

## **Creating a Successful Business Plan (for the Artist)**

Prepared by SaskMusic (the Saskatchewan Recording Industry Association)

<http://www.saskrecording.ca/>

The following document was created strictly for those interested in understanding the different aspects of a business plan. There are several models for creating business plans and as such, this is only one possible model. Make sure that you are writing a business plan which best reflects you as an artist and your music.

Just a reminder: Your business is your music, your band and all of the promotion and marketing that you do for yourself so that you are successful in this industry.

### What is a Business Plan?

The business plan outlines your professional goals, how you will achieve those goals and the resources that you have and need to get in order to achieve those goals. It is basically the story of your career and your business. The business plan takes you from the “idea stage” to the “action stage.”

### Why Write a Business Plan?

At the very basic level (and perhaps the most important level), the business plan will allow you to focus your thinking, set a realistic plan with realistic goals, and get you moving forward with your career. Additionally, the business plan can be used to bring in key players whom you would like to have as a part of your team. These key players might include prospective managers, agents, labels. The business plan shows these people that you have thought about your career, planned how you want to achieve your goals and treat your career seriously. Finally, the business plans are often used to obtain financing from investors, banks, venture capitalists, government, etc. The business plan might be included in applications for FACTOR or SRIA’s new funding programs.

### Preparation for Writing the Business Plan:

- Consider the reader and objectives
- Research all elements of the business plan
- Write the business plan yourself
- Develop an outline of key sections
- Use realistic financial projections
- Gain feedback

## 1. Executive Summary

- Although at the beginning of your actual business plan, the Executive Summary is always written last!
- It is normally 10% in size of your business plan or one page
- It should, at the very least, introduce the band, describe the project briefly, make the request, overview the goals, and provide a synopsis of the marketing plan.

## 2. Introduction

- Briefly introduce the band/artist – it should be a mini bio
- Briefly introduce the project if this business plan is being submitted for a specific project
- In some instances, this area is also used to make the request and state why you are making the request (see first two points)

## 3. Mission Statement

- What do you offer to your audience? What is the essence of why you exist? Basically, who, what and why?
- This is normally a single statement (or short series of statements) that would explain the essence of your existence as a band/artist.

## 4. Vision Statement

- What is the ultimate end goal that you are working towards? This should always be a goal that you can work towards.
- This is normally a single statement as well.

## 5. Music Industry Overview

- This is really only necessary when you are seeking outside funding or investment with a party who may have no or very little knowledge of the music industry.
- If you wish to include something like this for a person in the music industry, it should be brief and just establish that you have researched the industry.
- Suggested format: Paragraphs

## 6. Band/Artist Bio, History, and Functions

- You should be including a more detailed bio of the band and, if not present within the bio itself, a history of the band.
- This history and bio should be professional and read like a resume. It's not necessary to have every date/event in the band's history in this area – just the key points. If you want to give a really detailed

history (make sure that there is good reason and you have been around for a long time), include it in the Appendices.

- If you want to introduce the individual players within a band, give very brief bios and then you can refer the reader to a more detailed bio of each player in the appendix. If you choose to leave out the bios of individual band members, reference to it in the business plan and just put them in the appendix (basically, leave out the “mini bios” in the actual document)
- When you are introducing the other band members, you should also include the functions that each of these people carry out in addition to the actual artistic endeavor. For example, if your bass player also books all of the shows, then that

should be indicated. This allows your reader to get a better understanding of who is going to carry out all of the other activities that make an artist successful.

- You also have the option of indicating in the respective areas below who will carry out the actual duties. For example, you could indicate that your bass player books all of the shows under the Tour Plans section and reduce the amount of information in this section.
- Suggested format: Charts for Bios/Function and Paragraphs or Timelines for history

## 7. Other Key Players (Optional)

- For any of you working with other key players who are necessary and/or important to your success, this section would allow you to introduce them and indicate their role. For example, you should introduce your manager, agent, accountant, booker, etc.
- This section is especially important if you are working with someone who isn't well known and you are trying to establish their credibility. Or, this gives you a chance to celebrate someone who is well known and working on your project.
- If you want to include longer bios of these people, I would recommend placing that in the Appendix and referencing to it.
- Also, you should be getting letters of reference from these people, referencing to those letters in this section and placing them in the appendices.
- Suggested format: Charts

## 8. Your Audience

- This area is becoming one of the most important aspect of any artists marketing plan – knowing your audience. Those who really know their audience really stand out above other marketing/business plans.

- Your audience isn't everyone – you should be tracking who comes to your shows. What is the gender breakdown, age, income levels (optional). What other artists do they listen to? How do they purchase CDs? From where? How big is your audience? Don't just guess – use statistics Canada, research and then make a really good estimate. What other events do they attend? Where else do they shop and could you work with those retail outlets to promote yourself? Are they internet saavy? Etc.
- What is their geographical location?
- Suggested format: Charts for statistics and Paragraphs for details

## 9. Graphics and Branding (Optional)

- Some groups spend a lot of time developing a specific logo, font, writing style, colour schemes, etc. This is all a part of branding. If you are working with other bands, retail outlets or supporters to build a particular image, then that should be discussed as well.
- If a logo and branding is important to your group, then you may want to include your logo and an explanation around your use of this logo.
- You could also submit the graphics and logo as part of an appendix and just reference to it in your business plan.
- Suggested format: Paragraphs and graphics

## 10. Recording Project

- Who is the producer and what studio are you working with? This is also a good place to put the bio of your producer and the history of the studio. If you are working with a key engineer, you may want to also put that in this section. If you are an artist using key session players, you may also want to provide mini bios or reference to a bio page in appendices.
- What are the timelines to this project?
- Is this a full-length, demo, EP, etc?
- Is this a unique project that needs further explanation about the material? Does your audience need a better understanding of the material or recording process?
- Suggested format: Combination of Paragraphs and Charts

## 11. Press Kit

- What is your press package comprised of?
- Is there anything different about your press kit (outside of the standard press kit)?
- Will your press kit have an electronic component?
- What is the press kit going to be used for? – Details not necessary

- Key Players not already addressed?
- Option: Attach a press kit as an appendix if its not already required with the application.
- Suggested format: Paragraphs

#### 12. Additional Merchandise (Optional)

- Are you selling other merchandise besides the recording project? I.e. T-shirts, hats, tank tops, etc.
- Are you selling previously released CDs – Basically, how else are you making money?
- You should be able to justify the reason to get additional merchandise (i.e. there is a demand from your fan base and it will sell well) and the price that you are charging.
- A lot of artists do not spend enough time understanding their costs and pricing.
- I saw a great marketing plan that included graphics of the merchandise to be printed. You could submit that in an appendix.
- Suggested format: Charts for the list of merchandise items.  
Paragraphs for introduction and justification.

#### 13. Pre-release Promotions (Optional)

- Artists may decide to include this under a different topic such as media relations, or fan base management.
- Have you created a pre-ordered list of fans wanting the new CD before it is even out?
- What radio stations will you contact to make them aware of the upcoming recording project? Are there t.v. or print interviews that you have lined up?
- Are there any special events or gigs that are you using as a pre-release promotional event? Are there any conferences that you are planning to attend to hype up the project?
- Are you doing direct emails or web site press releases to your fan base to get them pumped up?
  
- Have you already identified the key player(s) doing the work?
- Suggested Format: Paragraphs/Charts

#### 14. CD Release Party

- When and where will the CD release party be held – this should be confirmed or very close to confirmed (at least the venue)? Are there going to be multiple release parties? Why did you choose that location? Remember people may not know why Regina, SK is the best place for you to release your CD – you must explain that!

- Are there any unique pricing schemes that you are using? For Example, a CD may cost \$15.00 and cover may cost \$5.00. But if someone purchases both, they get both for \$18.00 and if they purchase before the event, they get both for \$15.00?
- Are there any retail outlets where people can pre-purchase tickets for the show? Where can people buy tickets ahead of time or can they even buy tickets ahead of time?
- Are there any events leading up to the CD release party that you are using to promote the upcoming release and ticket sales to that event?
- Are there any contests that you can set up? For example, you could get a sponsor to cover dinner at a local restaurant, throw in an artist prize package and free cover to the event. Be creative! This would allow you to go to the radio stations with a contest that they could promote which could also lead to increased coverage.
- What radio, t.v. and print mediums are you using to promote the event and will they be most effective?
- Are you posterizing? Where? Is there a method to your posterizing?
- Are there contests that you can set up for your web site and/or email base for your fans? What are you doing to promote the show to your fan base? Can you work in a discount on the CD for the first 25 guests?
- Are you going to have any other musical guests at this event? Why did you choose those artists and what is the benefit to having these guests there!?
- As appendices, you could include any press releases that you are going to use, promotional materials to fans, details on prize packages you are putting together, bios on guest performers, etc.
- Have you already identified the key player(s) doing the work?
- Suggested format: combination of charts and paragraphs

## 15. Touring Plans

- A word of caution: A lot of artists think that its good enough to say we are going to tour Saskatchewan, then Western Canada and then Eastern Canada because there are a lot of venues to play. This is not good enough! Sorry.
- A lot of research must go into developing your touring plans.
- First, a history on where the band has played in the past indicates that they have a rapport with certain venues. That should be included. For a detailed list with timeline, include in the appendices. You need to establish yourself as a touring artist. If you haven't done a lot of touring, that's okay but you better get ready to work your butt off on the next part of this section!

- People want to a touring strategy that is almost confirmed. What I mean by that is that you have called the Pyramid in Winnipeg, sent them a press package and

that they have stated that they would be interested in hiring you once the new release is done. It would be even better if you could get some letters of intent to include in an appendix. At the very least, you should know contact names and specific locations.

- You should be able to show that you have identified venues which embrace your style of music...don't get into the game of listing any and every venue that you can think of. You can include these identified venues but try to keep it in a chart form that's concise and please, please indicate if you have established a relationship with them.
- Are you working with a booker/agent?
- I will say it again – you need prove that you have a relationship with the venue and that touring is a reality – otherwise, your touring plans become “too airy.”
- You should show your geographic strategy. Basically, do you plan to start in Saskatchewan, expand to the prairie provinces and then go East. Or, are you starting in Saskatchewan and Alberta and moving down into the Northern United States. You need to show why you have chosen the geographic strategy that you have. I.E. there is a strong Christian market in the lower mainland and that is why you are touring to Saskatchewan, and Lower mainland, BC.
- If you are planning to tour internationally, do you understand the rules, restrictions, regulations and benefits to traveling to a particular country?
- Are you touring with any other artists? How do they fit with your strategy? Is it a shared bill? Are you headlining? Are you opening for a well-established act?
- Are you postering? Is there any strategy to your postering? Are you using street teams? Basically, how are you getting the promotion done for the tour in each area?
- You can include your media relations (see section below) for the tour in this section or cover that in the media relations section below.
- Appendix: Tour details if your touring section is becoming extremely long? Bios for the artists that you are working with?
- Have you identified the key player(s)?
- Suggested format: Charts and paragraphs

## 16. Media Strategy

- Do you understand the radio stations that you are targeting? Caution: Do not just include a list of radio stations...if you still want to do that, then it should be referenced to in an appendix. More

importantly, do you understand the play formats and needs of those radio stations?

- What are your press release and promotional plans for radio? Do you have a database? Are there contests or promotional giveaways for the radio d.j.s or their audiences?
- Are there any special events that you can team up with a radio station on?
- Have you received any support already for the single or know that there are radio stations who are interested in promoting a single once you are done? Those letters of intent/emails should be included in an appendix.
- Are you able to secure an on-air interview for the promotion of the single or any tour dates that you may have in that area?
- Do you have a radio tracker? How will you keep track of your success?
- What have been your past successes with radio, if any?
  
- What are your plans for any television media? Are you doing a video? Are there interviews/live performances that you have lined up? Again, get those letters of intent or interest in there! Do you have an understanding of which t.v. programs are supporting local live performances and have you started conversations with them? Why did you choose the programs that you chose? This is important for lesser-known programs because you need to show the benefit.
- What are your plans for print media? Who are the newspapers, periodicals and interviewers that you are targeting? Are there any interesting stories or promotional ideas that you are using for the print media? Have you received any confirmed support letters and are there significant relationships from the past, which will serve to benefit you? Why did you choose newspapers, periodicals or magazines that you chose? This is important if you are dealing with lesser-known publications and need to spell out the benefits for your reader.
- Are you making use of any of the online medias? For example, MP3.com. Make sure you show the benefit of working with this company.
- Appendix: background information on any lesser known t.v., print, or online medias. This way, you don't make this section too large.
- Suggested format: Combination of charts, graphs and paragraphs

## 17. Fan Base Development

- In today's industry, a fan base is considered the most important element to the success of an artist and the interest that the general industry will take.



- Do you have an email list or mailing list to keep in contact with your fans? Do you have a database that allows you to target by region?
- How do you get news out to them about your career?
- What services do you offer on your web site? I.e. message boards, a daily artist journal, contests/promotions, updated news section
- Is there an email address or some kind of customer service measure so that fans can get their questions/concerns addressed.
- Have you been able to make use of key fans to head of street teams in certain areas? Street teams do a great job of postering, promoting the show word-of-mouth, etc.
- Do you offer a newsletter or discounts on merchandise or a fan party?
- Caution on all of these things: You should not offer everything! You need to offer what is going to work best for your fan base.
- Are you able to conduct online surveys or in-venue surveys? What have you learned from those surveys (just a synopsis, not details – save that for an appendix).
- Basically, how do you get your fans to feel as though they have enough of a connection to you to buy your CDs and go to your shows?
- Appendix: Samples of your fan base development tools (Optional – ie surveys, newsletters, postcards, press releases), survey result details
- Suggested format: Paragraphs, charts and graphs

## 18. Web site/Technology

- Some of this information may have already been covered in other areas of your business plan – that's fine.
- A web site is becoming a key strategy point for a lot of independent artists.
- What sections are you offering on the web site and what is the benefit? Is there an electronic press kit area with your bio and photos, gig listing history and contact information. Do you have separate areas for the industry professionals and the general public?
- What do you offer in your fan base development area? Should be brief if already covered above or you can just reference to the above section.
- Do you have a general news area? Is there a section for people to sample your music? Is there an area for people to email you, do you offer a link to join and email list? Do you have a general info area that provides a bio/history on the band, band photos, tour dates, etc
- Is your genre/audience well-suited to a web site? Will the talent buyers you need to work with enjoy moving around this site?

- Is there an e-commerce area? Are you selling CDs through your site? How will that process work and who is going to manage it?
- How are you promoting the web site and how does that fit into the rest of your strategy? Will you have any contests/promotions for the general public on the web site? What are your online sources to promote the web site? Are there key links, partnerships, and/or sponsors that will be attached to the web site.
- Appendix: If you want to include samples of the web site, please only reference and include in an appendix.
- Suggested Format: Paragraphs and Charts

## 19. Distribution/Retail Strategy

- How is your CDs and merchandise getting to the end consumer?
- If you have already covered e-commerce on the web site and touring sales, then just mention it briefly.
- If you plan to get your album distributed or into the stores, then you need to show that you have made the contacts and done the research,
- It isn't enough to say you are going to try and get a distribution deal. It's very hard work to get distributed and that indicates you haven't done your homework. You should be able to identify distribution companies that would work well and show that you have established a relationship with them. You must be able to show you have generated some interest in your project.
- As far as retail goes, you should be able to identify independent stores that will take product (if you do not have a distributor or distribution deal). It's important to identify those retail outlets that will support your project and its even better if you have started discussions with them. If you are using lesser known retail stores, you may want to describe the store if your reader may be unfamiliar with them.
- Identify any promotional activities that you have planned for the retail stores that you are working with and if the retail store is not a standard music store, make sure that you identify the fit with that company.
- Appendix: Any letters of intent or interest
- Suggested Format: Combination of charts and paragraphs

## 20. Special Events (Optional)

- If you are performing at any special events or working for any special causes (i.e. working for a charitable event or performing at a unique opportunity), you may want to list it. Working with a charity or for a cause is also some really positive good will. Being presented a unique performance opportunity shows that the community is

interested in you and that you are able to give back to the community.

- Appendix: You may want to include further information about the event, opportunity or cause.
- Suggested format: Paragraphs

## 21. Partnerships with Other Artists (Optional)

- Some artists may be working closely with other artists/bands to cut costs, cross promote, etc. This section should be the place where you highlight those relationships and the benefits that you will receive by it. A community that supports one another can be a really strong selling point.
- Appendix: You could include bios of the other artists if they are a key component to your operations.
- Suggested format: Paragraphs

## 22. Video Production (Optional)

- Video production really has a timeline and marketing plan all unto itself.
- You should introduce the production company, producer, and any other key players.
- You can put the concept in this area to give you reader a better idea of the finished product and which single the video is supporting.
- You should indicate what media companies have expressed interest in promoting a video from you – if you have no interest right now, why go through the expenditures of creating a video that will become dated.
- You should be justifying who you have chosen to spend money on a video – does it make sense with the rest of your business plan.
- What promotional plans do you have in place for the video once it is completed.
- Are you making any use of special, well-known guests or have a unique spin on the video?
- You should indicate if there are additional investors supporting this video or how you plan to finance it.
- A time line can be included – just a basic one to determine when production, editing and release will occur.
- Appendix: You could also include a detailed timeline as an appendix. Any letters of support for the video as well as a letter of intent from the production company, producer and investors can be included. Storyboards may also be included in the appendix.
- Suggested format: Combination of charts and paragraphs

## 23. Songwriting (Optional)

- For some artists, songwriting is a key component of their activities and should be highlighted in the business plan. There are a lot of industry professionals who place a higher value on an artist that can write their own really good songs.
- You should indicate whether the songs written will be used strictly by you or whether you will be pitching these songs to other artists.
- If you are planning to pitch songs to other artists, you need to show a well-developed strategy for tackling that. Are you planning to solicit a publishing company? If so, you should be able to show that you have researched who you are going to target and that you will be making a contact. A letter of interest from a publisher can definitely strengthen your business plan. Again, the reader wants to ensure that you have done your homework. Are you planning to promote your songs directly to other artists in your community and what is your strategy for doing that?
- If you have no publisher, then you should indicate who will be taking care of your publishing and how that will be managed internally.
- If you are working with a lesser-known publishing company, then you should provide some background information on the success of this publishing company. You also have the option of giving a quick introduction to the company and providing a longer background in an appendix.
- Appendix: Any letters of interest or intent from publishers or artists should be put in the appendix.
- Suggested format: Paragraphs

#### 24. Additional Revenue

- This also gives you the opportunity to highlight any other sources of revenue that you may be tapping into.
- This may include management fees, day jobs, booking shows for other bands – anything that you may have not already covered.
- Suggested format: Paragraphs

#### 25. Sponsors/Investors (Optional)

- Most investors would like to know if there are other sponsors and investors involved in the project. They seem to feel more assured if there are other investors involved. This also gives you a chance to highlight any sponsorship deals that you have been able to secure.
- You don't need to get into the details of how much investors have put in (this will show up in your financial statements) but you should list them.

- Appendix: Any sponsor or investor letters of support. You may also wish to provide background information on your sponsors and investors which should be referenced in the business plan.
- Suggested format: Charts

## 26. Strengths/Past Successes

- This is really your chance to get out there and strut your stuff.
- Let the reader know what the strong points about the band/artists are.
- This also gives you a chance to list key past successes and milestones that you have already surpassed.
- You definitely want the reader to be excited about the project, the band and where you have already been.
  
- This gives you a chance to show your track record – you could show past sales (if they have been strong), successful tours, key gigs, awards and honours, etc
- Suggested format: Chart

## 27. Challenges

- You should also make the reader aware of any challenges that you are currently facing. This may include financial concerns, band member relations, weak business skill areas.
- More importantly, you should show how you are working to address and solve those particular problems and challenges.
- Suggested format: Charts

## 28. Goals

- You should be indicating in this area your goals for the next 6 months, 1 year, 3 years and five years.
- For each goal, you should be stating what you want to achieve, when you want to achieve and how you will measure your success.
- This is a great tool for you as well to see if you are on track.
- A detailed timeline should also be included in the appendix. Make sure you reference to it in the business plan. The best format for this is a calendar or a chart where you can plot all your dates and what you need to have achieved by then.

## 29. Assumptions/Scenarios

- This area is especially important for traditional investors. You should be stating what you assumptions you are basing your success and financial statements on.

- How did you estimate your sales? What formula did you use? How did you estimate your costs?
- What key people are necessary to your success? What events/actions are key in your marketing plan to be successful?
- As importantly, you should indicate what alternatives you have considered if your assumptions fall through in order to ensure success.

### 30. Financial

- This is the key point in most business plans.
- Although your sales and costs are estimates, you should be basing it on past successes or a really thought out formula. Really look at what other artists are selling and ask yourself if you are really being realistic? Call to ensure that the costs that you have set out for yourself actually make sense.
- If you have been around for awhile and have kept track of your past financial information, you should be including it in this section.
- You should be presenting your current financial situation.
- As well, you should be making future projections on this project. You can also do a high, low and medium sales scenario for yourself in this area. You may want to present this to your reader if its still positive overall.
- The most common forms of financial reports are Balance Sheet, Income Statement and Cash Flow/Budget. These do not need to be included specifically in the business plan (they can be put in the appendices); however, they should

be summarized in your financial section. What are your costs, sales and do you know when you will need the most money? What is your actual financial request.

- Finally, some institutions/investors will require that you provide a list of collateral that will go towards the loan.
- Appendix: A detailed formula/explanation on how you arrived at your figures. The actual financial statements.
- Suggested format: Paragraphs/Charts

### 31. Conclusions

- Your conclusion should summarize the band, the project, your request, and why this is a successful project and your reader should invest in it.
- Suggested length: half page to a full page.
- Suggested format: Paragraph

### 32. Appendices

- All your appendices come at the end of the document,
- They should be used to provide supplemental information but the business plan should be able to stand alone.
- They take care of the nice to know but not the necessary to know.
- They should be neat, professional and well-organized.

Just some final thoughts:

- Make sure the business plan is professional and the tone is professional
- Try to be positive and upbeat
- Always be honest and show how you arrived to your conclusions
- Always check spelling and grammar
- Get someone to read it over and provide feedback
- Remember this is a business!
- Always use third person, never first person (I, we)
- Once the full business plan is done, you can cut and paste to customize marketing plans for the different funders and investors.
- Please remember that you do not need to include all of the sections outlined in this document. It was created to cover a variety of genres, situations and career levels. Choose sections and develop your marketing plan to fit your needs.

Good luck!