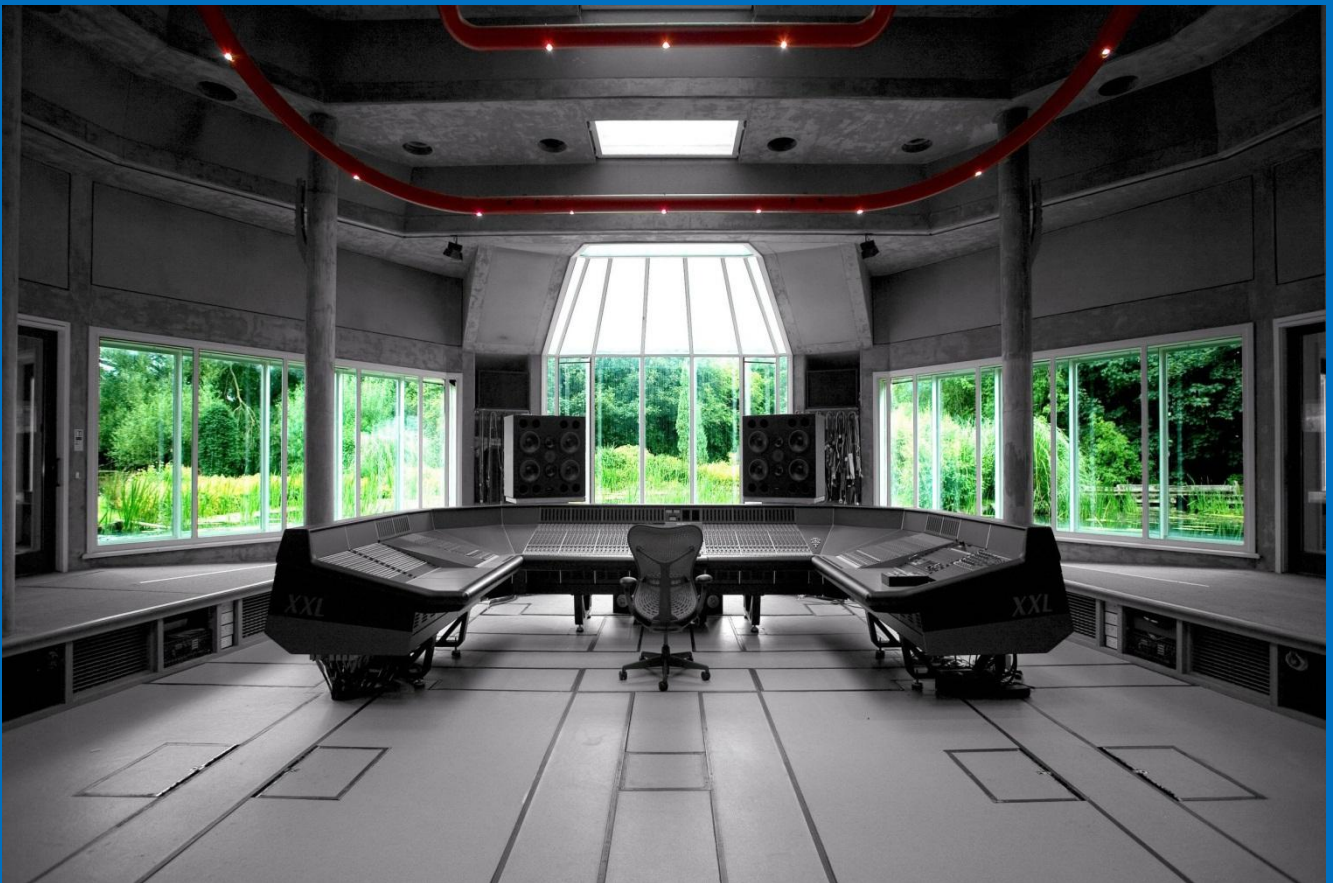


BUSINESS PLAN



Recording Studio



2014

Adaptation of this business plan is possible for similar project around the world.

Business Plan Description

Project idea: creation of recording studio «***» in Moscow, Russia.

Project audience: vocal performers and bands, professional performers, individuals (individual targets of performance recording), corporative clients (recording of firm anthem), advertising agencies.

Project equipment: the equipment of leading firms – JBL, YAMAHA, PEAVEY, K&MMACKIE, SOUNDRAFT, BEHRINGER – will be used as the sound equipment of the project.

Object location: recording studio will be located in a rented premises of ** sq. m., which will require an additional refit in connection with the necessity of sound insulation. Additional costs are accounted in the category «capital expenditures» and are included in the financial plan.

Among kinds of promotion and marketing the main means will be promotion with using Internet: social networks, contextual advertising and search engine optimization.

Project calculated period is 3 years.

Basic financial indicators of project:

Financial indicator	Units	Value
Revenue for 3 years of work	RUB	***
Necessary investment	RUB	***
NPV	RUB	***
IRR monthly	%	***
IRR annual	%	***
Payback period	months	***
Discounted payback period	months	24

Excerpts from Research

The companies of the middle class are more characteristic for Russia today. Initial investment for creation of such company could amount about \$***. Everything will be depended on the chose equipment, cost of repair and specialization of premises, the level of team professionalism and level of salaries.

The before mentioned costs are the minimum, starting from which it is necessary to begin the calculation of budget for opening the studio. Sometimes the costs could grow up \$*** mln, especially if the studio is planning the work with live music.

The main orders in this category comes from beginning musicians and corporate clients, the annual turnover in this market segment is about between \$*** and \$***.

It is more complicated to calculate the annual turnover of home recording studios because it is difficult to estimate the real amount of existing studios in Moscow. According to the different data, between *** and *** of personnel studios and studios of middle level works there.

The annual turnover of home studio reaches \$*** in the best case. In the diagram below the comparison of annual turnover of studios of two categories are represented.

It is not necessary to talk about the seasonality of this kind of business, but the experts are referred to the maximum percentage of studio workloading: if the studio is workloaded by ***%, it is a very good indicator.

Herewith 3/4 of orders (***) are accounted for vocal recording and mastering (the process of preparing and transferring of recorded phonogram to any carrier for subsequent replicating).

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content of the business plan*

*Respectfully,
«VTSConsulting» team*

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Development of business plans, feasibility studies, investment memorandums, financial models and business presentations are the main directions of the team, which includes highly skilled analysts.

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Vladyslav Tsygoda,
the head of «VTSConsulting»*