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Entrepreneurship

12/11/24

Executive Summary

The business Idea I would like to present is a musical instrument shop that focuses on parts and being able to modify musical instruments. These shops tend to focus on the repair of instruments and marketing to beginner and low-level players. This leaves a wide market of more advanced people who know how to repair their instruments unattended. I want to market specifically to these players and allow them to test out interesting and obscure modifications. Usually, music stores tend to house more conventional instruments. I want a store that focuses on a wide range so intermediate and advanced musicians can decide on any alterations they may want to make. Sweetwater is currently one of the only reputable music stores that specializes in having a wide array of parts. However, they are mainly online, and musicians may now want to jump into permanent modifications to their instruments. That's where the idea came from, to offer musicians who have more knowledge of their instrument the ability to test things. I want to be a testing ground for people who have more knowledge of their instruments so they can safely purchase parts with the knowledge of how to implement them.

Business Description

My business is going to specialize in having many parts and instruments either equipped with said parts, or the knowledge to explain them. For the most part, a lot of stores do not carry a large assortment

of parts. Even if they do, they usually are the most popular kinds and don't have examples of how they are different. I want to not only be able to house a large number of parts but also examples of them so players can feel the differences. For this reason, I would like to prioritize a physical store. Places like Sweetwater with large arrays of parts are online and I want to be able to let musicians know what they are getting into before there are any permanent modifications. I would also like to be in the Ballard area. There are not many music stores in Ballard, especially ones that specialize in an inventory of parts. The closest locations to Ballard with parts are trading musicians and a guitar center. So, I want to fill in the gap there. My competition would be a lot of the stores in the Washington area, places like Kennelly Keys, Trading Musician, and Guitar Center. These places are already well established and have a lot better reputation than I do. So, I would like to maintain an edge in the competition by always looking out for what is known in instrument manufacturing. Often it is rare for greater manufacturers to embrace new parts and when they do, they trickle in slowly. Even when they have trickled in it takes even longer for distributors to know the ins and outs and the tricks to make them work better. So, I want to stay at the forefront of manufacturing and embrace change early on.

Market Analysis

My target market is more advanced musicians in Ballard. I determined this by looking at the wider market of who companies advertise to. A good portion of advertisements for any musical instruments are for people who have just started or are going to start. As well, a lot of the time luthiers and other musical instrument repairmen make a lot of money off people not knowing how to do what they do. With the cost of professional repair work going up and the rise of musicians learning online with COVID-19, I don't believe the cost will be feasible in the future. So, I want to market to people who are experienced in their instruments and want to know the avenues to modify their instruments and the parts to do so. Around 64-22% of musicians plan on quitting music for good and 91% of musicians claim they

can no longer afford new equipment. On top of that, for 2 of the most popular instruments, guitar and piano 90% of players quit after the first 2 years. However, people who stick with their instrument tend to stick with it. So, when people cannot afford the costs of new instruments, and customer bases tend to focus on newer customers who won't be returning, sales won't always be renewed. So, I want to focus on people who have already decided to stay and have a customer base that relies on returning customers more than a revolving selection. A lot of my competition will focus on a completely different audience so the niche I carve out will help me stay at an edge.

Marketing and Sales Plan

My strategy for retaining customers would be to market to people who want to do modifications and explore ways to tinker with things without spending huge amounts of money on a new instrument. I also want to focus on being knowledgeable about little things and how to properly set things up. One of the music stores I tend to go to the most is American Music cause the guitar tech knows what I talk about and has taught me lots of little tips to set things up better. For example, there is a specific type of bridge I like called a Kahler that does not get used anymore. He is one of the few people I have met who knows about these and has taught me tips and tricks on how to maintain them. So that is something else I would want to focus on, being able to explain and set up more obscure things so people can be as satisfied as possible. Promotions I would like to use are virtually free promotion and pure promotion. For pure promotion, I am semi-inspired by what a corporation like D'Addario is doing. I like the idea of having points with an account and being able to save up for them for little things. For example, little things that add up like glue, strings, polish, and solder all add up and are annoying to keep around. Having a points system that can eventually lead to purchases of those items will be a way to have customers attached to the store, and not want to waste points by not returning. I would also be interested in having an account for points to allow people to enroll in giveaways. Again, people like Sweetwater and D'Addario do this, however, I would be

more interested in teaching people skills to modify and repair their instruments so they can use those skills to buy parts from the store. My goal is to have these promotions always loop back to wanting to come back.

Operations Plan

My business will be in Ballard Washington, and I will need at least 3 other employees. My knowledge is not as broad as I would like it to be, and I want to be able to have customer questions acknowledged in detailed ways. For this reason, I would like to have a variety of employees. I would need to focus on getting quite a few suppliers and having their relations good. To my knowledge, to get endorsed to be a supplier, you must spend a certain amount of money and have enough inventory of that product to qualify. So, I would need to have the resources and supplies for storing these items and relations with several suppliers. I would prefer my business hours to reflect a lot of other guitar shops and open at 11 and close around 6 with one day off on Sunday. I plan to have the off-hours stated to have a closed sign and make sure everything is locked when it's closed having lights can be effective as well as a camera. As well I would make sure I have an email and phone number set up so any inquiries can be answered the next available day. I would prefer no work to be done on off days so there is time for the manager(me) to have off.

Management and organization.

I would be the main manager of every day of operations for the business. Realistically music stores don't get too hectic outside of noise, and I have the focus and time to devote to the store. The only possible trouble I can see is managing the registers and money intake. Usually, that is all automated, however, there are still risks with the system and doing the counts at night and making sure transactions are accounted for. I don't think this business would be big enough for a board of directors or advisors or necessarily have the funds to support these resources. There are larger music store corporations that have them, but they are primarily online and have experienced declining profits. For those reasons, I would like

to stick to more of a family business than a corporation or LLC. I intend to be a sole proprietorship and shoulder the liability. I imagine there will need to be employees who are well-versed in the type of instrument and parts we may sell. To start with I would like at least 2 extra regular employees on staff who make up more commonplace instruments, and hopefully in the future can branch out. I do not see myself needing contractual stuff past in a consistent manner.

Financial Plan

For my business, the financial information will have to more be guesstimates because things like rent and becoming a licensed dealer aren't set in stone until you do it. For starters, I will need to get a business license for around \$90 in Washington state. For having a place to conduct business, rent in Seattle can be expensive around 17-30 dollars per square foot a year. I would also need to factor in having the first 2 months' rent. My building would need to be around 30x30 minimum to have the space required for a business. Just doing simple math that should be around 20-30,000 a year in rent. Having 3 employees work full-time would be around 70 grand a year factoring in the minimum wage. All have several around 100000 dollars a year to maintain the business. However, the initial startup would have to factor in becoming a licensed dealer for certain musical instrument stores. This can range from having bought around 20,000 dollars of product to having around 100,000 dollars of product. I don't plan to hold for expensive things so I will give a rough estimate of all the equipment I need to be 50,000 to become a dealer. So, to be comfortable and have the first month of pay for employees, the security deposit, and inventory I will need at least 58,000 to get started on the business. I would be doing a sole proprietorship so I most likely would need a loan from a bank. To get the word out, pay off the initial loan while paying rent and employees, if I had a 5000 dollar profit a month it could take 2-4 years for me to pay off completely. If I didn't eat or live anywhere It could probably be paid off in a year and make a true break even the next year however that's not realistic so it would likely be at the very least 3 years for a true break even. The safest bet, including things going wrong and a slow year, is around 4 years to pay off the loan and reach true break even around year 5 or 6.

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