

TEMPLATE FOR WRITING A MUSIC BUSINESS PLAN

As a follow up to my post entitled, "[How to Write a Music Business Plan](#)", I will explore in more detail the typical format most plans should follow. Please keep in mind that no two music business plans will be exactly the same. Use this template to explore the process and customize your own plan of action. I will continue to update [my blog](#) over the next few weeks to provide examples of content expected in each section.

Written by Kevin English
leetmusic@gmail.com
(347) 688-KevE (5383)
<http://leetmusic.com>

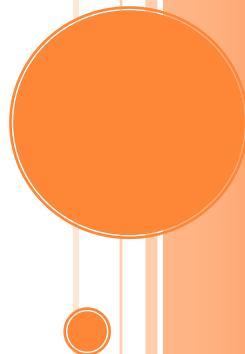


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TEMPLATE FOR WRITING A MUSIC BUSINESS PLAN

The process of writing a business plan is important for any new or existing venture. Musician's who plan to release a record independently, are no exception. The following post will provide a very basic template for you to follow in creating yours.

There are typically two reasons to create a business plan.

- 1. To acquire funding from a financial institution or private investor**
- 2. To map out how you will run your business on a daily, monthly and yearly basis**

That being said, writing your plan will take time. There are no short cuts to this process, which is why many businesses never get around to writing one. Spend some time researching your market and developing your plan of action before going any further in the music business.

A good business plan is a work in progress and should be revisited every so often to ensure that it is being closely followed and remains relevant to your goals in the marketplace.

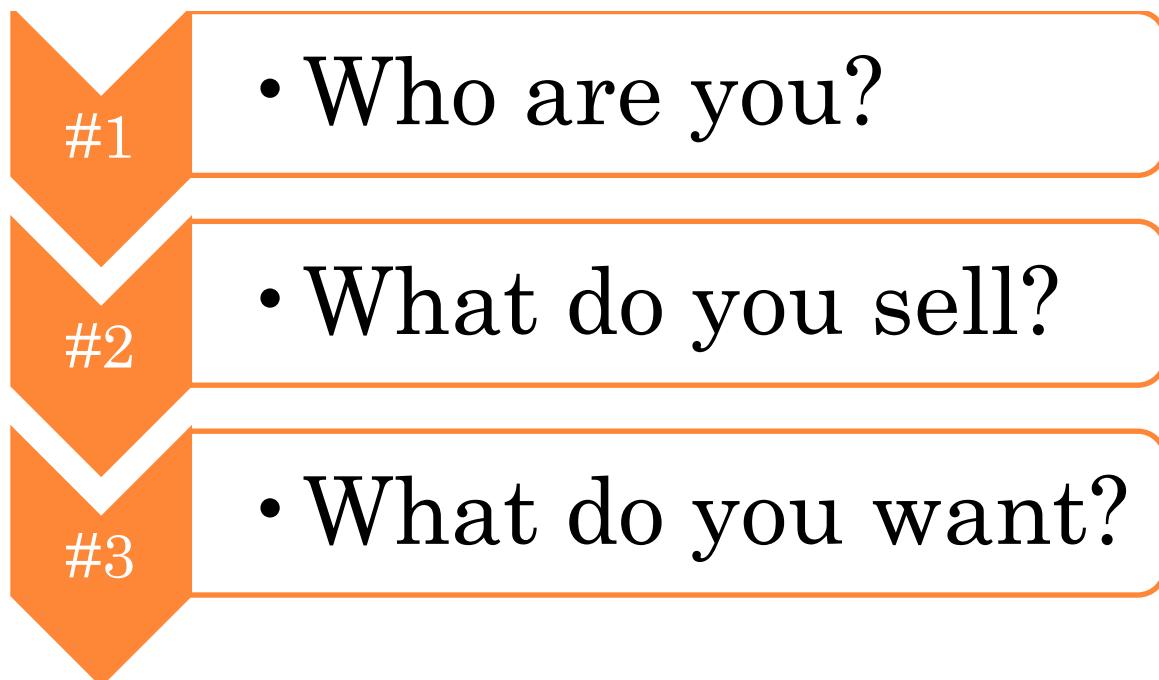
“The real value of creating a business plan is not in having the finished product in hand; rather, the value lies in the process of researching and thinking about your business in a systematic way. The act of planning helps you to think things through thoroughly, study and research if you are not sure of the facts, and look at your ideas critically. It takes time now, but avoids costly, perhaps disastrous, mistakes later.”

EXECUTIVE SUMMARY

This section is meant to be written last. After all, how can one summarize before everything is laid out? Once you are done with all of the other sections of this plan, briefly describe the main points here in a perfectly written page, immediately following the Table of Contents.

Topics should include your business idea, financial requirements, legal formation of your business (Sole Proprietor, Partnership, S Corp, C Corp, Non Profit or LLC) and any success stories to date.

Make sure to state exactly what you want to achieve right up front. Don't make your readers muddle through to the middle of your plan before they understand what you're getting at.

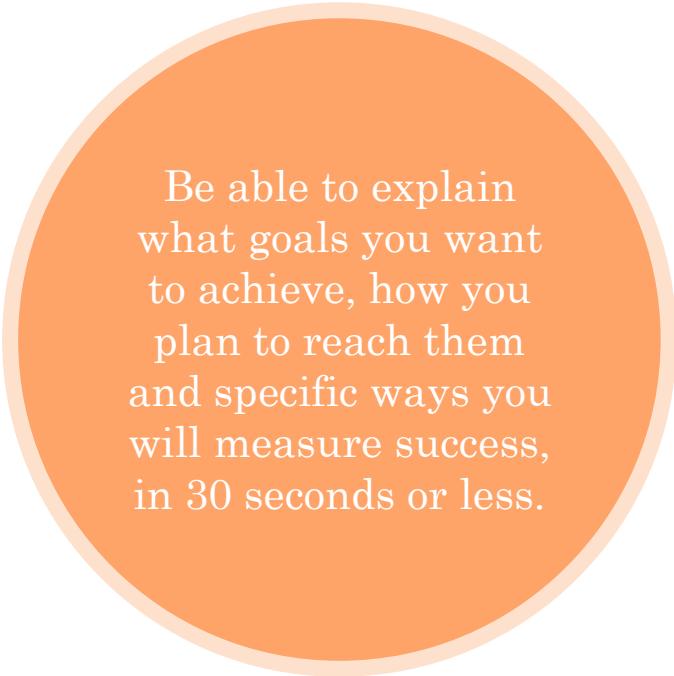


COMPANY DESCRIPTION

Prove in this section why an investor should be interested in funding your venture. Briefly describe what product or service you will sell, what part of the music industry you are in and how you intend to become profitable.

Generate a mission statement that will serve as your 30 second elevator pitch. This will become very important when attempting to convince fans to embrace your marketing activities and entice investors to back your ideas.

Although it may seem redundant at point, restate the legal form of ownership, and why you have chosen this structure for your business.



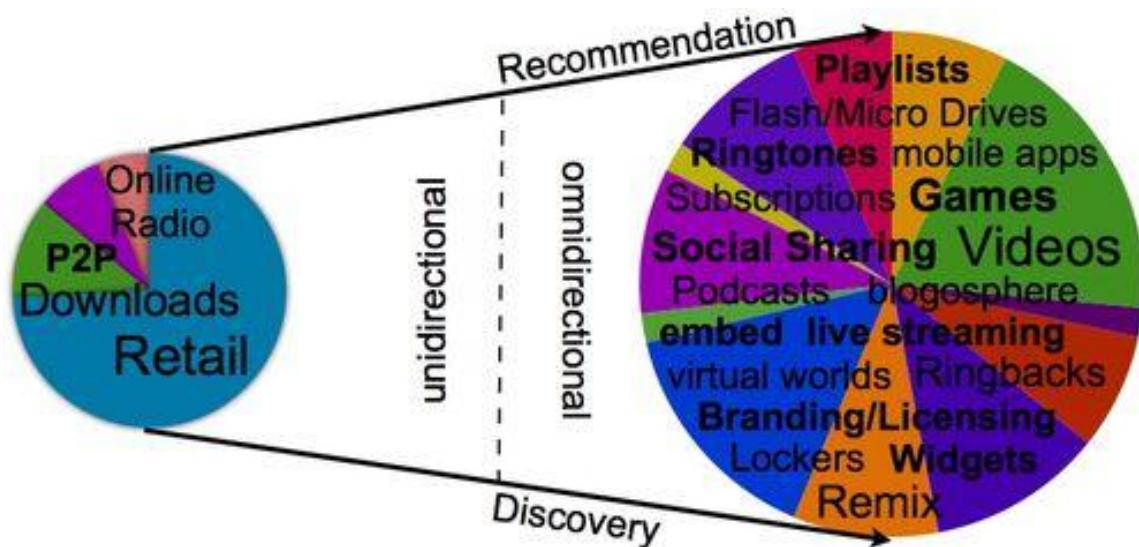
Be able to explain what goals you want to achieve, how you plan to reach them and specific ways you will measure success, in 30 seconds or less.

[PRODUCTS & SERVICES]

Here is where you will discuss your products and services offerings in more detail. Since most of you reading this are bands or music entrepreneurs, you should insist on having more than one revenue stream. The figure below provided by Duncan Freeman of [Indie Music, Inc.](#), will give you plenty ideas of potential revenue sources based on music consumption habits. List each one that pertains to you; describe what it is and how you will profit by selling it.

Continue this section by describing your competitive advantage and why you think your business will succeed among others within the music industry.

If you would like to talk about future products and services as well, you may do so here. This section is optional but helps you begin thinking about your plans down the road.



MARKETING PLAN

Start with extensive market research about the music industry. You will want to explain its current state of by taking account of the industry participants, gate keepers, skeptics, potential customers and competitors.

List the features and benefits of each product or services and what you think is so special about them. It's important to know what your products and/or services will do for your customers.

Now that you have considered your industry, product, customers and competitive landscape, you should have a pretty good concept of where your company fits in the world. Briefly explain your niche or what I like to call, "The Cracker Jack". This is something you do differently than any other business.

Your marketing mix should provide answers to the following questions:

1. **Product** - how will it meet or create consumer demand?
2. **Price** – is it low enough for your customer to buy and high enough to make a profit?
3. **Place** - where will your product or service will be sold? Offline, Online or both?
4. **Promotion** – what is your advertising and publicity strategy? What programs will you use to mobilize your strategy?

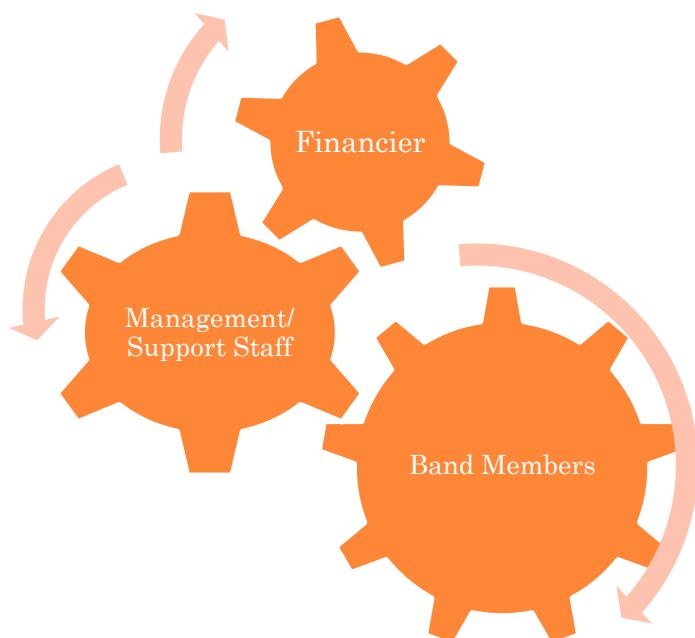
“To be successful, a business must develop its marketing vision first, and then use it to drive all subsequent decisions”

End this section with a specific and measurable description of how you will reach your projected goals. List how many calls, emails or live performances you will do to achieve success each and every day.

Note: Attach any drawings, diagrams and/or artwork that correspond to your business in the Appendix at the end of your plan. The majority of your plan should be black and white, easy to read and in professionally written language, especially if you are presenting to a potential investor.

MANAGEMENT DESCRIPTION

List each member of your management team and describe what they will do to make your business successful. Explain the specific duties of your manager, lawyer, agents, publicist, graphic designers, band members and any potential investors.



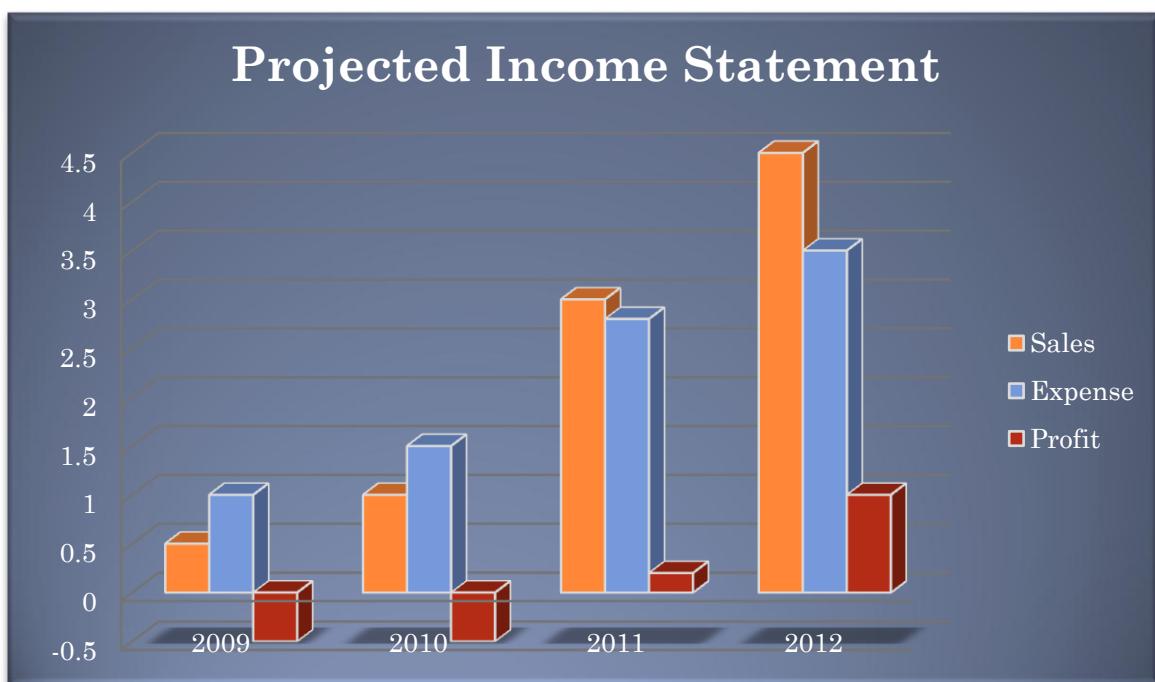
[FINANCIAL PLAN]

Now you will want to forecast the best and worst case scenarios of potential sales. Create a spreadsheet of how many albums, individual downloads, merchandise or service fees you expect to receive on a monthly basis.

Prepare a [Break Even Analysis](#) to show exactly when you intend to become profitable. Wikipedia describes this as, “the point where total revenue equals the total cost associated with the sale of the product or service ($TR=TC$)”.

Make sure to include the anticipated cost of studio time, manufacturing of merchandise, marketing, promotion, sales and live show expenses.

Finish your plan with a chart that highlights these figures for the next 3 to 5 years. Most private investors will pour over your income and cash flow statements, but other readers will only need a charted summary.



ABOUT THE AUTHOR

Kevin English is a marketer and student of the arts, who blogs about the skills and strategies necessary to get the most of your musical career at <http://eleetmusic.com> and on Twitter [@eleetmusic](#).

His awards in this field include Winner of the [Prudential's](#), National Business Plan Competition (2002) and [NFTE's](#), Young Entrepreneur of the Year Award (2003)