**OGWEREL JEHOVAKENO EARL ENOCH**

**18/LAW01/169**

**ENTREPRENEURSHIP**

**200 LEVEL**

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 **MUSIC THEATRE BUSINESS PLAN**

#  Executive Summary

 Family Fair, Incorporated desires to purchase the vacant Market Plaza Theatre and operate it as the "Market Plaza Showplace" (Showplace), a live performance centre in the densely populated Market Plaza community of Trinity, Texas. The facility is located amid retail shops and restaurants in the thriving Market Plaza Business Centre, Family Fair will restore it for qualification as a historical landmark. There is no operation of this type in the immediate area, and live entertainment available in the community is limited to local clubs and bars.

 The Showplace will offer high quality, wholesome, and affordable live entertainment in a clean, quaint, and elegant facility. It will bring family-oriented live entertainment to those in the community who would otherwise travel to other cities for such enjoyment.

 The operation will generate immediate cash and an excellent return for its shareholders. Revenues projected in this plan are based conservatively on two regular shows per week and a minimum of special events. No revenue is projected for special artist showcases, weekday "Branson, Missouri" type productions, or holiday season special presentations. In addition to revenues generated by regular showcases, the facility will be marketed to large businesses for special corporate events and will be available for special private event scheduling. Other revenue producing operations will be added later, such as audio and video recording services, sponsored broadcasts, and possible syndication of productions.

 The Family Fair executive team has the expertise, experience, and commitment to make the venture a highly successful operation. The venue will quickly become an entertainment "hot spot" in the Southwest with national exposure. Supporting financial information is included in the appendix.

### Chart: Highlights



##  Mission

 Family Fair, Inc. produces high quality, affordable entertainment in the elegant Market Plaza Showplace. It brings family-oriented live entertainment in a private function facility accessible to those who would otherwise travel out of the community to enjoy similar activities. The operation makes exceptional profit and generates immediate cash. It provides a glamorous and rewarding work environment for performers and employees, an excellent return to its owners, and offers entertainment events to remember and frequent.

##  Objectives

1. To launch the venue with a highly publicized "Grand Opening" event.
2. To produce a healthy net profit in the first year of operation.
3. To double gross sales by the second year of operation.

#  Company Summary

 Family Fair, Inc. is a new company that will provide live entertainment and a special events facility in a former movie theatre. The facility is located in a thriving business centre in the midst of a densely and diversely populated community in Trinity, Texas. The operation focuses primarily on:

* Providing regular live musical entertainment in a variety of family-oriented, wholesome themes from country music to Hispanic, pop, blues, gospel, and "Branson, Missouri" type legends productions.
* Providing a live performance centre not already available in the community.

##  Company Ownership

 Family Fair, Inc. will be created as a closely held private Texas S corporation based in Trinity County, to be owned by its founder and principal investors. The founder, Mary Ellen Garner, is seeking private investors for funding 35% of the project and holding a 35% share of the company. Ms. Garner currently owns Pro Power Productions, a small but successful company specializing in sound recording production, artist development, and concert promotion that would become a DBA of Family Fair, Inc.

##  Start-up Summary

 Of the projected start-up expenses, a little less than half are consultant fees. The remainder are professional fees (legal, accounting, stationery, advertising for opening event, office rent, expensed equipment, start-up salaries, and contingencies. The founder and Board of Directors will finance a portion of the start-up expenses.

 The cost of start-up assets needed comes to $979,000, which includes $550,000 for facility purchase, $373,000 for facility rehabilitation and operating equipment, and $56,000 for initial operating capital and prepaid expenses.

 Start-up financing is planned as follows: The founder of Family Fair, a minority female, and the Board of Directors will invest toward start-up expenses. The company is seeking private investors for another portion of the total funding required with proportionate ownership of the company. It is planned to seek a low-interest, long-term mortgage for the improved facility. The founder and majority stockholder, Mary Garner, qualifies as a minority female business owner with excellent credit history, and is eligible for the best interest rate and terms with the SBA or other mortgage companies. As an option for investors to secure their investment with real estate equity, the mortgage will be negotiated as transferable to investors.

These assumptions are shown in the following table.

### Table: Start-up

|  |  |
| --- | --- |
| *Start-up* |  |
|  |  |
| Requirements |  |
|  |  |
| Start-up Expenses |  |
| Legal | $8,000  |
| Accounting Services | $2,000  |
| Licenses and Fees | $1,000  |
| Stationery etc. | $500  |
| Printing and Reprographics | $1,000  |
| Consultants | $40,000  |
| Rent | $1,700  |
| Advertisement | $2,000  |
| Expensed equipment | $1,000  |
| Start Up Salaries | $15,000  |
| Other | $11,000  |
| Total Start-up Expenses | $83,200  |
|  |  |
| Start-up Assets |  |
| Cash Required | $52,500  |
| Other Current Assets | $6,000  |
| Long-term Assets | $923,000  |
| Total Assets | $981,500  |
|  |  |
| **Total Requirements** | $1,064,700  |

###

Table: Start-up Funding

|  |  |
| --- | --- |
| *Start-up Funding* |  |
| Start-up Expenses to Fund | $83,200  |
| Start-up Assets to Fund | $981,500  |
| Total Funding Required | $1,064,700  |
|  |  |
| Assets  |  |
| Non-cash Assets from Start-up | $929,000  |
| Cash Requirements from Start-up | $52,500  |
| Additional Cash Raised | $0  |
| Cash Balance on Starting Date | $52,500  |
| Total Assets | $981,500  |
|  |  |
|  |  |
| Liabilities and Capital |  |
|  |  |
| Liabilities |  |
| Current Borrowing | $0  |
| Long-term Liabilities | $639,200  |
| Accounts Payable (Outstanding Bills) | $2,500  |
| Other Current Liabilities (interest-free) | $0  |
| Total Liabilities | $641,700  |
|  |  |
| Capital |  |
|  |  |
| Planned Investment |  |
| Helen R. Gaeta, Founder | $48,000  |
| Investor Group | $375,000  |
| Additional Investment Requirement | $0  |
| Total Planned Investment | $423,000  |
|  |  |
| Loss at Start-up (Start-up Expenses) | ($83,200) |
| Total Capital | $339,800  |
|  |  |
|  |  |
| Total Capital and Liabilities | $981,500  |
|  |  |
| **Total Funding**  | $1,064,700  |

##  Company Locations and Facilities

 The Market Plaza Theatre is located at 150 Market Plaza in Trinity, Texas. Family Fair proposes to purchase the 11,385 sq. ft. building and associated land area (18,923 sq. ft.).

 The facility is structurally sound and was built in 1946 for movie theatre operations. The theatre property also includes a large neon lighted art-deco marquee-type sign near the busy intersection. Family Fair has not acquired a commercial appraisal, but the purchase price of the facility and associated real estate is consistent with current tax appraisal for the vacant facility. A commercial appraisal will be arranged upon request by a potential investor or mortgagor.

 The rehabilitation of the facility will be accomplished in a manner consistent with city guidelines to qualify as an historical landmark, which will provide a moratorium on city property taxes for 10 years. The Trinity Historical Society is anxious to sponsor this theatre as an historical landmark. Internally, the theatre will be renovated (seats restored, stage constructed, etc.) and the latest technology in sound and lighting equipment will be added. Dressing room facilities will be constructed in the renovation phase of rehabilitation.

#  Services

 The Showplace will offer live, wholesome entertainment in a quaint former movie theater in a densely populated community. Regular entertainment events will offer exciting presentations that will begin the moment a patron enters the facility, even before the main event. This type of entertainment is not available in the area at this time.

 Family Fair will solicit, arrange and host corporate and private special events in the Showplace facility.

 Family Fair will add other revenue producing services to compliment the base operation, such as local merchant advertising, special presentations, audio and video recording services, and other logical services as the demand arises.

##  Service Description

1. The Showplace offers family-oriented entertainment in the form of regular live musical performances by local and touring artists and musicians. The average price is $12.00 per ticket. The venue will interest the majority of the area population because of the variety of show themes to be offered. The venue fills the need for a performance center in the community.
2. The location and appeal of the Showplace facility offers Family Fair the opportunity to solicit, arrange, and host corporate special events. Pricing of this service will vary depending on the number of persons to be accommodated, food or refreshment catering, or other special requirements of the event. Trinity has a large business community and those businesses often use outside facilities for special events. We will market our venue to be included on the off-site preferred list of the majority of large businesses in the area.
3. As in any community, special private events are celebrated by individuals, families, clubs, and other groups in the population. The Showplace facility offers a clean, quaint, and elegant setting, from the dining hall to the 750 seat auditorium. The facility will be more appealing than special events held in church annexes and will be more cost-effective and private than hotel facilities. The pricing for this service will depend on the number of guests, catering, and other requirements.

##  Competitive Comparison

 Offerings of the Showplace are similar to those in outlying communities who offer live musical performances each weekend. However, their themes are fixed, where ours will be a variety of musical themes, along with ongoing interactive features (magicians, etc.) for appeal to the diverse Market Plaza community. The Showplace ticket pricing is within the price range of other venues with similar offerings.

 The quality of entertainment will be superior to other venues and Family Fair will assure that the appeal of the productions will not become stale. The competition offers the same entertainers and the same themes each week. It is not appealing to see the same show many times over.

 The Family Fair executive team enjoys association with the most talented local musicians as well as touring groups to assure an exciting variety of entertainment. The team also enjoys close associations with nationally known entertainers, musicians and producers.

##  Sales Literature

 The Showplace Sales literature will consist mostly of flyers for distribution in hotel lobbies, retail store stands or direct mailing. An attractive website will provide details of offerings, scheduling, and convenient ticket purchase. Early on, brochures will be developed for distribution to potential corporate customers and tourist agencies.

##  Fulfillment

 Family Fair intends to use the entertainment associations of the executive team to acquire the services of the best musicians and artists available. The cost of these entertainers is negotiable but is conservatively calculated at 35% of ticket sales. The cost of local entertainers and musicians will be a weekly expenditure, but regular employment will allow negotiation of lower rates due to stability and benefits offered by Family Fair.

##  Technology

 The Showplace will be equipped with the latest technology in sound and lighting, both of which will be of substantial appeal to customers. Fixtures and equipment accommodations for corporate and private events will be appealing and effective. Internet technology such as ticketing reservations, entertainment schedules and an entertainer slate will be provided.

##  Future Services

 Family Fair will add other revenue producing services to compliment the base operation. These are not included in the financial plan. Some of the potential future services are listed below.

1. Weekday showcases and special holiday events.
2. Local merchant advertising will include space on our billboard sign in the business center, will be announced during performances, and will be displayed in the theater.
3. Video recordings of artist showcases to be used in promoting their careers in entertainment.
4. Professional record album and demo audio recording services. Family Fair will be in a prime position to secure a share of this business due to location and strong associations with artists (both amateur and professional). Opportunities to negotiate this aspect of the business will be constant with artists appearing at the Showplace.
5. Syndication of programs for distribution to broadcast media, both domestically and internationally.
6. Sponsored programs for radio and television broadcast.

#  Market Analysis Summary

 Family Fair will focus on families and music lovers within the community who frequent such entertainment and also on large businesses to host their special corporate functions. Our most important potential customers are families and young adults who would rather frequent productions in the community than travel several miles for similar entertainment. The numerous "guest home" residences for elderly citizens will be solicited for inclusion on their preferred list of organized entertainment activities for their residents.