

PLACE Records

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presented

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Business Description

The PLACE Records collective was founded in 2006 by local musicians and entrepreneurs Dan Kaunisviita and Michael Johnson. After participating in numerous failed musical experiments, the duo found that most of their projects, as well as those of others in the local community, had hit a sort of glass ceiling – the music could be poignant and fulfilling, but it was near impossible to access the resources and devote the time to proper promotion and marketing in order for it to reach as many ears as possible. Soon, the two collaborated – Johnson, a web designer by trade, and Kaunisviita, an experienced local concert promoter, started a website to distribute local music digitally called PLACEmachine.com.

The PLACE concept quickly gained steam and drew interest from many Ottawa-area artists struggling on their own. PLACE selected a number of local artist whom they would actively ‘represent’ – free of the contractual obligations usually placed upon emerging acts by large recording conglomerates. Instead, the firm acted more as a service provider than a proprietor of intellectual property. The services offered to artists on its roster, as well as those independently seeking support, include:

- Professional booking agent representation
- Tour administration and logistical support
- CD recording and distributive resources
- Eco-friendly packaging, design and distribution
- Web domain, server space, design, and administration
- Promotional materials design, distribution
- Press releases

PLACE began with a single act under its administration in 2007, and currently represents 12 musical acts across 3 cities in Ontario and Quebec. In 2008, it merged with the Quebec, BC, and Ontario-based arts collective Meat Parade, adding approximately six more promoters in four cities to its roster. PLACE now acts as the booking agent for two entire venues in Ottawa, and two more in Gatineau, Quebec, and holds over 5 events monthly, more than any other active promoter in the city.

In addition to its services as a concert promoter and booking agent, PLACE has devoted a great amount of its resources to expanding its catalogue of releases. PLACE is able to connect its artists with experienced recording studios at reduced rates due to volume agreements, as well

as provide professional audio mastering and post-production free of cost to the artist through an in-house technician.

After production of the music is complete, PLACE's real creativity begins to emerge. Packaging for CDs and releases are offered in PLACE's unique eco-friendly format; a card cutout with full album art, its folding design allows for traditional plastic to be replaced with biodegradable materials compliant with the firm's "green" mandate (they also employ 300% green-certified web hosting).

In the future, PLACE hopes to establish its own recording studio to offer to its artists free of charge, and to emerging independent talent at vastly reduced rates.

Johnson likens his vision of the role of PLACE as a service provider to independent musicians, for musicians, by musicians. Much like the average Canadian knows very little about money and financial planning, the average musician, while able to perform a C-minor pentatonic Phrygian scale without even thinking, has no idea how to get people to hear it and make a name. After so many failed endeavours, the founders of the collective know full well of the importance of proper publicity, representation and exposure. In many ways, PLACE can be seen as a financial planner for musicians – with a greater emphasis on resource allocation and customized solutions on a budget, than making your RRSP's work harder for you.

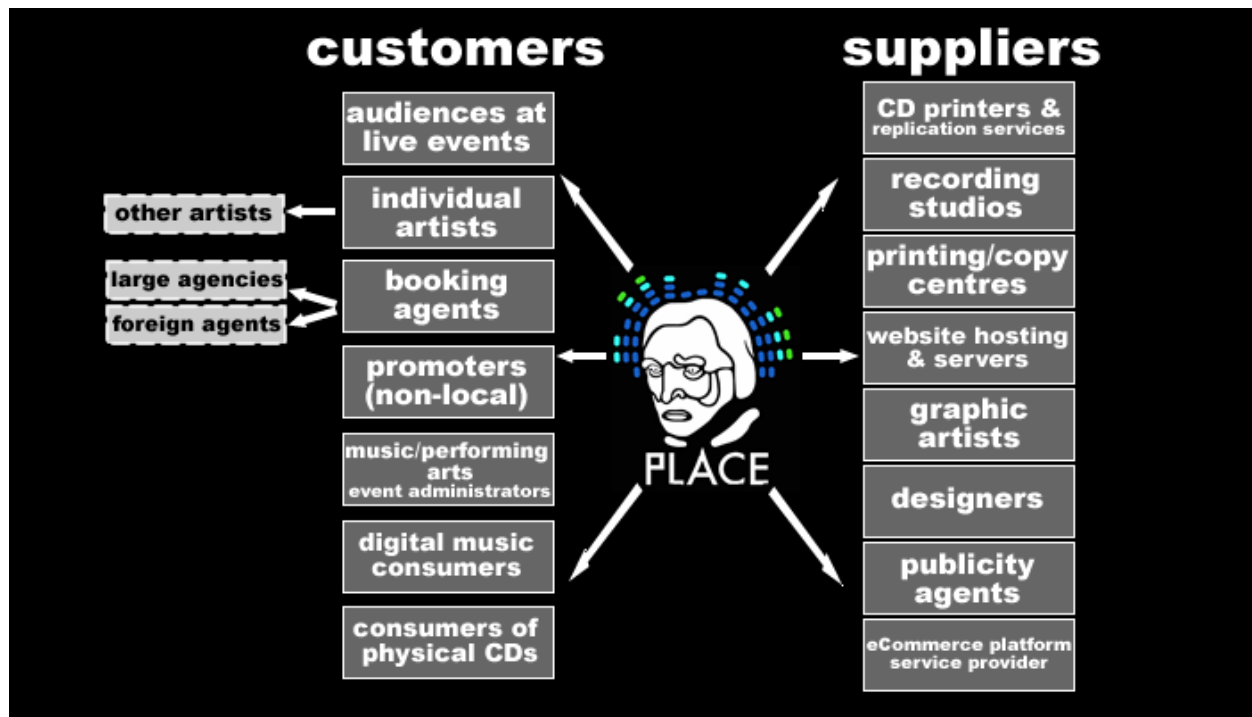
Mission Statement

PLACE is a collective of creators, a new voice amongst the endless chatter of technological cluelessness and so-called overnight successes.

Our current focus as a record label has kept us busy throwing shows, booking tours, and bringing together fantastic artists and musicians from Ottawa, Toronto, and Montreal.

We are just creative people who want to share our efforts with as many people as possible.

Operational Ecosystem



Type of Business: Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures

Average ECQ Score: 78

Guerrilla Marketing Test Score: 87

Business Model Test Score: 85

Marketing

PLACE uses a wide variety of guerrilla marketing techniques to differentiate itself from other promoters in the city.

- **Event Sponsorship:** through providing moderators for events related to music, or simply contributing a small amount of cash to have their logo printed for free on thousands on posters.
- **Partnerships:** PLACE extends its brand to artists and arts-based small local businesses, often acting as a web design service or server using their inexpensive web resources.

ADM3396: Business Model Competition

- **Handbills:** street teams will ambush audiences entering and leaving related events with literature related to upcoming PLACE shows and releases.
- **Program Inserts:** PLACE partners with many local venues, and in exchange will have an advert for one or many upcoming shows placed in programs.
- **Message Boards:** PLACE's members and volunteers are members of many arts-related online message boards, and will often flood them with positive publicity or 'buzz' in the case of an upcoming or recent event.
- **Post-Its:** PLACE prints custom post-its at a fraction of the cost and leaves them EVERYWHERE - I mean everywhere. Busses, doctor's offices, in books at the library, everywhere!
- **Chalk Attack:** PLACE is chock full of visual artists, and there are no regulations on sidewalk advertising. By drawing elaborate pictures on the sidewalk with a web link, it is hard for the average pedestrian not to notice.
- **Street Teams:** volunteers who write articles about events or releases, create buzz, hang posters, distribute flyers, can usually be paid in tickets or free CDs.

Pixie Dust / Bootstrapping

PLACE's pixie dust comes from its ability to provide superior customized and personalized solutions to independent artists and promoters at a fraction of market cost. PLACE is able to achieve these savings through having over 120 years of promoter and booking agent experience on its roster. Its ability to 'think from the inside out' provides artists with promotional, media, publicity, and CD production and distribution resources previously considered unattainable. When the motivation is mutual gains and not simply contractual profit, many doors to success can be opened.

PLACE is bootstrapped through \$2500 of initial funding from its founders, as well as significant supplier discounts through centralizing orders from multiple clients into larger orders yielding improved per unit costs.

Cash Conversion Cycle

From hereon in, PLACE is referred to as 'PRESENTER' and the artist is referred to as 'ARTIST'.

t = 0

- PRESENTER contacts venue to determine availability for a specific timeframe
- PRESENTER contacts ARTIST to determine availability for a specific date
- Final date for engagement is agreed upon

t = engagement – 30 days

- PRESENTER prepares and designs promotional material for the engagement
 - Cost: \$125 (5 hours at \$25/hr)
- PRESENTER prepares press release for the engagement
 - Cost: \$25 (2 hours at \$25/hr)

t = engagement – 25 days

- PRESENTER agrees to guarantee price for ARTIST
 - Cost: \$500 (varies depending on artist contracted)
- PRESENTER prints promotional material for engagement
 - Cost: \$250

t = engagement – 21 days

- PRESENTER distributes first run of promotional material
 - Cost: \$50

t = engagement – 10 days

- PRESENTER distributes second run of promotional material
 - Cost: \$50

t = engagement

- PRESENTER receives payment from venue for door admission
 - Payment: \$950

t = throughout

- PRESENTER receives payment for advance admission
 - Payment: \$400

It takes approximately 25 days for the cash invested in materials to turn into cash.

Financial Model

Pro Forma Statement of Cash Flows for Place Records

	2009 Actual *	2010 Projected	2011 Projected
Cash Flows from Operating Activities			
Net Income	\$1,314	\$15,000	\$26,000
Changes in Working Capital			
Increase (decrease) in Accounts Receivable	n/a	\$750	-\$150
Increase (decrease) in Accrued Expenses	n/a	\$7,500	\$8,500
Increase (decrease) in Accounts Payable	n/a	\$500	\$500
Total Adjustments	\$0	\$8,750	\$8,850
Net Cash Provided by Operating Activities	\$1,314	\$16,750	\$17,850
Cash Flows from Investing Activities			
Purchase of Equipment	\$0	-\$3,500	-\$9,000
Net Cash Flows Provided by Investing Activities	\$0	-\$3,500	-\$9,000
Cash Flows from Financing Activities			
Proceeds from Increase in Independent Investment	\$5,000	\$10,000	\$0
Net Cash Flows Provided by Financing Activities	\$5,000	\$10,000	\$10,000
Increase in Cash	\$5,000	\$21,500	\$44,850
Cash and Cash Equivalents at the Beginning of the Year	\$0	\$5,000	\$9,750
cash and Cash Equivalents at the End of the Year	\$5,000	\$9,750	\$18,900

* the firm's first year of formal operation