



PUBLIVE

CREATIVE BUSINESS PROJECT:
BUSINESS PLAN FOR PUBLIVE

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1. Executive Summary

PUBLIVE is a digital live music booking platform that connects pubs with professional, high quality local artists. Set up by ex-employees of Live & Loud, it aims to make it easier than ever for venues and artists alike to find and book suitable gigs. In 2012 the UK government issued the Live Music Act that allowed all venues who held an alcohol license to play live music 'in the presence of no more than 200 persons' (UK Public General Acts, 2012). This change in the regulations has increased the number of licensed music venues from a mere few hundred to potentially tens of thousands. Therefore, PUBLIVE aims to act as a digital booking agent making it simpler for bands and pubs to get the benefit of live music without the stress. However, unlike a booking agent, the bands and venues are in control. It runs on a business model of venue subscription fees of £20/month and an artist commission of 10%, which undercuts our competitors and traditional booking agents by 5%. Our aim is to be the leading provider of music for London based chain pubs with future plans to expand across the UK and we predict we will be servicing at least 200 venues within three years. We conservatively estimate the market size of 3,133 suitable chain pubs to be worth upwards of £3,000,000 a year in revenue. With our desire to service just a third of that, we project that we will see annual revenues of near to £1,000,000 within six years. PUBLIVE's competition focuses mostly on specialised music venues, and so with our eyes on the untapped pub market place we believe we are uniquely placed to exploit such a gap in the market.

PUBLIVE has two main business segments, the subscriptions from venues using our platform (£20/month) and the commission paid by artists (10%). Whilst artists will make up over two thirds of our user base and provide us with 80% of our revenue, we have analysed that pubs are our critical user base. Artists will always jump at the chance to play paid gigs, whereas chains will take their time in approving new suppliers. By focusing our efforts and marketing on pubs, we will ensure that we do not encounter the same pitfalls as our competitors.

The 2012 Live Music Act has expanded the market size drastically from a few hundred live music venues to potentially tens of thousands. Many publicans are unaware of the change, resulting in a marketplace that is virtually untapped. Here at PUBLIVE we aim to focus on building partnerships with pub chains resulting in us becoming the company wide approved supplier of live music. The hospitality sector has seen a drastic downturn over the last decade with the pub industry experiencing a net closure of ~2 pubs a day since 2014 (Thatcher, 2020). As pubs seek to re-engage with the younger and more profitable demographic, studies show that pubs that host live music are three times less likely to close than those that do not (PRS, 2017). Therefore, PUBLIVE offers a unique platform for pubs to connect with bands and host live music regularly. Looking at the three largest chains there are over 9000 pubs for us to partner with. If even a third have the capacity and desire to host live music events that results in a market size of more than £3,000,000 in annual revenue.

While there are already 4 competitors on the marketplace with platforms similar to ours, none have as unique a focus as PUBLIVE. They have built their platforms with original artists in mind, whereas we aim to vet the musicians that use our service to ensure that pubs are provided with suitable and professional bands. Our goal is to populate the platform with bands that primarily perform at events such as weddings and who see paid pub gigs as a means to subsidise their life between the higher paying events. Therefore, the pub sector will look to us over our competitors as the more appropriate digital booking platform. Our focus coupled with each of our competitors' poor financials puts us in an extremely strong competitive position.

PUBLIVE's distinctive strategic focus means that we must roll out the platform in a considered and sustained fashion guaranteeing the quality of our user base. We foresee having the platform developed and usable in time for April where we expect to have our first trial of 10 London pubs set up with a chain such as Greene King. Our aim is to roll out slowly at a location by location basis. Our initial focus will be on London where Greene King alone has more than 160 suitable pubs (Greene King 2020). This allows us to guarantee that each pub is covered by a sufficient number of quality local artists. By carefully considering which users have access to our site we will build an ecosystem that, upon moving our focus to another location, will be well populated and self-sufficient. We envision that within three years we will reach a user base of 200 London based pubs and 400 professional bands.

PUBLIVE is currently a company with few resources beyond its two directors and its IP. Both its CEO, Fergus Brooman-White and CTO Vladimir Stepan, spent multiple years working for PUBLIVE's competitor Live & Loud resulting in a management team with unique experience in this particular sector. Mr Stepan was the chief engineer in developing Live & Loud's platform and due to his contract he is the owner of the proprietary technology upon which it was built. Therefore we are able to offset major costs and expedite the development process of a creating working platform. With investment we hope to add to a maximum of four members to our team and continue as a lean company. PUBLIVE is ostensibly a London based company but to avoid extra costs we will predominantly work remotely from home.

Currently the company is void of any funding of its own. PUBLIVE is cash poor, but idea and IP rich. Both the CEO and CTO have been working on the formulation of the company and the redevelopment of its IP over the last few months with no financial backing. With the right investment the company expects to be facilitating 200 weekly events and achieving an annual revenue of £210,000 with a yearly total profit of £64,000, see fig 1 for our forecasted semi-annual growth chart.

Total Revenue vs Total Profit Growth

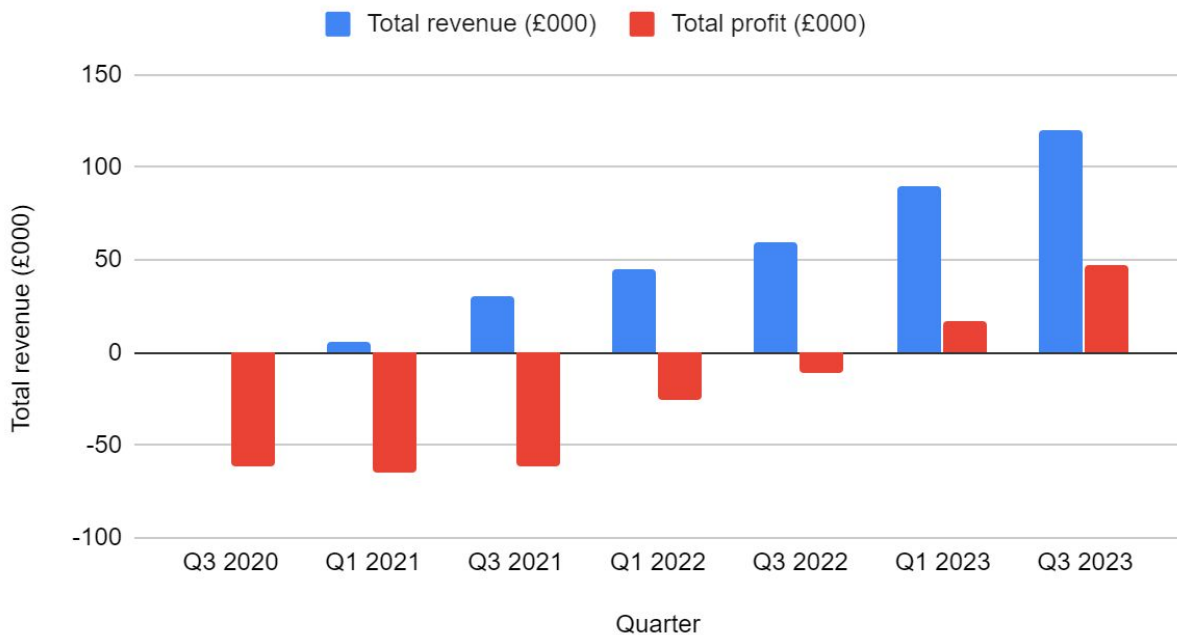


Fig 1. Semi-annual Growth of Total Revenue vs Total Profit

The key risks to this plan are a slow uptake of users and a rejection of the subscription based model. If either one of these were to occur the company is well positioned to weather the financial storm by reducing its annual salaries by £5,000 and forgoing the hiring of an intern for up to three years. Upon further analysis we have seen that other risks such as new entrants into the market are unlikely to impact us due to our strategic positioning. Our upside opportunities lie in a resurgence of the hospitality and live music sector in a post-pandemic world, resulting in an acceleration in our projected user base.

In conclusion PUBLIVE is a distinctive platform that is well placed to take advantage of an untapped market. It has the potential to be the market leader in providing pubs across the country with quality and professional bands to increase footfall and revenue.

With opportunities to exploit the gaps left by its competitors PUBLIVE has the potential to be a ubiquitous name in the roster of pub suppliers.

2. The Business

Background

PUBLIVE is a digital live music booking platform that connects pubs with professional, high quality local artists. Set up by ex-employees of Live & Loud, it aims to make it easier than ever for venues and artists alike to find and book suitable gigs. In 2012 the UK government issued the Live Music Act that allowed all venues who held an alcohol license to play live music 'in the presence of no more than 200 persons' (UK Public General Acts, 2012). This change in the regulations has increased the number of licensed music venues from a mere few hundred to potentially tens of thousands. Therefore, PUBLIVE aims to act as a digital booking agent making it simpler for bands and pubs to get the benefit of live music without the stress. However, unlike a booking agent, the bands and venues are in control. It runs on a business model of venue subscription fees of £20/month and an artist commission of 10%, which undercuts our competitors and traditional booking agents by 5%. Our aim is to be the leading provider of music for London based chain pubs with future plans to expand across the UK and predict we will be servicing 200 venues within three years. We conservatively estimate the market size of 3,133 chain suitable pubs to be worth upwards of £3,000,000 a year in revenue. With our desire to service just a third of that, we project that we will see annual revenues of near to £1,000,000. PUBLIVE's competition focuses mostly on specialised music venues, and so with our eyes on an untapped market place we believe we are uniquely placed to exploit such a gap in the market. To best understand the platform here is the basic flow of the user experience:

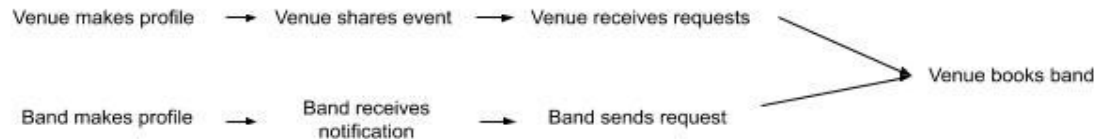


Fig 2: Platform user experience flow

Goals and Objectives

Our mission is to become the sole provider of music for chain pubs across the country, putting the managers in contact with the best and most experienced bands in the area. Our strategy is to populate our app with pre-vetted quality musicians who will ensure that pubs see increased footfall. Unlike our competitors we will hand pick the most suitable musicians from local areas to ensure that the venues who use the site are left hosting live events popular with their clientele. Our competition all run on an open basis allowing any artist to sign up, however we believe that to succeed we have to be more bespoke; providing artists that suit the venue's needs, rather than providing a platform that primarily focuses on the artists. However, to ensure that we acquire the most professional and profitable venues that can pay bands fairly we have set our focus on partnering with chain pubs. Therefore our vision is to become the company wide mandated provider for music across each chain that we partner with. If we manage to partner with the three largest chains (9,100 pubs) and provide weekly music to just 1000 of them we can expect to see our revenues grow year on year.

And so, our primary goal is to acquire these 1000 pubs and it is our belief that we can do so within six years. To ensure that our goal is achievable we must see if it is SMART:

Specific - We aim to acquire 30% market share.

Measurable - We must be providing 1000 weekly gigs.

Attainable - Our projection is that we can achieve 200 in three years and double year on year after that.

Relevant - Acquisition of pubs is the more relevant metric of success than artists - reasoning to be explored later.

Time-limited - Goal to be achieved by 2026.

Strategy

Whilst it may seem that our strategy is to provide the platform, it is more focused than that. Our competitors all have a platform of similar quality and possessing similar functionality. Where PUBLIVE sets itself apart is our focus on the marketplace and on how to market to said marketplace. Instead of focusing on acquiring as many artists as possible, we have realised that the most important segment of the business is the pubs themselves. For example, Live & Loud and Gigmit boast about their respective platforms supporting 13,000+ and 30,000+ artists. However due to our team's experience at Live & Loud, we are aware that such numbers serve to bloat and oversaturate the platform with subpar artists meaning that venues can't find suitable artists to play at their gigs. Furthermore, when you focus on the artists, the paucity of venues results in fewer events and those that are posted are over requested.

Therefore, it is our understanding that we have to create partnerships with chain pubs and roll out the platform location by location. When we build a partnership with a few venues we will personally contact local artists to use our platform until we build enough of a user base for it to become a self-sustainable ecosystem. Our marketing will not be led by internet campaigns but by vigorous creations of partnerships with bands and venues alike through phone calls and emails. By ensuring that our platform is filled by quality artists and pubs that provide consistent paid gigs, we can be confident in our competitive position.

Resources

Currently we are a company with few resources beyond its two directors and its IP. Both its CEO, Fergus Brooman-White and CTO Vladimir Stepan, spent multiple years working for PUBLIVE's competitor Live & Loud. This puts us in a unique position of understanding the market and the pitfalls that come with it. In addition, CTO Vladimir Stepan developed the platform upon which Live & Loud is run and due to the contract he was signed on he has full ownership of the Intellectual Property. Therefore, PUBLIVE has the bare bones of a working platform and can expedite and offset major costs of development.

As a tech company in a post-pandemic world we are now comfortable with working from home, so will not be seeking office space and any other unnecessary expenses. Our

aim is to run the company in as lean a manner as possible and ensure that our resources allow us to remain Agile in an ever changing industry.

Basic Financials

Currently the company is void of any funding of its own. PUBLIVE is cash poor, but idea and IP rich. Both the CEO and CTO have been working on the formulation of the company and the redevelopment of its IP over the last few months with no financial backing but their own. Vladimir Stepan has forgone 2 months of freelance work amounting to around £8,000. We have invested our time and energy into an idea that we hope can raise around £250,000 in funding to get it off the ground. For comparison our leading competitors have raised upwards of £400,000 in seed money. We foresee our ability to run a lean company with a focused marketing strategy allowing us to do more with less.

Business Segmentation

Our potential customer base is segmented into two categories: bands and pubs. Counterintuitively our marketing is focused on the pubs, when the commission fees amount to 80% of our revenue stream compared to venue subscriptions. We understand that it is easier to advertise paid gigs to bands than it is to get business to use your platform. Therefore even though we foresee our ratio of users being 2 bands to every 1 venue, our focus and understanding is that the venue segment of our

customer base is in fact the more important. Regardless of the majority of our revenue being provided via the 10% artist commission fee.

3. Market Demand Prospects

In 2012 the UK government issued the Live Music Act that allowed all venues who held an alcohol license to play live music 'in the presence of no more than 200 persons' (UK Public General Acts, 2012). This change in the regulations, and its 2015 extension that allows for an even larger capacity of 500, increased the number of licensed music venues from a mere few hundred to potentially tens of thousands. In their last check NOMIS puts the number of on-license premises at 92,975 (NOMIS, 2017). However, many of these venues wouldn't be fit to purpose and therefore we shall be more conservative in our estimate and put the number of potential venues at around 50,000. This number includes pubs, bars, restaurants and hotels.

In phone calls with independent publicans very few are yet to be made aware of the change in law and therefore there is an incredibly large untapped market for us to advertise our services to. However, our primary target market will be chain run pubs - the three largest chains amounting to more than 9,000 potential venues.

Pub Chain	Number of Pubs
EI Group Plc	5,000
Greene King	3,100
Punch Pubs & Co	1,300

Fig 3: Pub Chain Numbers (EI Group Plc, 2020 ; Greene King, 2020 ; Punch Pubs & Co, 2020)

Building partnerships with chains provides us with a larger base of manageable clients.

Each pub will be mandated by head office to use our platform as their live music provider and are therefore less likely to circumvent our platform and deal with the artists

directly, as is the risk with independent publicans. I will speak more about the onboarding strategy of chains and the risks of dealing with independent venues later on in the plan.

While there is undoubtedly a large potential client base, we need to understand why they would use our platform. As has been well documented, the period prior to the pandemic pubs were closing at an alarming rate. We have seen a the closure of 4,297 in the period of December 2014 - December 2019, which amounts to a net closure of ~2 a day (Thatcher, 2020). Whilst there has been a significant decrease in closures over the last few years, there is no cause for celebration. The spike in closures to ~27 a week was a result of the 2008 recession and as the economy levelled off somewhat ~14 a week can be seen as the natural rate of pub closures. Obviously one can see that this period ignores the most recent pandemic, the consequence of which will result in far more pubs shutting their doors than ever before. Even in light of the reopening of restaurants, bars and pubs over the past few months, the hospitality sector has seen a 50% decrease in sales compared to last year. (Sweeney, 2020) The damage will be severe and so when the UK returns to a degree of normality pubs will need to ensure an increase of custom to attempt to recoup their devastating losses. Therefore, they need to change their culture to stem the bleeding.

Studies by groups such as PRS for music have found that pubs that host live music are three times less likely to close than those that do not (PRS, 2017). Mark Brumby of

Langton Capital has warned publicans to remember they're selling "drinks that can be had at a fraction of the price in the off-trade, that punters need a reason to visit, and, even in tourist destinations, it'd be nice to see customers more than once" (Telegraph, 2016). Therefore, pubs need to provide more for the consumer to offset the perception of expensive drinks not being worth it. Live music can offer pubs the chance to change into multi-purpose venues - modernising for the younger demographic. The study by BMI in 2017 who canvassed 1,344 people aged between 18-49 (BMI, 2017):

BMI Study

- 85% enjoy their bar experience more when live music is performed.
- 83% are more likely to return to an establishment with live music, as opposed to one without.
- 82% would recommend a bar with live music to their friends.
- 70% spend more money on food and drink if there is live music.
- 80% of Customers will stay longer if there is live music.

While we know there is incredible potential in the market size, it is difficult to forecast future market demand as there is no data on how many of these venues currently hold live music and how many will survive the pandemic. However, there is not a need for substantial market growth and the market itself is largely untapped. In terms of risk and

opportunity, there is obviously a risk for another global/national event that will force mass closures of the hospitality sector and as a result wipe out our revenue streams. Although the market opportunity is there for the taking. The hospitality sector will need to encourage custom and evidenced by the statistics above providing a platform for venues to easily set up gigs we can be a market leader.

In regards to our secondary market of musicians, we will predominantly be focusing on onboarding vetted musicians who perform routinely at pubs, weddings and events. If you look at sites such as Alive Network, the UK's leading website for hiring event bands, they have at least 1750 bands on their platform (Alive Network, 2020). We will be offering the opportunity to subsidise their livelihoods between the more lucrative larger events. We classify musicians as the secondary market, due to their necessity in finding consistent gigs. This means that they are easier to market to. It is a serious danger for the platform to become oversaturated with musicians. This is an issue that our competitors have encountered and one I will explore in greater detail in the next section.

If we combine the two markets and our two revenue models of subscription and commission, we can make a conservative yet impressive estimation of the minimum market size. We can look at the three biggest pub chains and assume that just one third have the space and ability to provide live gigs as well as having a desire to do so. Therefore, we can conservatively hope to have 3133 venues on our platform. By charging them a monthly subscription fee of £20 to use our service we can expect to

see an annual income of £751,920 from the subscription model alone. Our commission based model will take 10% commission from each event played. On average you could expect one gig a week per pub at a cost of ~£200. Therefore, we can expect our commission based model to see an annual income of £3,007,680. Both models together would total an annual income £3,759,600 - a conservative estimate of total market size.

	Number	Price	Monthly Income	Annual Income
Venue Subscriptions	3133	£20	£62,660	£751,920
Monthly Events	12,532	10% commission of average £200 event = £20	£250,640	£3,007,680
Total			£313,300	£3,759,600

Fig 4: Estimated market size

4. Industry Competition

Direct Competition

There are already four direct competitors in the marketplace, however the success of each has been moderate at best. I will now quickly summarise their business models, their faults and their valuations to the best of my ability with all that is available on public record.

Gigmit

Gigmit is a german company formed in 2012 and is perhaps the most established of our competitors. Sony Music made a major investment of £450,000 in 2016 for 15% of the equity leading to Gigmit being valued at £3,000,000. (Tracxn, 2020) It claims to have over 35,000 bands and djs signed up to the site with 1,500 gigs being held every month. As a former employee of a similar company, Live & Loud, I have some doubts about the veracity of these numbers and those of our other competitors. I will explain why in my conclusions on our direct competitors. While Gigmit is a german founded company it does have some reach over in the UK, however it only has a minimal amount of UK based opportunities for artists. In regards to its business model it appears to work on a freemium based model. All of its features are free to use, artist's and promoters don't pay commission. However, the user can pay different levels of subscriptions to access more premium features of the site. Artists can pay €19/month for Gigmit Pro, which places them towards the top and lets them message promoters directly. Whilst Gigmit Gold, which starts at €129, provides artists and promoters with an agent to handle all of their bookings. Due to its freemium model, it is impossible to estimate their revenue as

the majority of their users may use the platform for free. However, we can estimate that their revenue is not able to cover their expenses.

Live & Loud

Live & Loud is our biggest UK competitor. It was founded in 2012 by Mick Newton with the support of ex-Sony Music CEO Nick Gatfield and achieved a recent round of crowdfunding of £500,000 for 10% equity resulting in a £5,000,000 valuation (Crowdfund Insider, 2019). However, whilst it was publicly advertised to have gained funding on Crowdcube, a large investor on the crowdfunding platform wanted to substitute his £200,000 for services resulting in the funds having to be returned to all other investors. Therefore, whilst their public valuation is high, their company funds are extremely low. In an interview with CrowdCube (2019), Mick Newton attested to the fact that Live & Loud had held around 5,000 events since its founding. Live & Loud runs on the same combined business model that we hope to run on, a combination of subscription and commission. Each event earns Live & Loud, on average, a combined total of £45 through commission and subscription, we can conclude that their income amounted to around £225,000 over 7 years. This meager amount of revenue coupled with their large overhead - expensive offices and bloated workforce - accounts for Live & Loud being in a debt of £176,853 as of their 2019 accounts (Companies House, 2020). While Live & Loud boasts about having over 13,000 artists using its platform, this has not resulted in a consistent running of events. Live & Loud is the only company to

have an eye on the hospitality sector, but its trials with brands such as Greene King and Zizzi both failed due to a lack of quality musicians and a lack of market research.

Gigrade

Gigrade was founded in 2016 with £200,000 awarded in investment for 10% equity resulting in a £2,000,000 valuation. With a team of only two, it is by far the least rich in terms of resources. Since its founding it has amassed 270 venues and promoters and 2,800 musicians onto its platform, resulting in the facilitation of just over 400 gigs.

Gigrade also runs on a similar combined business model to ours and Live & Loud, therefore we can surmise that their 400 gigs has amounted to around £18,000 in revenue. Due to their small size, and up to now significant lack of success, they are a company that should not register in terms of direct competition.

Liv.Live

Liv.Live was founded in 2016, but there is very little research in regards to their funds and prior rounds of funding. Liv.Live runs on solely a commission based plan, artists paying 15% and promoters/venues paying 5%. Similar to us they only allow vetted artists to join their site, however their focus lies more on providing niche 'hip' venues with musicians who play predominantly original music. As has been explored earlier, and will be touched upon later, that is not a lucrative market. It also means that they are not focusing on supplying the hospitality sector with their live music needs and so offer us little competition in that regard.

New Entrants

Since 2012 only four companies have entered this space, and due to the quite obvious lack of success as of yet, it does not appear that many others will attempt to enter the space as well. If, however, our projected success encourages new competitors it is expected that our focus on creating brand partnerships will ensure we have a greater hold on the marketplace.

Conclusion

Upon reading the summaries of our competitors it is easy to think that this platform has no room to succeed. The reason that we will succeed where others have failed is our line of focus. It's best shown by the advertised numbers of musicians on each platform. Apart from Liv.Live, our competitors boast of having thousands upon thousands of artists using their service, yet that has not resulted in a comparable number of gigs. This is because they allow unvetted original musicians to sign up to the platform. Our focus on providing pubs with live music means that you have to provide them with the appropriate musicians. By only approaching professional covers bands, and offering them a very competitive 10% commission fee, you ensure that the platform is not saturated with musicians of a frankly sub par quality. Two major issues I encountered as the artist and venue liaison at Live & Loud was a multitude of unprofessional profiles created by musicians who have never played a gig in their life. More importantly venues were inundated with hundreds of unsuitable requests to play their advertised events. This resulted in events not being filled and venues bouncing off the service as they feel it has not met their needs. None of our competitors are focusing on the needs of the

venues, rather they look to musicians first. This extends to the types of venues we want to build partnerships with. Our aim is primarily to focus on chain pubs in order to build a long and committed relationship that results in continued events and a consistent revenue stream. Our competitors' focus on the musicians has resulted in promoters and specialised music venues/festivals using the platforms on the off chance that they have an opening. When looking at the financials of each company you can see that their revenues in no way support their overhead, therefore they have been relying on funding that may be dangerously close to running out. Live & Loud is a prime example of a competitor on its last legs financially. Coupled with the impact Covid-19 will have had on closing all revenue streams, as well as halting most funding rounds, PUBLIVE is set to be the only company with adequate resources to provide venues and musicians a working platform.

Indirect Competition

Our indirect competition comes in the status quo of traditional music booking. Most pubs and venues have what they'd deem a 'little black book' full of a few local musicians that they can book on rotation throughout the year. It's a system that works, it doesn't cost money and the bands don't have to pay commission. However, it's also a system that is predominantly employed by independent publicans. Our focus is on being the sole provider of music to pub chains. From experience of marketing Live & Loud to a chain such as Greene King, everything has to be approved via head office. If we can position ourselves as the approved music provider for all Greene King pubs, we bypass the

issue of managers relying on their 'little black book'. This also combats the one major opportunity for the 'substitution of our product' (Evans, 2016). If our platform is the mandated method for booking artists, pub managers will be forced by company policy to use it. In the case of Greene King our platform, if successful in providing quality artists, is incredibly appealing as all costs will be invoiced and therefore easier for head office to track.

5. Strategy

Competitive Position

As a Startup we come from a very low point of competitive positioning as we are yet to build our brand and engage with the market. However, due to us being an unknown quantity vs the failures of our competitors, we may even be perceived as a more interesting platform to work with. As stated previously, our market focus lies more on chain pubs, and professional and experienced cover bands as opposed to original artists. Therefore, we are uniquely placed to exploit a more open market space than our competitors. The data shows that live music can improve custom for the hospitality sector. By setting up our platform to solely focus on providing music for pubs, bars and restaurants we can become the go-to app for hospitality venue owners to book their weekly live events. We are building our platform with the venue in mind as compared to our competitors who are all musician focused. This is due to the simple fact that it is easier to find a willing musician than it is to find a suitable venue. Therefore, whilst we are starting from scratch we have the ability to build our platform in light of all of the issues faced by our competitors and with customer purchasing criteria and key success factors in mind.

Customer Purchasing Criteria		Importance	Key Success Factors
Effectiveness	• Ability to provide quality artists • Ability to advertise paid gigs	High High	Ratio of artists to venues Rate of one event per venue per week
Efficiency	• Ease of booking process	High	Maximum time of 4 days between advertising and booking of event
Relationship	• Troubleshooting	Medium	Good customer service
Range	• Amount of artists	High	Ratio of artists to venues
Premises	• Site aesthetics	Low/Medium	Well designed site
Price		Medium	Competitive but adaptable

Fig 5. CPCs & KSFs

In light of these particular customer purchasing criteria and key success factors our competitive position looks stronger than that of our competitors. Below in fig 6 we have weighted the importance of particular KSFs and compared our potential strategic position to our competition.

Key Success Factors	Weight	PUBLIVE (Potential)	Live & Loud	Liv.Live	Gigmit	Gigrade
Finances	15%	4 (after funding)	1	1	2	2
Management Factors: Marketing	5%	3	4	1	4	1
Differentiation Factors: Effectiveness - Quality of Artists / Amount of paid events	25%	4	2	1	3	1
Efficiency - Ease of booking process	10%	4	4	3	5	2
Relationship - Customer service	10%	4	2	2	5	2
Range - Ratio of artists to venues	15%	4	1	2	3	1
Premises - Look of the site	5%	3	5	1	5	1
Cost	15%	4	3	2	3	2
Competitive Position	100%	3.9	2.3	1.6	3.4	1.5

Key to rating 1 = weak, 2 = tenable, 3 = favourable, 4 = strong, 5 = very strong

Fig 6. Competitive position

If we hit all of our KSFs to a reasonable standard in comparison to our competitors then we will be in a solid position to take control of most of the market share. Therefore, by keeping an eye on our competitors we can adapt our strategy to become more aggressive in the marketplace if necessity arises. We are setting our company up to not only be lean, but also Agile and instantly reactive. Our decision to rate our competitive position so strongly does not come from hypothetical guess work, but from the track record of both of PUBLIVE's current team members. To walk you through why we

decided upon those numbers we will recap and expand on our general strategy as a company.

General Strategy

PUBLIVE's strategy focus is both consumer and competitor based. We are aware of the necessary KSFs to reach in order to allow ourselves to be the leading platform on which pub's book their live events. Our initial strategy is derived from having access to the bare bones platform of Live & Loud and working out how to do it, but better. Due to there being a small number of competitors, it is important to stand out immediately as then you can take control of the market.

Our focus on chain pubs and professional artists means our roll out strategy has to be slow and considered. The leading cause of failure for our competitors is expanding too quickly and letting the platforms' ratio of artists to venues spiral out of control. If you have too many artists then venues receive too many requests and get overwhelmed / artists never get their requests accepted. If you have too many venues, which is a near impossible problem to have, then you risk leaving venues without a band to play their event.

Therefore, we plan on marketing to brands in order to win the opportunity to trial our platform. If we trial with ~10 pubs in a local area we can then contact the required amount of professional cover bands who are willing to play at such a price. Our hope is

that many of these bands who can usually command quite high fees, will use these smaller gigs as a means to subsidise their costs in between the more well paying events. Many bands perform as large 6 person groups and can shrink their set to around 3, and therefore their fees, when needed. If our trial is a success we will continue to focus on these first ten pubs and then expand at a rate of having a ratio of 2 bands to 1 venue. This will allow venues the opportunity to cycle bands, while allowing the bands a minimum of one event every two weeks.

Our competitors made the mistake of concentrating on the number of artists on their platforms as it makes for a good headline in an investment pitch, but the reality is you need to have a balance between venues and artist. Gigmit and Live & Loud tried to become a national / international platform far too quickly. In comparison we have decided that we will focus on rolling out the platform city by city to ensure the local ratio remains the same across the country. When we reach 200 consistent weekly events we will be able to hire more support staff and as a result expand quicker (see fig 5 in Chapter 6 on financials for the relevant forecast). We believe that 200 weekly events is a reasonable benchmark as it necessitates the onboarding of 200 pubs and 400 artists. We will choose to launch initially in London that has a substantial number of chain pubs, for example there are 160 Greene King pubs alone (Greene King, 2020).

6. Resources

Management

Currently the management team consists of two executives: Fergus Brooman-White, Chief Executive Officer and Vladimir Stepan, Chief Technology Officer. Both held positions at competitor company Live & Loud and with a combined 10 years of experience in this unique industry space, they are the team to bring PUBLIVE to the fore of this market.

Fergus Brooman-White - Chief Executive Officer :

Mr Booman-White initially started at Live & Loud as an intern, being promoted to the level of chief venue & artist liaison within three months. For the remaining year and nine months of his time there he led the way in market research and responding to client queries and requests. It was his idea to begin a companywide focus on the hospitality sector and attempt to onboard more professional musicians. He saw that the quality of musicians on the site meant that no paid slots were being filled, whilst the majority of venues/promoters were offering open-mic nights resulting in no commission.

Mr Brooman-White saw that an increase of revenue could only be achieved by increasing the quality of musicians and focusing their marketing attempts on chain pubs, rather than independent publicans unwilling to part with more than £50 per gig. While there was a moderate uptick in revenue received via commission, the oversaturation of the platform with poor quality musicians remained an issue. Too many artists would

request to play events leaving the venues unable to go through each and every request and make a decision. Instead many left the events empty and subsequently bounced off of the platform. Unfortunately, it is an issue that has plagued many of the other competitors and therefore the only way to remedy the issue is to start the platform anew. Mr Brooman-White's strong relationship with the chief coder from Live & Loud has now seen them go into business together to start a rival platform based on the knowledge of past mistakes.

Vladimir Stepan - Chief Technological Officer

Mr Stepan is an incredibly talented full-stack developer, meaning he can work on both the front and back end of a platform and has over 21 years experience in programming (PHP and Ruby), database design and backend development and management. He was the chief coder behind the creation, implementation, and maintenance of Live & Loud's platform and algorithm. During his time there he had experience in managing a team of engineers during a website overhaul and came up with many innovative systems to ensure the platform ran smoothly. Many at the company, including their management, would have said that Live & Loud WAS Mr Stepan, and the rest of the team were merely its sales force.

Due to Live & Loud's insistence that Mr Stepan sign a contract for services, rather than a contract of service, he owns the IP for Live & Loud's proprietary software (Drukker

Solicitors, 2019). Therefore, not only does he come with years of experience, but also with the bones of a platform ready to be redesigned with the new focus in mind.

Operational Needs

Our aim is to keep the company as lean as possible. Only hiring employees when needed and only purchasing equipment that is absolutely necessary.

Team:

A team of two, no matter the talent is not enough to get this platform off the ground.

Therefore we are hoping to expand to a team maximum of six when the time is right.

Currently a team of two can develop the platform into a bare bones working product, but when the ramifications of the global pandemic subside, we will need the workforce to sell and continue developing the app. Therefore our required workforce is as follows:

- Chief Operations Officer
- App developer - Mr Stepan requires assistance porting the web based platform onto an app. This role will be on a freelance basis as Mr Stepan has experience in maintaining apps, but not developing them.
- Sales lead / Venue & Artist liaison - The brunt of our marketing will be phone and email led, therefore Mr Brooman-White needs assistance in building and maintaining the required relationships.
- Research Intern - Scour the internet for the contact information of relevant musicians.

Office Space:

Due to the recent pandemic much of the professional world has become aware that the necessity for office space is waning. We will predominantly work remotely, occasionally hot desking when proximity is necessary. The only true expense will come in renting out boardrooms for meetings with potential clients and investors.

Materials:

6 x company PC laptops - we can find cheaper alternatives to apple, with just as much computational power.

Marketing

As discussed earlier in our general strategy our marketing relies on man hours rather than expensive campaigns and therefore the costs are negligible. To add venues to our platform the CEO and Sales lead will phone and email pubs as well as attempting to get in touch with the executives of the specified pub chains. There are two strategies, one involves setting up a meeting with an executive, however they are difficult to get hold of. The second involves personally calling pubs in one area, gaining their interest and then calling up the chain of command to get approval in using our service. A combination of both will hopefully result in small trials and upon successful trials we will roll out the service location by location. In regards to marketing to musicians, the research intern will search websites such as Alive Network and find the personal information for all of the bands on their service. As relationships are built with pubs, we will then email and

advertise events to a small selection of local bands. Initially we will have to hand hold both venues and artists through the process as we don't want to saturate either side of the platform. Both userbases have to grow concurrently and at the same rate. After acquiring a certain number of users, the ecosystem will be able to exist on its own, with artists and venues contacting one another directly. However, our initial marketing efforts will be focused on specific targets rather than focused on amassing great numbers. By rolling out our platform across local areas we will ensure that both the bands and the venues have enough engagement with one another so that they stick, rather than losing interest.

7. Financials and Forecasts

Financials

PUBLIVE is currently a company with few resources beyond its two executives and its Intellectual Property. Its CTO and CEO have been working on the platform with no economic backing for a few months and can only last on their personal cash reserves until mid October, at the earliest and mid November at the very latest. Mr Vladimir Stepan, in particular has forgone very lucrative freelance job offers to ensure his position at the company, and as with Live & Loud, he IS the company. For PUBLIVE to grow and function, a substantial amount of investment must be made in order to fund the development of the platform, the development of the app and the expansion of its team to accomodate a Chief Operating Officer, a sales representative and a research intern. The company is based upon lean operating costs, but must provide the lower end of competitive wages as well certain miscellaneous costs that occur in the development and maintenance of a digital platform. As stated in chapter 6 on resources, PUBLIVE will be forgoing office costs in order to work remotely. A breakdown of necessary expenses is as follows:

Wages:

CTO - £40,000 (£10,000 paycut to usual freelance annual income)

App developer - £40,000 (one year contract)

COO - £30,000 (parity with CTO when company is profitable)

CEO - £25,000 (parity with CTO when company is profitable)

Sales Rep / Venue & Artist Liaison - £22,000

Research Intern - £18,000

Platform maintenance:

CRM

Browserstack

Ruby on Rails

CDN

Servers

And more

Total = ~ £1,000 monthly

Miscellaneous:

Web design - £10,000

Laptops - £700

Incidentals / client meetings - £500 - £1000

The following table (fig 7) shows a forecast of projected expenses over the next three years. The first three years are predicted to be substantially expensive in regards to development costs incurred as well as an initial employment drive.

Expenses (£000)	Q3 2020	Q1 2021	Q3 2021	Q1 2022	Q3 2022	Q1 2023	Q3 2023
Executive Salaries	-48	-48	-48	-48	-48	-48	-48
Wages	0	-20	-40	-20	-20	-23	-23
Platform maintenance	-1	-1	-1	-1	-1	-1	-1
Miscellaneous	-10	-1	-1	-1	-1	-1	-1
Total Expenses	-59	-70	-90	-70	-70	-72	-72
Total Cumulative Expenses	-59	-128	-218	-287	-357	-429	-501

Fig 7. Projected expenses

Evidently the table does not account for revenue streams, but it does show the necessity for a sizable amount of investment for PUBLIVE to survive even beyond one year. Therefore, this round of funding requires an investment of £250,000 for 10% equity resulting in a valuation of £2,000,000. In comparison to our strongest competitors and their initial seed rounds (Live & Loud: £500,000 - 10%, Gigmit: £400,000 - 15%) we expect to go further for less. In the next section we will outline our forecasts and show how PUBLIVE expects to become profitable within three years upon onboarding 200 venues onto the platform resulting in an expected minimum 200 weekly events.

Forecasts

To display the realistic nature of our forecast we must first look at the projected market based sales forecast (fig 8 below). Aiming for 200 venues in three years at only 6.4% of a very conservatively estimated market size is an attainable goal. Our subscription costs for pubs are £20/month with artist commissions being 10% of an average £200 gig - £20/event.

Business Segments	Market Size (£000)	Company Competitive Position (0-5)	Likely Market Share (% + venues)	Likely Revenues (£000)
Year	2020	2023	2023	2023
Source:	Chapter 3	Chapter 5	Chapter 7	
Venue Subscription	751,920	3.9	6.4% (200 venues)	4,800
Artist Commission	3,007,680			192,000
Total	3,759,600		6.40%	196,800

Fig 8: Market-based sales forecast

The profit and loss forecast (fig 9) shows that not only will attaining this likely market make PUBLIVE profitable, but that the profits will grow at an exponential rate once our market share increases.

	Q3 2020	Q1 2021	Q3 2021	Q1 2022	Q3 2022	Q1 2023	Q3 2023
Number of venues	0	10	50	75	100	150	200
Number of artists	0	20	100	150	200	300	400
Average number of monthly events	0	40	200	300	400	600	800
Revenues	£000	£000	£000	£000	£000	£000	£000
Subscriptions	0	1.2	6	9	12	18	24
Artist commission	0	4.8	24	36	48	72	96
Total revenue	0	6	30	45	60	90	120
Gross Profit	0	6	30	45	60	90	120

Expenses							
Executive Salaries	-48	-48	-48	-48	-48	-48	-48
Wages	0	-20	-40	-20	-20	-23	-23
Platform maintenance	-1	-1	-1	-1	-1	-1	-1
Miscellaneous	-1	-1	-1	-1	-1	-1	-1
Total Expenses	-50	-70	-90	-70	-70	-72	-72
EBIT	-50	-64	-60	-25	-10	18	48
Investment income							
Operating profit	-50	-64	-60	-25	-10	18	48
Operating margin (%)	N/A	-1058.3	-198.3	-54.4	-15.8	20	40
Total profit	-50	-64	-60	-25	-10	18	48
Cumulative profit	-50	-113	-173	-197	-207	-189	-141

Fig 9: PUBLIVE semi-annual profit and loss account forecast

The cumulative profit is evidence of the impossibility of PUBLIVE leaving development stage without an investment of at least £207,000. Below we have included our projected cash flow (fig 10) and outlined reasoning behind an increased investment of £250,000.

Cash Flow							
Cash received	Q3 2020	Q1 2021	Q3 2021	Q1 2022	Q3 2022	Q1 2023	Q3 2023
Cash received from operations revenue							
Subscription	0	1.2	6	9	12	18	24
Artist comission	0	4.8	24	36	48	72	96
Subtotal cash from operations	0	6	30	45	60	90	120
Additional cash received							
New liabilities	0	0	0	0	0	0	0
New investment received	250	0	0	0	0	0	0
Subtotal cash received	250	6	30	45	60	90	120
Expenditures	Q3 2020	Q1 2021	Q3 2021	Q1 2022	Q3 2022	Q1 2023	Q3 2023
Expenditures from operations							
Cash spending	-13	-3	-3	-3	-3	-3	-3
Wages	-48	-68	-88	-68	-68	-70	-70

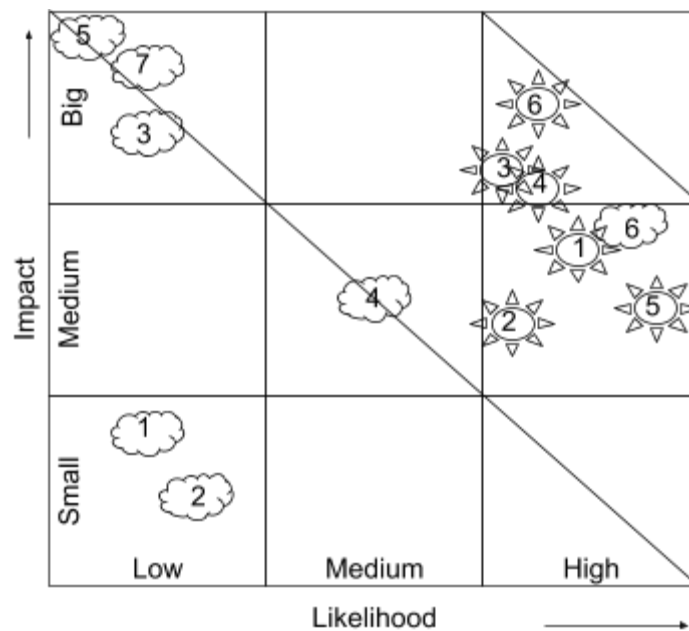
Subtotal spent on operations	-61	-71	-91	-71	-71	-73	-73
Additional cash spent							
Long term liabilities	0	0	0	0	0	0	0
Purchase long-term assets	0	0	0	0	0	0	0
Subtotal cash spent	-61	-71	-91	-71	-71	-73	-73
Net cash flow	189	-65	-61	-26	-11	17	47
Cash balance	189	124	63	37	26	43	90

Fig 10: PUBLIVE semi-annual cash flow forecast

As you can see the cash balance keeps PUBLIVE comfortably in the black and therefore may appear to show that £250,000 is an oversized investment. However, our competitors have shown that growth may not be as steady as predicted and so such an investment will provide PUBLIVE with a safety net. Nevertheless we believe that with our market focus, acquiring 200 venues to consistently use PUBLIVE is both sustainable and attainable. It is at 200 weekly events that we expect our revenue streams will be high enough to start paying dividends to our investors without impacting on our growth.

8. Risk, Opportunity and Sensitivity

As with any startup there are equal risks and opportunities to measure against the possible success of the company. Below we have included a sun and clouds chart (fig 11) to visualise the impact and likelihood of each risk and opportunity so that you can best see the viability of PUBLIVE's business plan.



Key			
Risk - 	Relevance	Opportunity - 	Relevance
1. Substitution of platform	Competition	1. Focused marketing profitability	Strategy
2. New competitors	Competition	2. Competitors run out of funding	Competition
3. Pubs continue to close	Market demand	3. Resurgence of hospitality sector	Market demand
4. Slow uptake	Strategy	4. Resurgence of live music sector	Market demand

5. Pandemic like event	Showstopper	5. Operating as a lean startup	Financials
6. Rejection of subscription model	Financials	6. Pre programmed IP	Resources
7. Loss of Vladimir Stepan	Resources		

Fig 11: Suns and clouds risk and opportunity assessment chart

Market Demands

Risks:

The leading risk that PUBLIVE faces in regards to market demands is that pub closures continue at an alarming rate post-pandemic. As touched upon in chapter 3, pubs are losing their social capital amongst the younger and more profitable demographic of 18-49. However, we can also see this risk as an opportunity, as it provides PUBLIVE with the ability to frame itself as a platform to combat the downturn and encourage increased footfall.

Opportunity:

In a post-pandemic world both the hospitality and live music sectors will be uniquely placed to experience a resurgence. Audiences and customers will have spent near a year experiencing both sectors in a reduced capacity, or not at all. Therefore, PUBLIVE has the opportunity to piggyback on the rebound, acquire more than our projected users and become ubiquitous in providing chain pubs with their live music, and bands with the opportunity to play paid pub gigs.

Competition

Risk:

Our biggest risk in terms of competition comes in the form of indirect competition, namely the substitution of our platform. However, we seek to combat that through our marketing towards pub chains that encourage their publicans to adhere to verified suppliers. This is also how PUBLIVE will position itself competitively against new entrants into the marketplace. By creating brand partnerships we will hope to ensure a sense of loyalty developed through a consistently professional and quality service.

Opportunity:

Our biggest competitive opportunity pertains to the poor financials of our competitors. We have analysed that each of our competitors have burned through their runway and are in no way close to becoming profitable through revenue streams. Therefore, the pandemic will have hit them hardest as what little revenue they had dried up. And so, as with our opportunity to exploit a resurgent market, we will be uniquely placed to have the financial resources in comparison to our most established competitors.

Strategy

Risk:

A risk that is equally likely and impactful is a slow uptake in regards to users. It's an issue that has affected our competitors greatly and is one that could realistically affect

our business plan and forecasts negatively. However, unlike our competitors we believe that our focused marketing will offset the possibility for such a risk.

Opportunity:

Our focused marketing plan is unlike that of our competitors. PUBLIVE's decision to initially and predominantly focus on chain pubs affords us a consistent message as well as a majorly untapped sector of the market within which to build. We see the chain pub sector as the most appropriate to provide live music to and therefore the most profitable. Live & Loud is the only competitor to attempt to market to the chain hospitality sector, yet its lack of quality musicians as well as focus on the restaurant sector saw its efforts fail. Their attempts to build a relationship with restaurant brands, such as Zizzi, displayed a lack of market research as the clientele found the music distracting. Failed trials such as these resulted in a loss of both time and finances. Their trial with Greene King was better received, but their inability to provide a consistent level of quality meant that no partnership was formed. Therefore, we are confident that with our focus on acquiring professional and experienced cover bands onto the platform we can succeed where our competition has failed.

Resources

Risk:

Our biggest, yet most unlikely, 'show stopping' risk is the loss of Vladimir Stepan. We say feasible only in comparison to the other 'show stopper' we will touch upon later on in the chapter. Mr Stepan is uniquely positioned in having multiple years experience in

developing and maintaining a platform such as PUBLIVE's. The risk of Mr Stepan leaving is low, but contingent on the fact that he is forgoing ~£10,000 a year in his usual freelance fees. To encourage his permanent position, the CEO, Fergus Brooman-White, is willing to forgo parity in his salary until PUBLIVE achieves sustainable profitable growth.

Opportunity:

Mr Stepan's position at the company also provides us with the unique opportunity to expedite the development time. Due to his contract at Live & Loud he owns the IP upon which their platform is built. Therefore it allows us to finish development, develop an app and get our platform to market in time for our proposed launch in April.

Financials

Risk:

Perhaps the biggest and most likely risk comes in a rejection of the subscription model from our potential pub partners. Other competitors have run similar models and found their efforts in acquiring venues resulting in failure. It is possible that it is not solely their choice of venue partners, but also the subscription model. If our model was rejected or they required a reduction of fees then our revenue would be significantly decreased. However a loss of the subscription revenue would not end the financial viability of PUBLIVE. The subscription model accounts for 20% of our total revenue compared to the artist commission fees.

Opportunity:

Operating as a lean startup means we will be able to extend our runway further than our competitors who received larger seed funding than we hope to raise. It also allows us to offset any financial impacts of risks coming to fruition, due to members of the team being willing to reduce their salaries to cover costs when necessary.

Sensitivity

We have to analyse and prepare for how sensitive our finances are to the most likely and impactful risks. Below is the result of our forecasted sensitivity testing.

	Profit before tax (£000)			Cash balance (£000)		
	Q3 2020	Q1 2022	Q3 2023	Q3 2020	Q1 2022	Q3 2023
Business Plan	-61	-26	47	189	37	90
Sensitivity Tests						
No subscription model	-61	-35	23	189	21	19.8
Slow uptake	-61	-41	17	189	-8	-30
Both of the above	-61	-47	-1	189	-15.2	-76.2
Wage fix						
No subscription model	-61	-35	23	189	32	31
Slow uptake	-58	-32	17	192	23	20
Both of the above	-58	-35	11	192	15	-11

Fig 12: Risk Sensitivity analysis

As you can see if only one risk was to come to fruition a slow uptake of our services would affect us the worst. If both were to occur the consequences would be dire without the company itself taking measures to offset the major loss in profits and the drop in our cash balance. To offset a rejection of the subscription model we would delay the hiring

of an intern for one two quarters. In order to keep the company afloat, if we were to experience a slow uptake in users, we would reduce our salaries by £5,000 for our first year and then delay the hiring of an intern until Q3 of 2023. Not hiring an intern will stretch the company thin in regards to research, but it is entirely manageable. If both were to occur, all the measures above would have to take place plus the necessity to raise a small amount of money ~ £11,000, by loan or further investment.

Whilst the sensitivity test does show that PUBLIVE would be hit financially if the risks were to become reality, the company is well positioned to be able to weather such a storm.

9. Conclusion

PUBLIVE is a distinctive platform that is well placed to take advantage of an untapped market. It has the potential to be the market leader in providing pubs across the country with quality and professional bands to increase footfall and revenue. With opportunities to exploit the gaps left by its competitors PUBLIVE has the potential to be a ubiquitous name in the roster of all pub suppliers.

- *Market demand prospects* - Currently there is no consistent provider of live music across the pub sector. This means that at a conservative estimate the potential market size of providing live pub gigs is upwards of £3,000,000 in yearly revenue. PUBLIVE aims to take a market share of ~30% in six years, resulting in annual revenues of around £1,000,000.
- *Competition* - While there are already four similar platforms on the market, they have all experienced little to no success. As discussed in chapter 4, they are all near to burning through their runway and so will have little resources to protect their competitive positioning when PUBLIVE releases to market. Our competitors have ignored the most lucrative aspect of providing this platform, instead focusing on artists rather than venues. Therefore we expect to become the leading platform within three years at the earliest.
- *Strategy* - PUBLIVE is unique in its focus on building relationships with chain pubs and becoming their mandated music provider. Our strategy is based on building a bespoke and vetted roster of artists that provide our venues with the

quality events they desire. By rolling out in a slow and sustained manner we can ensure that our ecosystem is full of users that want to communicate with one another. By controlling the ratio of artists to venues we can maintain a consistent number of opportunities for both the bands and the pubs.

- *Resources* - Currently the company's resources revolve around its two directors and its IP. However, the company is led by two people with years of specialised experience in a company just like PUBLIVE. Therefore, they are uniquely positioned with the understanding on how to steer the company towards profit. In the future we hope to keep the team to a maximum of six until the company is profitable and self-sustainable. The company is ostensibly based in London, and that will be the location of its initial rollout, however to offset any superfluous costs the team will all work remotely. PUBLIVE aims to be a lean company throughout its journey.
- *Financials and Forecasts* - Currently the company has little capital to work with, however after an investment of £250,000 we forecast our yearly revenue to grow to £210,000 by the end of 2023.
- *Risk, opportunity and sensitivity* - Upon analysis the opportunity far outweighs the risk. However it is possible that our growth is not as fast as predicted or that pub chains reject the subscription model. If either of these happen in isolation then our revenue streams and the commitment of our directors to grow this company, and therefore forgo some of their wages, will ensure that the company stays afloat. However if both of these were to occur then we have forecasted a

necessity to raise ~£11,000 by year 3 to ensure the cash balance does not drop below zero. However, whilst we have forecasted that while the cash balance will drop into the red Q3 of 2023, we also see Q3 of 2023 being when the company turns a profit.

10. Reflective Summary

Introduction

Prior to my decision to embark on a Masters in Music Business at Tileyard Education, I worked for a company called Live & Loud. Live & Loud is a digital booking agency that sought to exploit the new market of potential venues following the 2012 Live Music Act. The conceit was novel and had real potential to work, but during my two years there I saw issues ranging from a bloated user base of poor quality artists, a focus on the incorrect sector and a misallocation of funds. The management spent far more on expensive office spaces than market research, resulting in the company running out of funding and me losing a job. Constantly throughout my time there I came up with ideas to pivot the focus of the company, but due to my junior position the grander ideas were obviously not taken seriously - this is understandable as I do not have the wealth of experience that the owners did. However this is where the nucleus of my idea for PUBLIVE was formed. Over my time at Tileyard, I have been equipped with the tools to consolidate my ideas into a more realistic business plan.

The basic format for my plan was based in Vaughan Evans' book *Writing a Business Plan: Second Edition* (2016). There are many ways to structure a plan, and upon reading multiple instructional books I decided that Evans' was the most sensible. However the other texts that I read on the matter influenced many of the specific ideas

throughout my plan. The following reflective summary will go through each chapter of my plan and discuss and rationalise all of the many decisions I had to make.

Executive Summary - page 2

There is little reflection to be done on the Executive Summary. According to the framework laid out by Evans, it should be written last and as the name says, summarise the entire plan. It's meant to be the first thing investors read and so give a good, yet somewhat vague overview. However, many view it as the most important chapter in the entire plan. For many investors it is where they make their judgement - if it doesn't register well then they may not continue to read the rest of the plan. That's why I chose fig 1 on page 6 should be a graph rather than the meticulous forecast tables laid out in chapter 7. It's in the authors best interest to make the Executive Summary jump out at the reader as well as being as succinct as possible. Therefore, by leaving it as the last thing to be written it will be influenced by all of the research, preparation and analysis you have produced throughout the writing of the plan. Rather than it being written with a limited knowledge.

Research for this chapter is where you start to form the basis of your plan. It forces you to lay the business idea out in front of you and to question certain ideas and the likelihood of them being realistic. Similar to the Executive Summary I left the actual writing of this until the very end. It began and remained a set of extended bullet points from which I could develop ideas for the far more expansive later chapters. Initially I thought it would be prudent to include my SWOT analysis, fig 13, in this section of my plan, but on the advice of Evans (2020) I kept the SWOT only to my notes. Evans describes SWOT as 'a dreadful, if ubiquitous, construct' that is just 'a jumble of items ungraded for importance, relevance, probability or impact.' He argues that it confuses business risks with market risks and market opportunities with business opportunities resulting in an exercise that offers little in the way of a conclusion. Therefore, whilst I thought it useful to jot down some ideas, it would only be used to inform the more in depth analysis on risk and opportunity I do in chapter 8. In light of Evans' criticism you can see that the SWOT analysis does not differentiate the relevance or importance of any of the points present within it. However, it did lead me to making a decision that would decrease projected revenues quite drastically.

<u>Strength</u> Hospitality venue focus Management and team has unique knowledge of competitive failures Potential resources in post-pandemic marketplace Building user base from scratch means no oversaturation of poor quality musicians	<u>Weakness</u> Lack of brand recognition No professional reputation - building trust with pub chains will be difficult
<u>Opportunity</u> Competitors injured by pandemic Venues and musicians hungrier than ever to make money First mover in particular market share Competitive pricing	<u>Threat</u> Slow uptake of users Loss of Vladimir Stepan New entrants

Fig 13. SWOT analysis

The feedback of my initial proposal by Steve Cole (2020) raised one interesting point. He questioned why I would choose the going rate of 15% as my artist commission. Initially it seemed a good choice as it raises the revenue stream and is a commission that artists are used to. However, when working out the projected revenue streams less 5% they still grow at a steady rate. PUBLIVE's business model only works at scale, and one way to encourage mass user acquisition and retention is to offer a competitive rate of commission.

Chapter 2 is also important because it is where I can introduce PUBLIVE's focus on pubs rather than musicians. Even though artist commission amounts to 80% of the entire revenue, and perhaps 100% if the subscription model is rejected - more on that later - venues are the most important segment of our user base. From my experience at Live & Loud artists are eager to play any live gig at all, but obviously only if they are paying reasonable rates. Venues however, are more difficult to engage with as they are businesses in their own right. If you steadily increase the number of pubs then you

increase the number of advertised events. Increasing the amount of bands on the platform does nothing but have users with nothing to engage with. When you read that Live & Loud and Gigmit have 13,000+ and 30,000+ artists respectively, all I see is thousands of dead profiles. The majority of profiles I saw on Live & Loud were of artists who had recorded one original song and never performed live, yet they were the most consistent users to request to play gigs. This results in venues being put off by the number of requests from inexperienced performers. Therefore, my insistence is that PUBLIVE be marketed towards pubs and that the bands on the platform be researched and vetted.

Market Demand Prospects - page 13

With my plan showing a focus on the venue segment of PUBLIVE's user base I could then analyse and forecast the potential market size. This chapter is also where I discuss the necessity to market towards chains rather than independent publicans. Live & Loud was formed as a direct reaction to the 2012 Live Music Act, the opening up of potentially 92,000 more venues across the UK means the potential for more gigs. However, when you do further research you realise how few are fit for purpose, or how few managers have no desire for live music. By focusing on building partnerships with chains you have the opportunity to become a company wide approved supplier. This in turn means every new pub you market to is more amenable to your approaches, compared to the hundreds independent publicans all with different needs and ways of doing things.

When exploring the actual market size of chain pubs, I thought it best to be conservative. Across all of my research it is advised to be conservative in your estimates. Rhonda Abrams and Paul Barrow (2008) argued that being conservative raises your credibility. Investors like big numbers, but they love realistic numbers. There are over 15 pub chains who run near to 20,000 pubs (Seymour, 2019). By keeping the focus on the three largest and most recognizable, whilst also reducing the viable pubs from 9400 down to a third of that, I show the market size to still be large despite my conservative estimations. It therefore makes PUBLIVE's projected success much more realistic.

Industry Competition - page 18

Chapter 4 was probably the easiest for me to write, due to my prior experience working with one of PUBLIVE's competitors. Even when I worked at Live & Loud I was tasked with doing a quick competitive analysis. We immediately saw that two of our competitors were not viable as they did not have the financial backing and that Gigmit whilst being the largest, didn't really encroach on the UK territory. What this chapter did do is inform my understanding of strategic positioning in comparison to your competitors, something I explored further in the next chapter.

Strategy - page 24

This is one of two chapters within which I follow Evans' (2020) framework meticulously. By understanding your Customer Purchasing Criteria and Key Success Factors you can sculpt your strategy accordingly. The analysis of CPCs in figure 5 was perhaps the most illuminating. To understand how we could be effective I understood that the ratio of musicians to venues had to be as small as possible, and therefore the rollout of the entire platform has to be meticulous and considered. As stated earlier there is a necessity to populate the platform with only quality artists and ensure that both the venues and bands are booking a consistent number of gigs to keep the ecosystem flowing.

Steve Cole (2020) suggested I include a Gantt planning chart (fig 14) to best visualize the development of the platform. However I realised that to include and discuss it, I would be dangerously close to encroaching on my word limit. I thought it more pertinent to provide space to the financials and forecasts as that is more central to the investor decisions.

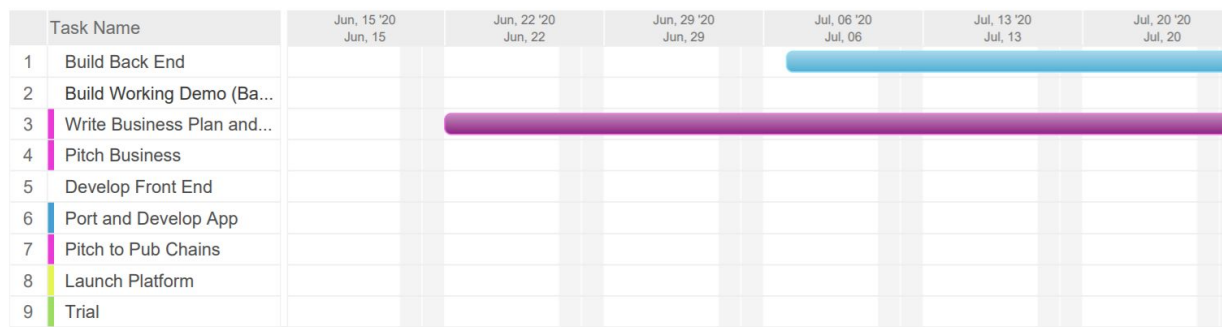


Fig 14. Gantt Planning

Resources - page 29

This is perhaps the only part of the plan where I had to take some artistic license.

Vladimir Stepan was the chief engineer at Live & Loud and he and I had some quite light hearted conversations about opening a rival company. However, he is currently happily and gainfully employed and would not be willing to forgo his wages. I felt it necessary to include him in the business plan, because I came to realise that he was the most important employee at Live & Loud. Noam Wasserman argues in *The Founder's Dilemma* (2012) that convincing potential investors in the experience of the team is as, if not more, important than convincing them about the viability of the product itself. He contends that they are first and foremost investing in people. He also states that in the eyes of investors, a team of founders is more comforting than a solo founder.

In this chapter I also reiterate the necessity for the company to be lean. Following a few lectures at Tileyard, the article by Steve Blank in the Harvard Business review (2013), and experience in working for a wasteful company, it has been instilled in to me that it is of the utmost importance to follow the tenets of Lean.

Financials and Forecasts - page 34

Chapter 7 was perhaps the hardest chapter for me to write and yet another moment in my life that compounds my desire never to work in finance. There are many concepts that I find difficult to grasp and my numeracy skills are lacking. If I didn't deem it necessary to test myself then I would have asked for assistance and in a professional setting I would. However I found much help in Tim Berry's book *Hurdle: The Book on Business Planning* (2006). It was in this book that I realised that the cash flow forecast (fig 10), is probably the first thing investors turn to after reading the executive summary.

Risk, Opportunity and Sensitivity - page 40

This was the second chapter within which I followed Evans' (2020) framework to the letter. Using a diagram such as the sun and clouds chart (fig 11) helps both the investor and the author to visualise whether the opportunities outweigh the risk and if the plan itself is viable. From now on, this will be a central tool in many of my projects and in my opinion improves upon the ideas of a SWOT analysis. However it's the sensitivity analysis (fig 12) that shows the viability of any plan. As an investor or an owner, you have to expect that the worst is possible and then analyse whether your company could weather the storm. I realised that if both the two most likely and impactful risks were to come true, the company would need to find funding. However by being transparent and the extra funds needed being so small, I believe the plan gains further credibility.

Conclusion - page 47

In accordance with Evans' (2020) framework, the conclusion is to be a small recounting of the plan and a confirmation of its viability. As I have touched upon the meat of the plan in earlier sections of this reflective summary, I will use this section to aptly summarise my concluding thoughts. The completion of this assignment has provided me with a framework upon which I can improve in professional life. It is the culmination of a year long masters and an opportunity to consolidate a year of learning into one document. The assignment and the course itself has illuminated my strengths but also reconfirmed the weaknesses I have, some of which can be improved upon, some being integral to my being. In extended periods of self-guided learning you have to learn to become incredibly self-reliant and if this assignment taught me anything, it is how to rely on the abilities of one's self.

Word Count: 12,702

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