. The point of a reflective analysis is to sharpen the authors eyes to ways they could have clarified and bettered some points made.

One of the aspects of the business plan I fee could have been better was the structure. I feel that putting assets hand in hand with section such as operational structure and marketing would have led to it being easier to digest ad understand. This visual aspect could have also made the idea more tangible than just words. For example, a visual depiction of the NFT contract could have materialized the idea had for the company and made it seem as more of a reality. Reasons for leaving out visual assets was to initially not overcrowd the facts and points I wanted to get across but reading back and going over the plan, it would have only bolstered the pitch.

Furthermore, another aspect I feel I could have improved is having more analytical data to back up the statements construed in the first half of the plan. Showing a diagram of how saturated the market is or showing cases of how artists and label contracts are not favorable or ideal for the current business climate would have gone a long way in explaining why there needs to be change in the way contracts are made and labels handle their relationship with artists. A template contract highlighting key clauses that have come back to bite artists or a case study of how funds can be lost with no repercussions for the label would have also emphasized the importance of a non-fungible contract.

Another point which I found would have buffered my pitch is to have direct implementation uses of for the contract besides how it can help make an artist's situation fairer. The company could also implement this technology to conduct their salaries as well as outsource it to other companies who might be needing it for a fee which could reduce costs and increase profitability.

The graphs detailing the costs of the business could have also been more precise to explain the exact use of the money. Exact salaries instead of a summation would have allowed for analysis by the investor and reader as to where the money is going, and it could raise

questions as to why a certain employees salary is too high or low. Allow more access for questions is also good because the interaction from investors and readers leads to them having a better grasp and understanding of the idea instead of them having questions but not knowing where to start.

Overall, I do believe the pitch was lacking real world implementation. In many cases, investors are going to want to see how a business plan will be in a real-world situation. Even if it is anew and unique idea, it has to have some form of field test. Even a survey or questionnaire to artists on this idea may have also increased its real-world implementation. Additionally, there needed to be more reasons as to why this idea might not have worked. Looking back I did not explain how this business could fail and this would have given me more to explain to readers and investors about how to avoid failure and ways we can get around the potential failure.

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