

Music Publishing Company Business **Plan**

Contents:

1.0 Executive Summary

- 1.1 Company & industry**
- 1.2 Products And Services**
- 1.3 Market Analysis**
- 1.4 Strategy & Implementation**
- 1.5 Management**
- 1.6 Financial Plan**
- 1.7 Funds Required & Use Of Funds**

2.0 Company Summary

- 2.1 Company & Industry**
- 2.2 Legal Entity & Ownership**
- 2.3 Facilities & Location**

3.0 Products & Services

- 3.1 Product Description**
- 3.2 Competition**
- 3.3 Competitive Edge/Barriers To Entry**
- 3.4 Development**

4.0 Market Analysis Summary

- 4.1 Target Market**
- 4.2 Market Size**
- 4.3 Market Trends**

5.0 Strategy & Implementation

5.1 Internet Strategy

5.2 Marketing Strategy

5.3 Sales Strategy

5.4 Goals

5.5 Exit Strategy

6.0 Management Summary

6.1 Leadership

7.0 Financial Plan

7.1 Requirements

7.2 Use Of Funds

7.3 Income Statement Projections

7.4 Balance Sheet

1.0 Executive Summary

1.1 COMPANY & INDUSTRY

Imagognotataff Music Publishing Ltd. (IMP) aims to capitalize on the growing entertainment market across the world through the production and promotion of high quality entertainment. Located in Hannover, Germany, the company will become highly profitable through the sale of recorded music products, and ancillary profit centers. IMP will own and control the masters (master copies), copyrights and licenses of its product, which will enable IMP to create immediate revenue streams while growing its music catalog into a large income generator.

1.2 PRODUCTS & SERVICES

The company will mainly be focused on the higher income generating Music Genres. Pop, Pop/Rock, Indie, Alternative, Film & Tv & Instrumental Themes. IMP has compiled an exciting and diverse roster of recording artists. Selected over the past year, these highly talented veteran and debuting artists will enable IMP to quickly penetrate the music marketplace.

1.3 MARKET ANALYSIS

IMP will distinguish itself from other independent Music publishing companies through its products and Marketing plan. IMP will utilize the success of its products to develop high Profits throughout the production and sales of its merchandise.

1.4 STRATEGY & IMPLEMENTATION

IMP is looking to gain & maintain strong affiliations in the music industry. IMP aims to generate revenue from the world's largest music markets including America, Japan, Germany, the United Kingdom and South America.

1.5 MANAGEMENT

IMP only has one Person on the Management Team, but this Person has ten years of musical experience including, the making of and the production of Music and has researched the publishing side for just over a year. The years of experience i hope to gain & maintain in both the business and creative sides of Music publishing operations will enable IMP to generate a profitable revenue for years to come.

1.6 FINANCIAL PLAN

IMP will generate over 50,000 Euros in sales revenue in 2011, and 125,000 in 2012. Imp will reach a positive cash flow by the end of the second year, while netting profits of 40,000 Euro in 2011 and 110,000 Euro in 2012. Within 5 years IMP aims to be making 250,000 Euros per year with a total net of 200,000 Euro a year.

1.7 FUNDS REQUIRED & USE

IMP's founder is seeking 12,000 dollars in funding for this exciting new company. These funds will be used to:

Buy all equipment needed;

Ibanez RGA42-BK electric guitar
Marshall MG50FX electric guitar amplifier (Bundle cost - 700 Euro)
Thomman electric guitar case BK Wood
Instrument cables

Craft semi acoustic guitar
Semi acoustic guitar case cost - 500 Euro

AKG C535EB Condenser Microphone cost - 200 Euro

Zoom G7 1UT Guitar FX Pedal cost - 260 Euro

EDIROL R-4 PRO - 2000 Euro

Subscriptions to tipsheets (where each product is pitched)

www.taxi.com - 300\$ per annum - 5\$ per pitch (Film & Tv)
www.myhitonline.com 400\$ per annum (top 500 Artists in the world today)
www.songlink.com 300\$ per annum (Up & Coming artists)

Also will need to subscribe to the Guild Of International Songwriters for all the relevant paperwork, for starting a publishing company & for copywriting purposes at a cost of 50GBP per annum.

Total approximately 1100\$ - 750-800 Euros

Record An Initial Ten Professional Demos:

Each Demo will cost approximately 500\$. 400\$ for the full production including cd copies and 100\$ for the lead sheets for each product. They will be recorded by a Professional demo Team.

Total approximately - 5000\$ - 3600 Euros

Total amount calculated - 8000 Euros/ approx 12,000\$

2.0 Company Summary

2.1 COMPANY & INDUSTRY

IMP Ltd. is an entertainment company, which will supply profitable, positive, audio to a diverse, international consumer group. IMP is committed to wholesome entertainment across the board and firmly believes that quality palatable entertainment can be realized without compromising commercial appeal. The company will compete and earn revenue immediately through the creation of several lucrative profit centers, beginning with recorded music. Additional income will be produced from distribution, video, (Royalties from each).

Each of the products that IMP produces and owns will create valuable short-term streams of revenue. Owning and controlling the rights to each of its products will enable IMP to grow its music catalog into a valuable asset, one of several-hundred (in years to come) ongoing revenue producing titles.

2.2 LEGAL ENTITY & OWNERSHIP

Complete ownership will be by Manager/Founder Robert Davies. Unless during the funding stage, an agreed percentage is assigned to an undisclosed Investor.

2.3 FACILITIES & LOCATION

The majority of the IMP projects will be produced and recorded by a Professional demo Team at www.demomysong.com, in America. A multi-million dollar facility, the quality of demomysong's equipment, the architecture of the studio and its atmosphere are conducive to creating the highest quality projects in a cost and time effective manner. Instrumentals will be mainly be fully recorded, mixed and mastered in the home studio.

3.0 Products and Services

3.1 PRODUCT DESCRIPTION

IMP's Music products are IMP's primary thrust for the first several years of

operations. Responsible for the cultivation of talent, the production of recorded music products and its marketing, the success of IMP Ltd. will lay the groundwork for additional IMP profit centers.

3.2 COMPETITION

IMP distinguishes itself through the commitment it undertakes with each of its products. Contrasting the typical scenario in which a Publishing company spends more money producing the music than they do in its marketing and promotion, IMP will utilize a stable of experienced and resourceful producers to ensure the highest quality product within established production budgets. This, in conjunction with the financing and expertise necessary will guarantee the incentive necessary to create "winning" products in the marketplace.

3.3 COMPETITIVE EDGE/BARRIERS TO ENTRY

IMP has a distinct advantage over other Publishers and Songwriters as IMP Ltd. is aware of what the industry needs, which will ensure success early on. The competition is lacking in structure within their products, there are no great hooks (which are a must) or their middle eight (Key change within the song) isn't dramatic enough. Additionally, its experienced management team lead to an advantage for the company.

3.4 DEVELOPMENT

IMP Ltd. will produce and release five to ten products within the first year of operation. A second phase consisting of ten to twenty productions will begin in 2011. During the course of 2010/11, IMP's Artist and Repertoire Department will locate, assess and consider additional Recording artists as their standing within the Music industry becomes greater.

4.0 Market Analysis Summary

4.1 TARGET MARKET

The target market for IMP Ltd is very diverse, but will clearly target the intended market, based on listening preferences and music genres. IMP will have distribution

lines in the United States, Japan, United Kingdom, Germany, and South America, and therefore target the citizens of those countries.

4.2 MARKET SIZE

The global music market represents 67 billion USD, divided into three segments: recorded music (33.5 billion USD), live performances (25.6 billion USD), and **Music Publishing** (8 billion USD).

4.3 MARKET TRENDS

The U.S. record business, which grossed four billion dollars in 1990, exploded to eight billion dollars in sales by the end of 1995, with a unit volume of 726 million records sold. Sales fell sharply over the course of the next six years, mainly due to the popularity of file sharing on the internet. File sharing has been curbed, but the internet has taken a key role in the music landscape. Recent figures show industry sales of more than 10 billion dollars, most of which has been generated online.

The industry has evolved considerably, and now digital distribution has become the primary method for selling music to consumers. This has opened the door for smaller record Labels/Publishers/Artists to compete with major labels on an equal footing.

5.0 Strategy & Implementation

5.1 INTERNET STRATEGY

In response to the growing popularity and necessity for a presence on the Internet, IMP will use free websites such as MySpace, Facebook and Twitter to create a web presence for itself. In the near future IMP is looking to create it's own website utilizing the latest web site technology, IMP's website will be intended to advertise the company, announce and advertise new products and the Artists that are performing them, and also offer E-mail communication (personal E-Mails will be used for the time being) . Furthermore, utilizing the latest technology, visitors to the web site will be able to sample music clips from IMP's artists. IMP will create space on its web site for each Artist that uses the company. Allowing for increased public exposure, the public will be able to learn more about the artist or group.

5.2 MARKETING STRATEGY

IMP has formulated a simple but successful approach to market its products. The chief marketing objective for IMP's recorded music, centers on the design and implementation of a strategy that will cost-effectively deliver that product to the intended target market.

This will be achieved through a marketing plan consisting of the following tools: publicity, community outreach, advertising, art direction, radio promotion, independent promoters, retailer co-op advertising, motion picture tie-ins, alternate distribution outlets, Internet, dance club promotions, mailings & telephone follow-ups.

5.3 SALES STRATEGY

Considering the onslaught of product released to the music market each month (1,200 new releases) worldwide, it is crucial to ensure the visibility of each project. The financial success of a product can be guaranteed through the establishment of proper marketing, promotion and matching the products with the correct Artists. With properly established budgets, IMP will generate large streams of profits from each of its projects. .

5.4 GOALS

- Build a profitable, reputable and stable entertainment company.
- Achieve profitability and month-to-month positive cash flow by the end of 2011.
- Fulfill required fiduciary responsibilities to investment partners
- Position the company to allow investment partners, founders and employees the opportunity to financially capitalize on IMP's profitability.

5.5 EXIT STRATEGY

As IMP reaches profitability and becomes a stable operation, several lucrative exit scenarios become viable. IMP may be acquired by a Major Publishing company, or the owner(s) may liquidate their ownership position(s) through sale to outside investors.

6.0 Management Summary

6.1 LEADERSHIP

Robert Davies, Manager and sole proprietor, provides the vision for IMP's future. An

Artist and Songwriter himself, has ten years of musical experience. Mr. Davies, a talented Musician/Guitarist and Ex Serviceman of the British Army (Royal Engineers). Where he became a fully qualified Electrician, and served his country in Afghanistan, has longed to pursue a career in Music, because that's where he feels he belongs.

A qualified and talented person will operate IMP Ltd. and will lead the company to success.

7.0 Financial Plan

7.1 USE OF FUNDS

Funds will be used to purchase musical equipment such as Instruments and Professional recording equipment. The remainder will be used for Professional Demos and promotional purposes.

7.2 INCOME STATEMENT PROJECTIONS

IMP projects revenues of over 40,000 Euros in its initial year, growing to 110,000 by the second year. Profits in the fifth year are expected to be 200,000.

IMP will generate the majority of its revenue from Royalties through the sale of recorded music products. This includes compact discs (CDS), CD singles, enhanced CDs and digital music formats. Radio play, Internet sales, Clubs, pubs, bars, Cafes, Film & Tv and ringtones. Additional IMP profit centers will include compilation cd's and the use of the products by Other Artists. Initially representing less than 5% of the company's revenues, the magnitude and scope of these areas will increase as IMP and its artists' reputations grow.

7.3 CASH FLOW PROJECTIONS

After 12-24 months, IMP will become cash flow positive and self-sustaining. The company will maintain a cash balance of at least twelve months of operating expenses to ensure an adequate buffer for collecting receivables and unforeseen costs associated with this industry.

7.4 BALANCE SHEET

After eight years it is projected that IMP will hold approximately one million in cash and liquid assets, with a total assets equating to over 1.25 million. With no liabilities, retained earnings are projected to grow quickly, leading to higher net worth of the company.