

## **BUSINESS PLAN**



## **PERSONAL DATABASE SYSTEM**

Paul Bordenkircher, Owner

The Information contained in this document is proprietary  
and is not to be shared, copied, disclosed, or otherwise compromised.

December 1, 2014

## Table of Contents

<b>Executive Summary</b>	3
Description of the Company	3
Product DESCRIPTION	3
Financial Feasibility	3
<b>Product details</b>	4
History	4
Market Development	4
Features	5
<i>Catalog</i>	5
<i>Contacts</i>	5
<i>Pitches</i>	6
<b>Strategic Focus and Plan</b>	7
Objectives	7
Competitive Environment	7
Situation Analysis	7
<i>Strengths</i>	7
<i>Weaknesses</i>	7
<i>Opportunities</i>	8
<i>Threats</i>	8
Competitive Analysis	9
<b>Market Product Focus</b>	11
Marketing Objectives	11
Target Markets	11
Marketing Program	11
<i>Product</i>	11
<i>Place</i>	12
<i>Price</i>	12
<i>Promotion</i>	13

# EXECUTIVE SUMMARY

## DESCRIPTION OF THE COMPANY

Mesa Sand Ventures, LLC was founded in 2009 to provide music services for independent musicians and artists. These services include, but are not limited to: CD production, live sound, artist development, product development, public relations, marketing and other services.

## PRODUCT DESCRIPTION

SongNook is the first music technology product the company has developed. SongNook is a personal music database system for the independent songwriter to manage and organize their original song catalog. It includes specific song data such as tempo, key, time signature and genre. It also includes a contact manager to keep track of important activities involving those contacts (phone calls, song pitches, etc.) It also provides for printing of lyric sheets.

## FINANCIAL FEASIBILITY

Mesa Sand Ventures, LLC operates under very low overhead, with only one employee. Depending on the success of SongNook, we hope to develop a more extensive management system to allow independent artists, songwriters and production companies operate with the skill and efficiency of a major publisher.

Our projections in this Marketing Proposal are based on minimum levels for success, with a break even point of a couple hundred units sold. If actual sales exceed our goals, additional marketing and promotion are in development, including consideration of a physical product on CD-ROM for sale in other online stores.

Second stage development could potentially involve one of the following:

- An online version of the service, using a hosting and subscription model.
- A more extensive royalty tracking system.

# PRODUCT DETAILS

## HISTORY

As husband and wife, Paul and CJ Bordenkircher have been a creative team since they were married in Nashville, Tennessee in 1994. CJ had begun writing songs long before her move to Music City in 1992, and was clearly the one with the musical talent. Paul had recently graduated with a music degree in pursuit of a studio engineering career. During their first few years of marriage, Paul took time to teach his new wife all of the music theory he learned in school - song structure, chord progressions and more. Since then, he has been the business and technical side of the team, often engineering recording sessions and taking care of business affairs.

During their 20 years together, Paul had always struggled with a way to keep track of all the details of her original songs. With constant changes to lyrics, song titles, and doing multiple recordings for each one, it became a real problem to keep everything together. Bundles of legal pads, and later spreadsheets, didn't seem to get the job done.

Starting in 2001, Paul worked to develop a software solution that would help him manage her growing song catalog. His first version was written in an early version of Filemaker, and worked with limited success. But the software's limitations made it too difficult to expand further.

In 2008, Bento was released. A simplified, streamlined version of Filemaker for home users made the job easier, and in 2009, SongNook for Bento was born. Again, while a much improved version, Bento was discontinued by FileMaker in 2012. So the struggle began again.

Finally, after more than a dozen years in development, SongNook is here.

## MARKET DEVELOPMENT

In the last two decades, the music industry has faced a tectonic shift in the way business is done. Just 10 years ago, the iTunes Music Store did not exist. Now today, it's viewing its own extinction as streaming services have pushed to the forefront.

The continued evolution of Internet-based services have created tremendous opportunities for independent artists and songwriters to write, record, promote and sell their music. But with this increased shift away from physical product, and into a digital age of instant deliveries, perfect digital copies, and myriad opportunities for revenues won and lost, the accurate tracking of individual song catalogs has become more critical than ever. Songs now have instrumental ver-

sions, minus-one mixes, remixes, edits and many more. And each one of those can have a UPC code, ISRC code, work ID numbers. In a world of intangible property and virtual expression, you can only get paid if you can *prove* the song belongs to you!

SongNook allows independent songwriters and artists to keep tabs on all these details and more. Multiple recorded versions, registration codes and more can be maintained for each work. And to take it one step further, it gives them the power to track opportunities to pitch songs for recording artists, film and television, commercials and more - as well as the people connected to each opportunity.

## FEATURES

Using the powerful new features available in FileMaker 13, SongNook has now flourished into a full-featured song publishing administration solution. It allows new and growing songwriters to fully manage all their important creative and legal details concerning their original song catalog. It consists of three major sections:

### Catalog

Tracks the specific details for each song. Stores important legal info like songwriter and publisher credits, creation date and first publish date, and primary genres. Tabs include:

**Media:** This tab allows storage of each recorded version of a particular song, tracking details such as tempo, key, running time, instrumentation, and “sound like” tags. Also includes credits for engineers and performers.

**Lyrics:** Keep the official lyrics close by. Includes a lyrics page for printing.

**Notes & Registrations:** Logs important data such as registrations with the US Copyright Office, performing rights organization or other data related to legal protection.

**Pitches:** Tracks each time a song is pitched to an Opportunity

### Contacts

The phrase “it’s who you know” has never been more true than in the music industry. This section allows you to store and accurately manage these critical relationships. Tabs include

**Contact Info:** Extensive details include multiple phone, email, websites and more.

**Pitches & Contact History:** Links each contact to their related pitch opportunities, plus any other meetings, phone calls, etc.

**Catalog Details:** Each contact usually represents more than one song catalog or company. This tab stores data on each catalog's specific details - exclusive vs. non-exclusive, contract length, payment schedules and more.

## Pitches

Songs don't get placed unless they're pitched. This section logs all the details related to a specific opportunity - a TV show, commercial, or CD project. Tabs include:

**Songs:** This tab tracks each song included in each pitch - including which specific recorded version of each.

**Contact & Activity:** Shows the contact linked to the opportunity, plus any phone calls, emails, etc. related to that pitch.

**Contracts & Docs:** We've got to assume you will succeed once in a while! This area digitally stores any contracts or other documents related to a successful pitch.

# STRATEGIC FOCUS AND PLAN

## OBJECTIVES

The purpose of this marketing plan is to develop a successful campaign to promote the new SongNook software to independent songwriters and other independent publishers. We anticipate sales of no less than 1,000 units the first 12 months of release.

## COMPETITIVE ENVIRONMENT

Perhaps the most surprising thing about SongNook is: there is no direct competition. In our research, we have been unable to find a direct competitor in this category. We have found it extremely difficult to find any competitors in our price tier and feature set. **MasterWriter** could be perceived as a competitor, but since its focus is entirely creative and contains no contact or activity management functions, SongNook really falls into a different category.

## SITUATION ANALYSIS

### Strengths

The primary strengths of this product are: low cost, functionality and ease of use. As a download-only product in the first phase, the only primary expense is software development. Distribution expenses will be near zero, as our web hosting expenses will include bandwidth charges.

In addition, the low operating expenses of the company as an web-based business allow us to operate without requiring extensive cash reserves.

### Weaknesses

The primary weakness of SongNook do not lie with the product itself, but with the company. As an LLC with one active employee, Mesa Sand Ventures, LLC runs the risk of too much success, with the inability to support high volumes of sales or support calls. This will partly be overcome by a user manual incorporated into the download package.

If sales volumes allow, the principal of the company will work full-time in the business to manage daily support calls and sales questions.

## Opportunities

The opportunity of SongNook is simply tremendous. With the advent of the internet and home recording technologies, more independent artists than ever are getting their music out to the masses. And the dirty little secret of the music business is this: the money's all in the publishing. By creating an easy-to-use and inexpensive interface for songwriters to track and promote their music, they dramatically increase their chances of become a self-sustaining artist in a very difficult industry.

In addition, the mailing list compiled from the sales of SongNook may be valuable to other entities with the same demographic needs.

## Threats

1. The primary threat in the development of SongNook is the ability for other companies to steal the idea and develop inexpensive solutions of their own.
2. The second threat would be competitors that would offer additional modules, such as song-writing tools, for the same or slightly higher price.
3. The third threat is that since SongNook is essentially an "unlocked" solution, allowing users to tweak and customize the interface further. It's also possible for users to "share" their own customized solutions with peers through places like BentoExchange.com, without directly purchasing through us. We will attempt to address this problem with a license agreement that precludes them from unauthorized sharing of the solution or customized versions.

Our primary advantage is to be the first to market with an inexpensive turnkey product like this and build brand identity. Then in the second phase, we build a more robust product with registration features to eliminate the sharing problem.

## COMPETITIVE ANALYSIS

In our extensive research, we have found the following potential competitors:

**Song Tracker Pro** — by Klenko Music Group ([www.songtracker.com/software.htm](http://www.songtracker.com/software.htm)).

SongTracker appears to be a similar solution to SongNook, also built on a FileMaker platform. It originally came out more than 10 years ago, and was recently updated for FM Pro 13.

Primarily, it suffers from lack of visual appeal - it clearly looks like it was built a dozen years ago on a much older FileMaker Pro version, and has simply been updated for FM Pro 13.

Secondly, it is more fully developed as a solution to track royalties and payouts. SongNook does not attempt to delve into this area, but focuses more on original song catalog and pitches, at a much lower price point.

**SongSplits** (SongSplits.com)

SongSplits is a newcomer, as it's still in beta at this writing. Its primary design is a web-based system to track ownership of original songs, and coordinate it between songwriters.

However, it does not track actual song recordings, or any additional data. It has no contact management system, except for linking with other songwriters.

While it will certainly be necessary to keep an eye on its development, SongSplits is too limited in functionality at this point to compete with SongNook.

**Music Maestro** by CounterPoint Software (CounterP.com)

From the company website:

*Music Maestro is the world's most comprehensive administration software package for music publishers. Much more than a simply royalties software solution, its modular framework allows you to build a personalized system that will fundamentally improve your business.*

While clearly a comprehensive solution, and an aggressive competitor to more robust solutions, Music Maestro is a mismatch for our market for these reasons.

1. **Too feature-rich.** Our market is the individual songwriter who has yet to achieve large-scale success with their music. Music Maestro is built as a multi-user system to manage

large catalogs containing tens of thousands of songs. It's simply more than our target market will need.

2. **Price.** At a base price of \$13,995, Music Maestro is simply too expensive for anyone except songwriters who have already generated a significant level of success. And writers of this type would probably already have software of this type, or have secured a publishing agreement with a company to handle these details.

# MARKET PRODUCT FOCUS

## MARKETING OBJECTIVES

The primary objectives of marketing for the SongNook software for the first 12-month period are:

- To generate exposure of SongNook to at least 50,000 independent artists and songwriters.
- To procure product reviews in at least 10 print music magazines like American Songwriter.
- To procure product reviews in at least 20 online music portals like Indie-Music.com.
- To generate sales of at least 1,000 units.

## TARGET MARKETS

The primary target market for SongNook is the independent songwriter or artist who wishes to pitch his/her music to other companies for placement on CD projects, film and TV, or as an artist themselves. Secondary markets would be for artist managers, small publishers and/or labels and production companies also wishing to pitch songs to other entities.

## MARKETING PROGRAM

### Product

By creating a powerful, yet simple and inexpensive database system, SongNook hopes to capture the market for independent songwriters. The product will have three versions:

- A runtime version, which does not require the user to own FileMaker. This is a major cost savings to the end user; however, the system is limited to one user, and is fully locked so it cannot be modified.
- A locked FileMaker Pro version. Users who already have FileMaker, or wish to use it with FileMaker server, will tend to opt for this version. The user will still be unable to modify it.
- An unlocked version. This would allow customization of the SongNook solution beyond its current capabilities.

As the success of the software grows, future versions of SongNook could involve an online version, allowing multiple users and security via logins and data backups as part of a subscriber model.

**Place**

In order to keep production expenses to a minimum, SongNook software will initially be distributed via the web only, through online downloads. If sales of SongNook are successful, second phase marketing plans may include: 1) an online version as a subscriber model; or 2) the development of physical product for distribution via music retailers, either online or at brick-and-mortar stores.

**Price**

At an aggressive price points of \$45.00 for the runtime version, \$100.00 for the locked Filemaker version, and \$350.00 for the unlocked version, SongNook is meant to be a highly valuable product for even the beginning songwriter. Below is included a very brief income and expense analysis to show the potential profitability at these goals. With a break-even point of less than 400 units, SongNook will quickly become a high-profit item for the company and its partners. This will also allow us to offer deep discounts to retailers once we've exceeded the break-even point.

Item	Description	Expense	Income
Sales	500x SongNook runtime @ \$95.00 ea		\$47,500
	500x FileMaker Pro (locked version) @ \$150.00 ea		75,000
	100x of FileMaker Pro (unlocked) @ \$350.00 ea		35,000
Development & Web Hosting	Integrated web sales portal and support site for customers	\$10,000	
Crowdfunding Campaign	Market testing and crowd funding through IndieGogo or similar	10,000	
Advertising	Targeted advertising to the most popular independent artist and songwriter websites (i.e., Broadjam, ReverbNation, Indie-Music)	5,000	

Item	Description	Expense	Income
Promotion & PR	Product review and pitches to magazines with independent music audiences (i.e., Performing Songwriter, American Songwriter, Recording, etc.)	5,000	
Total Expenses		\$30,000	
Total Income			\$157,500
<b>Net Profit</b>			<b>\$127,500</b>

**Promotion**

We believe the most cost-effective method of promotion will be a three-pronged approach:

1. **Crowdfunding.** Sites like Kickstarter and IndieGogo have become a great source of test marketing and funding for new business startups. We believe this will give us a great opportunity to put our toes into the market without significant risk of loss. A well-executed crowd funding campaign can potentially far exceed our sales expectations.
2. **Product Reviews.** Subscribers trust the reviews of major online and print publications like Electronic Musician, Recording, EQ and ArtistPro. By soliciting reviews of our SongNook, we garner the ability to reach thousands more with our solution. Some examples include:
  - **American Songwriter**  
Published bimonthly. Subscriber base 16,000. Pass-along readership: 48,000 - 60,000.
  - **EQ, Electronic Musician, Recording, M Music & Musicians, Music Connection**  
Magazines for independent artists, producers and industry people. Includes website.
3. **Targeted web advertising.** A handful of websites are home to literally tens of thousands of potential customers. Band website platforms, independent musician communities - even online music stores - have our key demographics on their sites. By selectively targeting advertising at these sites, our reach expands dramatically.
  - **Broadjam**  
Subscriber base 80,000. Unique monthly visitors: 279,000. Average monthly page views: 14 million.

- **Independent Songwriter.com**

Website, radio and TV program and podcast.

- **Indie-music.com**

Web subscribers: 7,000. Newsletter subscribers: 14,000. Average monthly hits: 3 million.