

Yucca Tech. & Rosewood.

1. Executive Summary

This business plan presents an overview of *Yucca Tech*, a holding company dedicated to advancing the career, and handling business operations on behalf of, the artist *Rosewood*. This newly established company wishes to foresee the best possible jumpstart to *Rosewood*'s career, setting it up to be a highly sustainable long-term creative enterprise. The main products to be offered will be the initial musical ventures of *Rosewood*, including 7 new songs and adjacent performances. These songs will be distributed through *The Orchard* and supported by *Disrupcion Records*. This arrangement results from a recently signed contract agreement that licenses these intellectual properties to *Disrupcion* through *Yucca Tech*. *Yucca Tech*. is now moving from a planning stage to a stage of action and is searching for greater engagement with outside parties in order to expand the universe of *Rosewood*, bring the music to the desired audience and create sustainable revenue sources through various creative goods.

2. Company Overview

2.1 Name / Brands

The company's legal name is *Yucca Tech LLC*. The company has only one brand: *Rosewood*. *Yucca Tech* may eventually hold other brands as their operations expand but right now the sole focus is being the holding company for *Rosewood* and growing that specific brand as large as it can grow within its niche market.

2.2 Sector

The legal sector is SIC Code 8999 (Services, Not Elsewhere Classified). This code covers authors, artists and related independent technical services. It also covers record production and music publishing. Since the distribution of records is currently our main activity, this code seems most appropriate for our current operations.

2.3 Legal Form

The company is registered in Canada as an LLC. The advantage of legal establishment in this manner has given us the chance to remove personal liability for the company and thus address specific company needs such as a professional format and legal licensing.

2.4 State of Registration

Yucca Tech LLC was registered in Alberta, Canada. Alberta encourages small businesses by offering a very low incorporation cost of \$225.00. The province requires 25% Canadian directors, but we have only one director (myself) and I am Canadian, so this was an easy quota to reach. Federal Incorporation in Canada is possible, however the business tax in Alberta is lower than the Federal level (12% compared with 15%).

2.5 Core Activity / Competitive Advantage

Currently, our core activity centers around the artistic output of our central artist Rosewood. Our main priority is to facilitate the development of this brand; producing music, visual content, and experiences with a consistent theme and appeal. At this point Yucca Tech. serves as the business entity behind the Rosewood brand and is at

the service of this brand. The company's activities behind Rosewood will involve marketing, publishing and most importantly the licensing of creative content.

In order to distinguish from the competition, it is important that the artistic identity of Rosewood (who will be the initial backbone of the company) is distinctive. Rosewood will embody an honest and intimate DIY aesthetic. This will allow for an appealingly relatable, yet scalable, artistic identity that will be reflected both visually and sonically. The content will be professional, yet quirky, emotionally deep and honest. It is important that Yucca Tech. uses Rosewood to showcase their ability to establish clear and unique branding, which will be the company's calling card moving forward to all other projects. The honest and un-ironic approach evident in Rosewood's content will carry over to future projects. This will help Yucca Tech. establish a brand identity. Obviously, as a creative content company, it is important first and foremost that our content is unique.

Business-wise, our approach will be focused on grass-roots digital campaigning. This is a new and exciting field, and the power of this technique has been showcased by new artists like Chance the Rapper, and even in the political campaign of Bernie Sanders. This methodology relies on real-life, physical campaigning that has a translatability over to social media. The message must be clear and concise, with a professional feel that elevates the DIY aesthetic above the rest of the "amateur" crowd.

Yucca Tech. will facilitate this grass-roots approach by allowing business independence for Rosewood, and any foreseeable future projects. By licensing and

maintaining ownership of intellectual property and creative copyrights, the company should have the creative flexibility necessary for effective and unique grass-roots community building.

2.6 Main Stakeholders

The main stakeholders are Fans, Record Labels interested in distributing, Brands Interested in collaborating, Artists interested in collaborating, Streaming Services and their respective playlists, Managers, Publicists, Booking Agents, Investors, Curators, Influencers & Tastemakers, Blogs & Media

In order for this business to work, I will need to create a diverse network in many areas of business. Above all, the fans should be the most important stakeholders, as they dictate the value of the company to all other potential stakeholders. However, as we saw with the examples of Uber and Airbnb in class, it is essential in the modern market to also have strong supply side networks. These supply side stakeholders will increase the value of my product and ultimately what I can offer to the fans.

Therefore, it is important to have the whole network working together and remember the way that different pieces affect each other. The system runs best when it is symbiotic.

2.7 Mission Statement

The mission of Yucca Tech. and Rosewood are one in the same; deliver fantastic and honest creative content that shrugs off irony and instead embraces authenticity. In turn,

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using that intimate and authentic content to connect with as many fans, brands and consumers as possible, thus spreading the messaging throughout culture. We also value, remaining positive, giving back to the community, and above all doing things in the most unique matter possible.

We believe our values of independence and harnessing your own uniqueness will connect with like-minded fans and creatives, allowing us to open the possibility for future projects in several forms of media.

We value quality over quantity and would rather put out a limited amount of high-quality and thoughtful content than a constant stream of non-impassioned work.

Rosewood is an artist, and Yucca Tech a company, with a lo-fi, intimate style that we want to bring to the masses. We honor authentic and emotional content in all we do.

2.8 Values / Mantra

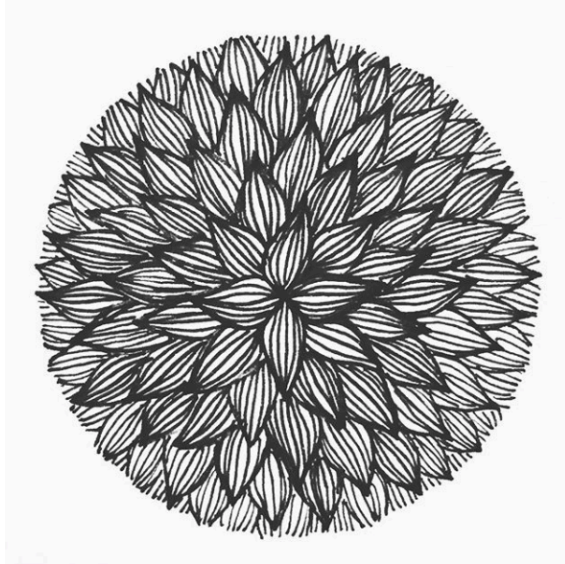
Our mantra is: Open & Honest

This embodies our companies' values of remaining constantly open and unguarded. It reminds us to take risks, to communicate honestly and boldly, and to be open to new ideas and possibilities.

Our company values positivity, honesty, open communication, authenticity and real connections. We want to give back to the community around us and build up relationships that are not only good for us but good for others too. Just as the aesthetic of our content is authentic and honest, so too should our relationships with others be.

2.9 Visual Identity

The main Logo for Rosewood is shown below.



Colors

- *Primary: Black (#000000); White (#ffffff)*
- *Secondary: Allowing for every other color to come into play. A predominately black and white backdrop will allow for different splashes of color to fit different moods, songs, etc.*

Fonts

- *Primary Font: Futura / Handwritten*
I just love the Futura font and use it for everything. I think it looks clean and classic. I also like the idea of doing handwritten text, as it looks lo-fi and authentic.

We embrace the same lo-fi style for our visual identity, meaning lots of film photography, grainy footage, and hand-drawn imagery. This is demonstrated on our Instagram page @youngsteva, as well our website www.rosewood.world

2.10 Communication

I plan to use Instagram as the major form of communication for Rosewood. but also, to have a site that will serve as a central hub. At this moment, I don't think it is paramount for Yucca Tech. to have a website as Rosewood is the sole project.

- Printed:
 - o Posters (For Marketing)
- Digital:
 - o Primary Social Media:
 - Instagram: @lifeofrosewood
 - o Secondary Social Media:
 - Facebook Fan Page
 - Tumblr
 - YouTube
 - o Website: www.rosewood.world
 - Built using squarespace

3. Value Proposition

A value proposition is all about connecting the offer to the buyer. It should portray the benefits to the buyer, and in doing so show why your company is different and worthwhile. It involves presenting perceived benefits, real or otherwise, and either creating gain or relieving pain for the customer.

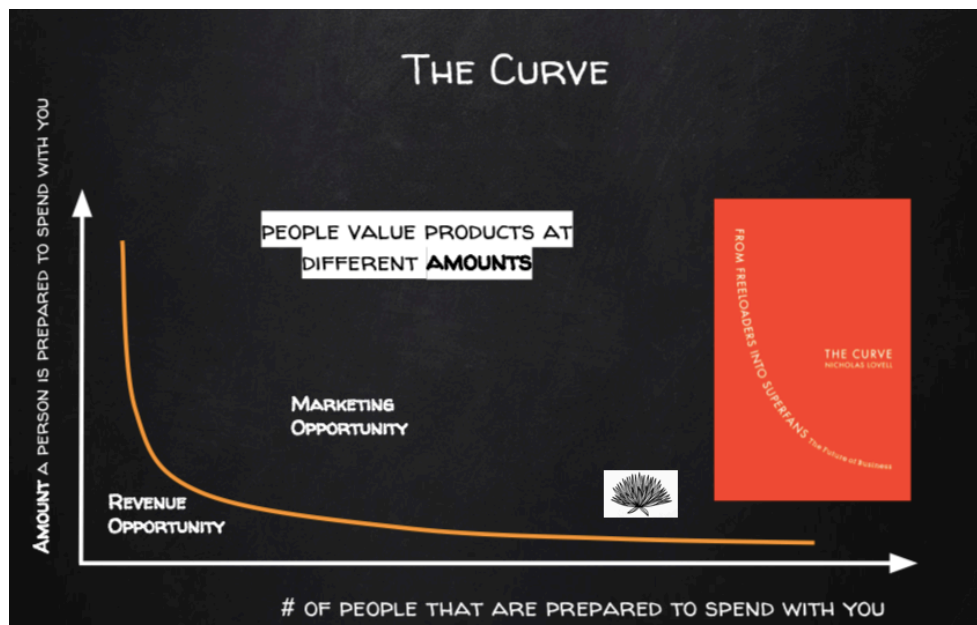
It is hard to define the value proposition for a holding company, specifically one that represents only one individual artist. The value proposition of that company is thus synonymous with the value proposition of the artist. We are in the business of creating intangible goods, making us inventors in our model.

Yucca Tech serves as the holding company for the artistic productions of myself under the pseudonym “Rosewood.”. As such the holding company’s values should reflect the values of the brand. This means sharing quality content with people and building a network that supports lo-fi and unique musical and artistic productions. We produce content with the goals of alleviating people’s stress and supplying them with music and art that can help them reflect positively upon their own lives. We hope that our music and art help people either escape or enhance their realities. Right now, our main values involve building a community around the art and helping people feel interconnected not only to the art but to each other, this means that our main sales points for people will be personal stress relief, personal reflection and social connectivity.

3.1 Pricing Policy

Pricing Policy should be selected with operational costs, cost of sales, and taxes in mind. After managing for these variables, the company must select the profit margin they wish to earn off their product. In our case, we will not be looking to make a significant profit margin. We simply wish to cover our costs and taxes and then reinvest any remaining income. Using Nicholas’ Lovell’s curve as an example, you can see that we clearly sit in an area that values marketing opportunities, and thus hopefully increases the amount of people willing to spend with us. Dynamic pricing means we may eventually adjust, but for right now we are focused on accumulating a big base of

consumers. We know that buyer value will increase with quality customer experiences that build our reputation.



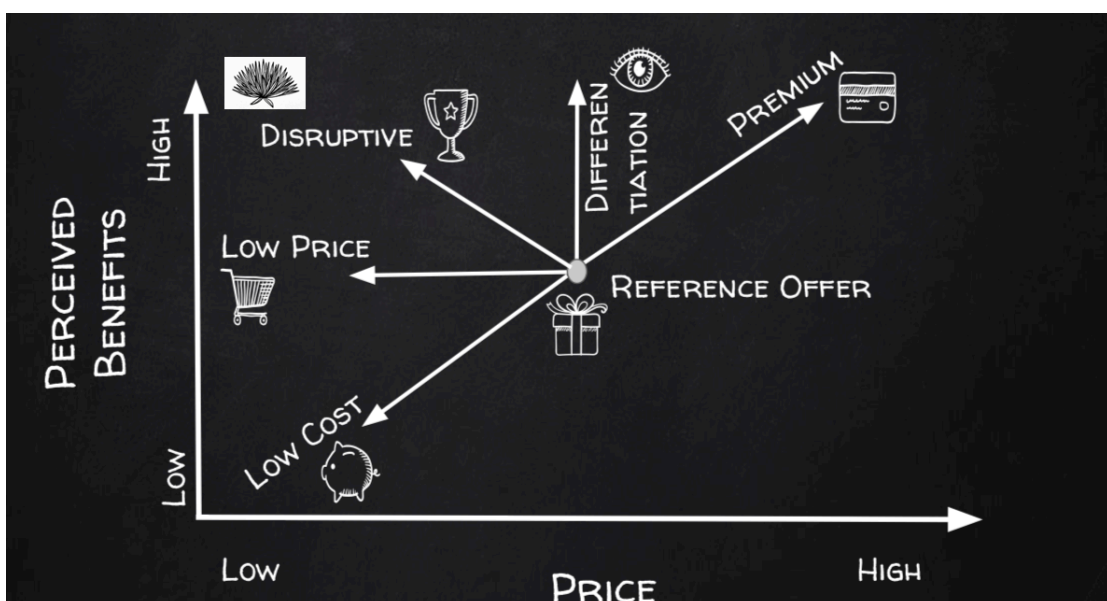
Our initial music offerings will be hopefully available for free. We do not wish to focus on digital or physical sales of music and instead encourage a wide network to grow around it. That means making the music available through Spotify, Apple Music, and other streaming services where people we have access to the material within their normal monthly plans. Our other potential content, such as books and shows, will have to be priced point individually to take into account their unique variables in production and credit. This makes offering exact price points difficult; however, we do have a unifying value that will help guide pricing across genres. This unifying value is the prioritization of the spread of information, or the value of the network. We wish to offer all our products at as low of a cost as possible for the initial periods of operation. After costs of production and the goods themselves are covered we will not be concerned

with profiting but instead identifying the price point that allows as many people as possible to access the material. Often in the case of music, this will be free, as means of production have been handled. In other cases, such as merch or books, this may mean very low-price points. There may be situations such as live performances, or digital sales, that create inadvertent revenue streams for the company. Of course, this will be happily accepted, but the royalties or payments earned will be used as equity and put back into the business for future artistic endeavors. Essentially this company will be operating like an artistic not-for-profit, with only concerns of growing the cause and keeping the company afloat and debt-free.

3.2 Market Positioning

This strategy clock defines our offer on the marketplace compared to others.

Compared to our substitutes we are definitely low cost, in a somewhat disruptive manner. While there are other artists who carry out their practice for the love of the craft or have chosen to use disruptive pricing methods (Radiohead, Chance the Rapper, etc.). Regardless, this is still not the norm in the industry, and so we retain a certain level of disruptiveness with our value system and business model. Art is



largely subjective, and it is up to the listener to decide the quality of something, especially when it comes to music, however, we are committed to producing well crafted, high-quality, and personal works. Therefore, we have positioned ourselves as low cost with high perceived benefits.

3.3 Customer Segmentation

In the end it would be ideal to connect with everyone through the art. However, it is still important to have an initial demographic to aim at. This will be university students in urban areas. I believe that the products we will be offering are complex enough that they will be best understood by people 16+. It is also usually young people that consume and find new music the most frequently. The main age group will probably be people in their late teens and twenties. There will hopefully be no categorical limits based on ethnicity, gender, sexual preference, or otherwise. The only real premises I can make in terms of segmentation is that the music will be hip-hop created by a university student, meaning that it would likely and hopefully be relatable to individuals of a particular age in similar social climates.

Demographic/Geographic:

The customer can live anywhere, since our distribution through The Orchard will allow for global access. The individual is likely between the ages of 16-25 because, as previously mentioned, this is the demographic that most often discovers and explores new music.

Economic:

The price of music is increasingly accessible to people all over the world. Most people should be able to afford some form of access to our music and services.

Psychographic & Habits

The only thing to note here is that our initial consumers will be those who are probably young, interested in music, and with time or ability to explore new music (which is increasingly easy thanks to playlists and other means)

3.4 Customer Data

My Spotify demographics reflect what I suspected and show that the majority of my previous listeners are between the ages of 18 and 24 (71%). My listeners are slightly more likely to be female than male (55-45%). My fans are largely based in Canada, but this is likely because all my practices have been centered there so far.

I also surveyed asking for what people look for in discovering new songs and found several frequently cited answers

1. Strong Melody
2. Unique Elements
3. Meaningful Content
4. Intriguing Introduction
5. Surprising Changes

4. Business Environment

Main Macro Trends Opportunities:

Macro Trends are mass scale external factors that affect the environment that your business exists in. They can be of political, economic, social, or technological nature. These megatrends affect not only your sector but other sectors as well. The biggest macro trends in music right now are technological in nature. Streaming is quickly eating up more and more of the consumption pie and taking consumers away from digital downloads and physical purchases. Socially, globalization has increased appreciation

for culturally diverse music. The internet has allowed for music to reach broader frontiers, particularly in the emerging markets (China, India, etc.) where improving economic conditions are driving more rapid consumption. The internet has also allowed for networking amongst individuals of particular tastes, creating subcultures that may be too spread out to grow in a single geographic location. You can now find music for any taste and a consumer for any type of music. The cost of making music, and the barriers of entry, are also now lower than ever, thanks to technological advances that have affected the economics of the industry.

Macro Trend Opportunity Explanation:

Being a DIY start-up with a unique flavor of music means looking for fans with a very specific type of taste. This would not always be possible in the days of old, when your musical fanbase was built out from a geographic location. Now Macro-Trends in technology will allow us to take advantage of the internet to hopefully build a community of dedicated fans that could live anywhere in the world. Social Media can be used to bridge gaps and make people feel connected, streaming allows for global access, and marketing can be done digitally. Collaboration and production can also take place via the internet. The vast accessibility of making and distributing music means we can achieve our goals at a very-low cost, and step over traditional barriers of entry. This means opportunities are endless for a start-up, or a young artist, who has the whole world at their fingertips.

Main Macro Trend Threats:

The same macrotrends that foster opportunity create threats for the sustainability of an artists' career. The lowered barrier of entry means more entrants than ever. The

dizzying amount of content available via social media means marketing can no longer be done effectively by traditional means.

Industry Trend Opportunities:

Within the music industry, these macro trends of technological proliferation and low entry-barriers have changed the ways the main power players handle their business. Labels in particular have changed immensely. Whereas you used to be able to get almost all your services through a central source, artists now have numerous options and strategies through which to spread their music, from a full-on label deal to full on DIY and everything in between. Streaming means you can reach a massive audience with your music, regardless of their geographical or economic status. You can even hold concerts for fans via the internet and they can gain access entirely for free.

The Music Modernization Act, issued in the states, is one political industry trend that looks to help support artists.

Industry Trend Threats:

Streaming means more people than ever can access your music for a low cost, but the rise of piracy and the solution of streaming means that profit margins on recorded music have fallen immensely. Artists now need to look to alternate revenue streams to support their careers. Whereas you used to tour to promote your recordings, you now make recordings to promote your tours. Artists look for brand endorsement deals, sell merchandise, and must do other things to engage their fans.

4.1 Market Size

Our market size is huge, meaning a load of opportunities but also a plethora of threats. 71% of internet users access licensed music and one-third of 16 to 24-year-olds pay for

some kind of audio streaming service. The truly globalized music market means millions could have access to your art. At the same time there are approximately 24,000 songs uploaded to Spotify every single day, meaning a hugely competitive battle to win consumer attention and loyalty. Technology has been revolutionary for the modern DIY artist, but also pitted them against hundreds of thousands of others just like them, and this is the battle we are facing.

Value Chain Analysis:

We add value to the chain through our content. We want to make our art not only individual offerings but experiences. The first step is that you enjoy the unique and lo-fi characteristics of the music. We want to create events, artwork, videos and an experience that parallels the feel of the music, so that when you buy into the music you are actually buying into much more: a larger community and feeling, a larger narrative.

Suppliers:

I am the main supplier of the music. I will be doing the production, writing, and mixing. I will need supplies for specific needs as they arise. This will include venues for performance, specific artworks for songs, supplies for the book, and other such means of production. Luckily, I have an organizational structure that will facilitate me in obtaining this supply.

Organization Value:

On my team I have a mastering engineer, graphic designer, videographer/ photographer, A&R person, marketing person, distribution team (The Orchard) and record label (Disrupcion) that will all help me deliver the best and most expansive experience to the consumer.

Distributors:

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I am the primary distributor of our product. I have access to deliver merchandise and the book as I please and will have to obtain distribution for these facets. As far as music goes, I deliver my masters to an A&R Person at Disrupcion, who then passes them to the Orchard for marketing and distribution. 6 weeks after delivery the product will be globally available on all platforms. My current deal structure means I owe Disrupcion 4 songs.

End Consumers:

The end consumers are any fans who download the music, follow me on social media, listen to the music via streaming, show up to a performance or participate in the experience

5 Forces Analysis:

Who are the rivals?

The rivals are other artists wishing to gain the limited attention of fans and win over a fan base. While of course people can appreciate more than one artist, the current industry climate means steep competition for playlist placement, media coverage, show bookings and general consumption. The industry we are entering is fragmented, meaning room for us to grow something unique but also a difficult landscape to maneuver.

Threat of New Entrants?

New entrants are constant. As previously mentioned, there are 24,000 songs uploaded to Spotify each day. Luckily, technological advances mean this will not affect access to distribution channels nor regulations (beyond the basic upload stipulations that most aggregators require). The business can be scaled endlessly in the fact that digital distributions creates the potential for unlimited access by an unlimited number of fans. For other things, such as performance and merchandise, scalability will definitely be a

factor. Reputation will be the biggest issues because so many of the opportunities' given to artists are based on previous achievement. Getting the foot in the door of reputation and gaining fans will be the biggest challenge but best way to separate from new entrants.

Threat of Substitute Products?

The threat of substitutes, not because anyone is making music in the same ilk as us, but because the genre divided world of DSP's results in a system that is fiercely competitive. Demand will be highly elastic and will depend entirely on our content and ability to execute in marketing that content.

Bargaining Power of Suppliers?

In terms of supplier relations, I have strong bonds with everyone on my team. However, my relation to my biggest supplier (The Orchard) is based off my relationship with Disrupcion and this is a vulnerable area to keep in mind. That being said there are main other suppliers who could provide my basic needs, although not many with the same marketing power of The Orchard. For this reason, I would say my bargaining power is fairly low right now, but my switching cost is low as well. To change suppliers would be an easy task, but definitely not ideal.

Bargaining Power of Customers?

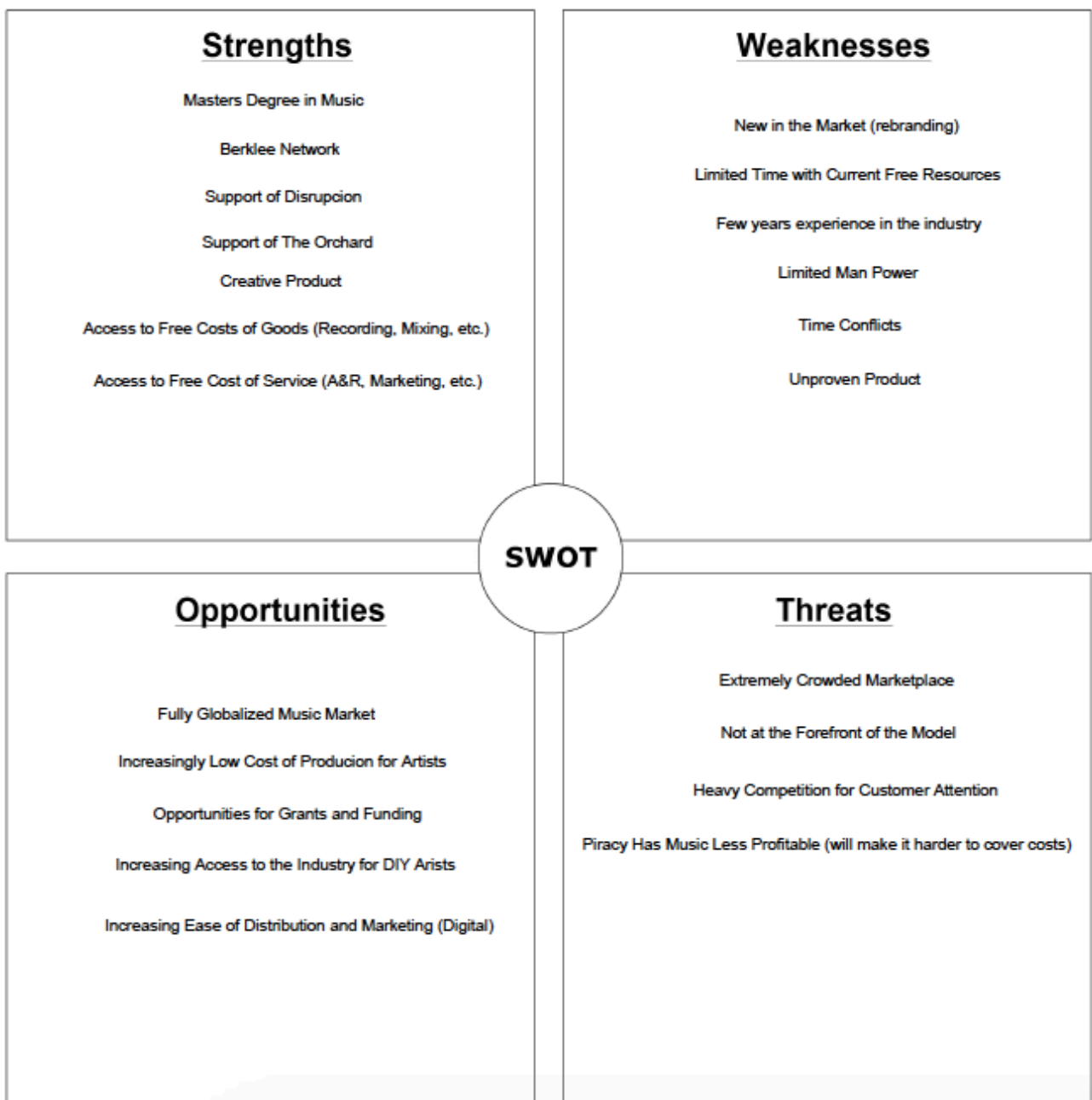
Customers have all the options in the world right now, and thus all the power is in their hands. It is up to us to convince them of the value of our content.

4.2 Business Competition

Our substitute competition and our direct competition are one in the same: other artists who are making products for consumption, regardless of their position or means of delivery. In particular our competition is fellow DIY artists and small-scale label artists,

especially those in our main territories of Valencia and Edmonton, that will be competing for similar opportunities as us.

4.3 SWOT Analysis



5. Marketing Strategy

Currently our marketing strategy is centered around the staggered release of 4 singles. Each single will be accompanied by promotional shows, and unique physical advertising that can also be translated to social media advertising. The central theme of this release strategy will be constant engagement. The traditional method of release in the music industry is usually divided into 3 main stages. Recording Period, Promotional Release Period, and Post-Release during which the artist typically tours. This made sense for a long time but in the context of the modern industry it is possible to engage in constant interaction with fans, release music on shortened time frames, record songs on the go and be engaged in constant performances. Our marketing strategy follows this model. We will be focused on creating a constant engagement with fans over social media and driving it home with continuous product release. This type of strategy has worked favorably for acts in recent years and we will follow the model, in turn building up a grassroots community following.

6. Financial Projections - All Values Listed in \$CAD (Canadian Dollars)

6.1 Required Capital

Your total required capital can be calculated by taking twelve months of fixed expenses and adding both startup expenses and asset purchases. Adding this total required capital to time spent and your tangible and intangible assets can help create a pre-money valuation of your company

Our Operating Expenses include website hosting fees, mastering services provided by engineer Strider White and Post-Boosting on Social Media. Luckily for us, normal expenses for a DIY artist, such as mixing, distribution and marketing are being

handled by our label situation with Disrupcion, although there is definitely notable room for contingency in this area, particularly marketing.

	Monthly Fixed Expenses	Amount Per Month	For 12 Months
Operating Expenses (OPEX)	Website Hosting Fee	2.75	33
	Distribution and Marketing Fee	0	0
	Mastering Services	100	1200
	Post-Boosting	50	600
	Mixing Services	0	0
	Monthly Fixed Expenses Sub-Total:	152.75	1833
Capital Expenses (CAPEX)	Asset Purchases:	Amount Per Month:	For 12 Months:
	Recording Equipment	0	0
	Plug-Ins and VSTs	0	0
	Computer and DAW Program	0	0
	Asset Purchase Sub-Total:	0	0
	Start-Up Expenses You Pay Once:	Amount Per Month:	For 12 Months:
	Business Registration Fee	16.67	200
	Trademark Registration Fee	20.83	250
	Start-Up Expenses You Pay Once Sub-total:	37.5	450
	Total Expenses:	190.25	2283
	Contingency (10%)	19.03	228.3
	Total Estimated Cash Needs for 12 Months:	209.28	2511.3

Our Assets are already covered, as I have invested in recording equipment and virtual programming necessary for my art in previous years. Start-Up Expenses will include the business registration of Yucca Tech and the trademarking of Rosewood.

Altogether our required capital is relatively low, and this makes sense considering our type of business and the privileges / assets that I have already established. The expected cash needed for the full year is 2511.30. This projected figure is based on operations for the next year.

6.2 Pro-Forma Balance Sheet

Pro-Forma refers to a financial statement that shows potential or expected income, costs, assets, or liabilities, especially when relation to a yet to come planned action.

The Balance Sheet is a statement of assets, liabilities, and equity of a business or organization at a certain point in time.

Balance Sheet (April 2019)				
	Year 0	Year 1	Year 2	Year 3
ASSETS				
1 Current Assets				
Cash	0	2000	5000	10000
Investments	0	0	0	0
Accounts Receivable	0	0	0	0
Inventories	0	0	0	0
Prepaid Expenses	0	0	0	0
2 Fixed Assets				
Building	0	0	0	0
Equipment	4000	4000	4000	4000
Accumulated Depreciation	-1000	-2000	-3000	-4000
3 Intangibles	450	450	450	450
Accumulated Amortization	0	-60	-120	-180
4 TOTAL ASSETS	3450	4390	6330	10270
LIABILITIES AND OWNER'S EQUITY				
5 Current Liabilities	0	0	0	0
Accounts Payable	0	0	0	0
Accrued Expenses Payable	0	0	0	0
6 Long-term Liabilities				
Bank Loans	0	0	0	0
7 Owner's Equity				
Invested Capital	3450	3450	3450	3450
Accumulated Retained Earnings	0	940	2880	6820
Total Owner's Equity	3450	4390	6330	10270
8 TOTAL LIABILITIES AND EQUITY		4390	6330	10270

1. By the end of each year we can expect to be delivered our payments in cash.
2. Any zeroes should be self-explanatory. We are a relatively small and focused business that is unconcerned with things like bank loans or renting a building space
3. Equipment is the recording equipment and computer systems previously mentioned
4. We recommend updating our equipment within 4 years, which is where we got out depreciation from

5. *Intangibles include business creation and trademark. The renewal fees are \$60, which is where the amortization rate comes from.*

6. *Invested capital is my initial investments in the company, which have been previously made.*

6.3 Pro-Forma Income Statement

Income Statement (April 2019)					
		Year 0	Year 1	Year 2	Year 3
1	Revenue	0	2000	5000	10000
	Cost of Sales	0	0	0	0
2	GROSS PROFIT	0	2000	5000	10000
	Administrative Expense / SG&A	0	0	0	0
	Depreciation Expenses	0	0	0	0
	Amortization Expenses	0	0	0	0
3	OPERATING PROFIT (EBIT)	0	2000	5000	10000
	-/+ Dividends and Interest Income	0	0	0	0
	- Interest Expense	0	0	0	0
4	PROFIT BEFORE TAXES	0	2000	5000	10000
	Taxes	0	0	0	0
5	NET PROFITS	0	2000	5000	10000

The income statement shows the revenue and expenses of a business during a particular period. Estimating revenue was largely based on streams. Spotify, for example, pays \$0.00397 per stream. This means aiming at about 500,000 streams our first year and then eventually reaching the million streams mark by year three. This is obviously a highly optimistic outlook but is not financially risky, considering our very low input costs. No dividends are paid as I am the sole owner.

6.4 Pro-Forma Cash Flow Statement

Cash Flow Statement (April 2019)					
		YEAR 0	YEAR 1	YEAR 2	YEAR 3
	INFLOW AND OUTFLOW				
1	Funds provided by:				
	Receipts #1	0	2000	5000	10000
	Interest Income	0	0	0	0
	Invested Capital	3450	0	0	0
	TOTAL FUNDS IN:	3450	2000	5000	10000
2	Funds used for:				
	Cost of goods acquired	0	0	0	0
	Distribution Fees	0	0	0	0
	SG&A	0	0	0	0
	Rent	0	0	0	0
	Interest expense	0	0	0	0
	Taxes	0	0	0	0
	Building and equipment	0	0	0	0
	Long-term debt reduction	0	0	0	0
	Distribution owners	0	0	0	0
3	NET CHANGE IN CASH POSITION:	3450	2000	5000	10000
	CHANGES BY ACCOUNT				
4	Change in Liquid Assets				
	Cash	0	2000	5000	10000
	Investment Portfolios	0	0	0	0
	Total Changes	0	2000	5000	10000
5	NET CHANGE IN CASH POSITION:	0	2000	7000	17000

The cash flow statement exemplifies how changes in balance sheet and income sheets have affected cash and cash equivalents. Year 0 includes the initial investments I made out of pocket, everything after that is either based on our pro-forma income sheet estimates, or previous figures that can be found in the balance sheet.

6.5 Cash Burn Rate

Your cash burn rate is the rate at which you use up capital to finance overhead, before creating positive cash flow through your operations. It is most frequently quoted in terms of cash spent per day or per month. You calculate your cash burn rate by taking the total cash position change and dividing it by a specified time period.

Cash Difference For 3 Year Period of Net Profit Gain: $17,000 / 36 = \$472.22$ Cash

Burn Rate (Monthly) and $17,000 / 1095 = \$15.53$ Cash Burn Rate (Daily)

6.6. Risks

The risks associated with the project are relatively low. I did make a large investment to start the company, but this was put into useful equipment, recording gear and things that would otherwise consider worthwhile recreational purposes. The company's unconcern with profitability also makes for lower risk in terms of finance. The fact that this is a passion project is responsible for mitigating a lot of risks. We have a lot of privileges in the modern recording landscape and a lot of support from Disrupcion which means that we have a low risk situation where we can focus on simply spreading the music as far as possible and retaining creative freedom. We have to remember though that with low investment also means less chance for impact in a crowded marketplace that sees heavily funded label artists vying for the same spaces we wish to occupy.

7. Evaluation Metrics and Control

Our main measures of success will be Spotify Followers and Instagram Followers. We want to focus on follower growth more than streams in particular because it reflects a growing community and a retention of fans. We are not concerned with profits other than remaining sustainable so there is no need to measure by profits, however revenue could be a good indicator of a growing fan base as well. Show size will be another key performance indicator of growing fan base.