

Business Plan **Ontti Labs**

Manu Fernandez



Executive Summary

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Ontti Labs operates as a transaction facilitator between home studio owners and working creatives who are looking for comfortable accommodation with the resources needed for their project developments. By providing the home studio owner protection insurance, as well as a rating and review system, the platform builds trust within the community of users and lowers transaction costs. Profiles and user reviews help to build better customer attention, reputation and trust among the Ontittled community.

The following business plan outlines the details for Ontittled's latest project which will be helping the company prioritize in quality production, developments of creatives and on project based works. Ontittled is a brand for art, love and greater lifestyle. The main characteristics the company would focus on is minimalism in contrast with nature, irony, futurism, fantasies, realities, luxury, history and reflection.



Ontittled Company's subdivision called Ontti Labs short for Ontittled Laboratories, will be the main priority. It will be an independent project that will serve as hotels for recording studios, prioritizing a home-like and comfortable atmosphere. They will be spread around the world suited with Hi-end equipment. The structure model is based on other shared home platforms like Air Bnb, where most of the resources come from the host of the property but our majority of contribution will be with the easily



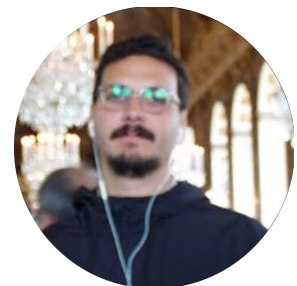
accessible community platform, built in collaboration tools, the equipment included in the homes, and if needed extra charges for the services of project building like audio engineering, producers, music supervision, conductors, etc. All of these homes will hope to inspire the creatives at a whole new level while at the same time providing them the opportunity to build efficiently. The local community where it is built, will have a sort of quota on priority for the creatives in the areas. Which we will offer deals for artists in the near future in exchange of publishing, marketing strategies and distribution. A selective roster of profiles will have the opportunity to become part of the Ontittled art development team.



Project Director

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The Ontti Labs concept was envisioned by **Founder & Project Director** Manu Fernandez, a strong Audio Engineering professional who found passion for entrepreneurship and has become an experienced content producer with a demonstrated history of working in the entertainment industry. Skilled in several DAW's, songwriting, studio recordings and marketing (digital, streaming services, content creation and online platforms).



Value Proposition

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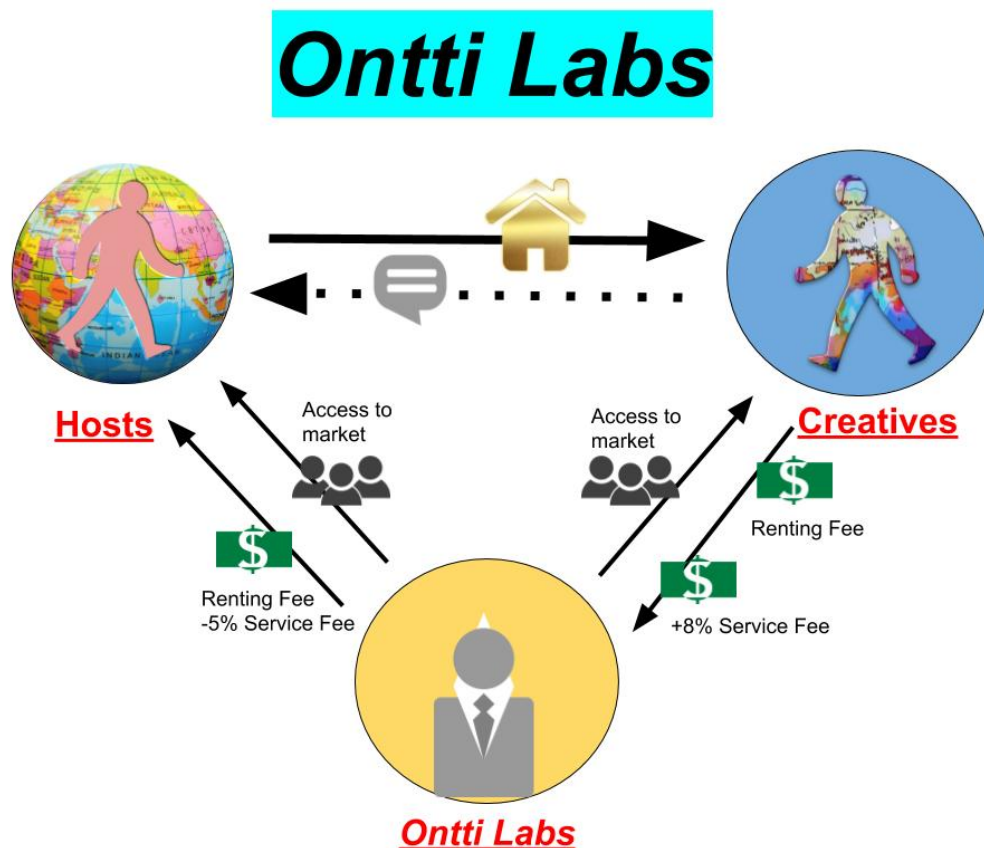
The main benefits the buyer will have for Ontti Labs is that they will have an advantage with a variety of options in places of pure experiential, productive and global flexibility. For any creator, that is the main source needed if compared to an ordinary office. We will supply access to different office spaces around the world, which are going to be basically home studios shaped for their needs as writers, record producers, project developers, designers, mix engineers, music supervisors, tour managers and homeowners. We will include consistency of equipment in all of the homes. I want them to be productive and add to their muse and search for inspiration. This “offices” will be home studios in a shared home platform but with the featured tools needed for collaboration between them and eventually build a software that connect seamlessly with other rooms in the Ontti Labs locations, my dream will be implementing a sort of hologram system where the world gets as big as a room. I met Adam Hasslert, CEO of Soundation which is a company that offers a DAW software that can be controlled from different computers and locations. Similar tools will be affiliated with Ontti Labs.

**Save
Money**
when writing

**Make
Money**
when hosting

**Share
Culture**
local connection

I believe that bringing great tools that benefit collaborations will be a great asset to possess because it will be a tool that most businesses in the world will need at some point if is something that makes them perform at their best level. Enabling better communication and empathy towards other communities around the world. Team collaboration is one of the most basic bases of a business and I believe it is a very powerful thing to contribute in the creative process in any business directly or indirectly. Even more now that there is more content produced than actually consumed.



We will also bring business to the owners of the properties (B2B), where they can use their assets to make profits. We will only allow properties on the platform as whole houses. Some apartments

might be available depending on the circumstance. We will also offer convenience to the clients in order for them to work at their efficiently with other services that include audio engineer, recording assistants, mix engineers, mastering engineers, songwriters, composers, arranges and all other creative services needed for project developments. All of this will happen beforehand in the online platform between the creatives and service freelancers.

Other benefits users will gain:

-Convenience = A place where they can create to a capacity that the property becomes an instrument as a whole.

-Enhanced experiences = Being presented by different surroundings adds new perspective and approach.

-The opportunity to network in the different scenes = Building networks and putting your art in different eyes is very valuable data for future developments.

-Let's the owners list their space on the platform and earn rental money = Different markets meeting at a middle point and mutually benefiting from each other.

-Provides insurance to listed properties = In order to gain trust and loyalty we have to deliver commitment towards their security.

-Facilitates the process of booking living space for the writers = The platform does simple transactions with user friendly navigation.

-Rating and review system for home studio owners and writers = Instant quality assurance for our team to take action towards the property owner's eligibility.

-User-friendly web and app based structure = Basic program maneuvering and organization.



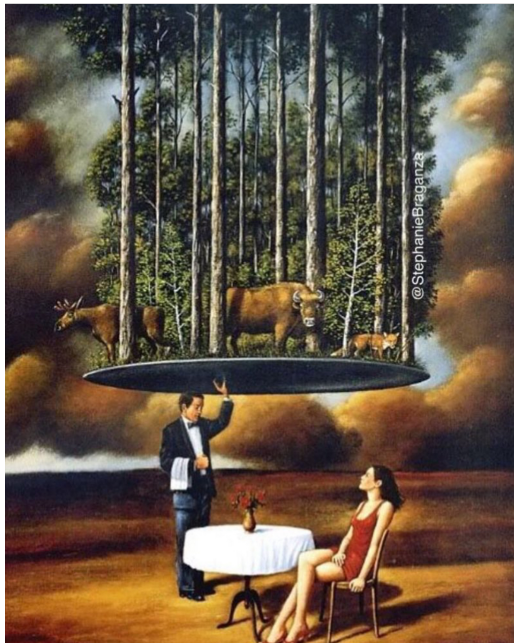
“Technology goes beyond mere tool making; it is a process of creating ever more powerful technology using the tools from the previous round of innovation.” –Ray Kurzweil

Environment Analysis

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Market Opportunity

An enormous need exists for a space where people can be productive and inspired while they create a project around the world with a consistent quality sound. With the whole system changing it's a different way of consumption and use in the digital world. It has completely re-shaped the whole process. Now technology is giving the chance to any person willing to understand and use the programs as methods of complete expression and digital connection. There is no stopping the progression of the inability of the fusion of tech and the way we consume art. We have to embrace it.

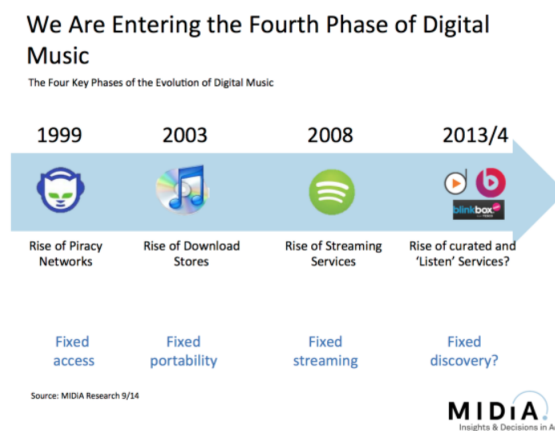


With the traditional recording studios becoming always so luxurious and expensive, it adds pressure to the artist and focus towards their goal. The quality of the art and meaning is suffering. It is ruining the upcoming generations, there is way too much content with no real dept. The consumer is starting to get used to this level of work and expecting the obvious. We believe we can create an environment with a surrealistic out of this

world vibe that will deliver a service where the influencer just has to focus on what they love.

We will like to also bring new concepts and terms that hopefully become industry standards, for example the term “Writing tour” we think this could be a new innovative concept that I haven’t ever heard before and it could be implemented through Ontti Labs culture as a platform. “A new way of building an album by doing a writing tour!” For example: maybe, record the drums in Thailand, then the guitars/bass in Honk Kong and vocals in Japan. Eventually bringing also tech that facilitates communication interchangeability between the locations. My most ambitious mission is to have a technology where you can basically appear in the room and feel like you are all in the same room, not mattering what part of the world as long as you are in another Ontti Lab. This is why new fresh perspectives from younger generation teams will soon dominate and anticipate most trends, because we are knowledgeable and understand how it works and how to experience it. We grew up with it mostly as ordinary family setting understanding technology as

it happened. This sort of collaborative tech tool for me would be revolutionary and will make the world as small as an Ontti Lab. Project development would become a much easier task with a tool that transports your actions in real-time seeming physically present.



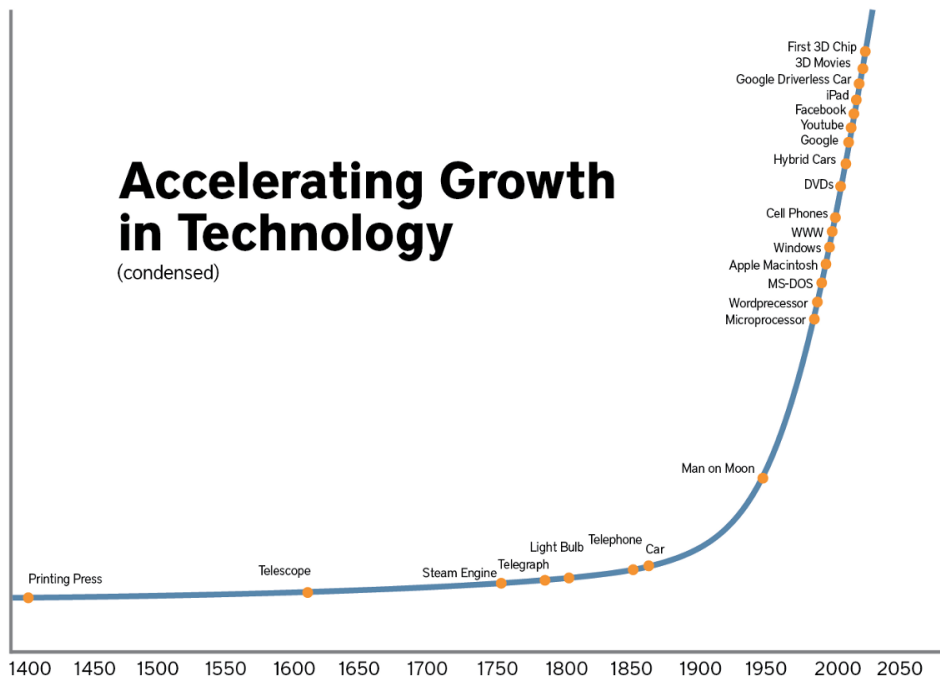
The Four Key Phases of the Evolution of Digital Music (2014)

Major Trends

With rapid technology advancements of recent times, most tools and devices used to create and consume content have completely changed and have shaped to new ways we interact with them.

Now we have smaller and more independable devices that adapt to our own life's needs and fuses itself with our own reality, becoming an extension to a human's capabilities and senses. We

are living in a time of opportunity and growth, this is just the beginning of almost complete technological dependency. Our world just started to change rapidly. Most information, social interactions, communication and



entertainment are happening all in a few devices, it gives enough proof of the impact and behaviour patterns it has influenced in our day to day. All of this hasn't only benefited the consumers options of content, but also the producer's and all creators way of thinking, with more alternative for a B2C direct connection. This is why it is important to build new products that give tools for creatives which helps them adapt to this advancements in a smooth and beneficial

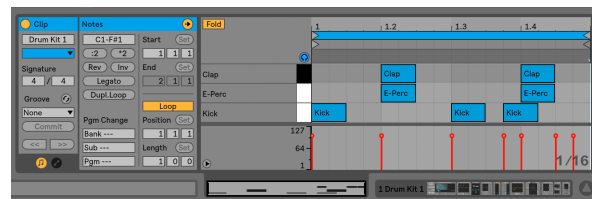
way. Having the option to create in different parts around the world will benefit your muse while having the tools place for the creatives to keep their productivity engaged independently or within a group.

“It is not the strongest species that survive, nor the most intelligent, but the ones most responsive to change.” -Darwin

Now traditional recording studios have become a very luxurious commodity for some of the top songwriters of the world. Which it is a very small percentage. Most of its quality it is still to this date superior, but for the price and the pressure it might bring to an artist, most of the times it is not worth it. Booking time in a professional recording studio can cost anywhere between \$50 to \$500 dollars an hour. Most studios do include an audio engineer as part of their hourly rate.

There are new processes and ways to go about your quality and it comes not only for the performance but by having a great audio engineer, mix engineer and mastering engineer, these roles are still essential to this date, but the process to deliver to those professionals have changed

and there is prove that they are more beneficial for the artist. Now writers also have changed the way producers organize

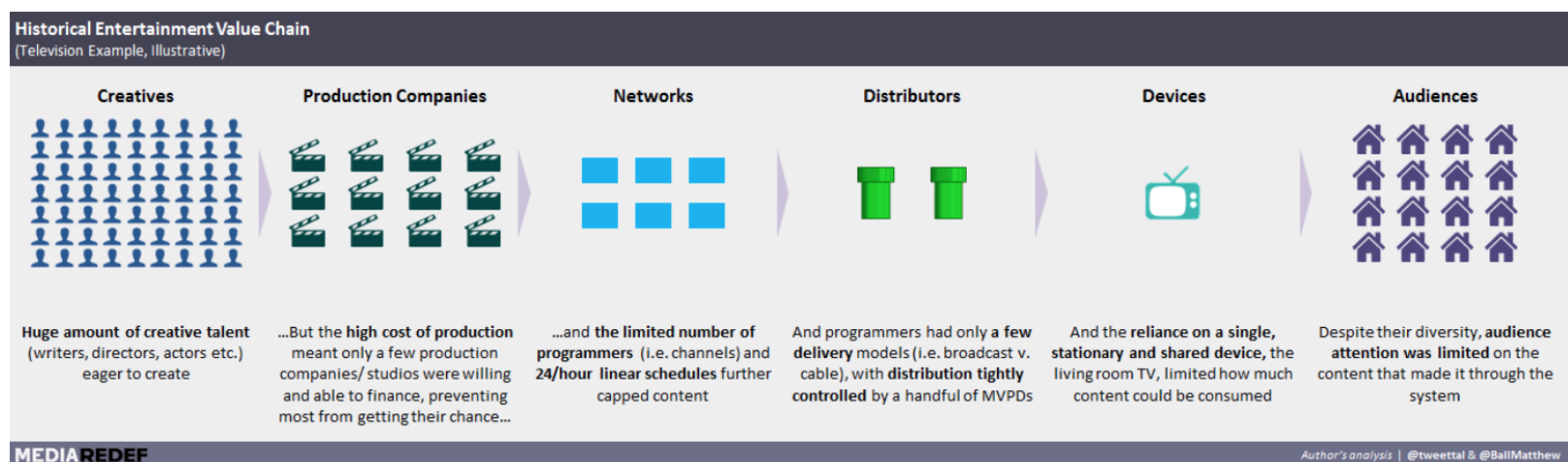


their work and some don't even play a musical instrument, the software becomes the instrument.

Within the DAW's (Digital Work Station) most of them compose every process within the same program from beginning till end. At any moment in time you can go back in time and see different version during the process of the development. All of these changes simplifies the whole system to a point where the skill of evolving and re-shaping it's part of your craft as a

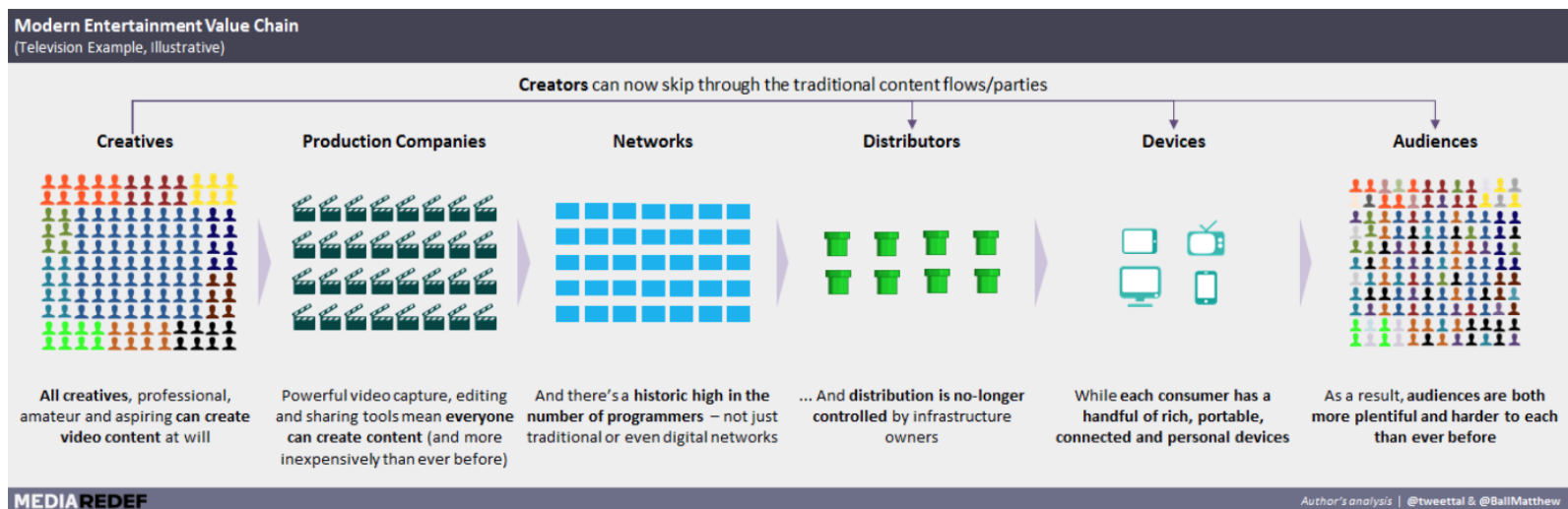
creative. Most of traditional recording studios are used to record the final vocal in present times. When you go to professional commercial studios most of them have fixed tape on the console only for 2 channels of Pro Tools left and right outputs and a vox channel, then having around 20 channels unused for who knows how much time.

There are also negatives and collateral damage that affect other parts of the entertainment industries when it comes to having easier production tools. For example: Now that production is cheaper and more accessible, the content abundance has become at a very extreme level where there is way to much content compared to the ones consumed. For example on the graph below we can see the old model of entertainment value chain where I will compare to the modern value chain:



As you can observe the devices where the medium was accessed was very limited and the audience was predictably located mostly at their homes or at stable structures. Distribution was also very well controlled with only a few networks and options. The production cost being so

expensive made it a very important driving force in order to make content distributed. Now we are going to see the modern entertainment value chain:



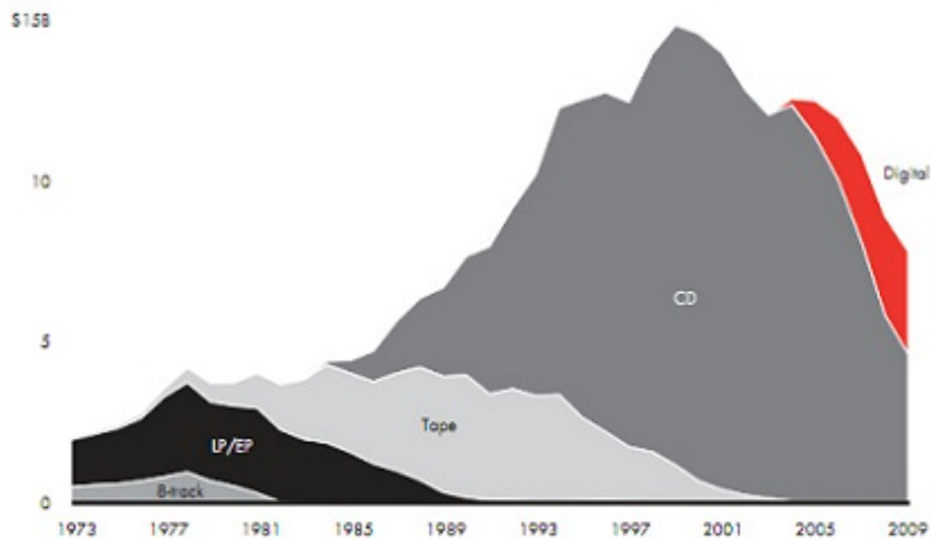
As you can see now with the different mediums and diverse audience the content creation has become a very common practice and easier distributed but harder to reach specific markets. That is why working on technologies that benefit even more the content creators is a great business now that there is more content than actual listeners. Capturing attention has become the most luxurious asset for any business or public figure, it is part of their survival. The distributors that have the reach to most “popular” avenues normally are affiliated with major companies or corporations that have a lot of budgets.

Now that content is so easily done and quick. It has harmed the quality of the works. That is where the Ontitled team can come in with great engineers and producers to quality control.

The market size of the entertainment industry and its creatives have benefited from this digital centralization and the processing power's growth. It has broken the crowd of middle man that

where taking a lot of revenues from the actual creators. Another beneficial factor on the digital world is that when something connects with the mainstream there is no turning back, the majority of people choose now and you can see it in the data with the numbers and responses. Before it used to be affiliated corporations that benefited from each others industry with content manipulation.

Global music industry turnover (1973–2009)



Sources: RIAA year-end shipment statistics; Bain analysis

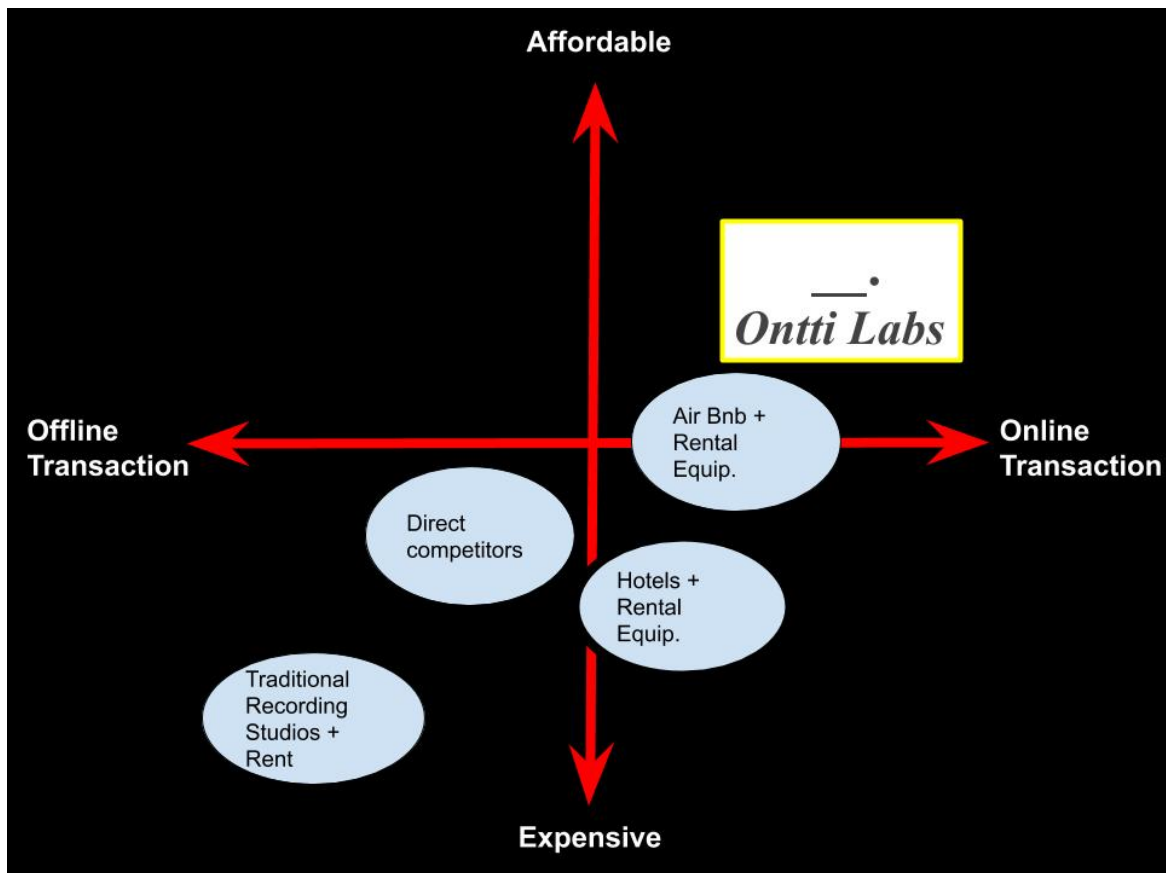
Recording Industry Association of America (2010)

Business Competition

The main competitors we will be facing are the websites that common travelers look for when visiting other places to stay like: hotels, home sharing apps like Air Bnb, hostels, etc. The main challenge for the customer would be trying to find professional recording equipment in the different locations or shipping them which is an inconvenience and a big expense. The monitor speakers by itself with their weight and size will consume energy, time with also the installation in the right acoustic space. The closest competitor Ontti Labs faces is an app called Studiotime.io, this platform is only implemented at the moment in New York, Los Angeles and London. It is affiliated with Air Bnb which it is a great advantage for them, but they have a downside, they are still very expensive and the accommodation is not included on the service. Most of those studios include an overload of devices that are not necessary which can easily become a distraction for the writers. The type of production development that will happen in Ontti Labs will be based on the construction of projects which is why having your accommodation very close is important for us, it can be very beneficial because it helps with your productivity and experience of the process overall. Most of the studios on Studiotime.io platform have a lot of unnecessary equipment for the creatives we want to acquire as clients which it would be on



the first phase project building at comfort. Focused mostly on song constructing, producing and solid main sample foundations. Studiotime.io platform in my opinion is more useful for Mix Engineers and Mastering Engineers, which is a process when most of the songs are already built. The thing that differentiates us is the equipment being consistent and personnel needed for a quality recording in a home and comfort environment with more affordable prices almost as much as a normal property you will have in a standard Air Bnb home.



Strategic Partnerships:

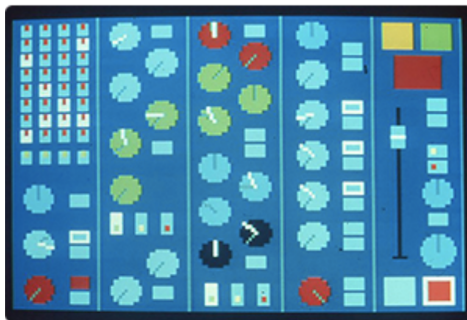
We are in the process of building relationships with notable industry leaders, influencers, and development teams in the music tech world. Since the rapid growth of tech, most professional recording studios are suffering as mentioned above. This has cost losing clients and studios have been closing since the early 2,000's.



Fairlight MFX3 (1996)

Because of devices like the one shown the Fairlight MFX3 who

was one of the pioneers in condensing the recording studios. Mostly the legendary studios with great history are running. They are pricing at a premium level where most creatives can not



(Solid State Logic, 2014f)

afford. Laptops capabilities have excelled quality and now you can make a great record from it with some extra equipment to support it. Contrary to a major studio where the quality is still superior but the amount of money to run a studio at that level makes the price hard to be attractive for the average writer who just wants to

have fun and have the least pressure possible while making what they love. Most tracks now are being done in their home.

“Technology goes beyond mere tool making; it is a process of creating ever more powerful technology using the tools from the previous round of innovation.” –Ray Kurzweil

A great ear can take you to a lot of places, you don't even have to play an instrument, you can basically write the note on the key and alter them until they sound appealing to your ear with present or the alteration of amazing sounding samples you can access for free on the internet.

SWOT Analysis

Strengths = Unique platform with tools that help any creative be productive while exploring other parts of the world. Collaboration benefits towards the process of project building.

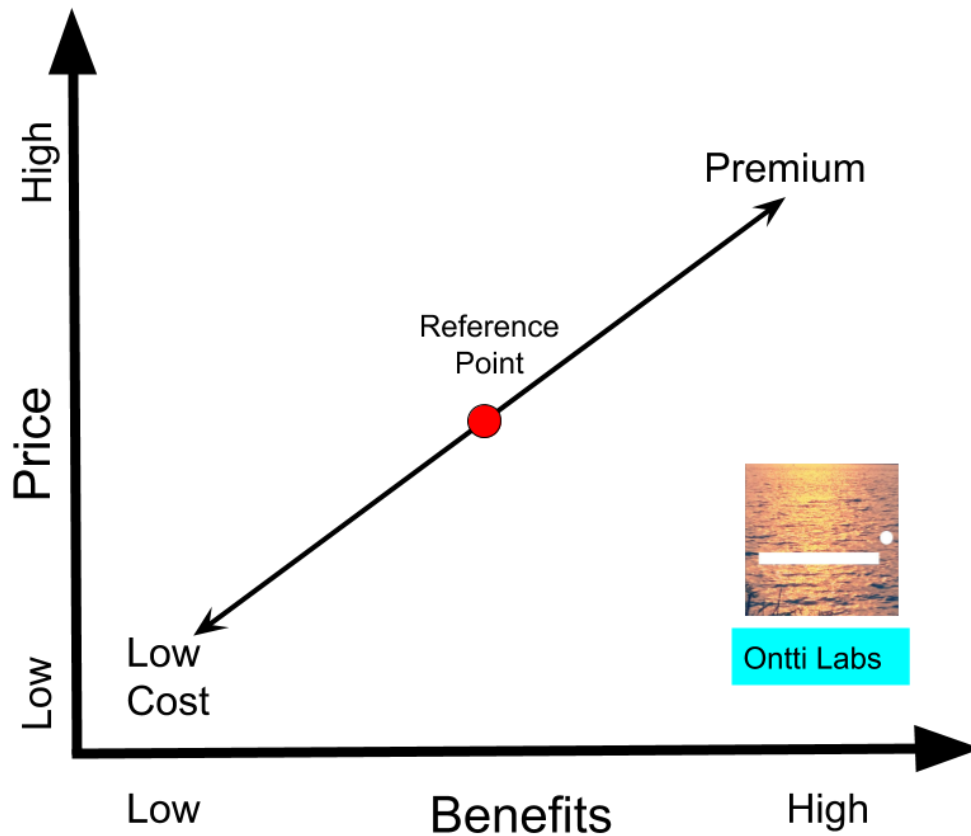
Weakness = There is not much budget currently, only a few interested properties that are interested. The most direct competitor is affiliated with Air Bnb which is a big disadvantage.

Opportunities = New ways of finding talent in the different parts of the world where different businesses and relation can keep evolving into better customer service.

Threats = Losing customers for better locations that the labels may offer them. Major labels might become a big threat, because they have affiliation with traditional studios and big amount of budgets where the few artists who have the freedom to choose any premium level of service.

Market Positioning

I believe we can make our perceived benefits high and price fairly low compared to major studios. It could become very disruptive as long as the Ontitled brand keeps getting better reputation and we attract more creatives.



Customer Segmentation

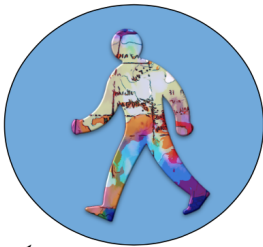
The ideal buyers or what we call creatives will be mostly focused on recent signed artists in labels, for songwriters who need to pitch songs for A&Rs, Ad agencies that need space for producing, private live event organizations and just all content creation who wish to explore different sounds and styles of the world. We are looking for professionals who have a consistent income.

The 3 customer segments defining Ontti Lab's Business Model:



Hosts:

- Host are the participants who own the homes they put on the platform and want to earn some money by renting their available space.
- Hosts can accept or refuse a reservation after reading the comments of the creative or after reviewing their social profiles.
- They can create a listing for your property on the platform, add most of the details it includes and set your own rent, check-in, check-out, etc.

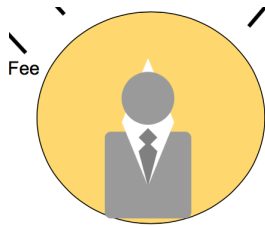


Creatives:

- Creatives can book a space by paying through the portal.
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-Creatives are the people who book the listed available home studios from local hosts.

-Creatives have the option to search for a home studio by filtering them according to rent, amenities provided, location etc.



Post-production Freelancers:

-Ontitled has a vast network of freelance Producers, Mix engineers, Mastering Engineering in most major cities of the world who go to a location and deliver their services to the writer if needed for extra charge.

-The high quality service is added to their total and the freelance service is paid by Ontitled directly.

Market Research

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Customer Data:

In regards to consumer data, we conducted a survey on 48 potential customers who could be interested in the service. The purpose of this survey was to test our necessity as to whether there is enough interest towards the service and if they will be willing to purchase. The service so far seems to offer value and appeal for the clients. Overall the service seemed to attract the creatives but there is some doubt when it comes to its necessity.



Sample Survey:

Market Research - Online Production Hospitality Service Testing

Ontti Labs Market Survey

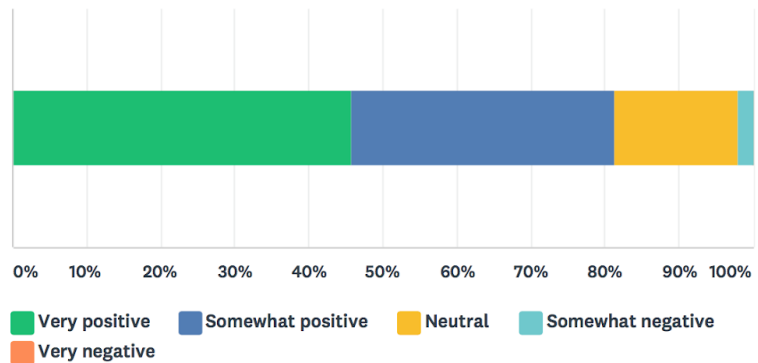
“Ontti Labs operates as a transaction facilitator between home studio owners and working creatives who are looking for comfortable accommodation with the resources needed for their project developments/global writing tours/writing camps/Sofar Sounds venues/etc. Basically Air Bnb for home studios. Also, by providing the home studio owners protection insurance, as well as a rating and review system, the platform builds trust within the community of users and lowers transaction costs.”

Summary of the results:

Q1 What is you first reaction to the service?

ANSWER CHOICES	RESPONSES	
Very positive	45.83%	22
Somewhat positive	35.42%	17
Neutral	16.67%	8
Somewhat negative	2.08%	1
Very negative	0.00%	0
TOTAL		48

The first reaction in regarding to the service seemed to be mostly positive according to the participants. As for this results the concept seemed initially attractive and interesting.



Q2 What is your main occupation?

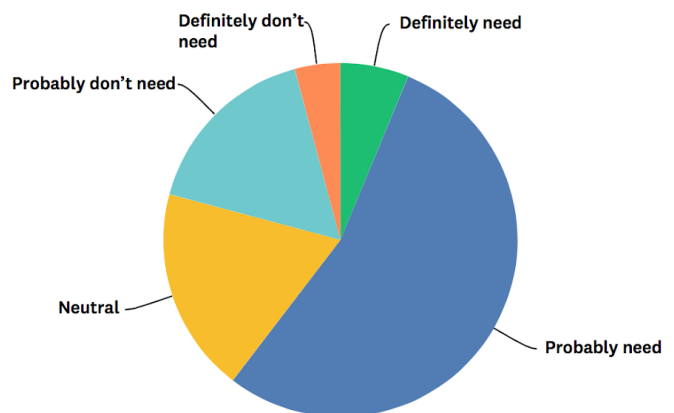
ANSWER CHOICES	RESPONSES	
Songwriter	10.42%	5
Artist	22.92%	11
Producer	18.75%	9
Audio Engineer	14.58%	7
Manager	8.33%	4
Other	25.00%	12
TOTAL		48

Here you can see the diversity of roles the participants have. The great majority is currently working in creative industries. The others include lawyers, entrepreneurs, homeowners and more entertainment industry related professionals. The “Other” category was one of the least attracted to the service, where the lowest interest in usage appeared.

Q3 When you think about the service, do you think of it as something you need or don't need?

ANSWER CHOICES	RESPONSES	
Definitely need	6.25%	3
Probably need	54.17%	26
Neutral	18.75%	9
Probably don't need	16.67%	8
Definitely don't need	4.17%	2
TOTAL		48

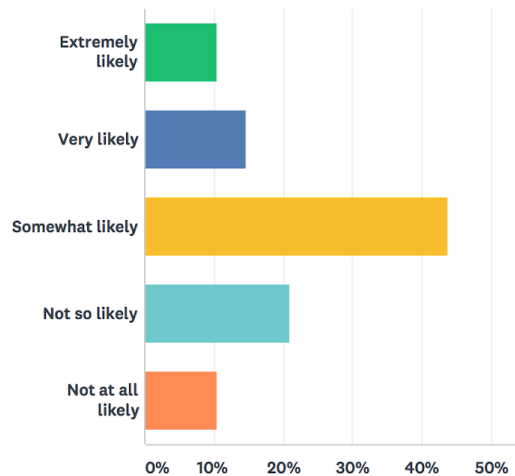
Here we are starting to have a separation between a very large amount who think they probably need, which means that they are not 100% convinced even though they think that there is a big chance it is necessary but with some level of uncertainty. Overall very positive results on it's mutuality. “Probably need” is the most common answers in the survey.



Q4 If the product were available today, how likely would you be to buy the service?

ANSWER CHOICES	RESPONSES	
Extremely likely	10.42%	5
Very likely	14.58%	7
Somewhat likely	43.75%	21
Not so likely	20.83%	10
Not at all likely	10.42%	5
TOTAL		48

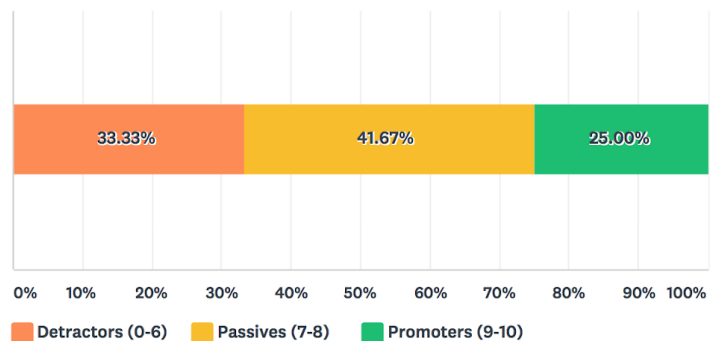
Here we can see who is willing to purchase immediately. We have to take into account when it comes to other factors that can affect their current financial situation, their stability as creators and their freedom to travel. All of this might be reasons that affect the appeal to use or buy.



Q5 How likely is it that you would recommend our new product to a friend or colleague?

DETRACTORS (0-6)	PASSIVES (7-8)	PROMOTERS (9-10)	NET PROMOTER® SCORE
33.33% 16	41.67% 20	25.00% 12	-8

Here we see very mixed results but still with mostly positive results and engagement. Here is where I want to improve the most.

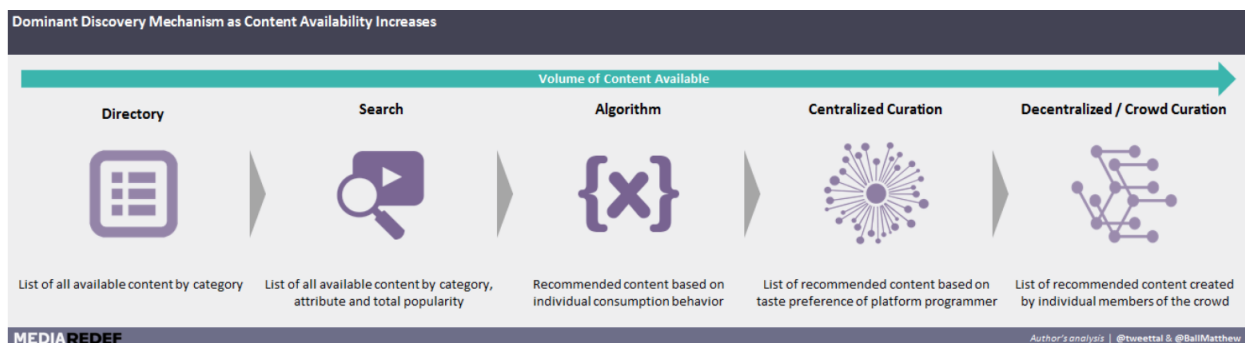


Marketing Plan

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Our main marketing strategy and the one we wish to keep most consistent on. With always focusing in high quality content in order to produce natural word of mouth spread. As in create genuine P2P interaction towards our service. We believe that if we embrace on being unique, excellent and consistently effective then there will be no need for a lot of marketing spends. The Marketing strategies involved in Ontti Labs will be mostly digitally based, also on educational institutions, with selective brand partnerships, some artist's collaborations and though a few social event involvements.

We will like to keep track of all data in relation to the engagement of our services. Also experiment with effective marketing tracking strategy campaigns focused on specific crowds or geographical location in order to test sorten releases and art installations. We will scout for specific customers with peculiar interests while experimenting with different dominant discovery mechanism used with AI software and reverse engineer the process in order for them to find us.



First main marketing campaign we will like to do after we have a few locations placed and the platform is running will be called: “Be the first to record in space!!” It would be a sort of “click-bait” strategy just to grab the users attention. Our main goal for this strategy is to attract as much people possible to our website www.ontittled.com and make them get a taste of our platform and experience hoping to gain some traction that engages and makes them return. At first we will try to get any contact information for record to start categorising the potential clients.

Here is what our first demo ad will sort of look like:



Finding people that in the possibility of recording among the actual stars, the one who thinks out of this world who believes in discovery and wonder, that is the kind of customer we would like to have. Those are the people who Ontittled is looking for, and this ad is not necessarily a lie, metaphorically speaking. I would love to pitch this idea to Amazon in the near future and use it as an advantage for both parties, Amazon needing more traction on their streaming platforms having big competitors in the music streaming world like Spotify, Apple Music, and others. This could be a good move to attract music lovers and artists to get affiliated with the amazon brand as a radical and refreshing company. Blue Origin being the affiliated company could be the main resource to make a person record music in space and Ontti Labs getting part of Amazon varied customer demographics could be a great opportunity for the growth of the project and company overall.

“Be the first to record in space!!”

***year 2022**

Ontti Labs

X

BLUE ORIGIN

Sign up: *Ontittled.com*

The first markets we are planning to aim specifically for the ads are the demographics involving most young creative students and professionals from the ages 18-38 years old. We want to make sure we have already placed a few Ontti Labs around the world and the platform is running. The people who will get attracted to the idea of being able to record in space I believe will be people who get our motto. We also want to include different forms of ads like short video and other forms of advertising to get people curious about what Ontti Labs could be. The reality is that our goal is to make you feel like you are out of this world, with the extraordinary experience you will have while being at our platform or at an Ontti Lab. So it won't be necessarily false advertisement it would be “out of this world” but not necessarily physically.

“Be the first to record in space!!”

***year 2022**

Ontti Labs

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BLUE ORIGIN

amazon

amazon

Sign up: *Ontitled.com*

The graphic depicts a virtual office environment with a starry space background and a large moon. In the foreground, there are two orange office chairs with the Amazon logo on the backrests. A desk with a blue globe and a red cloth is visible. Text overlays include a cyan banner at the top, an orange box for the year, a yellow box for 'Ontti Labs', a white box with an ampersand, a yellow box with a Blue Origin feather logo, and a red-bordered box at the bottom with a cyan 'Sign up:' and a yellow 'Ontitled.com'.

Some in the strategies involved with our marketing will be also with exclusive behind the scenes footage of the creation of the records of great writers who we sponsor to test the platform, that way we can show the culture and the atmosphere involved in the creative offices.

One of our main objectives with the father company Ontitled is to create a community where there is constant collaboration and evolvment within the platform, while also offering office spaces. This community of creatives are part of our obsession to keep them in the platform and vise versa, they needing our community platform to communicate with other innovators. The second campaign we want to do is a collaboration with Sofar Sounds and to try our best to

become partners. We believe that Sofar Sounds clients and audience can be very similar to the one's Ontti Labs is aiming at, it could be a good interrelation between both parties. Sofar Sounds is reimagining the live event experience through curated, intimate performances



in 434 cities around the world. This company is already very international and our services could bring benefit to their clients. We could at some point supply the location for them within our platform. One of our initial ideas towards the collaboration with Sofar is that when artists are signing up to play on an event an Ontti Labs link appear on the registration process before they purchase offering a space for them to use as accommodation but with the services of Ontti Labs which include equipment and tools necessary for the artist to write or work on any project. Also

potentially giving them the option to choose a venue where they would like to perform.



Both parties can benefit greatly from this campaign. We can connect from both the artist who will be performing which normally they are at a level where most of the art still has strict budget and not as much resources as major label artists which would have the majority of Sofar performers which are not necessarily signed. We could also benefit by offering the space for the Sofar events.

Sofar events take place in everyday spaces, such as living rooms or stores. Being secret and intimate, it creates a unique experience that brings artists and audiences closer and returns magic to live music. In each Sofar you will find three different acts, they will not have headliners.

Digital Presence

The website will be the main form of communication where users can rent out their space to host travelers. On the main website will be a platform for the Ontitled community to explore and

navigate within their taste and destination. Eventually we will have a Ontti Labs exclusive app which will run separate from the main site. Only focusing on the home studio sharing platform.

- Digital:
 - o Website: www.ontitled.com
 - o Art Blog: www.instagram.com/ontitled

Other Ways we are looking to connect to our customer will be with:

1. Social Media (Facebook, Youtube, Twitter, Instagram, etc)
 2. Digital Marketing including Internet ads.
 3. Promotional offers
 4. Affiliate Model / Refer and earn offers
-

Operational Plan

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To make this project operate and actually functional as a business, I need to create a team of smart people who are willing to work and think ahead of the current trends. Equipped with patience and perseverance. We will always focus on quality over anything. I will use accountants and lawyers in specific times needed as freelancers eventually having some permanence. The main priority would be to find an experienced software developer who could help me build the platform and potentially become partner of the company in exchange of equity. I will also need an experienced visual designer and some management specialist who can help on the customer service in the early stages. For the time being everything can work remotely. Most of the other jobs like photographers, video editor and producers for the time being will have separate temporary contracts by project.

The project will start being implemented in Puerto Rico, where I grew up. Properties at this moment are at a very low valuation, making it a great time for investment. We might purchase a home at a strategic location close to the beach and this could be one of the first destinations. Puerto Rico has also a great harp of talent where the Ontitled community can start taking advantage of.

Other close friends of mine have shown interest in adding their vacation properties in the platform, one is a close friend where his parent have a vacation beach house where they will like

to make extra money. My friend is from Ecuador and has a good network of creatives in the country where we could both benefit from our services. Another person interested in a recently known friend that his father has a property on Cape Cod, MA and will like to also be part of the platform and also use it for his own benefit as an artist manager. I am also currently in conversation with several industry professionals who will like to start implementing this project in London and are interested in becoming a partner. I also met several distribution platform founders who could eventually help in an affiliation for the distribution or actual collaboration with their artist and our services. How I mentioned before recent encounter I stumbled upon was the Adam Hasslert CEO of Soundation where I would love to implement some of his revolutionary technology to our labs and hopefully develop future improvements and adaptations based on the concept idea of his established software. The software is an online Digital Audio Workstation(DAW) where you can record and produce music in different locations.

Our implementation plan will be:

First year

1. Finishing developing the website
 2. Platform launch
 3. Get fund for first 3 home equipment investments
 4. Launch of first marketing campaign: “Be the first to record in space!!”
 5. By the first 8 month have 3 shared homes
-

Second year:

1. Platform analysis
2. Marketing for user acquisition
3. Look for affiliation with institutions (indie labels and art colleges)
4. Keep expansion for at least 7 homes total
5. Start investing on collaboration tool technologies

Third Year

1. Platform analysis
2. Have at least 12 shared homes live
3. Industry Expansion (Fashion, Sports, Audiovisual, Brands)

Fourth year

1. Platform analysis
 2. Growth into different entertainment sectors
 3. Marketing for user acquisition
 4. Have at least 18 shared homes live
-

Financial Plan

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Pricing Policy

The offers will vary depending on the location of the offices. The longer they stay the least it will cost them for the day.

-The Registration to Ontti Labs will be free

-Ontti Labs charges 5% to creatives and 8% for home studio owners (hosts)

-Onttitled guarantees property owners equipment investment for up to \$2.5k

Commission from property owners (hosts)

Onttitled charges flat 8% commission from hosts upon every booking done through the platform.

Transaction Fee from creative (creatives)

Onttitled charges 5% of the booking amount as transaction charges from traveller upon every confirmed booking

Other Transactions

For writers that are signed by Onttitled, they will have more of a subscription based model.

They will have a bundle of benefits with production development services, flight discounts, and easier access to more locations during the period of the subscription in exchange depending on the client but it can be a percentage of their royalties, publishing, copyright or any other source of revenue they might generate that is agreed upon.

Financial Projections

1. Required Capital

		Amount Per Month	For 12 Months
Operating Expenses (OPEX)	Monthly Fixed Expenses:		
	Legal and Accounting	\$200.00	\$2,400.00
	Marketing and Advertising	\$300.00	\$3,600.00
	Rent	\$400.00	\$4,800.00
	Supplies/Stationary/Business Cards/Flyers	\$14.00	\$168.00
	Telephone & Utilities	\$20.00	\$240.00
	Internet & Web-Hosting	\$30.00	\$360.00
	Electricity	\$30.00	\$360.00

	Salaries (include owner) Payroll		\$36,000.00
	Taxes at 12%	\$3,000.00	
	Monthly Fixed Expenses Sub-total (I)	\$3,994.00	\$47,928.00
Capital Expenses (CAPEX)	Asset Purchases:		
	Software and Apps	\$700.00	\$700.00
	Furniture etc.	\$0.00	\$0.00
	Asset Purchase Sub-Total (II)		
	Startup Expenses You Pay Once:		
	Trademark & Business Registration	\$750.00	\$750.00
	Legal and Accounting Organization Costs	\$500.00	\$500.00
	Licenses and Permits (PRO Blanket Licenses & Stock Exchange)	\$800.00	\$800.00
	Startup Expenses You Pay Once Sub-total (III)	\$2,454.00	\$2,454.00
	TOTAL EXPENSES (I+II+III)	\$6,448.00	\$50,382.00

	Contingency (10%)	\$7,092.80	\$55,420.20
	Total Estimated Cash Needed to Start For 12 Months (TOTAL EXPENSES +10%)		\$55,420.20

1. Legal and Accounting = I will allocate 2 hours per month for legal and accounting consulting at a rate of \$100 per hour.
2. Marketing and Advertising will focused mostly on digital advertising and promotional content
3. For Rent I plan to work at an office space in my home I used a standard rate based on the office size and the furniture is included also in this expense.
4. Mostly for business cards and office supplies.
5. It will cost \$20 a month only paying for the minutes
6. It will include the Wix site account expenses + the site domain expenses.
7. For electricity, I used standard rates based on the office size and the usage I give it while working
8. I will pay myself a salary of \$3,000 monthly.
9. This is important in order for the different equipment to work, with the pre amp and interface drivers.
10. The furniture it is included in the rent's price.

11. According to <http://smallbusiness.chron.com/much-cost-trademark-business-name-57181.html>, Federal trademark registration starts at \$275 for online registration not including attorney's fees. We register Ontti Labs. State trademark fees will be 100 for each. Lawyer fees to execute these registrations will be \$750.

12. This will be the cost to create the standard form contract, which will be the basis for each home studio. This will be a one-time fee, but we will have recurring costs of adjusting the contract, customizing it and miscellaneous costs. These are reflected above.

Our invested capital of 50,000 dollars is based on our startup expenses and approximately 3 years of total estimated expenses during operation, which were just explained.

Pro-Forma Balance Sheet

The balance sheet outlined below accounts for 6 months in year 1 with a 10% increase over each year after. My hypothesis is that after the company grows over time, we will be able to invest higher profile projects, acquire more equipment and raise more funds with investors.

For the first year, we will depreciate our equipment over 3 years. In addition, we will take out a \$50,000 loan with 8% interest to be paid out in 36 months.

Balance Sheet (on DECEMBER 2016)			
	Year 1	Year 2	Year 3
ASSETS			

1	Current Assets	5,000.00	13,000.00	32,000.00
	Cash	5,000.00	13,000.00	32,000.00
2	Fixed Assets	9,000.00	13,500.00	17,000.00
	Building	0.00	0.00	0.00
	Equipment	9,000.00	13,500.00	17,000.00
	Accumulated depreciation	(1,300.00)	(2,900.00)	(6,700.00)
3	Intangibles	454.00	454.00	454.00
4	TOTAL ASSETS	13,154.00	24,054.00	42,754.00
	LIABILITIES and OWNER'S EQUITY			
5	Current Liabilities	3,994.00	3,994.00	3,994.00
	Accounts payable	0.00	15,000.00	15,000.00

	Accrued expenses payable			
6	Long-term Liabilities			
	Bank loans	50,000.00	50,000.00	
7	Owner's Equity			
	Invested Capital	0.00	0.00	0.00
	Accumulated retained earnings	13,578.00	24,508.00	43,208.00
	Total Owner's Equity	13,578.00	39,508.00	73,208.00
8	TOTAL LIABILITIES and EQUITY	13,154.00	24,054.00	42,754.00

Pro-Forma Income Statement

This income statement is based on the expenses needed to start the company as well as the following logic for the revenue every year:

- The first 6 months will work on installing the equipment with a minimum of 4 properties in different locations, which each house equipment will cost around \$1,500.

- By the first year we should have around 6 properties each properties will have different prices depending on the location and property.
- Depending on the different inflation of the areas an PPP the prices will differ.

After the first year, we predict that the income will increase at 10% every year.

Income Stament (As of DECEMBER 2016)				
		Year 1	Year 2	Year 3
1	Revenue	8,000.00	8,800.00	9,680.00
	- Cost of Sales / COGS	0.00	0.00	0.00
2	GROSS PROFIT	8,000.00	8,800.00	9,680.00
	- Administrative Expense / SG&A	6,578.00	6,578.00	6,578.00
	- Depreciation Expenses	(100.00)	(100.00)	(100.00)
3	OPERATING PROFIT (EBIT)	14,478.00	15,278.00	16,158.00
	-/+ Dividends and Interest			
	Income	0.00	0.00	0.00

	- Interest Expense	(900.00)	(900.00)	(900.00)
4	PROFIT BEFORE TAXES	13,578.00	14,378.00	15,258.00
	Taxes	0%	0%	0%
5	NET PROFIT	13,578.00	14,378.00	15,258.00

Pro-Forma Cash Flow Statement

Cash-Flow Statement (as of DECEMBER 2016)				
		Year 1	Year 2	Year 3
	INFLOW AND OUTFLOW			
1	Funds provided by:			
	Receipts #1			
	Interest income	0		
	Invested capital	50,000	0	0
	TOTAL FUNDS IN	50,000		

2	Funds used for:			
	Cost of goods acquired			
	Distribution fees			
	SG&A			
	Interest expense	0	0	0
	Taxes	0	0	0
	Building and equipemnt	9000	13500	17000
	Long-term debt reduction	0	0	0
	Distribution owners	0	0	0
3	NET CHANGE IN CASH POSITION (Total Funds In - Total Funds Out)	41000	27500	10500
	CHANGES BY ACCOUNT			
4	Changes in Liquid Assets			
	Cash	41000	27500	10500
	Investment Portfolios	0	0	0

	TOTAL CHANGES	41000	27500	10500
5	NET CHANGE IN CASH POSITION (Total Funds In - Total Funds Out)	41000	27500	10500

1. Year 0 includes \$50k that we will use out of the bank to start the company. That money will primarily be used for a rent deposit and studio setup cost.
2. Building and equipment costs, receipts (revenue), invested capital, and COGS are covered in the previous sections.

6.5 Cash Burn Rate

This is the projected cash burn rate for the first 6-months of business. As you will see, we will incur the most costs pre-start up in order to start the business properly.

Cash-Flow Statement (For the first 6-month)						
Pre-Startup	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
	450	540	648	777.6	933.12	1119.744

	10	10	10	10	10	10
	460	550	658	787.6	943.12	1129.744
	-600	-600	-600	-600	-600	-600
-\$2,454.00	-350	-350	-350	-350	-350	-350
	-150	-150	-150	-150	-150	-150
	-640	-550	-442	-312.4	-156.88	29.744

6000						
\$3,546.00	\$2,906.00	\$2,356.00	\$1,914.00	\$1,601.60	\$1,444.72	\$1,474.46

Appendix

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