

**The Context and Development of a Music Education Start-up
with an Integrated Digital Presence**

Pat Waters

Presented to the
Arts and Administration Program
in partial fulfillment of the
requirements for the degree of
Master of Science in Arts Management

June 2017

Project Approval

Student: Pat Waters

Title: The Context and Development of a Music Education Start-Up with an Integrated Digital Presence

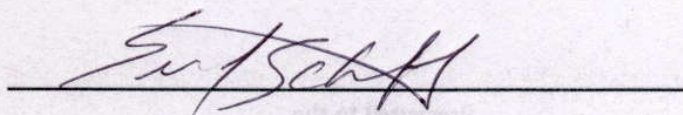
This project has been accepted and approved in partial fulfillment of the requirements for the Master of Science degree in the Arts and Administration Program by:



Patricia Lambert, Ph.D.
Director of Graduate Studies, Arts and Administration Program
University of Oregon

May 30, 2017

Date



Eric Schiff
Senior Instructor, Arts and Administration Program
University of Oregon

June 2, 2017

Date

Abstract

Title: The Context and Development of a Music Education Start-Up with an Integrated Digital Presence

Pat Waters

Master of Science in Arts Management, June 2017

Starting a music lessons business in an increasingly digitized society provides unique challenges that merit detailed investigation. This project aims to understand these challenges and use the knowledge gained to develop a guitar-lessons business with an integrated digital presence. The processes for this project are organized into two distinct sections.

The context section presents the research conducted on the topic through a literature review on the topical areas of music education, digital learning environments, emerging technologies, digital communities, and gamification. A comparative case study of two online music lessons services, Drumeo and Guitartricks, looks at the similarities and differences of each organization's content, production and marketing strategies. Findings from the context section emphasize the importance of community, especially in the digital context, and explore how research collected from the comparative case study and literature review can be used to inform a music lessons start-up.

The development section includes a business plan, marketing plan and website (www.guitarclimb.com) for a start-up guitar lessons business called Guitarclimb. Supplemental marketing materials are also included for consideration. The business plan was developed as a result of the research conducted in the context section and forecasts a three-year trajectory for the business with an anticipated launch date of summer 2017. The business plan details how Guitarclimb will connect "physical" and digital audiences to develop a community of guitar-learners across the globe.

Keywords

Digital Learning Environments, Emerging Technologies, Community, Entrepreneurship, Start-ups, Online Music Lessons

Acknowledgments

I'm very grateful to the Arts and Administration Department at the University of Oregon for supporting my entrepreneurial aspirations through this research project. A special thanks to Eric Schiff for providing thoughtful guidance through this process and to Dr. Fenn and Dr. Lambert for supporting this project through its numerous twists and turns.

Table of Contents

Part 1: Context

Project Approval	2
Abstract	3
Introduction and Background	7
Literature Review	11
Comparative Case Study: Drumeo and GuitarTricks	20
Findings: Informing a Business Model	29

Part 2: Development

Overview	32
Business Plan	33
Marketing Plan	47
Appendix for Business Plan	83
Closing Thoughts: Research and Implementation	93
References	94

Part 1: Context

Introduction and Background

As a guitar teacher I have observed substantial changes in my profession as a result of the increasing use of digital technology to provide music lessons. Music lessons in a digital environment take a variety of forms, from member-based websites centered on video tutorials to interactive, social platforms like YouTube and Facebook (Thickstun, 2012). This shift from student/teacher interaction at a physical studio to students learning entirely within a digital platform has affected music teachers, particularly those who specialize in private instruction in a community-based setting. Community-based music instruction refers to those interactions that take place outside of the prescribed curricular sequence of an institution (e.g. public schools, universities). Enrollment in my studio is at an all-time low; many of my colleagues in the field have endured the same fate. The increasing digitization of society has forced the question of whether my profession is even relevant, as more and more free resources for learning the guitar are emerging on the internet. The awareness of this societal shift has necessitated an exploration of adapting my skillset as a guitar teacher (Jenkins, 2006).

The decision to adapt my pedagogical approach to the digital environment is the foundation for this project, and is manifested in two distinct stages. The first stage is an account of research conducted in the field and is represented by a literature review and a comparative case study of two online music lesson platforms, Drumeo and GuitarTricks. The second stage is a synthesis of the research toward the development of my own guitar lessons business, Guitarclimb. This business development stage includes a comprehensive business plan, detailed website schematic, sample content and marketing materials.

The intent of this research is to identify the skills and tools needed to develop a guitar lessons business with an integrated digital presence. Findings from this research will attempt to

provide clarity not only on the logistics of content creation, but will contribute to a better understanding of how the digital landscape can be used to augment the learning process. Extra attention will be placed on those aspects of design that promote participation. Because it is necessary to understand the variety of content involved during study, research will be approached from an interpretivist and constructivist perspective. Adopting this methodological paradigm will direct my research design to include an in-depth analysis of media through triangulation.

Upon research of this topic I openly acknowledge the presence of certain personal and professional biases. As a professional guitarist and music educator, I will be more partial to researching those websites that employ proven methods of guitar instruction based on my own education and experience.

My role as a researcher is to analyze media from a variety of sources in order to make an informed decision on the steps and procedures needed to develop a guitar lessons business with a competitive digital component. Competitive in this context is determined by researching other models and uncovering what elements of their digital strategy experience the largest number of participants.

My main question that will direct media analysis as well as the decision making process is: What processes are involved in the development of a guitar lessons business with an integrated digital presence? The question is supported by sub-questions including: What tools and programs (i.e., software, hardware, etc.) are needed to develop this business? What are the components of an accessible interactive web presence based on music education? What skills (i.e., graphic design, web design, audio/video production) are needed to develop a competitive digital presence that attracts potential participants?

Delimitations and Limitations

Delimitations of my research include reviewing material that has been produced recently, as the rate at which technology progresses causes only literature produced within a current time frame (less than 10 years) to be relevant. With few exceptions, (notably Jenkins' *Confronting the Challenges of a Participatory Culture* circa 2006) content reviewed is from no earlier than 2010. Examination of digital platforms will include only those interactive, arts education websites that attract a substantial amount of traffic and have been operational for a minimum of three years. The limitations of this project were result of the limited time frame I have to complete the product. References, literature review and case studies as well those aspects my own business development have to be scaled down to accommodate the deadline of the project.

Data Collection and Analysis

The data collected in my research design will be evaluated using a mixed methods approach. Secondary qualitative data, in the form of scholarly journals, practice based literature, and other relevant media and publications, was collected in order to understand and contextualize the digital music lesson experience. Quantitative data was gathered and analyzed in the form of market research reports in order to inform my literature review and the market research segment of Guitarclimb's business plan.

Strategies for validating my findings in both the research and business development stages were through a scrupulous review of the content from a multitude of sources and disciplines, in addition to peer and instructor review of the materials.

Significance

According to the United States Bureau of Labor Statistics, almost fifty percent of small businesses fail by the third year of operation (2016). The Small Business Administration con-

firms this trend with findings that forty eight percent of businesses will survive to their fifth year (2017). These trends are found to be similar among industries, and provide ample warning to the perils of starting a business.

The research and business development processes covered in this project are an attempt to mitigate the risk associated with starting a guitar lessons business. While data collected in pursuit of a viable business model has direct influence on the development of Guitarclimb, the entirety of this project serves a larger educational directive. The development processes for a start-up music lessons business with an integrated digital presence are detailed in this project, and are intended to be a guide not only for my own personal aspirations but for any entrepreneurs who are seeking a frame of reference for launching a start-up in the arts.

Literature Review:

Observing the Trends of Digital Learning Environments and Music Education

Research involved in launching an online start-up in music education revolves around the broad topical areas of music education, digital learning environments, and entrepreneurship. These expansive topics are inextricably connected to other areas including arts participation and access, marketing and curriculum design. The review of this body of literature seeks to uncover connections between these areas in order to provide the conceptual foundation from which to position my business. These contextual relationships are particularly evident in the connection between music education and digital learning environments. Initial review of the literature is directed at uncovering this connection.

In “Technology and Music Education in a Digitized, Disembodied, Posthuman World,” Thwaite (2014) asks whether digital technologies should be encouraged to control increasingly greater spaces in music students’ everyday lives, or whether engagement with the physical and aural world should be emphasized. Thwaite’s initial question indirectly references concepts of participation and access, and is further realized in his contention that “human development and advancement have been defined by the technologies to which special groups had access”(p.14). The connection between education and society is further developed in Johansen’s “Sociology, Music Education, and Social Change” where he explores the relationship between society and music. He explains that society and music work together to establish cultural trends and ultimately enlighten how music education relates to social change. Johansen (2014) defines social change as the “process by which differences are made in the lives of individuals and groups, deliberately or unintentionally, along with the consequences thereof for society’s micro, meso, and macro levels, including the dynamics of the societal structures that regulate the conditions for these

processes” (p.73).

Johansen’s findings surrounding the connection between music education and society are parallel to arts education and digital learning environments in that digital culture has become a significant component of the current cultural infrastructure. Jenkins confirms this shift as he addresses the effect our increasingly digitized society has on the student-learning environments. Jenkins details skills that are needed in order to successfully navigate this new environment. Play, performance, simulation, appropriation, multitasking, distributed cognition, collective intelligence, judgment, transmedia navigation, networking and negotiation are all defined and detailed as essential elements needed to thrive in a participatory culture. (Jenkins, 2006) He contends that these skills and competencies require a systematic approach to media education, as they are necessary tools for students and educators to become full participants in society. Jenkins description of the skills needed to thrive in a digital environment is connected to market research conducted by Adkins’ 2016 report of the worldwide self paced e-learning market. Adkins report provides a quantitative analysis of self paced e-learning revenue and reveals that this industry is in sharp decline and will continue this downward trend in the foreseeable future.

The company that sponsored this report, Ambient Insight, whose clients include Amazon, Apple and Microsoft, has terminated funding to conduct further market research on this topic: “Due to the steep decline in the Self-paced eLearning industry, Ambient Insight will no longer publish commercial syndicated reports on eLearning. In a rapidly declining product market, there is essentially no demand for commercial market research on that product.”(Adkins, 2016, p. 8). Adkins’ findings state that one of the primary factors affecting this decline is the emergence of new learning technologies that exhibit participatory elements such as “Game-based Learning, Simulation-based Learning, Mobile Learning, and Cognitive Learning products.” (p. 13).

Jenkins previously discussed skills, especially play and distributed cognition that are increasingly becoming more relevant in these new forms of learning.

Play, as defined in *Confronting the Challenges of a Participatory Culture*, assesses the capacity to experiment with one's surroundings as a form of problem-solving (2006). This core media skill is emerging as a central component in game-based learning and gamification. Game-based learning (GBL), or the use of video games for educational purposes, has been shown to be an effective means of enhancing both learning motivation and academic performance (Kingsley & Grabner-Hagen, 2015, p.52). Gamification is closely related to GBL, but focuses directly on the use of game design characteristics for games in non-game contexts (Boyhun, 2015, p.14). GBL and gamification have wide-reaching application that span disciplines, motivates participation, and stimulates learning. Examples of these strategies are increasingly prevalent, and include everything from a children's website, abcmouse, that teaches preschoolers a broad range of topics in the setting of an adventure game, to Zombies Run, a mobile app that motivates runners by dictating workouts amidst a zombie apocalypse.

GBL and gamification ultimately shift student involvement from consumers of knowledge to producers of knowledge. Jenkin's discussion of distributed cognition, the ability to interact meaningfully with tools that expand our mental capacities, further discusses this shift in the context of Pea's Practices of Distributed Intelligence and Designs for Education: "When I say that intelligence is distributed, I mean that the resources that shape and enable activity are distributed in configurations across people, environments, and situations. In other words, intelligence is accomplished rather than possessed" (Jenkins, 2006, p. 37). Jenkins also contends that the primary vessel from which students can develop distributed cognition is from engaging in video games.

Student perception of these learning strategies appears to be exceedingly positive. In a case study on the use of gamification integrated into public school curriculum, Indiana University professors Kingsley and Grabner-Hagen (2015) observed a fifth and sixth grade classroom in the midwestern United States that was comprised of a diverse range of students of mixed abilities including including general education students, high- ability students, and students with identified learning disabilities. Using ipads, students participated in an interactive digital gaming system called quest to learn science concepts, and were to able design their own learning paths based on ability level and interest. Observation of student activity uncovered that the quest activities required the use of multiliteracy skills and knowledge to create a participatory culture for students (New London Group, 2000). In a survey given to students in the classroom, the majority stated that using the technology made learning easier (87.2%), and the quality of their work was better when learning through the gamification tool (87.2%). These findings have implications for instruction as well as motivation. The student feedback in support of GBL and Gamification integration supports Adkin's (2016) findings that that indicate the rise of these emerging learning strategies.

As technology improves, participants will continually expect convenience and ease of use in digital learning environments. Digital learning environments (DLEs) are defined as technical solutions for supporting learning, teaching and studying activities (Suhonen, 2005). A digital learning environment can be educational software, a digital learning tool, an online study program or a learning resource. DLEs may consist of a combination of different technologies, and can used as the basis for an e-learning program (Suhonen, 2005). As social media participation increases, these platforms should also be considered a DLEs, not only for the content that they produce but for their interactive elements.

“Marketing to Millennials” supports this viewpoint by highlighting the commonalities

of the millennial generation (Thickstun, 2012). Thickstun describes the millennial generation as more culturally diverse than any previous generation with a wide range of consumer options and easy access to the Internet. She postulates that this generation favors social media to communicate, are exceedingly comfortable with technology to the point of being able to customize to their own agenda, and are interested in adopting causes that affect social change. Thickstun recommends that music educators, particularly those situated apart from an institutional setting, incorporate technology wherever possible to communicate to this generation. Seth Revoal, a digital marketer with Revolution Design Group, reinforces Thickstun's social media assertions and also provides insight into the current trends of social media use in the United States. Revoal's findings reveal that seventy-two percent of the population in the United States participate on Facebook alone, let alone other social platforms. The demographic of Facebook participants in 2016 is not limited to millennials. Eighty-two percent of Americans ages eighteen to twenty nine use Facebook, as well as seventy-nine percent of Americans ages thirty to forty-nine and sixty-four percent ages fifty to sixty-four. With the majority of the population engaged in social media practices, Thickstun's recommendations no longer apply to only the millennial generation, they are relevant to a much broader demographic. These recommendations are resoundingly connected to Adkins' findings and Jenkins' insights which reveal that our increasingly digitized society thrives in an interactive, participatory environment. They also necessitate the exploration of social media as an integral part of a digital learning environment.

Thickstun's discussion of Millennials' cultural habits is supported in "The YouTube Effect" (Cayari, 2011). The central focus of this article is a case study of a popular YouTube musician named Wade Johnston. Cayari choose the subject based on a number of criteria, including accrued following (fan base), subscriber volume, views, content, and consistency of posts.

By studying Wade's YouTube presence, Cayari was able to determine how the subject distributed his music, built a fanbase, communicated with peers and fans, and promoted his posts. This case study supports Jenkins concept of participatory culture, as Cayari (2011) contends that "digital technology gives everyone the means to express themselves, and it empowers them to speak... in ways that previous generations could only have imagined" (2011).

Drumeo, an online drum education platform, uses social media to connect with participants and attract prospective monthly subscribers. Lessons, performance videos and other educational posts are regularly posted across their active social media platforms and function as the arm of the organization by pulling participants into their larger DLE, their website, www.drumeo.com. Founded in 2005, Drumeo initially used YouTube much like Wade Johnston to develop a fan base and attract participants to their website. Their video, *How to Play Drums: Your very first drum lesson*, has over two million views as of February, 2016 (YouTube, 2016). Their success in utilizing social media to attract participants is further illustrated by an infographic on the homepage of their website, [drumeo.com](http://www.drumeo.com), which states that the organization has grown to over 135,000 students, over 500,000 YouTube subscribers, 165,000 Facebook likes and 180,000 Instagram followers.

By observing the increasing trends of game-based learning and gamification, and assimilating how they can be used in digital learning environments, there are opportunities to create these types of platforms in arts education. In a summary of the 2012 Arts and Participation Survey conducted by the National Endowment of the Arts, technology was found to be an enabler of arts creation and participation. "In 2012, nearly three-quarters of American adults—about 167 million people—used electronic media to view or listen to art, and large proportions of adults used electronic media to create music or visual art" (NEA, 2015). Additionally, the major moti-

vations for Americans to participate in an arts experience is to learn something new and socialize. The major barriers to participation in the arts included time, cost, access and no one go with.

In regard to motivations and barriers to arts participation, digital learning environments, with an emphasis on social interaction, education and access, could be offered as a solution to attract participants who are otherwise encumbered by the aforementioned barriers.

Monteanu, Gorghia and Gorghia provide a different perspective that supports arts education in a digital learning environment. “There are many advantages of using new technologies in arts education, and among the most important is involving students in activities and situations of learning that are in opposition to previous conceptions. New technologies - which are judiciously implemented in arts lessons - promote experiential learning, stimulate the students’ interrogative spirits and combine the independent work within the students’ work group” (Monteanu, Gorghia & Gorgia, 2014, p. 249).

Understanding how emerging technologies influence learning strategies, participation and access to the arts is essential for the arts entrepreneur. Arts entrepreneurship is a fairly recent concept in research circles and there are few scholarly resources dedicated to the subject (Chang Wyszomirski, 2014). In “What is Arts Entrepreneurship”, Chang & Wyszomirski review the concept as it was presented in scholarly journals from 2003 to 2013 a formulate a definition for the term: “arts entrepreneurship is a management process through which cultural workers seek to support their creativity and autonomy, advance their capacity for adaptability, and create artistic as well as economic and social value”(p.15). Along with this definition, Chang and Wyszomirski discuss the interconnections between entrepreneurship and the external environment, and contend that the external environment provides the context from which entrepreneurship is practiced. With the increasing presence of digital participation, arts entrepreneurs must necessarily operate

in the digital environment.

The remainder of the literature reviewed on entrepreneurship was provided by professionals in the field, including sources that were not only arts specific, but had broader application to general business practices. Along with entrepreneurship other subfields are linked including start up business development, marketing and product development, personnel management, and consumer relations. In order to narrow the scope of this subject and maintain their applicability to my own entrepreneurial aspirations, primary attention was directed at reviewing content focused on small business development and startups.

The United States Small Business Administration (SBA) was created from the Small Business Act of July 30, 1953, whose function is to “aid, counsel, assist and protect, insofar as is possible, the interests of small business concerns “ (sba.gov, 2017). This organization provides resources and counsel to small businesses of all varieties, from those in the idea stage to established organizations with a consistent client base. As my organization is yet to be launched, the SBA provides useful information on how to develop a business plan, apply for funding from potential investors and government entities, and understand legal structures and regulations of individual states. According to the SBA, developing a business plan is of paramount importance to any business, especially those in the early stages. *The Small Business Bible : Everything You Need to Know to Succeed in Your Small Business* mirrors this belief and details crucial elements involved in a business plan, including: executive summary, company overview, market analysis, organization and management, product or service line, and financial projections. (Strauss, 2004, p.67)

Both the SBA and Strauss also stress the importance of an appendix section, which will include any supporting materials (brochures, flyers) that support the organization.

The development of a business plan helps to minimize the risk incurred by any entrepreneur

involved in launching a startup. A startup can be defined as “a human institution designed to create a new product or service under conditions of extreme uncertainty” (Ries, 2011, p.36). Ries discusses the challenges of startups and entrepreneurship in his book, *The Lean Startup*, and emphasizes the unique nature of this type of venture. He states that entrepreneurs must measure progress differently than established organizations in a process he calls validated learning. Validated learning seeks to uncover truths about a product using empirical evidence gathered by potential consumers. This interaction between consumer and business is becoming more present in a digital environment, where access to a large customer base and the convenience of digital communication makes it easier for businesses to receive feedback.

The conceptual writings of Thwaite, Johansen and Jenkins provide a foundation from which to explore more practice based literature that discusses how digital environments interact with education, arts participation and access, and entrepreneurship. Observing trends surrounding these areas is essential in the developing stages of a startup in online arts education. Forecasting consumer participation and education habits is conducted through data collected from the NEA’s survey on Arts Participation and Ambient’s market analysis on E-learning. This data, as well as information collected from similar models like Drumeo, will be used to formulate the market research component of the business plan provide in the following chapters.

The synthesis of this literature ultimately reflects the transformation of arts education as a result of digital technology. Organizations have already begun to shift their emphasis to this changing environment, yet there are still opportunities for startups to participate in this context. As technology continues to evolve and influence learning and communicative practices, literature and research involving arts education in digital environment will likely increase.

Comparative Case Study:

Guitar Tricks and Drumeo

In order to best position my online guitar lessons business, I have necessarily looked to similar models that have developed a large participant base and have enjoyed a reasonable length of longevity. Drumeo, offering online drum lessons, and Guitartricks, offering online guitar lessons, have developed a large following over the life of each business. An important consideration in regards to longevity is that the sustained success of each model is difficult to measure as this type platform is still relatively new. Both Guitartricks and Drumeo materialized around 2005 and didn't reach a large audience base until after 2010.

Throughout the analysis of these businesses emphasis will be particularly directed toward content, production and marketing strategies. Participant reviews will be also be discussed as an evaluative measure to gain a broader perspective of the impact of each organization. By comparing the similarities and differences between Drumeo and Guitartricks, I hope to have a more informed perspective of the processes needed to excel in my own business. Before continuing with this analysis I must reiterate my biases as a professional guitarist and educator. I admittedly have more knowledge of guitar pedagogy and curriculum design than drum education, so my perspective on effectiveness and legitimacy, particularly in the context of the content, will be more critical in regard to Guitartricks than Drumeo.

Background

Drumeo, originally Railroad Media, was founded in 2005 in Abbotsford, Canada by Jared Falk and Rick Kettner, a seasoned cinematographer who was a drum student of Jared's. Together they began to produce online drum educational videos that displayed different angles and perspectives

to help beginning drummers. Initially using YouTube as a platform, they were able to develop a following of online participants that steadily increased with each new video submission. YouTube was an emerging technology at this time, and Rick and Jared decided to produce DVDs of their videos as YouTube could not accommodate the length and production quality of the videos. From 2005 to 2010 Railroad Media produced a number of instructional DVDs for drumset including a 5 book, 20 DVD set called The Drumming System. In 2010 The Drumming System added an online component. In 2012, Jared and Rick turned their years of experience and content development into an online drumming website called Drumeo. Just five years after its inception, Drumeo now has over eighty well known instructors from a variety of genres and has grown to over 135,000 students, over 500,000 YouTube subscribers, 165,000 Facebook likes and 180,000 Instagram followers.

In comparison to Drumeo, there is little information about Guitartricks CEO and founder, Jon Broderick. According to the Better Business Bureau, Guitar Tricks began in 1998 in San Francisco and claims to be the first online guitar instruction website. Before John Broderick pursued Guitartricks full time beginning in 2005, he was an IT consultant and hobbyist guitar player. John Broderick is not present in any of the lesson content, his position as CEO primarily entails maintaining and promoting the Guitartricks website.

John Broderick's visceral role in Guitartricks is in stark contrast to Jared Falk, who has personally produced and starred in over 1500 video lessons and has won multiple awards as a drum educator. Jared is essentially the face of Drumeo and has used his drumming expertise to recruit top industry professionals to contribute to his online lesson database including Tony Royster Jr., Antonio Sanchez, Stanton Moore and Peter Erskine. Conversely, John Broderick's lack of profes-

sional musical experience is evident in the teachers he employs and the content that is delivered.

Content

The central focus of both Drumeo and Guitartricks are online video tutorials. These instructional videos range from three to fifteen minutes in length and typically feature a single educator with their respective instrument (drumset or guitar). The videos are often accompanied with downloadable pdf's (see figure 1a-pdf example) and mp3 sound files, and each video typically highlights a specific concept or technique that teaches material with a "watch and repeat" methodology. Within each site members are given the opportunity to create a profile that can be used to participate in forums or to receive assistance from customer support.

Guitartricks and Drumeo include different options to supplement the video tutorials and pdfs.

Guitartricks provides an electronic guitar tuner alongside each video lesson and includes an option for members to download videos to their computer. Each Drumeo lesson contains an active member's forum where members can post feedback and ask questions. Students also have the option to submit videos for review and are able to request customized learning plans that are designed around student's ability levels and interests. Based on the interactions in the forum, the Drumeo staff appears to be very responsive to student questions and comments.

Both sites boast a beginning curricular sequence, yet Drumeo's beginner module isn't easily accessed on their website. There is so much content on the website it is easy to become disoriented and misdirected. Upon finding the beginner section of the website, it is not clear what video an absolute beginner should watch first. To compensate for the large amount of content and apparent lack of clarity Drumeo's community manager, Dave Atkinson, sends newly registered students instructions on "where to start first" to their registered email address.

Drumeo's beginner sequence is taught predominantly by Jared and reflects concepts used in *The Drumming System*. Other teachers also contribute to the beginner site and there are over ten hours of video content. He has also just released a twenty-six week interactive online course entitled *Independence Made Easy* that includes weekly lesson plans.

Guitartricks' beginner sequence, called the Core Learning System, provides students with two levels of fundamental guitar courses and is easily accessed on the beginner's page of their website with an accompanying infographic. The Core Learning System includes over fifty videos and is taught exclusively by Lisa McCormick, a singer songwriter who has no formal education in guitar pedagogy but has touring experience as a songwriter. The progression of videos is very clear and easily accessible, yet the pedagogy and curricular sequence lacks credibility.

After the beginning sequence, Drumeo and Guitartricks follow relatively the same format where video tutorials are organized according to musical genre or specific technique. In these specialized sections, each website offers a large amount of content. Both sites contain over 5,000 video lessons with supplemental pdf's and sound files. A major difference between the two platforms, however, is the quality of the instructors. Guitar Tricks instructors are your everyday music store guitar teachers who may or may not have a music degree or professional experience. Their lessons focus on learning music in the style of great guitarists or learning specific songs. Drumeo, conversely, features video lessons by top industry professionals and iconic figures in the drum world. By including these acclaimed drummers in their catalogue of lessons, a perceived level of credibility and validity is immediately attributed to the organization.

Production

As the emphasis of these organizations is web-based, website design and layout is a critical

component of each platform's operations. The following chart represents a side by side comparison of Guitartricks and Drumeo using a rubric to evaluate the principal elements of each website. Each element, as well as the processes involved in the creation of the rubric, will be discussed in detail succeeding the chart.

Design	GUITARTRICKS	DRUMEO
color scheme	8	8
branding	7	9
use of space	7	8
media	8	8
Navigation		
layout	8	8
clarity	8	8
responsiveness	9	9
Community		
Engagement		
communication	6	10
social media	3	10
forum	3	10
customer service	6	10

*The rubric is based on a 10 point scale where 1 is the least effective and 10 is optimum.

Design

Design in the context of this comparison is used to define those elements of website design and layout that promote clarity, convenience and ease of use. Product delivery is a major aspect of the access category in that it determines how effectively the intent of the organization is being communicated. This element can be best described in a couple of questions: Is it clear what product is being offered upon initial visit to the website? Is the scope and intent of the organization easily understood? Both Drumeo and Guitartricks deliver the intent of their product clearly and concisely, and use various aspects of design to convey their message.

Aspects of design in this context include color scheme, branding, use of space and choice of media convey material. Both Drumeo and Guitartricks clearly communicate the product they are offering and convey their message through short informational videos, participant testimonials, and consistent branding. While perspective on quality of design is inescapably subjective, Drumeo stands out in this category by employing a clean, straightforward color scheme and by making a good use of space. The images and infographics on Drumeo's home page enhance the accessibility of the site while the Guitartricks images do little to inspire further engagement.

Navigation

Navigation is an important consideration in the context of accessibility in that it conveys the responsiveness and clarity of the content being delivered. Responsiveness refers to how quickly the website responds to the participants needs. Perhaps the most important question regarding navigation, Does the layout of the site clearly direct newcomers to engage in its content? Another important consideration is each website's ability to make the participant aware of the breadth of content available without overwhelming. Overall, both organization are very effective

regarding navigation, with the previously discussed exception of the initial lack of clarity of Drumeo's beginner sequence.

Community Engagement

Community engagement in the context of this rubric is centered upon the channels of communication the organizations use to interact with participants. Contact and customer support information is clearly displayed on each website, and both have a fairly active forum where participants can interact with other students as well as instructors. Overall, responses by instructors in the Drumeo forum are much more timely and comprehensive than in Guitartricks. There is also a substantial amount of negative feedback in the Guitartricks forum. The following account is an example of a dissatisfied participant, "Hello I have just been on the jazz guitar course, not very impressed, there are no diagrams to show how to fret the chords, there should be diagrams on the screen, please add diagrams on screen, what do you all think about my post !" (2017). In addition to a forum, Drumeo has a very active social media presence and gives students the option to post videos and receive feedback of their playing. The community manager also sends regular e-mails regarding new courses and opportunities to participate both online and at their physical location. One such instance of participation is Drumeo's summer camp, where students can connect with one another in person at the studio in Abbotsford, Canada.

Interpreting the Rubric: Production Comparison

While some elements of the rubric are balanced between organizations, Drumeo far exceeds Guitartricks in the category of community engagement. Their ability to connect with participants through the forum, social media, email and in person really appears to create an atmosphere of community. This communal environment in turn appears to produce a more satisfied

and engaged client base.

Marketing

At first glance Drumeo and Guitartricks appear to employ a similar approach in their marketing strategy. Both organizations depend on monthly subscriptions to generate revenue and operate almost entirely online. They rely on their website design and message, through call to action marketing, to convert website traffic into paying subscribers. They use search and email marketing to attract new clients and sustain existing ones. Both businesses use market segmentation to target specific audiences and have a developed brand that is easily recognized across a broad range of media. They rely on word of mouth through sustained activity and consumer reviews to attract new customers.

Where Drumeo and Guitartricks differ is in the spectrum of community marketing. Within the community marketing strategy, relationship marketing is inextricably linked, as is the ever increasing presence of social media marketing. Guitar Tricks does very little to engage and understand its client base. The initial decision to commit to a monthly subscription to GuitarTricks is followed by a short thank you email by the founder, but other than the customer support information and the intermittently reviewed forum, there is little involvement from the GuitarTricks staff. They have a minimal social media presence, and no links to social media from their website. This is surprising for a business with Guitartricks' reach as this percentage of people is on social media_get stats from eric?. Guitartricks does have a Facebook page, but their last post was June 30th, 2016, which is an eternity in the social media environment.

Drumeo's community marketing strategy is in direct contrast with Guitartricks. In a video interview, founder and CEO of Drumeo, Jared Falk, discussed the vision and mission behind his

organization, “We really want to reach every single drummer in the world. There’s so many people that want to play drums but just can’t, they don’t have the access. I want to educate every drummer in some form or another.” He continues by saying “I may not know what the nuts and bolts are going to look like even five years from now, but it is important to stay true to the mission.” Drumeo encourages participation whether or not you are a paying subscriber. They are active on all of the major social media outlets and regularly post free videos and content to attract new participants. The Drumeo staff is in regular contact with monthly subscribers and places an emphasis on developing a sustained relationship with their participant base regardless of whether or not they are paying subscribers.

Evaluation: Consumer Reviews, Are they really legitimate?

I must preface this section by stating that this portion of the case study has materialized differently than was originally conceived. The intention of this evaluative segment was to provide a broad depiction of the organizations based on consumer reviews. With further research however, it became apparent that reviews from both organizations were suspiciously unanimously positive. Moreover, feedback provided by participants of both Drumeo and Guitartricks wasn’t always comprehensible in the context of the services they provide. In the pursuit of websites that contain “reliable” consumer reviews, articles such as “Online Reviews? Researchers Give Them a Low Rating” from the June 7, 2016 edition of the New York Times arose to reinforce the conclusion that a clear evaluation of these business based on consumer reviews was not possible. There is a wealth of evidence from Drumeo and Guitartricks to suggest that paid reviews were dispersed among feedback from actual consumers, making the data irrelevant.

Findings: Informing a Business Model

The literature review and the comparative case study focus on sources pertaining to digital learning environments, entrepreneurship and arts education. Uncovering scholarly and practice based literature and media from a variety of disciplines has ultimately informed my trajectory in establishing a startup centered upon guitar education. Initially my intentions were to launch a business exclusively based around an online guitar lessons service, much like Drumeo or Guitartricks, where self paced e-learning in the form of video tutorials would be the basis of my organization. After reviewing similar models and taking into consideration concepts covered in Reis' *The Lean Start Up* as well as Strauss' *Small Business Bible*, I have revamped my initial business idea and now will begin as a "physical" community-centered organization based in the Willamette Valley and expand in to the digital world after my products are thoroughly vetted by my students and other colleagues in the field.

The decision to start my organization as a "physical" community of participants was also based on market research such as in Adkins' report "The "2016-2021 worldwide self-paced eLearning market: The global eLearning market is in steep decline" (2016). It will take years to develop enough content to launch online my lessons business, and with the declining trends of this type of service I have concluded that the most prudent course of action is to diversify services to lessen the impact of a potential cultural shift that could drastically affect participation.

Research in these disparate, yet interconnected fields emphasized the importance of community, especially in the digital context. This revelation was surprising as the traditional connotation of community involves interpersonal communication in a physical environment. Drumeo was able to create a community atmosphere in the digital sense through social media, excellent customer service, and an active forum for administrators, faculty and participants. The importance of

community in not only digital learning environments, but at the macro levels of music education and entrepreneurship, have switched my focus away from the technical details of the services I will offer and have driven my organization's mission and vision. My organization, Guitarclimb, is a people-focused organization where learning occurs not only through the content, but through the connections the participants explore as a part of a community.

Part 2: Development

Overview

The development section includes the materials and content needed to launch a start-up guitar lessons business with an integrated digital presence. Content is directed at launching a guitar called Guitarclimb, however, the organization and processes presented in this section could serve as a resource for individuals interested in the planning and early implementation stages of any entrepreneurial venture in the arts. The business plan comprises a major portion of this section, yet it is important to note that the content in these pages is only part of the development aspect of this project. **The website, www.guitarclimb.com, is included for consideration as well as marketing materials including a business card template, flyers, and a brochure.** The cover of Guitarclimb's official method book, *Learning the Guitar, A Holistic Approach*, is included in the appendix as it was created during my time as a graduate student in Arts Management at the University of Oregon. The business plan, as well as the marketing segment, are designed as stand alone documents that can be used to secure funding from investors, banks, local, state and federal agencies. As a result the formatting and design of this content is necessarily different from the rest of the document.



Business Plan

TABLE OF CONTENTS

- Executive Summary _____ 1
- Company Overview _____ 3
- Organization & Management _____ 6
- Products _____ 8
- Services _____ 9
- Marketing Plan**
- Goals and Objectives _____ 13
- Situational Analysis _____ 14
- SWOC Analysis _____ 18
- Strategies
- 1.) Branding _____ 20
- 2.) Website _____ 22
- 3.) Social Media _____ 29
- Implementation _____ 32
- Budget _____ 35
- Evaluation _____ 35
- Financial Overview _____ 37
- Sales Forecast _____ 38
- Start-up Expenses _____ 41
- Profit and Loss Statements _____ 41
- Projected Balance Sheet _____ 45
- Break-Even Analysis _____ 47
- Appendix
- a.) Founder/CEO Resume
- b.) Business Card
- c.) Flyer
- d.) Brochure
- e.) T-Shirt
- f.) Cover of Method Book
- g. Website Pictures

EXECUTIVE SUMMARY

Guitar Climb ignites creativity and strengthens community by providing high-quality guitar education for all walks of life.

GuitarClimb provides high quality guitar lessons throughout the Willamette Valley, from Eugene to Salem and all the way to the coast. Our base of operations is located in Eugene, Oregon. Those not in the region can also connect with us through learning resources on our website and social media pages as well as through our innovative, mixed-media method for beginning and intermediate guitarists entitled, *Learning the Guitar: A Holistic Approach*. As we build our digital following we anticipate adding a subscription based lesson service to our website by the summer of 2019. We are committed to inspiring guitar success in every student and take pride in our ability to communicate with a truly diverse demographic. Whether you are 6 or 86, there's a place for you in our studio.

Management

GuitarClimb, LLC, is a sole proprietorship owned and operated by Pat Waters. Pat has 15 years of experience teaching the guitar, has extensive performance experience in a variety of musical styles, and has two master's degree's [Guitar Performance: Austin Peay State University (2008) and Arts Management: University of Oregon (2017)]. He was a guitarist in the Navy Band for six years where he toured the country in rock and jazz ensembles and has recently released his first publication, *Learning the Guitar: A Holistic Approach*.

Products and Services

We provide individual and group instruction in various locations throughout the Willamette Valley and also travel to students' homes. Our method book is available for purchase through our website as a hard copy or interactive pdf. We also sell merchandise including T-shirts, stickers and guitar picks. We will be selling downloadable digital courses on a variety of topics and will offer a subscription service on our website to customers in the summer of 2019.

Competitive Advantage

Market research has shown that we are the only guitar lessons organization in the Willamette Valley that has its own method book. Additionally, our digital presence is more engaging and interactive than our competitors in the area, as we upload new lesson material to our website and social media pages on a weekly basis.

Financial Projections

We project to be earning over \$10,000 in revenue a month once our digital subscription service is launched in the summer of 2019. Our start-up expenses amount to just over \$10,000, still we anticipate earning enough revenue during our first year of operations to pay for these expenses and be in the black.

COMPANY OVERVIEW

A Holistic Approach to Learning the Guitar

GuitarClimb combines a variety of pedagogical elements to communicate across a wide range of platforms. Currently we serve a large portion of the Willamette Valley (Salem to Eugene, I-5 to the coast) by offering guitar lessons supplemented by the company's own method book for beginning to intermediate guitarists that accommodates all styles and musical interests. Digital resources and social media interaction complement and enhance private and group lesson offerings. Lessons will be offered at Harmony Roadhouse Studios in Eugene, students' homes, community centers and as an extracurricular component of public and private schools. As content is created and tested on existing students, we will add a digital component to in July of 2019 where we will offer downloadable courses and monthly memberships in order to connect to a global community of music learners.

Background and Philosophy

For centuries, learning the guitar has been primarily grounded in the folk tradition. Communities around the world have learned and taught the guitar using a variety of informal methods that are based around learning music by rote. Today this is still the most common way to learn the guitar. Private guitar lessons at the local music studio usually involve a guitar teacher showing the student a song they know, or if the student is lucky, a song they want to learn. YouTube and other digital resources has taken this concept and run with it; now with a quick google search you can watch a video of a someone demonstrating just about any song you can think of.

Learning guitar this way works great as a component of a larger approach, but by itself it has limitations. You learn "how" to play, yes, but understanding the process and bigger picture is lost. Some innately gifted individuals will be able to learn just using YouTube, but for so many of us, trying to learn an instrument this way is a frustrating, unfruitful undertaking. Even for the few who learn a song or to using this approach, when it is time communicate musically with others, or to explore their own creative voice, they are bound by what others have shown them.

At Guitarclimb we view learning the guitar simply as a vehicle that unlocks the larger world of creative expression and communication. This perspective guides our teaching, as students are taught not only the mechanics of guitar playing; they more importantly develop skills that allow for creativity and musicianship to flourish. We accomplish this by approaching guitar instruction from a variety of approaches which includes the theoretical, technical, compositional and exploratory. We pride ourselves in developing meaningful relationships with each and every student and maintain open lines of communication to ensure that the student learns in an environment that optimally encourages their creative growth. We welcome all walks of life and all types of music lovers. We foster a community atmosphere through our numerous performance opportunities, social events and social media engagement. We continually strive to expand our reach to educate and equip anyone interested in realizing their creative potential on the guitar.

Goals and Objectives

Goal 1: Provide a fun, structured atmosphere for students of all ages and abilities to learn the guitar

Objective 1: Create content that accommodates a wide range of musical styles and skill levels.

Objective 2: Include game-based strategies to encourage and stimulate participation.

Objective 3: Use digital platforms to organize content and communicate with students.

Goal 2: Cultivate a sense of community where participants grow through student to teacher and student to student interaction.

Objective 1: Maintain open lines of communication with students and regularly solicit feedback on student experience.

Objective 2: Provide outstanding customer service and responsive support to both current and prospective participants.

Objective 3: Use the website and social media to connect students with one another and receive feedback from instructors.

Objective 4: Host quarterly jams and performance opportunities to allow students to share

their music and socialize with one another.

Goal 3: Offer a fun, rewarding online learning experience to attract and sustain participants.

Objective 1: Provide content to accommodate a broad range of participants. The primary design will be in downloadable courses that cover a variety of topics.

Objective 2: Provide a clear scope and sequence to optimize student learning and retain students

Objective 3: Include game-based strategies to encourage and stimulate participation

Objective 4: Add new lessons weekly to keep student interest

Objective 5: Develop an active forum and optimize social media presence

Goal 4: Develop a global reach in order to provide accessible guitar education to anyone interested.

Objective 1: Develop social media presence to the widest possible reach.

Objective 2: Employ digital marketing professionals to optimize internet presence.

Objective 3: Connect with an international community to expand reach.

ORGANIZATION & MANAGEMENT

GuitarClimb will be formed as a sole proprietorship, LLC formed by Pat Waters and register in the state of Oregon. The base of operations is in Eugene, Oregon but services will extend throughout the Willamette Valley. We will travel as far south as Cottage Grove north to Salem, including the area from I-5 to the coast.

Owner Profile

Pat Waters has 15 years of experience as a guitar teacher and performing musician. He has both a bachelor's and master's degree in guitar performance and has performed across the United States and Canada in a variety of styles including rock, jazz, blues, country, bluegrass and classical.

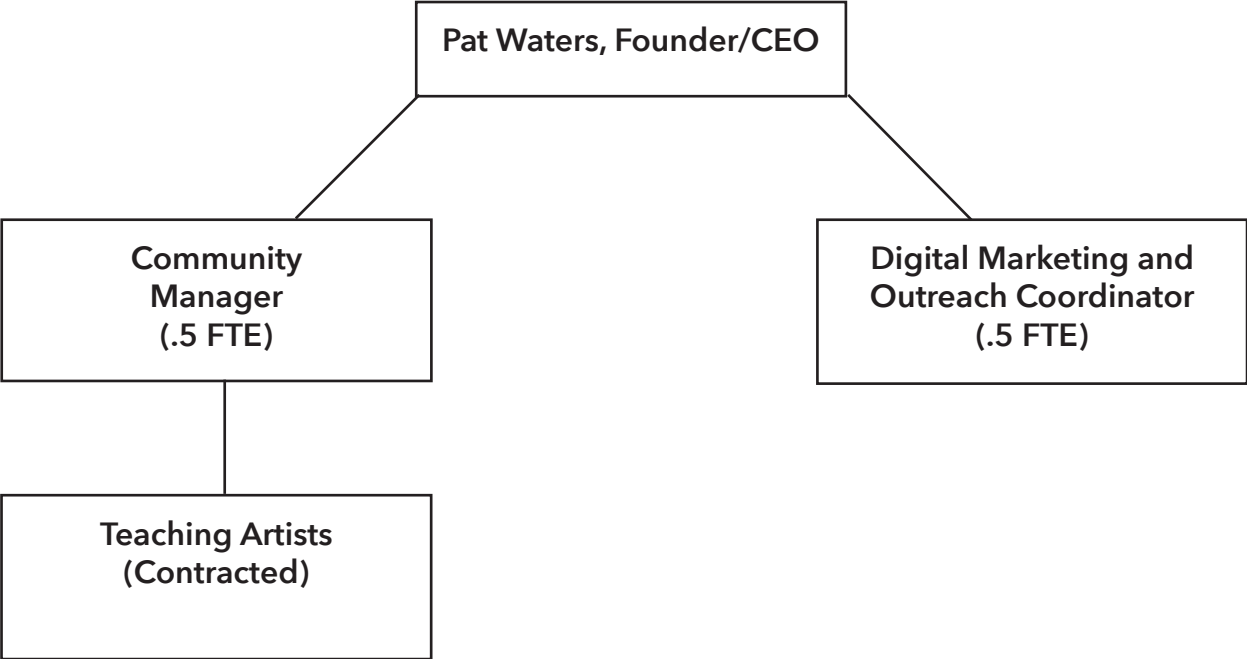
Some notable performances include engagements at Millennium Park and Symphony Center in Chicago, Illinois; Jazz on the Green in Omaha, Nebraska, and Centennial Park in Atlanta, Georgia. As a guitarist in the Navy band he had the privilege to perform for political and military dignitaries such as the President, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff.

As an educator he has worked with students of all ages and abilities, from ages 6 -76. He has taught guitar in the private and classroom setting and has worked as a teaching artist in public middle school and high schools in Oregon and California. He has recently published a method for beginner to intermediate guitarists entitled, *Learning the Guitar: A Holistic Approach*. Pat has recently completed master's degree in Arts Management at the University of Oregon where his coursework and research was focused on understanding the processes of entrepreneurial ventures in the arts. Pat Waters' full resume is included as an appendix.

PROJECTED ORGANIZATIONAL STRUCTURE

When demand increases, Guitarclimb will expand to include paid staff and contracted workers. A community manager will be hired part time to coordinate contracted teaching artists to teach group and individual lessons in various locations. When the digital component of the organization is released in July of 2019, a social media and outreach coordinator will be hired part time. The following depicts the projected organizational chart of Guitarclimb by FY 2020.

Guitarclimb
Projected Organizational Chart
FY 2020



PRODUCTS

Method Book: *Learning the Guitar, A Holistic Approach*

Guitarclimb's beginning and intermediate sequence, *Learning the Guitar: A Holistic Approach* by Pat Waters, will be sold as a hard copy and interactive e-book and will include sound and video examples that can be accessed on Guitarclimb's website. Books will be required of all students, will be sold at participating retailers as well as online through amazon and other digital channels.

Location

Available on the website: www.guitarclimb.com/shop

Pricing (All books include exclusive access to supplementary materials):

Student Price (Current, weekly students) = \$15

- E-Book = \$24.99
- Hard Copy = \$35.99

Promotional Merchandise

- T-shirts
- Stickers
- Guitar Picks : medium and heavy gauge

Location

Available on Guitarclimb.com/shop

Pricing

- T-shirts: \$16.99
- Stickers: \$1.50 (Included with book purchase)
- Guitar Picks: Pack of 6 for \$6 (2 included with book purchase)

SERVICES

Individual Guitar Instruction

Lessons encompass a wide variety of topics and are customized to address each student's particular needs. Guitarclimb's method book, *Learning the Guitar: A Holistic Approach* as well as supplemental materials, including lesson plans and other resources, are provided for students enrolled in weekly lessons. Our website, www.guitarclimb.com and social media platforms including Facebook and YouTube provide learning materials that reinforce content learned in the lessons and allow students to connect with instructors and other students. A major part of our approach is collaboration; students can enroll in weekly lessons with a friend or family member for no additional increase in the hourly rate.

Location

Lessons take place at Guitarclimb's studios or at students' residence

Pricing (per hour)

- Harmony Roadhouse Studios: \$45
- Student's Residence: \$50

*One-time \$10 material fee per student

Group Guitar Instruction

Lessons follow an 8 week sequence and teach a variety of guitar specific topics, as well as general music principles and opportunities for creative exploration. The scope of each 8 week sequence varies slightly depending on the ability of the participants. Each 8 week session concludes with a "jam" where students can showcase their abilities for their friends and family. Students are encouraged to use materials on Guitarclimb's website and social media to reinforce concepts learned in the lessons.

Location

Various locations including: Guitarclimb studio, schools, community centers, churches.

Pricing

Varies depending on class size

- Base Rate = \$60 (4 students or less)
- 5 students = \$75
- 6 students = \$85
- 7 students = \$90
- 8 -10 students = \$100

*10 students is the maximum class size

Online Guitar Education Component

Projected Launch Date, July 2019

We will be expanding our reach outside of the Willamette Valley to offer online lessons to students not physically able to access our studio.

Online Individual Instruction via Skype

Students receive realtime instruction online and are e-mailed detailed notes and supplemental materials after each lesson to reinforce concepts discussed. Similarly to in-person instruction, students can enroll in weekly lessons with a friend or family member for no additional increase in the hourly rate.

Location

Digital lessons are scheduled according to student's schedule and Guitarclimb's availability calendar.

Duration and Pricing

- 30 minutes = \$25
- 45 minutes = \$35
- 1 hour = \$45

Downloadable Courses

Digital courses on a variety of topics that use video tutorials, instructional pdfs, game-based learning strategies, band simulations, student performance video submissions and instructor feedback. By purchasing a course clients also have access to an active online forum to interact with other instructors and participants. These courses appeal to a broad demographic. Sample courses include:

- Beginning Kids Sequence (4-7)
- Chords and Chord Progressions
- How to Learn the Songs you Love
- Lead Guitar Techniques
- Reading Music
- Ear Training
- Music Theory
- Guitar Improvisation
- Rhythm Guitar Techniques
- Songwriting
- Classical
- Jazz
- Rock
- Blues
- Flatpicking/Bluegrass Guitar
- Fingerstyle
- Music Production
- Music Marketing

Location

Will be available on guitarelimb.com/shop

Pricing

One time online payments ranging from \$14.99 - \$29.99 per course.

Subscription Based Website

Guitarclimb's website will progressively add content through digital courses that will allow the consumer to enroll in any of the material through a subscription based, membership account. A clear beginning and intermediate sequence will also be offered and will mirror concepts from Learning the Guitar: A Holistic Approach. Students will have the opportunity to submit up to 4 performance videos a month (to simulate the weekly music lesson experience) to receive instructor and will be able to participate in an active forum and private members social media network

Location

www.guitarclimb.com/login

Pricing

Base Price (Only Content and Forum, No video submissions/ instructor feedback)

- \$12.99 per month or \$99 per year

All Access Price (Content, Forum, 4 video submissions a month)

- \$19.99 a month, or \$149 per year.



Marketing Plan

Overview

An aggressive digital campaign is at the heart of this marketing plan as the goals that drive this plan are dependent on a strong digital presence. The strategies and timelines for implementation are a result of extensive primary research conducted in Eugene as well as secondary sources in the form of market research reports and regional demographic data and statistics.

Marketing Goals and Objectives

Goal 1: Attract new customers

There are two types of Guitarclimb customers:

Customer 1 - digital participants who buy the method book or receive video feedback and interact with the website and social media.

Customer 2 - students who are enrolled in private or group instruction at a location in the Willamette valley.

Goal 2: Generate Income

Income will initially come from book purchases, video feedback as well as private and group lessons.

Goal 3: Brand Development and Awareness

Ensure that Guitarclimb's brand is consistent across digital media outlets and physical marketing materials.

Objective 1: Build a social media presence on Facebook, Instagram and YouTube that displays Guitarclimb's brand and posts weekly and connects with local businesses.

Objective 2: Maintain and update an active website that displays Guitarclimb's brand as well as current offerings and student testimonials and performances.

Objective 3: Distribute flyers and brochures throughout Willamette Valley to local businesses, schools and community centers. These marketing materials will display Guitarclimb's brand and services.

Marketing Strategies

1.) Website

The website is used to detail services that Guitarclimb offers and will also connect to learning resources posted on social media. Items will be available for purchase from the website and the supplemental media from *Learning the Guitar: A Holistic Approach* will be available through password for those customers that bought the book.

2.) Social Media

Facebook, Instagram and YouTube are the initial channels Guitarclimb will use to deliver its message, attract participants, develop brand awareness and cultivate community.

3.) Branding

Flyers and brochures will be distributed to local business and community centers to attract participants and detail services. Free workshops offered at various locations throughout the Willamette valley covering concepts from Guitarclimb's method.

Outcome

Successful implementation of these strategies will contribute to building the foundation for the sustained success of Guitarclimb. Building a presence on digital media and engaging interested communities in the Willamette Valley will connect digital and physical participants which will cultivate and connect a community of guitar learners from all over the globe. This initial plan ultimately serves to introduce potential participants to the organization and its services while generating income to sustain and expand operations.

SITUATIONAL ANALYSIS

Environmental Scan: Physical and Digital

Guitarclimb's base of operations is in Eugene, Oregon. However, from two years of primary market research observing the trends of music instruction in the area, it has been determined that guitarclimb must expand its services to throughout the Willamette valley to maximize revenue potential. Here is a list of competitors in the Eugene/Springfield area, not including other leisure

activities for smaller organizations from a variety of disciplines:

- Guitar Center Lessons Service
- The John G. Shedd Institute for the Arts
- City of Eugene / Parks and Recreation
- Music Masters
- Eugene Piano Academy
- Eugene Suzuki Music Academy
- Harmony Roadhouse

Other Barriers to Entry

The abundance of music lesson offerings in Eugene is not the only barrier to entry that necessitates expansion throughout the Willamette valley. Certain demographic data and city statistics reveal a discouraging truth about the area to attract and sustain potential students. According to city-data.com, Eugene's median household income in 2015 was nearly \$10,000 a year lower than the rest of Oregon. On the contrary the median housing costs were equal to the median housing costs in the entire state. This disparity is enough to financially strain Eugene residents enough to not partake in music lessons. Yet another factor that affects participation is the 33 year old median age of Eugene residents, nearly seven years younger than the rest of Oregon. The younger median age of residents in the city is inextricably linked to the University of Oregon, and the transient nature of the college environment is yet another challenge to attracting and sustaining participants. In response to these challenges some non-profit organizations, including the Shedd Institute for the Arts, offer low to no cost music lessons to those who demonstrate financial need. While this is a great service, it puts the plight of the small music lesson business in Eugene in perspective. Nearly 40% of Eugene residents qualify for SNAP (Supplemental Nutrition Access Program). Primary research has revealed opportunities in some of the rural communities especially in terms of group lessons, as the cost per individual enrolled is financially accessible to a wide demographic. The three major sources of revenue from these rural communities include schools, community centers and churches. The area we cover goes as far south as Cottage Grove extends north to Salem. We service coastal communities including Florence and Newport and travel east within 30

minutes of I-5.

Digital Services

Quite simply, the digital world is flooded with guitar learning opportunities. There are free resources on social media and YouTube, subscription based websites, mobile apps, even video games. Through exhaustive research of guitar learning resources on the web we have noticed a few commonalities between the different business. One conceptual similarity is the notion that quantity = best value to the customer. The major players use the amount of content on their site as the primary method to attract customers: “We offer over 1,000 hours of video lessons”, “we are the only site to include over 100 instructors”, or “we have over 5,000 songs to learn”. Another commonality is that the material is delivered in a self-paced e-learning format. Students engage with the material at their leisure, generally in the form of video tutorials. We are completely aware of the challenges we will face as we enter into the digital marketplace. Guitarclimb does not have the capacity to offer the same volume of services as its competitors. Additionally, secondary research extracted from a Navient report on E-Learning trends shows that the self-paced e-learning market is in decline and will be supplanted by more interactive, and communal forms of digital learning.

In order to stand out in the digital environment we have realized that Guitarclimb must establish a thriving “physical” community of guitar learners first in the Willamette valley. Building this community will add credibility; the testimonials from current “physical” students will attract new digital learners. As we develop our digital platform, every effort will be made to create an inclusive, interactive environment for all learners, physical and digital.

Target Market

The scope of the market for Guitarclimb is pretty broad, especially with the digital component, as the business will attract and be able to accommodate anyone, *ages 9 and up* who wants to learn the guitar and reads English(*eventually there will be a young children’s component). To better organize this wide audience base we will segment our marketing efforts by age group. Product recommendations for each segment are also provided as well as possible challenges and

opportunities.

Parents of School-Aged Children

The first group includes parents, mothers in particular, of school age children. Research shows that moms are the most likely family member to make the decisions regarding their school-aged child's extracurricular activities. However, this demographic has a high barrier to entry, especially in Eugene, as there are a number of options (sports, other arts related activities, etc.) that compete for a child's time.

College Students

This is a challenging demographic as college students are transient by nature. Their schedules are constantly shifting and many don't stay in the same place the entire year. College students may not be best suited as private students, but they could be targeted in a campaign to advertise the method book, especially since this age is tech-savvy and could easily navigate the supplemental materials on the website. Workshops are possibly the best the opportunity for this demographic.

Working Adults (25-50)

Research shows that this demographic is least likely to enroll in music lessons at a physical location. However, there is an opportunity to market the method book, supplemental media, and video feedback submissions as these components work well with self-disciplined individuals with busy schedules.

Retirees

This is perhaps the most wide open demographic as the baby boomer generation is retiring with free time and expendable income. The age range of healthy retirees able to afford and play guitar is only going to increase as time goes on. The social aspect is really important and group lessons would be a great way to connect participants with the community. A challenge of this age group is in the arena of technology where there will have to be another option than the website to access supplemental media found in the book.

INDIVIDUAL AND GROUP LESSONS

STRENGTHS

- Years of Experience
- High Retention Rates
- Published Method
- Established Curriculum
- Glowing Testimonials
- All Styles, Levels, and Ages
- Affordable Group Option

WEAKNESSES

- Not Established in the Area
- Eugene "No-Pay" Culture
- Above Average Rates
- Lack of Professional Space
- Travel Long Distances
- Hours of Availability are Limited
- Limited Network and Exposure

OPPORTUNITIES

- Retirement Communities
- Community Centers
- Home-school Network
- Public and Private After-School
- Rural Communities and Schools
- Churches

CHALLENGES

- Establish Connections
- Validate Rates of Service
- Secure a Professional Space
- Build Network and Exposure
- Long Distance Travel

METHOD BOOK AND ONLINE GUITAR EDUCATION

STRENGTHS

- Testimonials
- Tested on Students
- Unique on the Market
- Accessible to a Broad Demographic
- Low Overhead
- Affordable for Consumer
- No Time Constraints to Sell

WEAKNESSES

- Limited Marketing Experience
- Limited Network to Sell
- Lots of Competition
- Target Market not Established
- Price Point not Tested
- Need High Volume of Sales
- No Exposure or Internet Presence

OPPORTUNITIES

- Social Media
- School Networks
- Guitar Teachers
- Book Stores
- Colleges and Universities
- Churches

CHALLENGES

- Establish Connections
- Validate Rates of Service
- Build a Digital Presence
- Digital marketing
- Connecting with Stakeholders

STRATEGIES

Strategy 1: Branding

Typography

Guitarclimb employs a consistent brand across a range media and content. The primary typeface used for displaying guitarclimb's logo and messaging is Avenir Next. This font family was chosen because of the variety of weights available within the the typeface. The typography of Guitarclimb's logo is a combination of Avenir Next Demi-Bold (Guitar) and Avenir Next Ultra Light (Climb). A turquoise (hexidecimal:49c2c4) is used to accentuate the word guitar.

GuitarClimb

Minion Pro will be used as the main body of text similarly to Avenir Next because of the variety of weights available within the typeface. The following example depicts a excerpt from our method book that uses Avenir Next for headings and minion pro for the text body.

Minion Pro
for text body

Avenir Next for headings

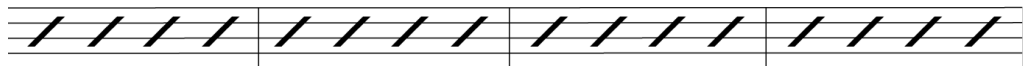
JAM WITH THE BAND

 *Rhythm Guitar*

Now's your chance to put those chord skills you've worked hard to develop to use in a band setting. These tracks use a variety of different chord progressions, tempos and musical styles. First practice getting through the tunes by playing steady down strums, and then once you get comfortable incorporate some strumming patterns from earlier in the chapter or come up with some of your own. Have fun!

 *Van's Jam*

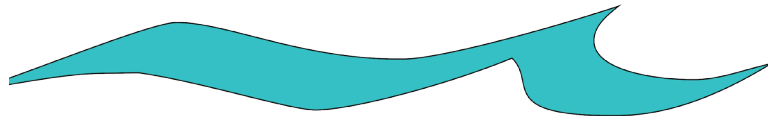
G C G D



Logo

Guitarclimb's logo was designed with simplicity in mind; this sideways quarter rest is easily adapted to a broad range of media and can appear by itself (e.g., as a favicon) or with typography. Depending on the arrangement and size specifications of a document, the guitarclimb logo is displayed directly underneath the text.

Logo



Underneath the text



With Tagline



Strategy 2: Website

The website is at the center of Guitarclimb's marketing efforts as other media channels are directed here to make purchases and get information about products, services and recent news. The website also connects traffic to all of our organization's social media channels. Another feature of the website is learning materials, some of which are free and accessible to every visitor. Other content is password protected and is accessed by participants who have purchased a product. The following pages depict a detailed web-schematic used to construct our website. The domain name for the business is www.guitarclimb.com and was purchased by GoDaddy. The website is designed and updated using Squarespace.

Web Schematic #1: Logo Placement and Navigation Menu

The name and logo of our business will be placed in the top left hand corner of every page of our site. The navigation menu will be placed in the top center area of the page below the logo and will also be visible on every page visited on the site.



Web Schematic #2: Home Page

The homepage is the first thing visitors will see upon entering the website. The logo will be clearly visible at the top of the page above the navigation menu. There will be a rotating picture gallery of the services and products we provide that includes testimonials of current students as well as reviews of the book.

Below the gallery will be a blog of recent news arranged by date, with the newest post on the top of the page. The Home page will also include social media icons that link with our accounts and invite visitors to “like” or “follow” our page.

Rotating picture gallery of products and services



Link to Social Media (Facebook, Instagram, YouTube)

April 15th, 2017

Blog to include News and Lesson Posts.
Most recent at the top of the page.

April 7th, 2017

Web Schematic #3: About Page

The about page will include the mission, background teaching philosophy of GuitarClimb as well as student testimonials apart from the main body of the text. A list of staff members and teachers with accompanying biographies will follow the organizational information.

GuitarClimb ignites creativity and strengthens community with accessible, high-quality guitar education for all walks of life.

Background and Philosophy

For centuries learning the guitar has been passed down in the folk tradition. Diverse communities around the world have learned the guitar using a variety of informal methods that are based around learning music by rote. This learning style works great as a component of a larger approach, but by itself it has limitations. You learn “how” to play, yes, but understanding the process and bigger picture is lost. When it is time for the guitarist to teach themselves, communicate musically with others, or to explore their own creative voice they are limited.



Image Here

At Guitarclimb we view learning the guitar simply as a vehicle that unlocks the larger world of creative expression and communication. This perspective guides our teaching, as students are taught not only the mechanics of guitar playing, they more importantly develop skills that allow for creativity and musicianship to flourish. We accomplish this by delivering guitar instruction from a variety of pedagogical approaches that includes the theoretical, technical, compositional and exploratory. We pride ourselves in developing meaningful relationships with each and every student and maintain

Pat Waters, Founder

Pat has performed throughout the U.S. as a soloist and in the ensemble setting in a variety of genres including rock, funk, folk, jazz, and classical. As a member of the Navy Band he had the privilege to perform for high-ranking military officers and political dignitaries including the President, Secretary of Defense, and Chairman of the Joint Chiefs of Staff.



He recently released his first publication *Learning the Guitar, A Holistic Approach*. This method for beginning through intermediate guitarists uses various forms of media to support concepts covered in the book. Located in Eugene, Oregon, he maintains an active teaching and performance schedule throughout the Pacific Northwest.

Web Schematic #4: Services Page

Sub-pages (Individual Instruction, Group Lessons) detailing the services we provide will display upon visit to the services page. Each sub-page will provide a brief description of the services offered as well as rates.

Sub-page #1 : Individual Guitar Instruction

Lessons encompass a wide variety of topics and are customized to address each student's particular needs. Guitarclimb's method book, *Learning the Guitar: A Holistic Approach* as well as supplemental materials, including lesson plans and other resources, are provided for students enrolled in weekly lessons. Our website, www.guitarclimb.com and social media platforms including Facebook and



Image Here

YouTube provide learning materials that reinforce content learned in the lessons and allow students to connect with instructors and other students. A major part of our approach is collaboration; students can enroll in weekly lessons with a friend or family member

Sub-page #2: Group Guitar Instruction

Lessons follow an 8 week sequence and teach a variety of guitar specific topics, as well as general music principles and opportunities for creative exploration. The scope of each 8 week sequence varies slightly depending on the ability of the participants. Each 8 week session concludes with a “jam” where students can showcase their abilities for their friends and family. Students are encouraged to use materials on Guitarclimb’s website and social media to reinforce concepts learned in the lessons.

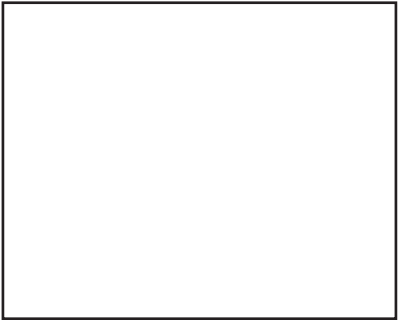


Image Here

Location:

Various locations including Harmony Roadhouse Studio, Schools, Community centers, Churches

Pricing (per hour):

Base Rate = \$60 (4 students or less)

5 students = \$75

6 students = \$85

Web Schematic #5: Media Page

The media page is the most content heavy area of the entire site as the supplemental media for Guitarclimb’s method book is found in the password protected sub-page, *Learning the Guitar, A Holistic Approach*. This sub-page is organized by book chapter; participants will select a chapter and be directed to a page that includes all the supporting media from the book. The book and the website work together as the supplemental materials don’t make sense without the text.

Another subpage apart from the Learning the Guitar sub-page is entitled *Free Resources*. This media sub-page includes sound files and short videos with accompanying pdf’s.

Sub-page #1: Free Resources

- *Tuning Notes (audio)*
- *Warm Ups (audio)*
- *G, C, and D chord (video)*
- *Major/Minor Scale (audio)*
- *Chord Progressions/Solo Backing Track (audio)*
- *Ear Training Quiz (audio)*
- *Theory Questions (written)*
- *Suggested Listening*

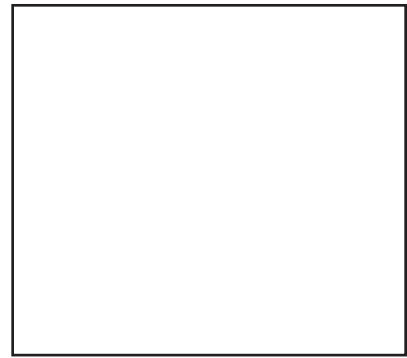


Image Here

Sub-page #2: Learning the Guitar, A Holistic Approach (Organized By Chapter)

- *Getting Started*
- *Chapter 1: Chords*
- *Chapter 2: Reading Music*
- *Chapter 3: Developing Technique*
- *Chapter 4: Guitar and Music Theory*
- *Chapter 5: Scales, Licks, and Improvisation*
- *Chapter 6: Ear Training*
- *Chapter 7: Repertoire*

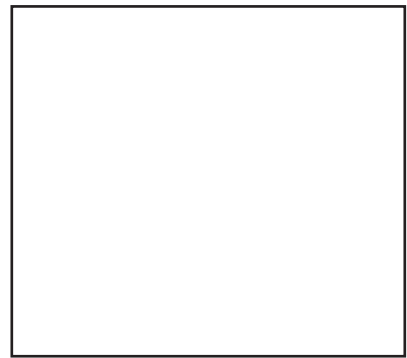


Image Here

Shop Page

Customers can purchase products (currently the method book) and services (group lessons, private lessons) directly from the Shop Page . This page is connected to our Stripe account that automatically processes payments but deducts a small amount from each transaction (2.9% + 30 cents per transaction). Through the Shop page we are able to track our inventory and print packing slips.

Contact Page

The contact page has the company phone number and e-mail address (info@guitarclimb.com). There is also a fillable form that asks for the visitor's first name, last name, e-mail address, and message. Our social media links are also included on the contact page.

Strategy 3: Social Media

Our social media outlets are an integral part of the organization as they support the part of our mission “to strengthen community” by offering accessible platforms where participants can receive and share information. The social media outlets are also designed to draw traffic to the website. Because we are a startup, our social media strategy is essential to developing our presence online and in Willamette Valley. Beginning in the summer of 2017, we will hopefully be enhancing our knowledge of this digital landscape as we will be enrolling in Oregon State’s online Digital Marketing certificate.

While we eventually aspire to effectively optimize our digital marketing component, our initial strategy on social media is concerned with 1.) building a community and 2.) attracting visitors to the website. The tactics outlined in our social media strategy are focused on these precepts.

Tactic #1: Guitarclimb Facebook Group

The idea for this tactic is based on a popular music performance Facebook group called “Jam of the Week”. This group is designed for jazz musicians of all ages and abilities. At the beginning of each week the administrator, Farnell Newton, posts a Jazz standard and the members post a video of themselves performing the tune. Newton posts the prompt each week on Facebook, but to read the entire post you have to visit his website, www.jamoftheweek.com (see image on the next page). Members have the option of simply posting the video or can solicit feedback from other members by commenting C&C, short for comment and critique. The group is by invitation only but as of April 18th has 50,020 members and has just recently enjoyed its 3 year anniversary.



Post directs traffic to the website

The group is by invitation only but as of April 18th has 50,020 members and has just recently enjoyed its 3 year anniversary.

Similarly the Guitarclimb Facebook group is by invitation only and offers participants a prompt every week from which participants share a video. Listed below is a sample prompt we will use in this group:

Sample Post: Guitarclimb Facebook Group



Video Share: **Country Lick in G** - GuitarClimb Community
Get the backing track [here](#), use your own or fly solo.
www.guitarclimb.com/freeresources #guitarclimb #countrylickinG

Every post will give the participant the opportunity to visit the website. In the instance of this post, a backing track to practice the prompt (the G lick) will be available as a free download on the site. In addition to these weekly video shares, other content such as inspirational videos, shared artist pages, quotes, or promotional materials will be posted regularly. Content from other members of the group will be added as well.



Tactic #2: Instagram Post: Facebook Group Highlights

Instagram will be used to share video, quotes and other event information posted on Facebook. However, one major difference will be with the video share content from the Facebook group. Every time a prompt is given in the Guitarclimb Facebook group, a couple of standout videos will be shared on Instagram (with the permission of the guitarist). For example, in the instance of the G lick prompt, a couple of outstanding videos will be shared on Instagram. The two participants will ideally represent different demographics (e.g, young vs. old) to appeal to the widest possible audience base.



Tactic #3: YouTube Channel: Free Learning Resources

Guitarclimb's YouTube Channel will provide a direct connection to the website through free resources. An already existing sub-page on the website, free resources will be added to the YouTube channel in a sort of teaser campaign to coerce visitors to go to the website and engage in complete material. The following example outlines a video we will have on our YouTube channel.

Video: *Switching Chords_ G to C*

Duration: 2 min 30 seconds

- Includes multiple screens to clearly show left and right hand position.
- Link provided in the information bar for an accompanying pdf that directs user to the website
- End of the video features a short add for Guitarclimb's method book, *Learning the Guitar, A Holistic Approach*

IMPLEMENTATION

The initial opening of the business, the method book, and the launch of website and social media must occur simultaneously. By the time the website is operational and the book is available for purchase social media channels need to be ready for business as well. Failure to open any of these platforms could result in a permanent lack of engagement from a prospective participant. First impressions are especially important in the digital context because of the overwhelming content and competition available on the web.

The first stage of the implementation process details a timeline directed at opening for business on July 1st.

Timeline

Development: June 2016 - May 2017

- Research music education businesses (local and web-based).
- Identify strengths and weaknesses against a competitive market.
- Create vision and mission for the company.
- Create brand and collateral.
- Determine products and services.
 - Begin editing method book.
 - Create supplemental media for book (@ 500 sound and video files).
 - Determine price points for book and lessons (group and individual).
- Obtain domain name (www.guitarclimb.com) and website building service (Squarespace).
- Determine Social Media Channels
 - Facebook: facebook.com/guitarclimb
 - Instagram:
 - YouTube:
- Build website using web schematic
- Collect testimonials from students and colleagues

Review and Prepare: June 1 - July 30, 2017

- Obtain ISBN number for book: June 15th
- Send book to publisher: June 30th.
- Register Guitarclimb as a small business with the state of Oregon: July 15th
- Final review of book and media (physical and digital copy): July 15th
- All media uploaded to the website: July 20th
- Create and print flyers for lessons: July 25th
- Create and print brochure of lesson services: July 25
- Reach out to existing network (social media, email, phone) to announce August 1st opening.
- Gather an e-mail list of stakeholders.
- Create a mailchimp account and design a email for educators to market services.
- Make sure all links and buttons are working on the website and social media
- Prepare materials for Facebook group
- Test e-commerce




GuitarClimb Launch: August 1 - September 25, 2017

- Make website and social media channels visible.
- Notify existing network.
- Send initial mailchimp email to prospective stakeholders.
- Set up meetings to distribute method book for review.
- Distribute Flyers and Brochures.
- Start Facebook group.
- Implement social media plan.

Social Media Implementation

The following schedule outlines a weekly plan of attack to ensure that every channel is consistently posting and actively building connections. Types of posts as well as time spent networking on each channel is displayed. Note that the Facebook component is separate from the Facebook group detailed in Tactic #1 of the Social Media strategy.

Weekly Social Media Schedule (August 1st, 2019 - June 30th, 2020)

		
<p><u>2 Posts a Week</u> (Tue, Sat)</p> <p>Posts include:</p> <ul style="list-style-type: none"> • Guitar Videos • Learning Resources <ul style="list-style-type: none"> • Inspiration • Shared Artist Pages <ul style="list-style-type: none"> • Quotes <p><u>Networking</u></p> <ul style="list-style-type: none"> • 3 weekly sessions • 30 minutes each 	<p><u>1 Post a Week (Fri)</u></p> <p>Share on Facebook</p> <p><u>Networking</u></p> <ul style="list-style-type: none"> • 3 weekly sessions • 30 minutes each 	<p><u>1 Post a Week (Sat)</u></p> <p>Videos Include:</p> <ul style="list-style-type: none"> • Free Resources • Student Performances • Teacher Performances <p><u>Networking</u></p> <ul style="list-style-type: none"> • 3 weekly sessions • 30 minutes each

BUDGET

Our marketing budget will be very limited, especially in the first few months when we will not be bringing in much revenue. These expenses are the minimum amount we need to be operational and account for the expenses incurred from sending our book to a professional printing service to be printed.

Marketing Expenses

GuitarClimb

FY 17

Squarespace	\$ 30
Adobe Creative Cloud	\$ 30
Printing and Paper	\$ 20
Office Supplies	\$ 10
Book Publishing	\$ 110
Facebook Ads	\$ 50
Estimated Monthly Costs	\$ 250

EVALUATION

It is important to evaluate these marketing strategies in order to evaluate their effectiveness. The following methods can be used to assess each marketing strategy:

Branding

- Solicit feedback from diverse group of peers and potential clients on design and perceived message of the branding. The following elements are open for discussion.

- Logotype
- Logo
- Color Scheme
- Messaging

Web and Social Media

- Track number of visitors to the website through Google Analytics
- Track number of visitors to Instagram and Facebook
 - o Track number of “followers” and “likes”
- Determine which social media posts receive the most attention
- Ask clients what marketing tactic attracted them to the business

Survey Projection

Before our official launch we will poll a diverse group in survey containing closed and open questions to determine the effectiveness of our branding, website, and social media pages. Another survey will be distributed 6 months after the launch date of the business to current and potential clients.

NEXT STEPS

After launching the business by releasing the website, method book and social media outlets, our next step is to optimize our digital presence. As we move to a digital subscription based service we will be almost exclusively relying on digital marketing efforts. A continuation of this plan will include those components necessary to construct an effective digital strategy.

* End of Marketing Plan *

FINANCIAL OVERVIEW

Guitarclimb has prepared the following financial documents for review:

- Sales Forecast (a sensitivity analysis for three years)
- Start-up Expenses
- Profit and Loss Statements (3 Year Projection)
- Projected Balance Sheet
- Break Even Analysis

Our fiscal year goes from July 1st - Jun 30th and our of first year business is FY 2017. We conducted a sensitivity analysis of our forecasted sales to determine our earning potential. In doing this we essentially asked the questions “Is it worth it?” and “What is the earning potential?” The sales forecasts, as well the other revenue projections, are conservative estimates. With that in mind, the earning potential, particularly when the subscription and digital courses are released, is substantial. By FY 2020 guitarclimb could potentially be earning over \$10,000 in revenue a month with a relatively fixed amount of expenses. Our best case scenario estimates over \$8,000 in net revenue by FY 2020 and has the potential to substantially increase as the products are further refined and additional staff are hired.

It is unknown at this time how much revenue we can expect from our services (individual and group lessons) but will be constantly updating our records to reflect our monthly earnings.

SALES FORECAST

Services

Pat has two years of experience offering private guitar lessons in the Eugene area and 15 years experience as a guitar teacher. Pat has had as many as 20 hours of individual students a week at \$40 an hour in his studio. Since moving to Eugene he has had an average of 6 hours or students a week at \$45 an hour. This number can only increase as Pat has almost no visibility in the community and has not spent a single minute or dime on marketing. We estimate that with the marketing strategies detailed in the plan and the visibility of the new organization, we should conservatively be able to secure 10 hours of private lessons a week at \$45 an hour as well as 2 group guitar classes at \$60 a class. Listed below are the worst-case, best-case, and expected scenarios for revenue for the first year of operation (July 1st, 2017 - Jun 30th, 2018).

Sensitivity Analysis: Services

Guitarclimb

FY 17

WORST			
Service	Qty	Price (hr)	Week
Indv Lessons	3	\$ 45	\$ 135
Group Lessons	1	\$ 60	\$ 60
Weekly Total			\$ 195
Monthly Total			\$ 780

EXPECTED			
Service	Qty	Price (hr)	Week
Indv Lessons	10	\$ 45	\$ 450
Group Lessons	2	\$ 75	\$ 150
Weekly Total			\$ 600
Monthly Total			\$ 2,400

BEST			
Service	Qty	Price (hr)	Week
Indv Lessons	15	\$ 45	\$ 675
Group Lessons	4	\$ 85	\$ 340
Weekly Total			\$ 1,015
Monthly Total			\$ 4,060

Products

Learning the Guitar, A Holistic Approach will be sold as hard copy and as an interactive e-book. Because the book is yet to be released and is the first publication from Pat Waters it is really difficult to predict how the book will sell. All GuitarClimb students are required to purchase a hard copy of the method book for the student rate of \$10.

Online Guitar Education

When we launch our online component in July 2019, a substantial revenue stream will be added to the organization. By taking the lowest price of the digital courses (\$14.99) and the base monthly subscription (\$12.99), we project to have a large enough customer base to sell 25 digital subscriptions a month and maintain 100 monthly subscribers. We anticipate that our best case sales scenario for lesson services and products in FY2017 will reflect our expected revenue in FY2019. We anticipate that book sales will drop slightly as a result of the online component.

Sensitivity Analysis: Products

Guitarclimb
FY 17

WORST			
Product	Qty	Price (hr)	Week
Book	0	\$ 25	\$ -
E-Book	1	\$ 15	\$ 15
Student Rate	1	\$ 10	\$ 10
Weekly Total	2	\$ 49.98	\$ 24.99
Monthly Total	8	\$ 49.98	\$ 99.96

EXPECTED			
Service	Qty	Price (hr)	Week
Book	2	\$ 25	\$ 50
E-Book	3	\$ 15	\$ 45
Student Rate	1	\$ 10	\$ 10
Weekly Total	6	\$ 49.98	\$ 104.95
Monthly Total	24	\$ 49.98	\$ 419.80

BEST			
Service	Qty	Price (hr)	Week
Book	8	\$ 25	\$ 200
E-Book	15	\$ 15	\$ 225
Student Rate	2	\$ 10	\$ 20
Weekly Total	25	\$ 49.98	\$ 444.77
Monthly Total	100	\$ 49.98	\$ 1,779.08

Sensitivity Analysis including Online Component

Guitarclimb

FY 19

EXPECTED		
Service	Qty	Price
Subscription	100	\$ 13
Digital Courses	25	\$ 15
Book	25	\$ 24.99
E-Book	25	\$ 14.99
Ind Lessons	50	\$ 45.00
Group Lessons	12	\$ 80.00
Monthly Total		\$ 5,883.25

WORST		
Product	Qty	Price
Subscription	15	\$ 13
Digital Courses	5	\$ 15
Book	10	\$ 24.99
E-Book	10	\$ 14.99
Ind Lessons	20	\$ 45.00
Group Lessons	8	\$ 60.00
Monthly Total		\$ 2,049.60

BEST		
Service	Qty	Price
Subscription	300	\$ 13
Digital Courses	100	\$ 15
Book	50	\$ 24.99
E-Book	50	\$ 14.99
Ind Lessons	60	\$ 45.00
Group Lessons	16	\$ 80.00
Monthly Total		\$ 11,375.00

START-UP EXPENSES

Our start-up expenses include items from the marketing budget as well as instrument, office and software expenses. Our physical teaching space is at Harmony Roadhouse Studios where we pay a monthly fee based on the amount of hours we teach a week. Currently we pay \$105 for 4 hours of studio time a month, but we anticipate that the rate will increase to \$210 a month when we secure 10 hours of students a week. \$210 is included in the initial start up costs. Travel includes expenses incurred from distributing marketing materials throughout the Willamette valley.

Startup Expenses

Guitarclimb

FY 17

Marketing	\$ 300
Consulting	\$ 3,000
Computer	\$ 2,000
Guitar	\$ 400
Camera	\$ 1,000
Printer	\$ 500
Rent	\$ 210
Recording Equipment	\$ 2,500
Travel	\$ 500
Total Startup Expenses	\$ 10,410

PROFIT AND LOSS STATEMENTS (3 YEAR PROJECTION)

Other than our expenses, which are essentially fixed and mildly fluctuate depending on the number of students we have, it is difficult to project the amount of revenue we will earn each month and how much our revenue will increase over time. The revenue projections here are extremely conservative and fall between are worst and expected sales forecasts over the next three years. As our revenue increases, the only substantial expenses we will incur are rent (our studio at Harmony Roadhouse is rented per hour) and travel. As we develop more experience in digital marketing, our book sales should be substantially more than projected.

Profit and Loss Projection (12 Months)

Guitarclimb

FY 2017

	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	YEARLY
--	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Revenue (Sales)	720	720	900	900	900	720	720	1,080	1,080	1,260	1,260	1,260	11,520
Ind Lessons	720	720	900	900	900	720	720	1,080	1,080	1,260	1,260	1,260	11,520
Grp Lessons	0	0	120	240	240	120	360	480	480	480	480	480	3,480
Mthd_E book	0	45	120	150	150	165	120	120	150	165	180	180	1,545
Method_Pbk	0	25	75	100	125	200	25	50	100	150	175	200	1,225
Total Revenue (Sales)	720	790	1,215	1,390	1,415	1,205	1,225	1,730	1,810	2,055	2,095	2,120	17,770

Cost of Sales

Dgtl Transactions		2	4	5	5	5	4	4	5	5	6	6	51
Shipping costs		6	18	24	30	48	6	12	24	36	42	48	294
Publishing Costs		6	18	24	30	48	6	12	24	36	42	48	294
Materials	10	10	10	10	10	10	10	10	10	10	10	10	120
Total Cost of Sales	10	24	50	63	75	111	26	38	63	87	100	112	759

Gross Profit	710	766	1,165	1,327	1,340	1,094	1,199	1,692	1,747	1,968	1,995	2,008	17,011
---------------------	------------	------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	---------------

Expenses

Supplies (office and operating)	50	50	50	50	50	50	50	50	50	50	50	50	600
Repairs and maintenance	25	25	25	25	25	25	25	25	25	25	25	25	300
Advertising	50	50	50	50	50	50	50	50	50	50	50	50	600
Car, delivery and travel	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Rent	150	150	250	250	250	250	300	300	300	350	350	350	3,250
Telephone	50	50	50	50	50	50	50	50	50	50	50	50	600
Insurance	50	50	50	50	50	50	50	50	50	50	50	50	600
Utilities	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Consulting	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Squarespace	30	30	30	30	30	30	30	30	30	30	30	30	360
Creative Cloud	40	40	40	40	40	40	40	40	40	40	40	40	480
Total Expenses	895	895	995	995	995	995	1,045	1,045	1,045	1,095	1,095	1,095	12,190

PROJECTED BALANCE SHEET

We have limited assets as we enter the first year of business; \$2,000 cash and \$6,000 of musical instruments and equipment. Luckily our liabilities are low and include \$300 in rent and marketing costs via accounts payable. After our first fiscal year of business we will update this balance sheet to reflect our actual financial position.

Balance Sheet (Projected)

Guitarclimb

	Beginning	Projected
	7/1/17	7/1/18
ASSETS		
<u>Current Assets</u>		
Cash in bank	\$ 2,000	\$ 3,000
Accounts receivable	-	1,000
Inventory	100	500
Prepaid expenses	100	100
Other current assets	-	-
Total Current Assets	\$ 2,200	\$ 4,600
<u>Fixed Assets</u>		
Instruments and Equipment	\$ 6,000	\$ 6,000
Car		\$ 15,000
Total Fixed Assets (net of depreciation)	\$ 6,000	\$ 6,000
<u>Other Assets</u>		
Intangibles	\$ -	\$ -
Deposits	-	-
Goodwill	-	-
Other	-	-
Total Other Assets	\$ -	\$ -
Total Assets	\$ 8,200	\$ 10,600
LIABILITIES		
<u>Current Liabilities</u>		
Accounts payable	\$ 300	\$ 300
Interest payable	-	-
Taxes payable	-	-
Notes, short-term (due within 12 months)	-	-
Current part, long-term debt	-	-
Other current liabilities	-	-
Total Current Liabilities	\$ 300	\$ 300
<u>Long-term Debt</u>		
Bank loans payable	\$ -	\$ -
Notes payable to stockholders	-	-
LESS: Short-term portion	-	-
Other long term debt	-	-
Total Long-term Debt	\$ -	\$ -
Total Liabilities	\$ 300	\$ 300
Net Assets	7,900	10,300

Breakeven Analysis

GuitarClimb

Cost Description	Fixed Costs (\$)
Variable Costs	
Cost of Goods Sold	\$ 759
Inventory	\$ 6,000
Raw Materials	
Direct Labor (Includes Payroll Taxes)	\$ 5,000
Fixed Costs	
Salaries (includes payroll taxes)	\$ -
Supplies	\$ 600
Repairs & maintenance	\$ 300
Advertising	\$ 600
Car, delivery and travel	\$ 1,200
Rent	\$ 3,250
Telephone	\$ 600
Utilities	\$ 1,200
Consulting	\$ 3,000
Insurance	\$ 600
Total Fixed Costs	\$ 10,750
Breakeven Sales level =	10750

APPENDIX

- a.) Founder/Ceo Resume
- b.) Business Card
- c.) Flyer
- d.) Brochure
- e.) T-Shirt
- f.) Cover of Method Book
- g.) Website Pictures: Homepage and Services



SUMMARY

A dynamic entrepreneur with strong interpersonal skills and an astute attention to detail. Particularly passionate about connecting with diverse populations and inspiring student success.

SOFTWARE COMPETENCIES

- Microsoft Office
- Digital Audio Workstations (ProTools)
- Adobe Creative Suite
- Squarespace

PROFESSIONAL EXPERIENCE

Founder/CEO

Guitarclimb, October 2016 - Current

- CEO of a music lessons business serving the Willamette Valley and based in Eugene, Oregon
- Published a guitar method book, *Learning the Guitar, A Holistic Approach*, for beginning and intermediate students.
- Designs and maintains website (www.guitarclimb.com) and implements digital marketing practices.

Music Instructor, Guitar and Bass

John G. Shedd Institute for the Arts, September 2015 - September 2016

- Taught a weekly guitar class to students at Agnes Stewart Middle School as a part of the *Music Matters* grant.
- Taught individual and group guitar lessons to a diverse population of students.

Guitar Coordinator

Orange County School of the Arts, January 2015 - June 2015

- Managed a team of seven instructors and directed a music conservatory of 70 students from grades 7 - 12.
- Designed curriculum for the guitar conservatory which culminated in the addition of 30 new courses.
- Regularly scheduled and conducted staff, parent and faculty meetings.

Navy Musician, Public Relations

United States Navy Band, November 2008 - November 2014

- Regularly communicated the mission of the Navy through radio and television broadcasts, press releases, and social media.
- Conducted clinics to students in high schools, community colleges and universities throughout the United States.
- Performed for high level dignitaries such as the Secretary of Defense and President Obama.

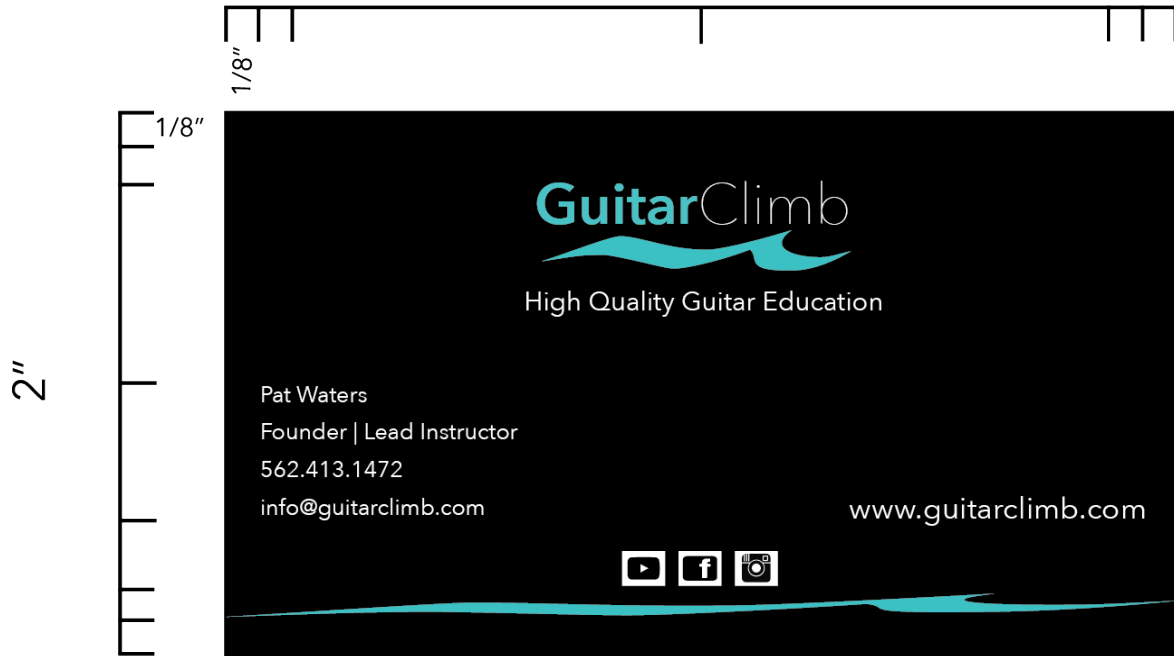
EDUCATION

M.S. in Arts Management
University of Oregon
Graduation: June 2017

M.M. in Music Performance
Austin Peay State University
June 2008

B.M. in Music Performance
East Carolina University
June 2005

3 1/2"



Guitar Lessons

All Styles and Abilities



Electric

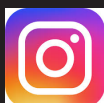


Acoustic

At Our Place or Yours.



High Quality Guitar Education



info@guitarclimb.com

562.413.1472

www.guitarclimb.com

GuitarClimb
High Quality Guitar Education

All Ages, Styles and Abilities

Serving the Willamette Valley from
Cottage Grove to Salem

www.guitarclimb.com

562.413.1472
info@guitarclimb.com

GuitarClimb
High Quality Guitar Education

Pricing

** All Lessons Last 1 Hour **

Private Lessons

South Eugene Location _____	\$45
5 Mile Radius of U of O _____	\$45
Student's Residence _____	\$55

Group Lessons

Base (Up to 4 students) _____	\$70
• \$17.50 per student	
5 students _____	\$80
• \$16 per student	
6 students _____	\$85
• \$15 per student	
7 students _____	\$91
• \$13 per student	
8-10 students _____	\$100
• \$12.50 (8 students)	
• \$11.25 (9 students)	
• \$10 (10 students)	

** All students are billed an additional \$15 on the first lesson to cover the cost of the method book (market price \$49) and other supplemental materials.*

www.guitarclimb.com

562.413.1472
info@guitarclimb.com



Our Philosophy

At Guitarclimb we view learning the guitar as a vehicle that unlocks the larger world of creative expression and communication. This perspective guides our teaching, as students are taught not only the mechanics of guitar playing; they more importantly develop skills that allow for creativity and musicianship to flourish.



We pride ourselves in developing meaningful relationships with each and every student and maintain open lines of communication to ensure that the student learns in an environment that optimally encourages their creative growth. We welcome all walks of life and all types of music lovers.

Guitar Climb ignites creativity and strengthens community by providing high-quality guitar education for all walks of life.



Private and Group Lessons

At Our Place or Yours

Lessons cover a wide variety of topics and are customized for each student. Teachers are available at our studio in South Eugene or at your private residence. Guitarclimb's method book, *Learning the Guitar: A Holistic Approach*, is used to reinforce concepts learned in the lessons and is provided at a highly discounted rate for students enrolled in weekly lessons. Other resources included with lesson tuition include song transcriptions, lesson plans, chord and scale charts.

Learn with a friend or family member for no additional cost!





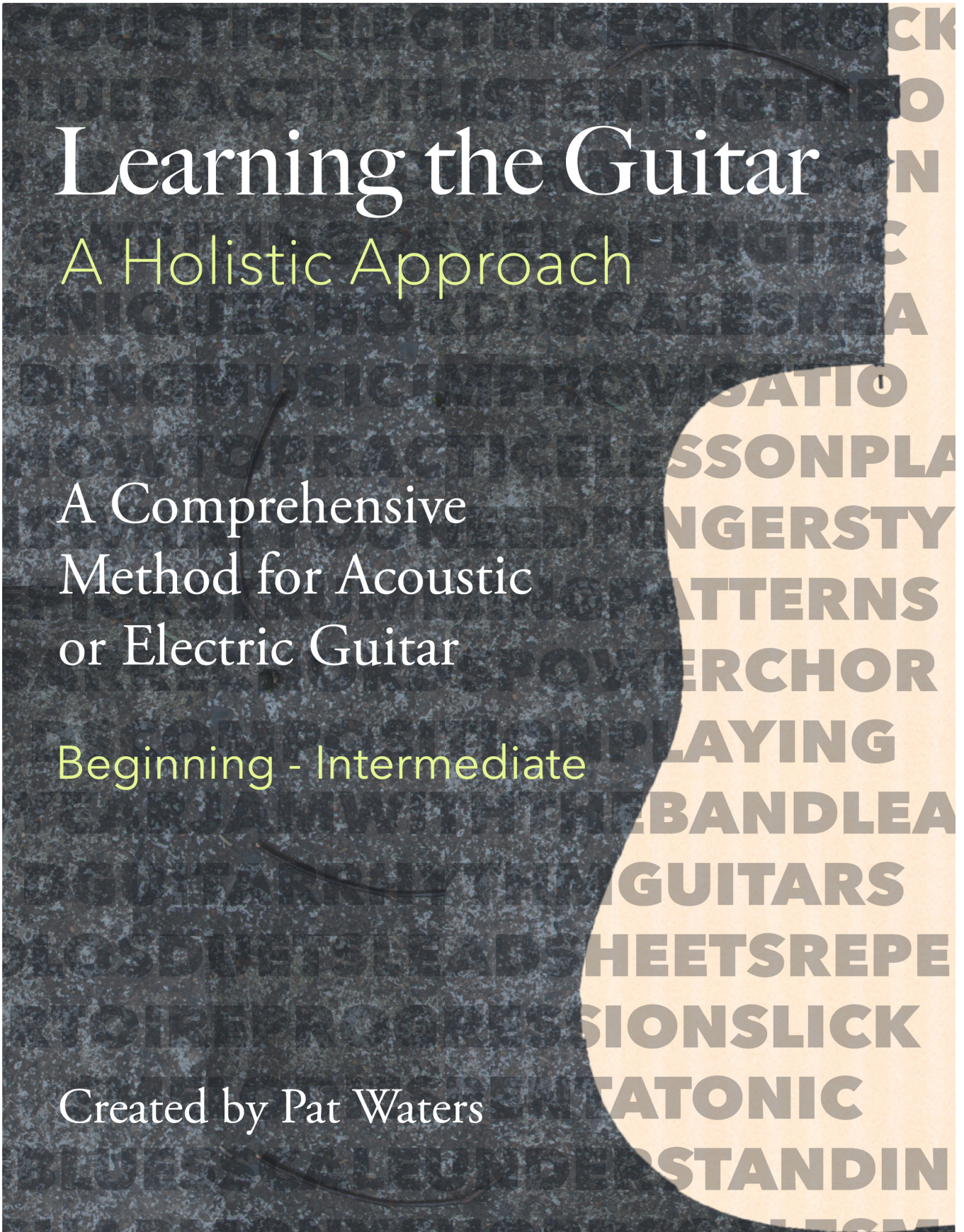
Learning the Guitar

A Holistic Approach

A Comprehensive
Method for Acoustic
or Electric Guitar

Beginning - Intermediate

Created by Pat Waters





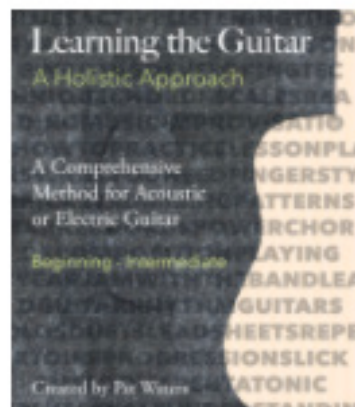
[Home](#) [About](#) [Services](#) [Media](#) [Shop](#) [Contact](#)



Absolute Beginner to Aspiring Pro

If you're interested in getting better on the guitar then you have come to the right place. Whether you are just getting started or have been playing for years Guitarclimb can help. We offer group and private instruction throughout the Willamette Valley and beyond including Eugene, Springfield, Corvallis, Salem, Cottage Grove and the Oregon Coast.

Not in Oregon? That's ok, we have a number of



[LEARN MORE](#)



- Home
- About
- Services
- Media
- Shop
- Contact

Individual Instruction

Lessons cover a wide variety of topics and are customized for each student. Guitarclimb's method book, *Learning the Guitar: A Holistic Approach*, is used to reinforce concepts learned in the lessons and is provided at a highly discounted rate for students enrolled in weekly lessons. Other resources included with lesson tuition include song transcriptions, lesson plans, chord and scale charts.

Learn with a friend or family member

Learning the guitar, especially at first, is challenging. There are lots of resources available on our website and social media pages that will reinforce what you learn in the lessons. learn the guitar with a friend or family member. We so strongly encourage this collaboration that there is no additional charge for a friend or family member to learn guitar with you in the lessons.



Photo by PeopleImages/iStock / Getty Images

At our place or yours



Aside from our location at Harmony Roadhouse Studios in South Eugene, we are also available to work with you at your residence. The process is simple.

End of Business Plan

Closing Thoughts: Research and Implementation

The research gathered and synthesized in the literature review, and further explored in the comparative case study has informed the guiding principles of my start-up guitar lessons business, Guitarcimb. This process has led me to understand the importance of community both inside and apart from the digital world. From my current perspective the ability to foster a sense of community will be crucial to the success of my business.

Perhaps the most critical skill set I have developed throughout this research project is the ability to approach a topic from different angles. By dividing this project into two sections, context and development, I drew a necessary distinction between my role as a researcher and my role as an entrepreneur. While these two roles are undoubtedly interconnected, I've found immense value in learning how to analyze and interpret data objectively, and then convey the information gained into an implementable idea. As I continue down the path of a small business owner and entrepreneur the ability to recognize and mitigate my own personal bias will help me to navigate the challenges ahead.

I foresee my role as researcher remaining constant in my entrepreneurial pursuits particularly in the area of market research. Digital trends and innovations fluctuate with such rapidity that I will have to remain consistent in understanding the context from which I develop and market my products and services. I predict that the success of my business will depend on how effectively I am able to understand, negotiate and contribute to shifting societal trends.

REFERENCES

- Adkins, S. (2016). The 2016-2021 worldwide self-paced eLearning market: The global eLearning market is in steep decline [Report]. Monroe, WA. Ambient Insight.
- Borg, B. (2014). *Music marketing for the diy musician: Creating and executing a plan of attack on a low budget*. Milwaukee, WI: Hal Leonard
- Bueno, B. & Jeffrey, S. (2013 October 10). 52 types of marketing strategies (blog). Retrieved from <http://cultbranding.com/ceo/52-types-of-marketing-strategies/>
- Cayari, C. (2011). The YouTube effect: how YouTube has provided new ways to Consume, create and share music. *International Journal of Education and the Arts*, 12(6), 1-30.
- Chang, W. J., & Wyszomirski, M. (2015). What is arts entrepreneurship? Tracking the development of its definition in scholarly journals. *Artivate: A Journal of Entrepreneurship in the Arts*, 4(2). Retrieved from <http://hidalamp01.hida.asu.edu/index.php/artivate/article/view/94>
- Creswell, J. W. (2014). *Research design: Qualitative, quantitative, and mixed methods approaches* (4th ed.). Thousand Oaks, CA: Sage Publications.
- Drumeo [Online case study]. (2017). Retrieved from <https://www.drumeo.com>.
- Educational website business plan: One week at a time. (2017, February 21). Retrieved from http://www.bplans.com/educational_website_business_plan/executive_summary_fc.php
- Four best websites for online guitar lessons. (2015, September 8). Retrieved from <http://equipboard.com/posts/online-guitar-lessons>.
- Gilham, B. (2010). *Case study research methods*. London: Continuum.
- Grenfell, J. (2012). Immersive interfaces for art education teaching and learning in virtual and real world learning environments. *Procedia-Social and Behavioral Sciences*, 93, 1198-1211. Retrieved from www.sciencedirect.com.

- GuitarTricks [Online case study]. (2017). Retrieved from <https://www.guitartricks.com>.
- Hauge, A., Hracs, B., & Jakon, D. (2013). Standing out in the crowd: the rise of exclusivity-based strategies to compete in the contemporary marketplace. *Environment and Planning*, 45, 1144-1161. Retrieved from <http://epn.sagepub.com/content/45/5/1144>
- Jenkins, H., Purushotma, R., Clinton, K., Weigel, M., & Robison, A. (2006). *Confronting the challenges of participatory culture: Media education for the 21st century*. Chicago, Illinois: The MacArthur Foundation. Retrieved from http://www.mktgmedia.com/wpcontent/uploads/2013/09/Participatory_Culture-challenges_NMLwhitepaper.pdf
- Kingsley, T.L. & Grabner-Hagen, M.M. (2015). Gamification. *Journal of Adolescent & Adult Literacy*, 59(1), 51–61. doi: 10.1002/jaal.426.
- Kim, B. (2015). Understanding gamification. *Library Technology Reports*, 51(2), 11-16.
- McLuhan, M. (1964). *The medium is the message. Understanding Media: The extensions of man*. Cambridge, MA: MIT Press
- Millar, M. (2007). The Future of Music Careers. *College Music Society*, 49/50, 54-58. Retrieved from <http://www.jstor.org/stable/41225230>
- Ogden, D., Ogden, J., & Long, K. (2011). Music marketing: a history and landscape. *Journal of Retailing and Consumer Services*, 18, 120-125. Retrieved from <http://www.sciencedirect.com/science/article/pii/S0969698910001190>
- O’Leary, Z. (2014). *The essential guide to doing your research project* (2nd ed.). Thousand Oaks, CA: Sage.
- Oregon Arts Commission. (2016). *Oregon Arts Education Snapshot* [Report]. Portland, OR: Author.

- National Endowment for the Arts. (2015). *Surprising findings in three new NEA reports on the arts: Exploration into who participates and why, as well as the arts as an economic engine* [Summary of 2012 NEA Survey]. Washington, DC. Author.
- New London Group. (2000). A pedagogy of multiliteracies: designing social futures. In B. Cope & M. Kalantzis (Eds.), *Multiliteracies: Literacy learning and the design of social futures* (pp. 9 – 37). London, UK: Routledge.
- New Media Consortium & The Educause Learning Initiative. (2016). *NMC Horizon Report: 2016 Higher Education Edition* [Report]. Austin, Texas. Author.
- Pea, R. (1993). Practices of Distributed Intelligence and Designs for Education. In G. Salomon (ed.) *Distributed Cognitions: Psychological and Educational Considerations*, Cambridge: Cambridge University Press
- Revella, A. (2015). *Buyer personas*. Hoboken, NJ: John Wiley & Sons.
- Revoal, Seth (2017). *Digital Marketing Presentation: Revolution Design Group* [Powerpoint]. Eugene, OR: Author.
- Reis, E. (2011). *The lean startup*. New York, NY: Crown Business.
- Sample Business Plan [Instructional pdf]. (2016) Retrieved from https://c.ymcdn.com/sites/www.rockford.edu/resource/resmgr/docs_communityed/samplebusinessplan.pdf
- Scott, D. (2015). *The new rules of marketing and pr* (5th ed.). Hoboken, NJ: John Wiley & Sons.
- Strauss, S. (2012). *The small business bible: everything you need to know to succeed in your small business*. Hoboken, NJ: John Wiley & Sons
- Thickstun, K. (2012). It's all your business: marketing to millennials. *American Music Teacher*, 61(4). 1-3.
- Thwaites, T. (2014). Technology and music education in a digitized, disembodied, posthuman world. *Action, Criticism and Theory for Music Education*, 13(2), 30-49

U.S. Small Business Administration (2012). *Do economic or industry factors affect business survival?* [Report]. Washington, DC. Author.

U.S. Small Business Administration (2017). *Starting a Business* [Online training]. Retrieved from <https://www.sba.gov/starting-business>.

Zavala, A. (2011). Instances of cultural entrepreneurship. *Culturework*, 15(1), 1-6.
Retrieved from https://scholarsbank.uoregon.edu/xmlui/bitstream/handle/1794/11665/jan2011_culturework.pdf?sequence=1&isAllowed=y