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HOW TO CREATE A BUSINESS PLAN

Even in the artistic world, especially in the music industry, the strong competition of recent years has become increasingly "ruthless," making it more complex to present one's artistic product. In this perspective, a music entrepreneur who wants to stand out, in addition to obvious artistic abilities, must update their skills and reinvent themselves day by day with greater professionalism, including the presentation of their work. Thus, the tool of the "Business Plan" and the ability to construct it with professionalism and quality become necessary.

As the music market has profoundly changed and must now contend with a transforming and evolving music world, it is no longer appropriate to talk about music entrepreneurship without some basic knowledge of business and without acquiring the mechanisms and logic of the business, which may be different from the artistic world in the strictest sense of the term but certainly valid when it comes to transitioning from artistic music creation to a "music product."

The music product must adhere to market and marketing dynamics specific to any product in the target market, involving appeal and promotion strategies that until a few years ago were distant from this sector.

With the advent of globalization in the market in general, the music industry has had to face the vast supply of music compared to the actual demand for music products. For this reason, many artists have had to explore completely innovative paths, becoming entrepreneurs themselves or partnering with true music entrepreneurs who differ in their capabilities and organization from managers of the past.

During the "golden years" from the 1960s to the mid-1990s, success was achieved through well-known and widely travelled paths. To achieve economic satisfaction with the product, it had to be introduced into the radio/television circuit, developed as a good product aligned with the target market, and participate in events such as the Sanremo Festival or other related festivals like Festivalbar and Cantagiro, to name a few. Those were the years of grand evenings in squares, the best years for the Italian music industry, which exported its records worldwide, the years of vinyl sales initially and then CDs. However, those times have passed, and the transformation of the music



world has been rapid and sudden. Today, those times will not return! And the strategies have changed.

It's not enough to be talented artists, but it is necessary to understand and implement the dynamics that characterize every business activity, including the music industry. The fundamental starting point of this new dynamic is represented by the business plan.

But what is a Business Plan?

The Business Plan is the tool that outlines the objectives of a business, indicating how they intend to achieve them and what resources are necessary to succeed in their activities. For any business, including a music business, writing a Business Plan means focusing on one's business idea, putting it down on paper, preparing a realistic plan with achievable goals, timelines, and investment methods. It involves taking the correct actions and proceeding with the appropriate timing to reach the predetermined objectives for your career. Analysing all costs, verifying sources of financing and potential revenues, regardless of the actual intention to attract potential investors, compiling a business plan is a useful exercise to assess the current status of your project and plan the next steps to be taken.

Clearly, in this perspective, the creation of a proper business plan is not an endpoint but a starting point. The starting point for building a solid Business Plan should be the Executive Summary, placed at the beginning of the project, representing a summary of your business idea. In a concise manner, you need to briefly describe the artistic project, provide an overview of the short, medium, and long-term objectives, identify the target audience, verify the correct timing for the realization of various steps, and include a summary outline of the promotional and marketing plan (where, how, when, and how much).

In this phase, it is necessary to provide, first and foremost, a brief biography and artistic profile to introduce the "product" that you intend to position in the music market, along with a description of the project and the underlying business motivations that aim to generate interest from potential sponsors and financiers.

The second step of a perfect music Business Plan is the realization of two fundamental elements: Mission and Vision, which are the declaration of intentions that explain, in a few words, where you intend to go and the ultimate goal of your project. In this section, it is important to clarify what you offer to your audience and what you aim to achieve.



What are the concrete final objectives to be realized and in what timeframe it is possible to do so.

The third step is represented by an economic analysis. What resources are available, how many are needed to realize and complete the project, and where it is possible to obtain new resources. If your intention is to secure funds from investors, it is important to keep in mind that potential investors may not have direct experience and knowledge in the field of music and the music industry. Therefore, it is necessary to include references in this section, such as market data for the music industry in Italy and Europe, to provide concrete evidence. It can be useful to hypothesize short-term, medium-term, and long-term revenues through image rights, concerts, related rights, social media income, direct marketing actions, and much more.

An important and perhaps fundamental aspect is providing a brief explanation of the roles and people within your team. This includes not only musical collaborations and artistic roles such as arrangers, musicians, and sound engineers but also other roles such as press agency, marketing manager, media player, and more. Once the team members have been discussed, along with a draft of their respective resumes, it is necessary to analyse the target audience and the various business opportunities that the project opens to. Music doesn't just mean selling CDs or getting downloads from major platforms; it can mean much more. The music industry can be enormously diverse and vast, ranging from specialized event and wedding groups to singers performing in piano bars, from rock bands aiming to launch a new hit to those who choose to be a cover band and perform in venues and squares. Every business opportunity can represent revenue and professional and economic growth. It is important to proceed with caution and make the right choices.

It is evident and crucial to include a biography with your artistic and professional curriculum, specifying the musical genre, repertoire type, and media following (including social media pages, previous concerts, etc.). Develop the strengths, merits, achievements, positioning in competitions and festivals participated in, as well as any special titles and awards received in the appropriate world.

From the very beginning, it is vital to identify a target audience, that is, the public to whom you want to appeal. The type of music you propose should be supported by appropriate clothing and stage presentation; therefore, it is necessary to reach the right target audience. Can you imagine a punk band performing in a retirement home?



The answer is certainly no! So describe your audience, how to identify them, and how to expand it – age, origin, social status, musical preferences, purchasing behaviour, and channels of engagement.

These activities are necessary to optimize and professionalize the business plan. It may be useful at this stage to include a detailed press kit with photos, covers, video interviews, press articles, live images, and everything necessary to present yourself in the best possible way.

In the next step, it becomes crucial to identify effective media activities and develop a proper promotional campaign. Make contacts with local and national media outlets, find a potential press office, present demos to radio stations, and offer yourself for interviews. It is vital to build an updated database of media contacts with email, phone, and the names of responsible individuals and internal contacts. Maintain a continuous, constructive, and professional presence on social media, developing consensus and creating important personal branding.

The next step is the sales channels. Specify the types of distribution channels you plan to reach selling singles or albums, potential revenues, direct sales after concerts, ecommerce on the website, agreements with distributors for physical stores, digital platforms, and more.

In conclusion, we have seen how a Business Plan is a fundamental tool for presenting a music entrepreneurial project. The significant changes in the industry in recent years have made the presentation of new projects increasingly professional, assigning artists not only an artistic but also an entrepreneurial role. Many well-known artists, including those in the Italian national scene, have chosen self-production before finding success.

Examples include Fedez, Benji e Fede, Ed Sheeran, Fabio Rovazzi, Lana Del Rey, and many others. The presentation of your own project cannot take place without an adequate Business Plan, which is essential for understanding current and future dynamics, setting artistic, commercial, and economic objectives, and ensuring that an artistic project becomes a significant commercial success.