

**AUGUST 2024**

ETERNAL MELODY PUBLISHING  
BUSINESS PLAN

**Grace Morris**

President

Eternal Melody Publishing

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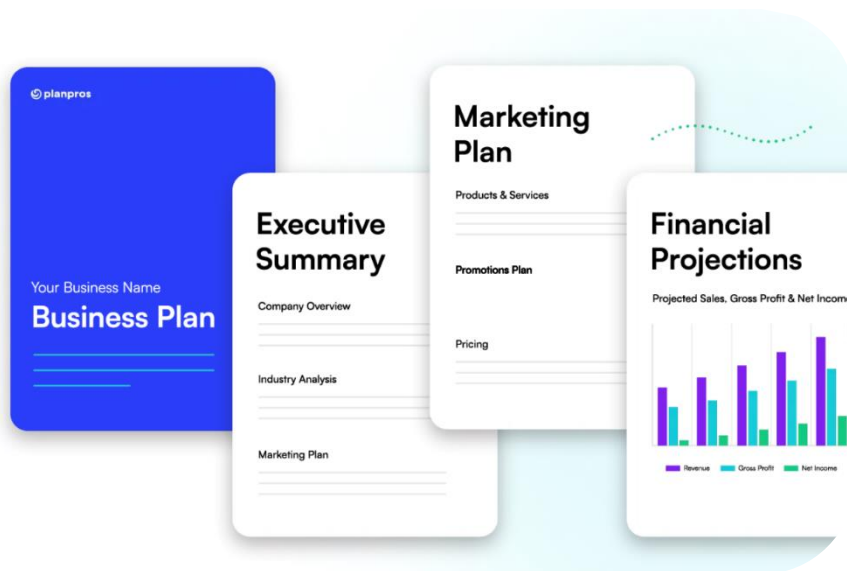
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# Music Publishing Business Plan Template

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# I. Executive Summary

## Company Overview

At Eternal Melody Publishing, located in the vibrant community of National City, CA, we are introducing a fresh and dynamic approach to music publishing. Our mission is to bridge the gap in the market for premium music publishing services, thereby becoming the go-to destination for artists and songwriters aiming to elevate their music careers. We offer a comprehensive suite of services tailored to the needs of the music industry, including Copyright Administration, Licensing and Sync Placement, Royalty Collection and Distribution, as well as Songwriting and Artist Development. By focusing on nurturing local talent and providing extensive support and visibility, we are dedicated to enhancing the local music scene with our expertise and passion.

## Success Factors

Our confidence in becoming a leading figure in the music publishing industry stems from several key factors. Our founder's vast experience and previous success in music publishing provide us with the necessary insights and knowledge to excel. Our unique offering of superior songwriting and artist development services, combined with a broad spectrum of publishing services, positions us above our competitors in National City, CA. Since our inception on January 6, 2024, we have achieved significant milestones including the development of a distinctive brand identity and securing a prime location for our operations. These accomplishments underscore our commitment to becoming a prominent entity in music publishing.

## Industry Analysis

The Music Publishing industry in the United States, currently valued at over \$4 billion, is on an upward trajectory, with projections estimating growth to over \$5 billion by 2025. This growth is fueled by increased music consumption, a rising interest in independent artists, and the expansion of global music markets. Eternal Melody Publishing is poised to capitalize on these industry trends through our innovative business model that aligns with the digital distribution shift and the demand for personalized music experiences. By harnessing technology and focusing on customer-centric services, we are well-positioned to attract and retain clients, thereby establishing a strong presence in the music publishing industry.

### Customer Analysis

We target National City residents with a profound interest in music, catering to aspiring musicians, songwriters, and music enthusiasts seeking to launch their music careers or discover unique talent. Our partnership with local schools and colleges will foster new talent and ensure a continuous influx of fresh content for our publishing catalog. Furthermore, we aim to serve local businesses in need of custom music solutions, recognizing the value of unique, high-quality music in enhancing their brand identity. Our tailored offerings are designed to meet the diverse needs of our clientele, thereby solidifying our footprint in the local music scene.

### Competitive Analysis

Eternal Melody Publishing faces competition from Capricorn Studios, Citizen Recording, and Music On Madison, each offering a range of services from music production to publishing. However, our competitive advantage lies in our unparalleled focus on songwriting and artist development, coupled with a comprehensive array of music publishing services. Our seasoned team's dedication to nurturing talent and refining skills ensures that our artists receive not only industry-leading support but also the tools they need to navigate the music industry successfully. This holistic approach distinguishes us as not just a publishing house, but a full-service partner for our artists' careers.

### Marketing Plan

Eternal Melody Publishing's marketing strategy revolves around a comprehensive suite of services designed to empower music creators, ensuring their work achieves maximum creative and financial potential. Our services range from Copyright Administration and Licensing to Songwriting and Artist Development, all priced competitively to meet the diverse needs of our clientele. Our promotional efforts will leverage online marketing, particularly social media and email marketing, to engage with our audience effectively. Additionally, hosting live events and utilizing content marketing will enhance our visibility and establish our brand within the music community. Strategic partnerships will further expand our reach, ensuring Eternal Melody Publishing stands out in the competitive music industry.

### Operations Plan

Key operational processes at Eternal Melody Publishing include content acquisition, song registration, catalog management, licensing and royalty negotiation, and royalty collection and distribution. To ensure our success, we will also focus on marketing and promotion, customer service, market analysis, networking, and professional development. Our upcoming milestones include securing necessary licensing and copyright agreements, building a robust music catalog, establishing strong distribution

networks, launching our business with a compelling marketing campaign, implementing an effective royalty management system, reaching a monthly revenue goal of \$15,000, developing a loyal customer base, and expanding our artist and songwriter roster. These steps are critical for establishing Eternal Melody Publishing as a key player in the music publishing industry.

## Management Team

Under the leadership of Grace Morris, President of Eternal Melody Publishing, our management team is equipped with the expertise and experience necessary for our business's success. Grace's significant achievements in the music publishing field and her forward-thinking approach to fostering creative talent ensure that Eternal Melody Publishing is on a path toward lasting success in the music industry.

## Financial Plan

To achieve our growth objectives, Eternal Melody Publishing requires \$257,000 in funding. This investment will be allocated towards capital and non-capital investments, including location buildout, equipment, working capital, initial rent/lease, staff salaries for the first three months, initial marketing and advertising, supplies, and insurance. These investments are essential for establishing and scaling our operations, ensuring Eternal Melody Publishing's strong entry and sustained presence in the music publishing market.

## Summary

Below is an overview of our expected financial performance over the next five years:

|                     | <b>FY 1</b>        | <b>FY 2</b>        | <b>FY 3</b>        | <b>FY 4</b>        | <b>FY 5</b>        |
|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues            | \$6,183,278        | \$6,695,440        | \$7,250,024        | \$7,850,545        | \$8,500,807        |
| Direct Expenses     | \$2,812,182        | \$2,955,450        | \$3,106,016        | \$3,264,253        | \$3,430,552        |
| <b>Gross Profit</b> | <b>\$3,371,095</b> | <b>\$3,739,990</b> | <b>\$4,144,008</b> | <b>\$4,586,292</b> | <b>\$5,070,255</b> |
| Gross Profit (%)    | 54.5%              | 55.9%              | 57.2%              | 58.4%              | 59.6%              |
| Other Expenses      | \$97,085           | \$100,030          | \$103,065          | \$106,192          | \$109,414          |
| <b>EBITDA</b>       | <b>\$3,274,010</b> | <b>\$3,639,959</b> | <b>\$4,040,942</b> | <b>\$4,480,099</b> | <b>\$4,960,841</b> |
| Depreciation        | \$30,000           | \$30,000           | \$30,000           | \$30,000           | \$30,000           |
| Amortization        | \$0                | \$0                | \$0                | \$0                | \$0                |
| Interest Expense    | \$25,700           | \$25,700           | \$25,700           | \$25,700           | \$25,700           |
| Income Tax Expense  | \$1,126,408        | \$1,254,490        | \$1,394,834        | \$1,548,539        | \$1,716,799        |
| <b>Net Income</b>   | <b>\$2,091,901</b> | <b>\$2,329,768</b> | <b>\$2,590,407</b> | <b>\$2,875,859</b> | <b>\$3,188,341</b> |

## II. Company Overview

At Eternal Melody Publishing, we are proud to introduce ourselves as a new and vibrant Music Publishing company serving the community in National City, CA. As a local music publishing business, we have identified a significant gap in the market for high-quality music publishing services. Our mission is to fill this gap and become the premier destination for artists and songwriters seeking to take their music to the next level. With a focus on nurturing local talent and providing a comprehensive suite of services, we are committed to elevating the music scene in our area.

Our offerings at Eternal Melody Publishing encompass a wide range of services tailored to the needs of musicians and songwriters. These services include Copyright Administration, ensuring that our clients' works are protected and that their intellectual property rights are meticulously managed. Licensing and Sync Placement services are also a cornerstone of our operations, providing lucrative opportunities for our clients' music to be featured in films, television, and other media. Furthermore, we handle Royalty Collection and Distribution, ensuring that our clients are compensated fairly for their work. At the heart of our services are Songwriting and Artist Development, where we work closely with artists to refine their craft and elevate their careers. Lastly, we offer Creative Support and Promotion, helping our clients gain the visibility and recognition they deserve. Located in the heart of National City, CA, Eternal Melody Publishing is perfectly positioned to serve the local music community with dedication and expertise.

Our confidence in the success of Eternal Melody Publishing is grounded in several key factors. Firstly, our founder brings invaluable experience from previously running a successful music publishing business, ensuring that we have the knowledge and insight required to thrive. Additionally, we stand out from the competition by offering superior songwriting and artist development services, coupled with a more comprehensive array of music publishing services. This unique combination positions us as the go-to provider for music publishing needs in National City, CA.

Since our founding on January 6, 2024, as a Sole Proprietorship, we have made significant strides in establishing Eternal Melody Publishing as a noteworthy entity in the music publishing sector. Our accomplishments to date include designing an iconic logo that represents our brand's ethos, developing a memorable company name that resonates with our audience, and securing a prime location that serves as the hub for our operations. These milestones mark just the beginning of our journey to becoming a leading force in the music publishing industry.

## III. Industry Analysis

The Music Publishing industry in the United States is a thriving market with a current size of over \$4 billion. This industry encompasses a wide range of activities, including composing, printing, distributing, and promoting music. With the rise of digital music platforms and streaming services, the demand for music publishing services has only increased in recent years.

Market research indicates that the Music Publishing industry is expected to experience steady growth in the coming years. By 2025, the market size is projected to reach over \$5 billion, driven by factors such as increased music consumption, growing interest in independent artists, and the expansion of global music markets. This growth presents a promising opportunity for new players like Eternal Melody Publishing to establish a strong presence in the industry.

Recent trends in the Music Publishing industry, such as the shift towards digital distribution and the rise of personalized music experiences, align well with the business model of Eternal Melody Publishing. By leveraging technology and focusing on customer-centric services, Eternal Melody Publishing can capitalize on these trends to attract and retain customers in National City, CA, and beyond. With a strategic approach and a commitment to innovation, Eternal Melody Publishing is well-positioned to thrive in the evolving music publishing landscape.

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## IV. Customer Analysis

Below is a description of our target customers and their core needs.

### Target Customers

We will target local residents in National City who have a deep interest in music, whether as aspiring musicians, songwriters, or music enthusiasts. This demographic is likely to seek out music publishing services to either launch their own music career or to find unique local talent. Our services will cater to their needs by providing a platform for exposure and professional growth in the music industry.

We will also extend our services to local schools and colleges, aiming to collaborate with music departments and student organizations. These institutions are breeding grounds for new talent and innovative musical projects. By partnering with them, we will not only support the development of young musicians but also ensure a steady influx of fresh content and talent for our publishing catalog.

Additionally, we will tailor our offerings to meet the needs of local businesses seeking custom music solutions for advertising or promotional purposes. This segment recognizes the value of unique, high-quality music in enhancing their brand identity and engaging with their audience. By serving these businesses, we will expand our reach and diversify our portfolio, further establishing our presence in the local music scene.

### Customer Needs

Eternal Melody Publishing emerges as a beacon for residents with a discerning musical taste, providing high-quality music that caters to a wide spectrum of genres and preferences. Customers can expect an unmatched selection that not only satisfies their desire for superior sound but also enriches their auditory experience. This commitment to excellence positions Eternal Melody Publishing as a distinguished provider in the music publishing landscape.

Moreover, Eternal Melody Publishing understands the evolving needs of music enthusiasts and creators alike. By offering services that support artists in copyright management, distribution, and promotion, they ensure that the music reaches its audience in the most effective manner. Customers and artists can rely on Eternal Melody Publishing to navigate the complexities of the music industry, making it easier for them to focus on what truly matters: the music.

In addition to serving music aficionados, Eternal Melody Publishing addresses the needs of businesses seeking high-quality music for commercial use. With an extensive library of licensed music, they can provide soundtracks for films, advertisements, and other media, ensuring that businesses have access



to the right sounds to complement their projects. This versatility makes Eternal Melody Publishing an essential partner for both individual and corporate clients in National City, CA, and beyond.

## V. Competitive Analysis

### Direct Competitors

Eternal Melody Publishing's competitors include the following companies:

**Capricorn Studios** offers a comprehensive range of music production and recording services. They specialize in audio engineering, mixing, mastering, and also provide artist development programs. Their price points vary depending on the complexity and duration of the project but tend to be competitive within the industry. Capricorn Studios generates revenue primarily through studio booking fees and long-term projects with artists and labels. They are located in a prime area that's accessible to a wide range of musicians, from upcoming artists to established acts. The studio serves customers across various geographies, primarily focusing on artists and record labels in California. Their key strength lies in their state-of-the-art recording equipment and seasoned professionals who have a track record of producing hit records. However, their weakness might be the high cost of services which can be a barrier for emerging artists with limited budgets.

**Citizen Recording** offers a wide array of services including recording, mixing, mastering, and music production. They pride themselves on providing a creative environment for artists of all genres. Their pricing model is flexible, offering hourly rates as well as package deals for extended projects, making it accessible for both independent artists and established labels. The company has a significant presence in its local market and has started to attract clients from neighboring states, expanding its geographical reach. Citizen Recording's clientele ranges from solo artists to bands and orchestras, tapping into a diverse customer segment. The studio's key strengths are its versatile service offerings and a highly skilled team that can cater to a broad spectrum of musical styles. A potential weakness could be their less prominent brand recognition compared to some of their more established competitors, which could influence new clients' decision-making.

**Music On Madison** is known for its music publishing services, offering song registration, licensing, and royalty management. They cater to songwriters, composers, and music producers, providing them with the infrastructure to monetize their work effectively. Their pricing strategy is based on a commission model, where they take a percentage of the royalties collected, ensuring that artists only pay when they earn. Located in a culturally rich area, Music On Madison has the advantage of being in close proximity to a vibrant music scene, which benefits their networking and partnership opportunities. They serve clients both locally and internationally, leveraging digital platforms to manage and distribute music worldwide. Their strength lies in their comprehensive royalty management system and personalized customer service. However, their focus on publishing over recording and production services could be seen as a limitation for clients looking for a one-stop-shop solution.

## Competitive Advantages

At Eternal Melody Publishing, we pride ourselves on offering unparalleled songwriting and artist development services that set us apart from the competition. Our team of experienced professionals is dedicated to nurturing talent and refining skills to produce truly exceptional music. We understand the intricacies of the music industry and work closely with our artists to ensure they can navigate its challenges successfully. Our commitment to artist development means that we not only focus on the music but also on the personal and professional growth of our artists, providing them with the tools and support they need to achieve their full potential.

In addition to our superior songwriting and artist development offerings, we boast a comprehensive range of music publishing services unmatched in the industry. From copyright management and synchronization to licensing and distribution, we ensure that our artists' work reaches the widest possible audience while protecting their rights and interests. Our proactive approach to market trends and technology allows us to offer innovative solutions that maximize exposure and revenue for our artists. This holistic and forward-thinking strategy ensures that Eternal Melody Publishing is not just a publishing house but a full-service partner for our artists' careers.

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## VI. Marketing Plan

Our marketing plan, included below, details our products/services, pricing and promotions plan.

### Products, Services & Pricing

Eternal Melody Publishing offers a comprehensive suite of services designed to cater to the diverse needs of artists, songwriters, and music creators. Our goal is to empower creators by ensuring their music reaches its fullest potential, both creatively and financially. Through our tailored services, we provide the support and infrastructure necessary for artists to thrive in the ever-evolving music industry.

One of our key services is Copyright Administration. This service is crucial for protecting the rights of creators and ensuring they receive due credit and compensation for their work. By handling the complex process of copyright registration, tracking, and enforcement, we alleviate the burden on artists, allowing them to focus on their craft. Clients can expect to invest approximately \$200 for basic copyright administration services, with prices varying based on the scope of work and catalog size.

Licensing and Sync Placement represent another critical aspect of our offerings. We actively work to place music in films, TV shows, commercials, video games, and other media, opening up significant revenue streams for artists. Our team's expertise in negotiating deals and understanding market trends ensures that creators get the best possible placements for their work. Prices for these services start at around \$500, which includes initial consultation and representation, with a percentage-based commission on successfully placed tracks.

Royalty Collection and Distribution is at the heart of what we do. With our robust network and industry-leading technology, we ensure that artists receive every penny they're owed. From mechanical to performance royalties, we cover all bases, making the collection process seamless and efficient. Artists can expect this service to start at \$250, plus a small percentage of collected royalties to cover operational costs.

For those looking to hone their craft or break into the industry, our Songwriting and Artist Development services offer the guidance and support necessary for success. Whether it's refining your sound, developing your brand, or navigating the industry, our team is here to help. Starting at \$1,000, this comprehensive service includes workshops, one-on-one mentoring, and access to writing sessions with established songwriters.

Lastly, Creative Support and Promotion is essential for any artist looking to make an impact. From album artwork to social media strategies, our team provides the creative edge needed to stand out. Additionally, we offer promotional support to ensure your music reaches your target audience and

beyond. This service is tailored to the individual needs of each artist, with prices starting at \$500 for basic support packages.

In conclusion, Eternal Melody Publishing is dedicated to providing artists with the tools and services they need to succeed in today's music industry. Our comprehensive approach ensures that from creation to copyright, licensing to promotion, artists have the support they need at every step of their journey.

## Promotions Plan

At Eternal Melody Publishing, we understand the importance of standing out in the music industry and connecting with our audience. To achieve this, we will implement a variety of promotional methods, with a strong emphasis on online marketing. Our approach will ensure that we effectively attract and engage with customers, establishing our presence in the competitive market.

First and foremost, we will leverage the power of social media platforms to reach our target audience. By creating engaging content, including music videos, behind-the-scenes footage, and artist interviews, we expect to foster a strong community of music lovers. Regular updates and interactive posts will encourage audience participation and help build a loyal fanbase.

Email marketing will also play a pivotal role in our promotional efforts. We will craft personalized newsletters to keep our subscribers informed about new releases, upcoming events, and exclusive offers. This direct line of communication will enable us to maintain a close relationship with our customers and ensure they are always up-to-date with our latest offerings.

In addition to digital strategies, we will also explore traditional promotional methods such as hosting live events and music showcases. These events will provide a platform for our artists to perform live, helping to generate buzz and attract new fans. Collaborating with local businesses and venues in National City, CA, will further amplify our reach and embed our brand within the community.

Content marketing will be another key component of our strategy. By creating high-quality, informative content related to the music industry, we will position ourselves as thought leaders. This content, which will include blog posts, artist interviews, and industry analysis, will be shared across our website and social media channels, driving traffic and enhancing our search engine optimization (SEO) efforts.

Lastly, we will engage in strategic partnerships with influencers and other brands within the music and entertainment sectors. These collaborations will help us tap into new audiences and gain credibility through association. Whether it's through sponsored content, co-hosted events, or social media takeovers, these partnerships will be instrumental in expanding our reach.

By combining these promotional methods, we are confident that Eternal Melody Publishing will

successfully attract customers and establish a prominent position within the music publishing industry. Our comprehensive approach to marketing will not only highlight our unique offerings but also create a vibrant and interactive community of music enthusiasts.

## VII. Operations Plan

Our Operations Plan details:

1. The key day-to-day processes that our business performs to serve our customers
2. The key business milestones that our company expects to accomplish as we grow

### Key Operational Processes

To ensure the success of Eternal Melody Publishing, there are several key day-to-day operational processes that we will perform.

- **Content Acquisition:** We continuously scout and sign new talent, including songwriters and composers, ensuring a fresh and diverse catalog of music. This involves negotiations, contract signings, and maintaining relationships with artists.
- **Song Registration:** We register all new music with the appropriate performing rights organizations (PROs) and copyright offices to ensure our artists and their works are properly protected and can generate royalties.
- **Catalog Management:** We meticulously manage our music catalog, ensuring all songs are correctly categorized, easily searchable, and accessible for licensing opportunities. Regular updates and audits are conducted to keep the catalog current and comprehensive.
- **Licensing and Royalty Negotiation:** We actively seek out licensing opportunities for our catalog, negotiating deals for placements in films, TV, advertisements, and other media, ensuring favorable terms for our artists while maximizing revenue.
- **Royalty Collection and Distribution:** We monitor and collect royalties generated from various sources, including streaming platforms, physical sales, and licensing deals. We then accurately distribute these royalties to our artists and songwriters, maintaining transparent and timely accounting practices.
- **Marketing and Promotion:** We implement targeted marketing strategies to promote our artists and their music to the industry and wider audience. This includes digital marketing, social media campaigns, and networking at industry events.
- **Customer Service:** We provide exceptional customer service to both our signed artists and those seeking to license music from our catalog. This involves timely communication, addressing inquiries and concerns, and facilitating a smooth licensing process.
- **Market Analysis and Trend Monitoring:** We regularly analyze market trends and consumer preferences within the music industry to guide our acquisition, marketing, and promotion strategies. This helps us anticipate shifts in the market and adapt our operations accordingly.
- **Networking and Relationship Building:** We maintain and expand our network of industry contacts, including record labels, music supervisors, and other publishers. Building strong

relationships is key to discovering new opportunities and collaborations for our artists.

- **Professional Development and Training:** We invest in the ongoing professional development of our team, ensuring they are knowledgeable about the latest industry standards, legal requirements, and technological advancements. This enables us to offer the best service to our artists and clients.

## Milestones

Eternal Melody Publishing expects to complete the following milestones in the coming months in order to ensure its success:

- **Secure Licensing and Copyright Agreements:** Obtain all necessary music publishing licenses and copyright agreements to legally operate and distribute music. This step ensures compliance with the law and protects the rights of the artists and the company.
- **Build a Robust Music Catalog:** Collaborate with songwriters, composers, and artists to build a diverse and appealing music catalog. This milestone is crucial for attracting a wide range of clients and generating revenue.
- **Establish Strong Distribution Networks:** Form partnerships with digital streaming platforms, radio stations, and other media outlets to ensure the music published by Eternal Melody reaches the widest possible audience. Effective distribution is key to generating sales and revenue.
- **Launch Our Music Publishing Business:** Officially launch the business with a strong brand identity and marketing campaign to create awareness among potential clients and artists. A successful launch event or campaign can significantly boost the company's profile and attract early customers.
- **Implement an Effective Royalty Management System:** Develop or invest in a reliable system for tracking music plays, calculating royalties, and ensuring timely payments to artists. This system will help in maintaining good relationships with artists and ensuring financial transparency.
- **Reach \$15,000/Month in Revenue:** This financial milestone is critical for demonstrating the viability of the business model and ensuring the company can cover its operational costs and invest in growth. It will require a combination of increasing the music catalog, securing high-value distribution deals, and effective marketing.
- **Develop a Loyal Customer Base:** Establish a program for customer feedback and loyalty to ensure the satisfaction of current clients and to attract new ones through referrals. Building a loyal customer base will provide a stable revenue stream and support the company's growth.
- **Expand the Artist and Songwriter Roster:** Continuously seek and sign new talent to keep the music catalog fresh and appealing. This will help in attracting more clients and increasing revenue, as well as establishing the company as a key player in the music publishing industry. By achieving these milestones, Eternal Melody Publishing will be well on its way to becoming a



successful and sustainable business within the competitive music publishing landscape.

## VIII. Management Team

Our management team has the experience and expertise to successfully execute on our business plan.

### Management Team Members

Eternal Melody Publishing management team, which includes the following members, has the experience and expertise to successfully execute on our business plan:

#### **Grace Morris, President**

With a proven track record of leadership and innovation, **Grace Morris** brings to Eternal Melody Publishing an unparalleled depth of experience in the music publishing industry. Her tenure in the field is marked by significant achievements, most notably her successful management of a previous music publishing business. This experience has not only honed her skills in strategic planning and operations but also deepened her understanding of the challenges and opportunities within the music publishing landscape. Grace's leadership is characterized by a forward-thinking approach, combined with a commitment to fostering creative talent, making her uniquely qualified to steer Eternal Melody Publishing towards lasting success.

## IX. Financial Plan

### Summary

Below is an overview of our expected financial performance over the next five years:

|                     | <b>FY 1</b>        | <b>FY 2</b>        | <b>FY 3</b>        | <b>FY 4</b>        | <b>FY 5</b>        |
|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues            | \$6,183,278        | \$6,695,440        | \$7,250,024        | \$7,850,545        | \$8,500,807        |
| Direct Expenses     | \$2,812,182        | \$2,955,450        | \$3,106,016        | \$3,264,253        | \$3,430,552        |
| <b>Gross Profit</b> | <b>\$3,371,095</b> | <b>\$3,739,990</b> | <b>\$4,144,008</b> | <b>\$4,586,292</b> | <b>\$5,070,255</b> |
| Gross Profit (%)    | 54.5%              | 55.9%              | 57.2%              | 58.4%              | 59.6%              |
| Other Expenses      | \$97,085           | \$100,030          | \$103,065          | \$106,192          | \$109,414          |
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| Depreciation        | \$30,000           | \$30,000           | \$30,000           | \$30,000           | \$30,000           |
| Amortization        | \$0                | \$0                | \$0                | \$0                | \$0                |
| Interest Expense    | \$25,700           | \$25,700           | \$25,700           | \$25,700           | \$25,700           |
| Income Tax Expense  | \$1,126,408        | \$1,254,490        | \$1,394,834        | \$1,548,539        | \$1,716,799        |
| <b>Net Income</b>   | <b>\$2,091,901</b> | <b>\$2,329,768</b> | <b>\$2,590,407</b> | <b>\$2,875,859</b> | <b>\$3,188,341</b> |

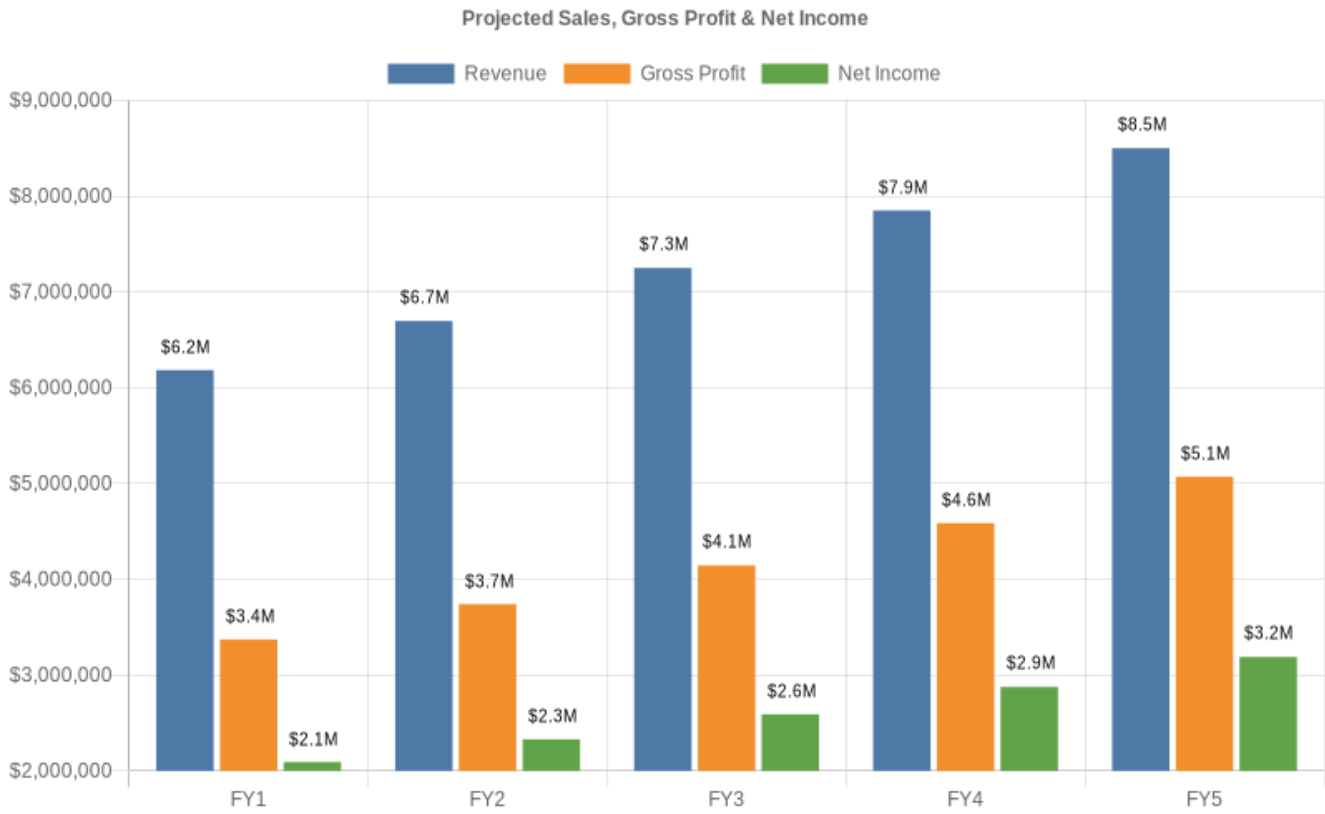
### Funding Requirements/Use of Funds

To accomplish our growth goals, Eternal Melody Publishing needs \$257,000 in funding. Key uses of this funding will be as follows:

| <b>Capital Investments</b> |           |
|----------------------------|-----------|
| Location Buildout          | \$100,000 |
| Furniture                  | \$10,000  |
| Equipment                  | \$20,000  |
| Machines                   | \$15,000  |
| Computers                  | \$5,000   |

| <b>Non Capital Investments</b>        |          |
|---------------------------------------|----------|
| Working Capital                       | \$50,000 |
| Initial Rent/Lease                    | \$10,000 |
| Staff Salaries for the First 3 Months | \$30,000 |
| Initial Marketing and Advertising     | \$10,000 |
| Supplies                              | \$2,000  |
| Insurance                             | \$5,000  |

## Financial Projections



## Eternal Melody Publishing Business Plan

### 5 Year Annual Income Statement

|                             |                           | FY 1               | FY 2               | FY 3               | FY 4               | FY 5               |
|-----------------------------|---------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues                    |                           |                    |                    |                    |                    |                    |
|                             | Revenues                  | \$6,183,278        | \$6,695,440        | \$7,250,024        | \$7,850,545        | \$8,500,807        |
| <b>Total Revenues</b>       |                           | <b>\$6,183,278</b> | <b>\$6,695,440</b> | <b>\$7,250,024</b> | <b>\$7,850,545</b> | <b>\$8,500,807</b> |
| Direct Costs                |                           |                    |                    |                    |                    |                    |
|                             | Direct Costs              | \$2,812,182        | \$2,955,450        | \$3,106,016        | \$3,264,253        | \$3,430,552        |
| <b>Total Direct Costs</b>   |                           | <b>\$2,812,182</b> | <b>\$2,955,450</b> | <b>\$3,106,016</b> | <b>\$3,264,253</b> | <b>\$3,430,552</b> |
| <b>GROSS PROFIT</b>         |                           | <b>\$3,371,095</b> | <b>\$3,739,990</b> | <b>\$4,144,008</b> | <b>\$4,586,292</b> | <b>\$5,070,255</b> |
| <b>GROSS PROFIT %</b>       |                           | <b>54.5%</b>       | <b>55.9%</b>       | <b>57.2%</b>       | <b>58.4%</b>       | <b>59.6%</b>       |
| <b>Other Expenses</b>       |                           |                    |                    |                    |                    |                    |
|                             | Salaries                  | \$72,814           | \$75,023           | \$77,299           | \$79,644           | \$82,060           |
|                             | Marketing Expenses        | \$6,067            | \$6,251            | \$6,441            | \$6,637            | \$6,838            |
|                             | Rent/Utility Expenses     | \$6,067            | \$6,251            | \$6,441            | \$6,637            | \$6,838            |
|                             | Other Expenses            | \$12,135           | \$12,503           | \$12,883           | \$13,274           | \$13,676           |
| <b>Total Other Expenses</b> |                           | <b>\$97,085</b>    | <b>\$100,030</b>   | <b>\$103,065</b>   | <b>\$106,192</b>   | <b>\$109,414</b>   |
| <b>EBITDA</b>               |                           | <b>\$3,274,010</b> | <b>\$3,639,959</b> | <b>\$4,040,942</b> | <b>\$4,480,099</b> | <b>\$4,960,841</b> |
|                             | Depreciation              | \$30,000           | \$30,000           | \$30,000           | \$30,000           | \$30,000           |
|                             | Amortization              | \$0                | \$0                | \$0                | \$0                | \$0                |
| <b>EBIT</b>                 |                           | <b>\$3,244,010</b> | <b>\$3,609,959</b> | <b>\$4,010,942</b> | <b>\$4,450,099</b> | <b>\$4,930,841</b> |
|                             | Interest Expense          | \$25,700           | \$25,700           | \$25,700           | \$25,700           | \$25,700           |
| <b>PRETAX INCOME</b>        |                           | <b>\$3,218,310</b> | <b>\$3,584,259</b> | <b>\$3,985,242</b> | <b>\$4,424,399</b> | <b>\$4,905,141</b> |
|                             | Net Operating Loss        | \$0                | \$0                | \$0                | \$0                | \$0                |
|                             | Use of Net Operating Loss | \$0                | \$0                | \$0                | \$0                | \$0                |
|                             | Taxable Income            | \$3,218,310        | \$3,584,259        | \$3,985,242        | \$4,424,399        | \$4,905,141        |
|                             | Income Tax Expense        | \$1,126,408        | \$1,254,490        | \$1,394,834        | \$1,548,539        | \$1,716,799        |
| <b>NET INCOME</b>           |                           | <b>\$2,091,901</b> | <b>\$2,329,768</b> | <b>\$2,590,407</b> | <b>\$2,875,859</b> | <b>\$3,188,341</b> |
|                             | Net Profit Margin (%)     | 33.8%              | 34.8%              | 35.7%              | 36.6%              | 37.5%              |

## Eternal Melody Publishing Business Plan

### 5 Year Annual Balance Sheet

|                                       |                             | FY 1               | FY 2               | FY 3               | FY 4                | FY 5                |
|---------------------------------------|-----------------------------|--------------------|--------------------|--------------------|---------------------|---------------------|
| <b>ASSETS</b>                         |                             |                    |                    |                    |                     |                     |
|                                       | Cash                        | \$1,945,066        | \$4,273,283        | \$6,859,124        | \$9,741,596         | \$12,662,875        |
|                                       | Other Current Assets        | \$530,750          | \$574,712          | \$622,315          | \$654,212           | \$708,400           |
|                                       | <b>Total Current Assets</b> | <b>\$2,475,816</b> | <b>\$4,847,995</b> | <b>\$7,481,440</b> | <b>\$10,395,808</b> | <b>\$13,371,276</b> |
|                                       | Intangible Assets           | \$0                | \$0                | \$0                | \$0                 | \$0                 |
|                                       | Acc Amortization            | \$0                | \$0                | \$0                | \$0                 | \$0                 |
|                                       | <b>Net Intangibles</b>      | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>          | <b>\$0</b>          |
|                                       | Fixed Assets                | \$150,000          | \$150,000          | \$150,000          | \$150,000           | \$150,000           |
|                                       | Accum Depreciation          | \$30,000           | \$60,000           | \$90,000           | \$120,000           | \$150,000           |
|                                       | <b>Net fixed assets</b>     | <b>\$120,000</b>   | <b>\$90,000</b>    | <b>\$60,000</b>    | <b>\$30,000</b>     | <b>\$0</b>          |
|                                       | Preliminary Exp             | \$0                | \$0                | \$0                | \$0                 | \$0                 |
| <b>TOTAL ASSETS</b>                   |                             | <b>\$2,595,816</b> | <b>\$4,937,995</b> | <b>\$7,541,440</b> | <b>\$10,425,808</b> | <b>\$13,371,276</b> |
| <b>LIABILITIES &amp; EQUITY</b>       |                             |                    |                    |                    |                     |                     |
|                                       | Current Liabilities         | \$246,914          | \$259,325          | \$272,362          | \$280,870           | \$294,997           |
|                                       | Debt outstanding            | \$257,000          | \$257,000          | \$257,000          | \$257,000           | \$0                 |
|                                       | <b>Total Liabilities</b>    | <b>\$503,914</b>   | <b>\$516,325</b>   | <b>\$529,362</b>   | <b>\$537,870</b>    | <b>\$294,997</b>    |
|                                       | Share Capital               | \$0                | \$0                | \$0                | \$0                 | \$0                 |
|                                       | Retained earnings           | \$2,091,901        | \$4,421,670        | \$7,012,078        | \$9,887,937         | \$13,076,279        |
|                                       | <b>Total Equity</b>         | <b>\$2,091,901</b> | <b>\$4,421,670</b> | <b>\$7,012,078</b> | <b>\$9,887,937</b>  | <b>\$13,076,279</b> |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> |                             | <b>\$2,595,816</b> | <b>\$4,937,995</b> | <b>\$7,541,440</b> | <b>\$10,425,808</b> | <b>\$13,371,276</b> |

## 5 Year Annual Cash Flow Statement

|                                   |                                       | FY 1               | FY 2               | FY 3               | FY 4               | FY 5                |
|-----------------------------------|---------------------------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| <b>CASH FLOW FROM OPERATIONS</b>  |                                       |                    |                    |                    |                    |                     |
|                                   | Net Income (Loss)                     | \$2,091,901        | \$2,329,768        | \$2,590,407        | \$2,875,859        | \$3,188,341         |
|                                   | Change in Working Capital             | (\$283,835)        | (\$31,551)         | (\$34,565)         | (\$23,388)         | (\$40,061)          |
|                                   | Plus Depreciation                     | \$30,000           | \$30,000           | \$30,000           | \$30,000           | \$30,000            |
|                                   | Plus Amortization                     | \$0                | \$0                | \$0                | \$0                | \$0                 |
|                                   | <b>Net Cash Flow from Operations</b>  | <b>\$1,838,066</b> | <b>\$2,328,217</b> | <b>\$2,585,841</b> | <b>\$2,882,471</b> | <b>\$3,178,279</b>  |
| <b>CASH FLOW FROM INVESTMENTS</b> |                                       |                    |                    |                    |                    |                     |
|                                   | Fixed Assets                          | (\$150,000)        | \$0                | \$0                | \$0                | \$0                 |
|                                   | Intangible Assets                     | \$0                | \$0                | \$0                | \$0                | \$0                 |
|                                   | <b>Net Cash Flow from Investments</b> | <b>(\$150,000)</b> | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>          |
| <b>CASH FLOW FROM FINANCING</b>   |                                       |                    |                    |                    |                    |                     |
|                                   | Cash from Equity                      | \$0                | \$0                | \$0                | \$0                | \$0                 |
|                                   | Cash from Debt financing              | \$257,000          | \$0                | \$0                | \$0                | (\$257,000)         |
|                                   | <b>Net Cash Flow from Financing</b>   | <b>\$257,000</b>   | <b>\$0</b>         | <b>\$0</b>         | <b>\$0</b>         | <b>(\$257,000)</b>  |
|                                   | <b>Net Cash Flow</b>                  | <b>\$1,945,066</b> | <b>\$2,328,217</b> | <b>\$2,585,841</b> | <b>\$2,882,471</b> | <b>\$2,921,279</b>  |
|                                   | Cash at Beginning of Period           | \$0                | \$1,945,066        | \$4,273,283        | \$6,859,124        | \$9,741,596         |
|                                   |                                       | <b>\$1,945,066</b> | <b>\$4,273,283</b> | <b>\$6,859,124</b> | <b>\$9,741,596</b> | <b>\$12,662,875</b> |

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