

## **Part I – Executive Summary**

### Drumshare

Every day, people ask me how I learned how to play a percussion instrument and how they can learn too. When I tell them how expensive lessons are, it discourages them from learning. Drumshare was created as an inexpensive alternative with a user-friendly payment plan. My website will also have an online store where my website users will also be able to purchase merchandise and percussion accessories. Online lessons will bring in the majority of the revenue because this is where the customers will spend most of their time. Through our unique online lessons, users will learn how to play their percussion instrument. The lessons will be fun, engaging, and easy to use. When users watch the instructor teach on the video, it provides a visual perspective; when they see the piece of sheet music, it provides hands-on instruction; and when they hear the instructor teaching and playing, it provides auditory instruction. So with Drumshare, you're hitting three of your five senses and that's what helps you learn.

## **Part II – Description**

### Background and Idea

The concept for Drumshare came to me when I was looking at online drum lessons and found that they were very expensive and their payment plans were flawed. So when the concept for Drumshare was born, I wanted it to be a website where people can come to learn and learn to play a percussion instrument without any financial stress.

### Description

Drumshare will provide customers with an inexpensive alternative to learning a percussion instrument while allowing them to purchase merchandise and percussion accessories. My whole concept with Drumshare is to make learning percussion easier. With my online lessons, all the user does is look for the lesson they want to learn, click on the purchase button, and then they learn the lesson. Simple as that. The price of the lessons will vary depending on the size and length of the lesson, but the average cost will be \$1.50/lesson. The prices for our online store items will vary but from our monthly projections, we expect a typical user will spend about \$10.00/month on merchandise and accessories.

### Location

The business will secure a 500-square foot office space with back storage at 9600 Colerain Avenue in Greater Cincinnati. We will house inventory for our online store in a small office, which will also allow us to hold company meetings and allow employees work in a friendly environment.

### **Part III – Objectives**

#### Overview

The long-term objective is to take Drumshare from just a small business and turn it into a household name. Our primary objective right now is to secure an office space, manage inventory, advertise online, and purchase necessary merchandise and percussion accessories. The way we will produce lessons is that we will hire an instructor to go into our video space and film. Once they're done with the lessons, we pay them for their time spent and then we edit the video and put it on our website. To reach customers, we will start by sending fliers and brochures to our local schools and music stores. Then once we start building a committed customer base we will start advertising nationally.

#### Office Space

The first objective is to secure an adequate office space. A small office space is a great place to do this because this a good place to store inventory and manage my business. The store will be 500-square feet and will be located at 9600 Colerain Avenue in Greater Cincinnati.

#### Stock Space

One benefit of an office space is having extra space to store merchandise and accessories to make online orders easy and time efficient. A problem with having a no office space is not having anywhere to put stock, so carrying large amounts of inventory is nearly impossible but with a small office you can have a place to store inventory and do much more.

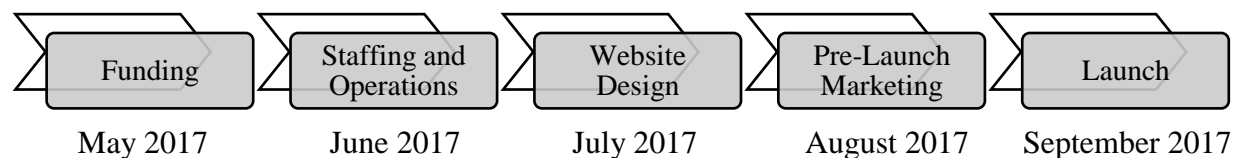
#### Advertising Online

Using social media websites, banner ads, and Google AdSense/AdWords, we can advertise both the website and the online store. The online ads also target specific people that are most likely to visit and purchase a product.

### **Part IV – Business Strategies**

#### Pre-Launch

Our goal is to complete funding for this business in May 2017. Then we will be able to secure our lease, purchase the needed equipment and materials, and hire our staff in June 2017. We will finalize the design and development of the website in July 2017. We will begin pre-launch marketing in August 2017 and formally start operations as the new school year begins in September 2017.



## Website Grand Opening

The website grand opening will play a key role in my business. The grand opening will be the first impression of my business. So to achieve a good first impression, we will have giveaways, free trials, free merchandise, free accessories, and much more.

## Start-Up Phase

The first weeks will not bring in a lot of revenue. These weeks are when people are getting to know and trust us. These first weeks are incredibly important to have good advertising and make sure every staff member is prepared to make the sale when it comes. We are not anticipating our first sale until the two-week mark. After that, the products we expect to sell the most of will primarily be percussion accessories, such as tuning keys, drumsticks, and practice pads.

## Design and Layout

The website will have a clean modern look, with the front having the most enticing items to draw the customers in. The online store will have two sections: one for purchasing merchandise and one for percussion accessories. All purchases will be entered into our order list and sent out through the mail. These two separate sections will be marked with their own separate tabs. The lessons section of the website will have a start page where you pick the kind of percussion you want to learn, such as Latin, metal, basic, hip hop, etc. Whatever genre you pick it will then take you to that genres section.

## Target Advertising

To target our preferred customers, we will send fliers and brochures to band directors in school districts and managers of local music stores. We will start locally, and then expand from there. This will allow us to create a good relationship with the school districts and create new clientele for my business. This gives us a great way for students in all grades to see our ads at their schools. We will use Google Adwords/Adsense to put our company out as well as, using social media to get the word out that way. We will also distribute fliers at local music venues to gain more customers. Again, we will continue to expand from there.

## **Part V – Products and Services Provided**

### Drum Lessons

This section of the website is where the most revenue will come from because this is where the customers will spend most of their time. This is where the user will take lessons and learn how to play their percussion instrument. When users watch the instructor teach a video, it provides a visual perspective; when they see the piece of sheet music, it provides hands-on instruction; and when they hear the instructor teaching, it provides auditory instruction. So with Drumshare, you're hitting three of your five senses and that's what helps you learn. We will produce the video lessons by hiring qualified instructors and filming them teaching a lesson. The lessons will be fun,

engaging, and easy to use. Accompanying each video will be sheet music, percussion articles, and audio recordings. A typical customer's monthly spending will average \$22.50 for 15 lessons, so if they purchase 15 lessons in a month they are only spending about \$22.50.

### Online Store

In our online store, there will be two sections for our customers. The first section will be the merchandise section and here we will sell hats, t-shirts, hoodies, phone cases, and much more. The second section of the store will be the percussion accessories and here we will sell tuning keys, drum sticks, practice pads, hearing protection, and much more. A typical customer's monthly spending on merchandise will average \$5.00/month on merchandise and \$5.00/month on accessories.

## **Part VI – Management Structure**

### President and Owner: Peyton Kinman

Drumshare will be operated as a sole-proprietorship and run by the president and owner, Peyton Kinman. The job of the president will be to focus on the big picture of the business. The president will hire and manage the upper-level employees, conduct meetings, and have the final say in all major decisions. Another important role of the president will be to make contacts in the community and build relationships. The president will also manage the finances for the business.

### Website Manager/Senior Technician: To Be Hired

The job of the Website manager/senior technician is to manage the website and be the assistant to the president. They will also be responsible for disciplining or firing any unsatisfactory employees. They will be in charge of maintaining the online store and dealing with any issues that come up. Their job as senior technician is to train other technicians to do most website functions. This title is given to the best leader and most trained technician. They will manage the website to ensure a positive customer experience.

### Junior Manager/Technician: To Be Hired

The junior manager/technician is expected to be trained and follow instructions given to them by the website manager/senior technician. Their day-to-day job will be covering areas where the senior technician is unavailable, as well as working Fridays and Saturdays. This job will take no more than 35 hours in a normal week.

## **Part VII – Market Analysis**

### Our Market

The target market for my business would be anyone interested in learning how to play the drums, from a beginner percussionist to a more experienced player. With Drumshare, anybody can learn how to play percussion. The thing that is keeping people from wanting to learn is the cost. Since Drumshare is a “*pay for what you use*” system, cost is not what the user has to worry about.

### Relevant Direct Competition

Every music store has lessons but it takes time and it is a lot of money; online lessons are the same way. That is why my company is cost friendly and it is payment friendly. If you are short on money but still want to learn, you just pay for what you want to learn and not a monthly payment. My main online competition consists of two websites owned by the same parent company. Those websites are Drumeo.com & Drumlessons.com. The primary problem with my competition is their payment plans. Both of my competitors have a flat monthly payment no matter how much you use their service. The problem with this monthly payment plan is you may not get your money’s worth.

### The Drumshare Advantage

With Drumshare, customers do not need to worry about expensive monthly payment plans, because they decide what they want to learn and they only pay for what they want to learn. For a one-month membership to Drumeo, it costs \$29.00/month and that is just to use the website fully. For 15 lessons on Drumshare it will cost about \$22.50. Customers are clearly getting the better deal with Drumshare lessons.

## Part VIII – Financial Analysis

### Capital Requirements

My company is seeking a loan for \$100,000 to start my company. What this funding will allow me to do is to: launch my company's website, advertise my business, pay opening wages, purchase electronics for my company office, start an online merchandise and accessories store, and to make a deposit on a company office.

### STARTUP COSTS

<u>Category</u>	<u>Items</u>	<u>Amount</u>
Startup Cash	Operating Cash on Hand .....	\$10,000
	Opening Wages & Salaries .....	28,500
	Website Launch Party.....	2,000
	Office and Utilities Deposit.....	5,598
	Advertising .....	<u>21,000</u>
		\$67,098
Inventory & Supplies	Inventory: Merchandise.....	\$11,086
	Inventory: Accessories .....	10,025
	Office Supplies .....	<u>1,025</u>
		\$22,136
Office Furniture	Tables .....	\$1,740
	Chairs.....	2,680
	Desk.....	<u>3,346</u>
		\$7,766
Electronic Equipment	Security System .....	1,000
	Computer System .....	<u>7,000</u>
		\$8,000
Total Startup Costs		<u>\$105,000</u>

Beginning Balance Sheet

Based on the projected startup costs and capital requirements, the following table shows a beginning balance sheet for Drumshare.

**BEGINNING BALANCE SHEET**

Assets

Cash.....	\$67,098
Inventory & Supplies .....	22,136
Office Furniture .....	7,766
Electronic Equipment.....	8,000
Total Assets .....	<u>\$105,000</u>

Liabilities

Loan (5 years; 6.25%).....	\$100,000
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Owner's Equity

Capital .....	<u>\$5,000</u>
Total Liabilities and Owner's Equity.....	<u>\$105,000</u>

Income Statement Projections

The table below shows monthly income statement projections for Drumshare. Online store revenues consist of 7,500 lessons at \$1.50 each (on average), 500 merchandise sales at \$5.00 each (on average), and 500 accessories at \$5 each (on average).

**MONTHLY INCOME STATEMENT PROJECTIONS**

Company Revenues: Per User

Lessons (15 lessons/customer).....	\$22.50
Merchandise.....	5.00
Accessories.....	<u>5.00</u>
Total Online Revenues.....	<u>\$32.50</u>

Total Monthly User Revenue (based on 500 users per month) ..... \$16,250

Cost of Sales

Cost of Merchandise (Average of \$1.70 each) .....	\$850.00
Cost of Accessories (Average of \$0.50 each) .....	<u>250.00</u>
Total Cost of Sales .....	<u>\$1,100</u>

Gross Profit ..... \$15,150

Operating Expenses

Site Manager and Online Store Manager.....	\$4,800
Office Lease .....	1,000
Utilities .....	250
Insurance .....	200
Advertising and Website .....	1,200
Miscellaneous .....	100
Loan Payment.....	<u>1,945</u>
Total Operating Expenses .....	<u>\$9,495</u>

Net Income ..... \$5,655

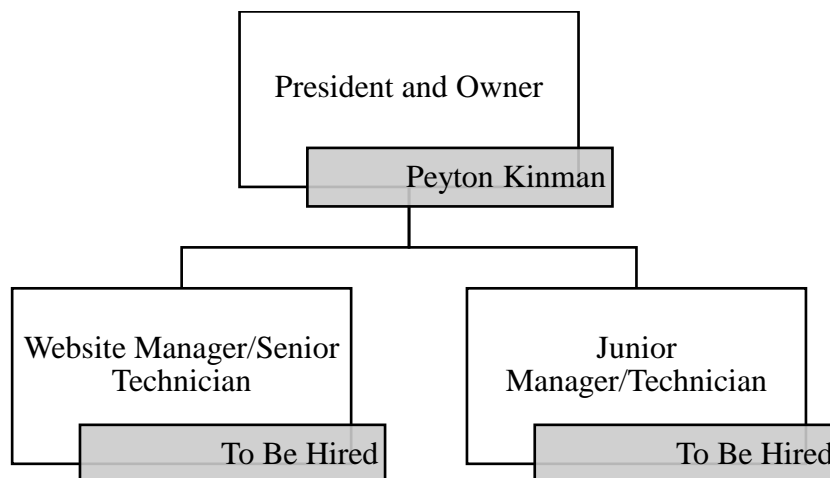


## Part IX – Supporting Documentation

### Website Layout



### Organizational Chart



# Peyton Kinman

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## EDUCATION

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Northwest High School, 10761 Pippin Road, Cincinnati, OH 45231  
Expected Graduation: May 2020

### Coursework

- Algebra I Advanced
- English I Advanced
- Financial Foundations
- Health
- Modern World History Advanced
- Percussion Ensemble
- Physical Science Advanced

### Extra-Curricular Activities

- Business Professionals of America
  - Member, 2016-Present.
  - Two-Time Class Representative, 2016-Present.
- Marching Drumline
  - Member for Northwest High School Marching Band, 2016-Present.
  - Selected to Play Marching Snare Drum for Northwest High School in 2016.
- Concert Band Member
  - 4+ Year Concert Band Percussionist for Pleasant Run Middle and Northwest High School.
- Pep Band Member
  - Northwest High School Pep Band Drummer, 2016-Present.

## EXPERIENCE

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### Drumshare Founder and CEO

- Drumshare will provide customers with an inexpensive alternative to learning a percussion instrument while allowing them to purchase merchandise and percussion accessories.

## SKILLS

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### Problem Solving

- Quick thinker; good with my hands.

### Public Speaking

- Good public speaking skills; recognize “member of the month” at chapter meetings.

### Leadership

- Two-time BPA class representative.

### Technology

- Familiar with Google Apps and Microsoft Office.