Guitar Conservatory

Lena C Marchetta

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Abstract

What is the best way to fund the start-up of a non-profit music conservatory? Having studied with a line of great masters of music for many years, I would like to pass down the knowledge I have incurred to future generations of musicians. Although I have had many memorable teachers who were private instructors to me in the field of music, I have chosen to focus on the guitar to dedicate my life to while progressing the literature, literacy, study and performance, among other things, for the sake of the advancement and conservation of the guitar; Many important musicians have handed down their knowledge to students of the present day and those students (such as myself) have the obligation to pay that knowledge forward.

Leopold Auer, a violinist that had works by Mozart commissioned for him, was the teacher of my classical guitar teacher Leonid Bolotine. Maestro Bolotine played violin for many years as the Concertmeister (first chair and solo violin) for the Metropolitan Opera House’s Orchestra, and was the head of the Guitar Department at Mannes College of Music in Manhattan, as well as the founder of The American Institute of guitar in New York City where I served as Vice President. Maestro Bolotine used the Tarrega method of teaching the Classical Guitar. I studied with Bolotine for twelve years.

Miguel Angel, who taught me Spanish Guitar for ten years, was a pupil of Miguel Llobet who was a premier editor, composer, and transcriptionist for Spanish guitar. He taught the Aguado Method of Guitar, using the Socratic Method of pedagogical teaching. His students included Joe Mazzeo of the Duprees, Anthony Mottolla, Paco de Lucia, and many other very famous guitarists.
Our Conservatory Method is derived from the marriage of the Tarrega and the Aguado Methods, bringing together the best of both worlds to utilize a proven successful method of teaching to students at all levels and ages who wish to learn how to play the guitar properly. This is ancient wisdom being passed down through generations of significant musicians. Hopefully, we will help to create new musicians to “carry the torch,” as have we.

The founding and the steps that must be taken to insure the success and health of the conservatory are considered here, as well as what it takes to re-start a conservatory from scratch as though it were a new start-up business. As Miguel Angel has often said, “My landlord is not a philanthropist.” The business side of the conservatory needs scrutiny and exploration in order to grow and thrive successfully. This is a study of that business side of the conservatory, and a focus on what it entails to open and maintain the conservatory successfully for future generations to come.
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Summary and Discussion

Works Cited
Introduction

The topic of this capstone project is the founding and establishment of an educational institution for the arts: specifically, a conservatory for the Classical Guitar. The main points that will be covered are:

- Funding and grant-writing
- Finding an appropriate location
- Staffing and growing the school (aka conservatory)
- The aims and intentions for the outcomes experienced by the students
- Collaborations with other institutions of learning
- Scholarship funding for exceptional pupils
- Wholesale/retail sales of instruments and written literature required for pupils
- Advertising, scheduling, bookkeeping, and other administrative tasks
- Media and communications entities that can help with exposure to the general public
- Placement and implementation of knowledge acquired by students to practice in the real world audience addressed by advertising and demographics involved
- Pedagogical tasks implemented by administration

The reader may expect to find the workings from top to bottom of the founding of a school for education in the arts. This will include procurement of start-up funding including grants and loans, successful means of advertising and gleaning an appropriate audience of pupils, and managing staff and financial aspects of the business.
Background of the Topic

Funding may come in the form of grants from local, state, or federal agencies. Small Business Administration or SCORE agencies (please see SCORE and SBA) will invest and match dollar for dollar for their investments. Also possible are the procurement of personal loans and/or private loans. Viability for each avenue will be explored.

The founding of the conservatory is the main basis of the inquiry in question, which is based in creating a conservatory for education in the arts beginning with the classical guitar. Other instruments and artistic mediums may be added as the conservatory grows and is able to expand. Grants from different agencies on the arts can finance such expansions, since start-up costs are never covered by these types of grants, but expansions after a three year period are usually funded where the business owner must match the grant dollar for dollar, averaging at a maximum of $100,000 per award (National Endowment for the Arts). Types of effective advertising are explored in this study, and fair salaries and expenses as per a business plan that is already in place will also contribute to the knowledge disseminated regarding the success of the future of the conservatory.
Problem Statement

Major question: What is the best way to fund the start-up of a non-profit music conservatory?

Sub Questions:

1. On how grand a scale should the start-up be perpetrated?
2. What is involved in the expenses?
3. How much of the start-up costs can be deferred until certain measures (define such) have been met? (Measures such as success of attendance, sales, and growth of clientele, goals met, etc)
4. What activities would be conducive to the success of the establishment and growth of the conservatory?

Professional Significance of This Work

This particular project is being produced mainly because I have struggled with a small conservatory with no capital that remained active for approximately 12 years; I would like to re-establish with security on a larger scale and continue to grow and expand services and clientele in this area. Having studied with a line of great masters of music for many years, I would like to pass down the knowledge I have incurred to future generations of musicians.

Overview of Methodology

Exploration of the viability of different stages and sizes of beginning the enterprise through researching the limits of grants along with personal and/or small business loans and investors in
order to determine the size of the opening of the conservatory will be addressed. Employees, overhead, inventory, and possibly real estate ownership as opposed to potential rental/lease of commercial property are the main operating expenses involved. Different scenarios include no capital at start-up; small investment at opening; large financial backing through grants and/or loans.

**Delimitations**

Boundaries exclude forms of music other than straight classical instruction on guitar to begin with; eventually other instruments will be introduced and other forms of art as the conservatory expands. The project is limited to the financial aspect of re-creating a conservatory for music as a non-profit business that has already shown great success in the past. From 1975 to 1988, The New England Conservatory, which I co-founded, as well as the American Institute of Guitar, which I acted as president for a few years in the seventies, have been showing some great success. Re-creating the past success of the school from the beginning is the hardest part; once it gets going, as long as everything is done correctly, the rest of it is fairly easy.

**Summary**

My project explores the founding and growth of an institution dedicated to the arts in education, and begins with its foundation as a conservatory for classical guitar. Later other arts and instruments will be added to the repertoire of services available, adding them gradually. Start up is clearly possible as a small conservatory for the classical guitar that has the potential to expand to encompass many different types and forms of artistic expression. Financial aspects must be considered, as well as the structure of the business and everything else that is involved in making such a school a success, based on the foundation to be built upon of the classical guitar.
There are many sources of funding available for the start-up of a new educational facility for the arts available to the entrepreneur. Along with the prospect of acquiring investors or securing business loans from a financial institution, there are agencies devoted to the arts as well as to new businesses that can provide the necessary funds to create the non-profit entity of a music school from the foundation and up. The agencies have grants available to qualified individuals that do not have to be paid back such as a bank loan would; and profits would not have to be distributed to investors when a grant is secured to support the opening and sustenance of the business. Local sources for grants and support that will be explored in this work include the New Jersey Council on the Arts, Monmouth Arts Council, National Endowment for the Humanities, National Endowment for the Arts, The Small Business Administration, and SCORE. With the help of agencies such as these, the best way to fund a start-up of a new Conservatory for the Classic guitar can be attained and implemented to insure the success of the operation.

1. On how grand a scale should the re-start be perpetrated?

Initially, the conservatory can begin to grow from two or three teachers each working up to twenty hours per week giving private lessons to individual students. Master Classes should be held for the more advanced pupils once a week. Student Recitals should ideally be given either quarterly or twice a year.

A performance area, two teaching rooms, and a reception area with waiting room would be sufficient space for the school; commercial office space would suffice to accommodate the needs of the Conservatory at the onset. There should be goals of student attendance and financial goals to be met before the conservatory is ready to expand. But this should be quite sufficient a scenario to start with.

2. What is involved in the expenses?
The most important expense is the payroll (Please see Financial Projection chart below). Teachers may be paid hourly or as a percentage of the income that their pupils bring into the school by means of payment; similar to the clientele of a hairdresser where the worker receives a percentage of all income brought to the business by that particular employee. Some teachers pay to rent a room in the school, paying a percentage of the income from their lesson to the school for use of the school’s name and the use of a private place to teach their students. It is hard to estimate the cost of the human resources.

Inventory is an expense that can be alleviated through dealerships, where a school can become a dealer for a specific brand of instrument and have one of each model of guitar produced by the company on display for the students to make their decision based on their choice using such a display model, for which the instructor will order from the company that particular model for the student with a down payment as a service to help the students get quality instruments. Sheet music can also be sold in the school directly to the student. This helps to avoid sending the student to the local music store to procure the literature for his studies, where many students are easily persuaded to “jump ship” and study with the teachers working at the music store instead.

The profits from the guitars and sheet music are minimal and the students receive good discounts on the retail price of their necessities, since the true income from the student is the weekly lesson. Faithful students who return weekly for an hourly or half-hour lesson will not mind paying for absences that they cannot make up within two to three days, A small discount to the hourly rate should be made available to students who pay for their lessons in bulk (such as monthly or ten lessons at a time).
3. How much of the start-up costs can be deferred until certain measures (define such) have been met? (Measures such as success of attendance, sales, and growth of clientele, goals met, etc)

The start-up costs of overhead and payroll cannot be deferred when opening a private school in the public sector. A big goal in the success of the business is met when the income from the pupils matches and eventually exceeds the overhead. Depending on how much the target market can be saturated, advertising and solicitation of students through various media and exposure to the general public of the existence of the conservatory will determine the rate of growth that the school will experience. However, advertising alone does not ensure success of the business; the quality of the program that the school has to offer will maintain a high standard for the students to attain in attending and being a member of the Conservatory.

In less than three years, the school should be able to stand on its own without any outside support. If there are two teaching rooms, and each instructor has twenty hours per week, In a typical forty hour work week, a minimum of 40 hourly students can be taught privately per week; at $45 per hour each, that comes to $1,800 a week.

Within three years the school should be able to carry that many students and teachers to become successful. The price is also very competitive, as the method we teach pedagogically was passed down from the great Masters of Music. Funding for the conservatory may come from a number of different sources, and will ensure success as the proof of time shows growth and eventual independence.

The target market includes students who are looking for help in preparing their acceptance auditions into a institution for higher learning as a guitar major. Children under the age of eight are not ready to learn and should postpone the commencement of their studies until
they are older. There are no other age limits; we have had many senior citizens and young people study with success in accomplishing their goals as an amateur guitarist. College students who wish to receive credit from us toward their degree program through a co-operative education program can be accommodated via the necessary paperwork being processed with their schools.

The majority of the pupils begin at the beginning; therefore they will learn the method without any gaps in the dissemination of knowledge available through the course of their studies. Very rarely does a pupil begin his studies with us at an advanced or accelerated point in the method, unless he has had previous studies with a teacher in the family of instructors from which we have come.

The first lesson is given for free, as it is basically an audition for entrance into the program of study. During this crucial first lesson, the instructor may determine the pupil’s viability and potential for success at pursuing his studies with us. Most students are accepted at the first lesson into a program of study tailored to their individual capacity to learn and be successful in their goals on the instrument. Literacy in reading music is also taught, and can be extended to other instruments or arts such as composing and arranging, or song-writing.

The more advanced students will participate in the master classes, which give them a chance to present their work before their peers, who in turn will criticize and complement each person’s performance with an emphasis on improving the pupil’s work in progress. These classes are to be held weekly or once every two weeks, and a meeting of the Society for the Preservation of the Classical Guitar can take place at these Master Classes as well, exposing the students through their membership in the Society to innovations and new discoveries of guitar literature, and other subjects unique to the Classical Guitar. This is a
world-wide society that sponsors such events as international guitar competitions and the introduction to budding luthiers.

The activities of the school are not limited to those taking place at the location of lessons and instruction; Performances will be made at local elementary, high schools, colleges and universities to expose the art to students and established institutions, and possibly glean new pupils for the conservatory as a result. There are many ways that potential pupils for the school can be found, including the creation of flyers that can be distributed through public and privately established schools.

Advertising in the local newspaper and on the radio helps to raise awareness of the conservatory’s existence to the potential student. The best way of getting students in through word of mouth, where a successful student refers those he may have in his ‘audience’ of listeners whom he can recommend to us for further study of the classical guitar. Building the school is very easy if it is done properly.
Research Design and Methodology

The design of the research includes the referencing of one source to another; the sources lead to each other and are connected by posting links to similar sources. For example, on the website of the Small Business Administration, there is a link to the SCORE site for mentoring and additional help through that agency. The method used is primarily search engines leading to business investors and small business funding. Having been familiar with many of these agencies for quite a number of years has made the methodology very clear and easy to follow.

Introduction to the Literature Review

The main focus of the literature review is on the financial aspect of acquiring funding and via grants and loans for the maintenance of a new “re-start” of a proven successful business that was in existence before. Most sources of funding see this as a new start-up, since the former conservatory is closed as of the present and everything is now being performed as a new beginning with a new name, even though it is essentially the same as the former conservatory was.
Literature Review

<http://monmoutharts.org/>

Monmouth Arts provides workshops for the New Jersey State Council on the Arts to aid in the procurement for assistance via grants and fellowships. Of special interest is their LAP program, a local arts program grant, that is bestowed upon a local specialist in the arts and education field. Monmouth Arts also releases a newsletter weekly via e-mail, with spots for advertising that would be beneficial to the conservatory.

<http://www.sba.gov/>

The small business administration offers grants, loans, and other financial assistance to entrepreneurs who are opening a new small business. Mentoring and guidance is also provided by staff. Counseling and training is also offered to the prospective small business operator, and special consideration can be accessed by minorities such as women business owners and people with disabilities. Business expansion or working capital can be granted to a business that is already established. Although certain grants are available to new small businesses, arts education is not among the types of businesses qualifying for grants; loans and seed capital are the preferred avenue. The SBA works closely with SCORE, a society of retired business professionals who act as mentors for those looking to open a small business. With the help of a tool on the site, you are guided to complete a perfect business plan to submit to potential investors and loan providers.

The National Endowment for the Humanities provides challenge grants for projects such as construction or renovation of facilities needed for humanities activities. There is a matching requirement for each grant and the eligible applicants include scholarly associations and other nonprofit entities.


Grants for education in the Arts are provided to applicants with a strong emphasis on partnerships between organizations. Curriculum is encouraged to take place outside of the regular daytime school hours for students to attend at their own convenience. Deadlines for the grant application process in arts education are March 7, 2013 and August 8, 2013.


“The mission of the Arts Council is to improve the quality of life of this state by helping the arts to flourish.” The New Jersey State Council on the Arts is supported by grants from the National Endowment on the Arts, and funds many arts organizations and projects, and events and activities of nonprofit organizations and artists.
SCORE provides mentoring, in person and online workshops, and templates and tools for start up and establishment of a small business. Local Chapters are available for the new small business owner to participate with a mentor in establishing their new business. Special services for women and minority business owners, disabled and ‘over 50’, help with new start-ups as well as established businesses are provided by the SCORE mentor and directions to programs available to aid in the opening and maintaining of a new or existing business are provided.

Research Design and Methodology

Major question: What is the best way to fund the start-up of a non-profit music conservatory?

The procurement of a grant from government agencies such as the National Endowment on the Arts and the New Jersey Council on the Arts usually require that the business has been in operation for at least three years prior to eligibility for grants and aid. Private loans are one source of funding for a start-up; however, government loans from the Small Business Administration, as well as taking on partners and/or investors via the SBA, will bestow the seed money needed to start up a business for the first time.

The SBA is probably the best way to proceed with the new start-up of a viable business not only financially, but with the aid of mentors who guide a prospective new business owner through all the steps and stages of establishing, developing and growing their businesses successfully.
Sub Questions:

1. On how grand a scale should the start-up be perpetrated?

   There should be at least twenty students to begin the opening of the school. The students may be placed on a waiting list, and gathered through advertising locally in newspapers as well as through the distribution of flyers throughout the local elementary and high schools that are willing to participate in the procurement of the students for the conservatory.

2. What is involved in the expenses?

   The most important expense is the payroll; administration and employees are crucial to the success of the business. If a building is purchased, the payments would be the same as if the property were rented, and there would be the additional bonus of maintaining equity in the building as well. Please see the appendix below to determine the exact expenses for a start-up at this level.

3. How much of the start-up costs can be deferred until certain measures (define such) have been met? (Measures such as success of attendance, sales, and growth of clientele, goals met, etc). The health of the conservatory should reach a reasonable level of stability within the time frame of three years. It may be that our goals in attendance are met according to the business projection (see appendix), at which point some expenses such as advertising would be reduced or eradicated.

4. What activities would be conducive to the success of the establishment and growth of the conservatory?
The production and distribution of a flyer would contribute greatly to the growth of the school. Internet and newspaper advertising, and the word of mouth advertising that is the best way of procuring students, all will help in the establishment and growth of the business. The creation and maintenance of the waiting list prior to opening will be a great factor in the success of the opening of the school.
Plan of Action

The following excerpts from our business plan demonstrate clearly the plan of action we are involved in at present.

EXECUTIVE SUMMARY

Product

Pedagogical Instruction, using the Socratic method of teaching, will be utilized to bestow the knowledge that has been passed down to present and future generations from the great Masters of music. Using our method, which has been proven to be successful in divulging the tools needed for music literacy and proficiency on the guitar, our teachers work on a one to one basis with the student. High-end quality instruments will be made available for sale to the students, as well as accessories such as strings and sheet music.

Customers

A big part of our target market is high school students preparing for auditions to achieve entrance into a college or university as a Guitar Major. However, all levels, including beginners, intermediate, advanced and virtuoso level instruction is available to the prospective and dedicated student. All ages, from eight to ten years old up to senior citizens, are welcome to come and study with us. Serious students as well as those who are only looking for a hobby in their spare time are welcome to come and study with us. We have a broad range of potential customers.
What Drives Us

A main goal for our company is to be financially independent and self sufficient within three to five years. Of course, the success of our students is vital to our hopes, as teachers or performers; they can also apply their learning into other aspects of their lives. Co-operative education with universities and colleges is something we hope to achieve, as we did with Yale University in Connecticut; students there were eligible to receive college credit at Yale for studying at our conservatory.

COMPANY DESCRIPTION

Mission Statement

"Promoting Music Literacy through the Technique of the Classic Guitar."

Principal Members

Lena Marchetta (Thomas Edison State College): Director, has the role of all administrative duties and tasks.

Marie Finley (Mannes College of Music): President, has the role of educating the pupils and overseeing the other teachers.
Legal Structure

The legal structure of the company is a Corporation.

MARKET RESEARCH

Industry

The industry includes, but is not limited to: education and sales

Customers

Those of all ages and levels with a love for music and/or the guitar, and who are interested in learning how to read music using the guitar as a vehicle.

Competitors

Our competitors include Musical Instrument Dealers and Music schools. Technically, there is no competition in the field of teaching, however; our Method is unsurpassed and speaks for itself.

Competitive Advantage
Advantages that we have over our competitors include a proven method handed down by the
great masters of music; and superior hand-made quality instruments imported from Spain.

**Regulation**

A contract must be signed by the student who passes the introductory audition and interview,
which are included in the first lesson (free of charge). This contract holds the student liable for
ten lessons at a time, and includes a clause which allows the student to reschedule a weekly
lesson within three days; if unable to do so, the missed lesson must be paid for. We hope to
receive payment up front; however payment plans will be made available in special
circumstances.
PRODUCT/SERVICE LINE

Product or Service

Beginner to Virtuoso level guitar instruction using proven successful methods handed down from the great masters. Sales of accessories such as sheet music and strings will be available to the student. Sales of fine handmade guitars from Spain will be made available to the student with list prices ranging from $3,000 to $24,000; beginner to concert level guitars. All ages and all levels are accommodated.

Pricing Structure

For the purchase of musical instruments, sheet music and accessories, discounts to students will be roughly at a 20% off retail/list price/rate

Lessons are rated at $45 per hour and $30 per half hour.

A contract between the conservatory and the student will be made where the student will be obligated for ten lessons paying up front. Payment plans are also available. Students must pay for missed lessons, and will have the opportunity to make them up within three days of missing them. Lessons are recommended to take place at least once a week.
Product/Service Life Cycle

After twelve years at previous locations, this is a new opening and new location for beginning a new business. The guitars have been sold here in this country for many years.

MARKETING & SALES

Growth Strategy

Our growth strategy includes beginning with two teachers working twenty four hours per week and increase over the course of three years to four teachers working forty hours per week. This will gross the conservatory approximately a minimum of $31,200 per month. We will reach out through distributing flyers in the schools and using media such as newspapers, radio air time and cable tv interviews, along with word-of-mouth advertising to grow our clientele. We will hold recitals and open houses to promote the business. We will affiliate ourselves with institutions of higher education to ally ourselves with their co-operative education programs. We will work with after-school programs and adult education programs to find new students.

Communication

We will develop a web site to facilitate entrance and maintenance of the client's needs. Public advertising as well as the distribution of flyers throughout the school systems will help to make potential students aware of our existence and the services that we have to offer.
# FINANCIAL PROJECTIONS

## Profit & Loss

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
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</thead>
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<tr>
<td><strong>Sales</strong></td>
<td>$93,600</td>
<td>$140,400</td>
<td>$187,200</td>
</tr>
<tr>
<td><strong>Costs/Goods Sold</strong></td>
<td>$42,120</td>
<td>$63,180</td>
<td>$84,240</td>
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**GROSS PROFIT**

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<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$51,480</td>
<td>$77,220</td>
<td>$102,960</td>
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## OPERATING EXPENSES

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<th></th>
<th>Year 1</th>
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<th>Year 3</th>
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<tbody>
<tr>
<td>Salary (Office &amp; Overhead)</td>
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<td>$36,000</td>
<td>$52,000</td>
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<tr>
<td>Payroll (taxes, etc.)</td>
<td>42,120</td>
<td>63,180</td>
<td>84,240</td>
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<tr>
<td>Outside Services</td>
<td></td>
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</tr>
<tr>
<td>Supplies (office &amp; operation)</td>
<td>$3,000</td>
<td>$3,000</td>
<td>$3,000</td>
</tr>
<tr>
<td>Repairs &amp; Maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>$3,000</td>
<td>$3,000</td>
<td>$3,000</td>
</tr>
<tr>
<td>Car, delivery &amp; travel</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Accounting &amp; legal</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Rent</td>
<td>25,476</td>
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<tr>
<td>Telephone</td>
<td>$1,800</td>
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</tr>
<tr>
<td>Utilities</td>
<td>$2,400</td>
<td>$2,400</td>
<td>$2,400</td>
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<tr>
<td>Insurance</td>
<td>$1,200</td>
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</tr>
<tr>
<td>Taxes (real estate, etc.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
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<td></td>
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<tr>
<td>Depreciation</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Other expenses</td>
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**TOTAL EXPENSES**

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<tr>
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<th>Year 1</th>
<th>Year 2</th>
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<tbody>
<tr>
<td></td>
<td>$39,400</td>
<td>$47,800</td>
<td>$66,300</td>
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## NET PROFIT BEFORE TAXES

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<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
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<tbody>
<tr>
<td>Income Taxes</td>
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**NET PROFIT AFTER TAX**

<table>
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<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
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<tbody>
<tr>
<td></td>
<td>$12,080</td>
<td>$29,420</td>
<td>$36,660</td>
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**Owner Draw/Dividends**

|                      |         |         |         |

**ADJUSTED TO RETAINED**

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<th>Year 1</th>
<th>Year 2</th>
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<tr>
<td></td>
<td>$12,080</td>
<td>$29,420</td>
<td>$36,660</td>
</tr>
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</table>
Assumptions for Profit and Loss Projections

First three years will be operating at a loss, until the clientele grows to accommodate the overhead and a profit will be made. The organization and analysis of the data leading to the project has been explained by means of the previously noted sections of a working business plan with the purpose of finding prospective investors and funding.

Research Methodology

4. On how grand a scale should the re-start be perpetrated?

Initially, the conservatory can begin to grow from two or three teachers each working up to twenty hours per week giving private lessons to individual students. Master Classes should be held for the more advanced pupils once a week. Student Recitals should ideally be given either quarterly or twice a year. A performance area, two teaching rooms, and a reception area with waiting room would be sufficient space for the school; commercial office space would suffice to accommodate the needs of the Conservatory at the onset. There should be goals of student attendance and financial goals to be met before the conservatory is ready to expand. But this should be quite sufficient a scenario to start with.

5. What is involved in the expenses?

The most important expense is the payroll. Teachers may be paid hourly or as a percentage of the income that their pupils bring into the school by means of payment; similar to the clientele of a hairdresser where the worker receives a percentage of all income brought to the business by that particular employee. Some teachers pay to rent a room in the school, paying a percentage of the
income from their lesson to the school for use of the school’s name and the use of a private place to teach their students.

It is hard to estimate the cost of the human resources. Inventory is an expense that can be alleviated through dealerships, where a school can become a dealer for a specific brand of instrument and have one of each model of guitar produced by the company on display for the students to make their decision based on their choice using such a display model, for which the instructor will order from the company that particular model for the student with a down payment as a service to help the students get quality instruments.

Sheet music can also be sold in the school directly to the student. This helps to avoid sending the student to the local music store to procure the literature for his studies, where many students are easily persuaded to “jump ship” and study with the teachers working at the music store instead. The profits from the guitars and sheet music are minimal and the students receive good discounts on the retail price of their necessities, since the true income from the student is the weekly lesson.

Faithful students who return weekly for an hourly or half-hour lesson will not mind paying for absences that they cannot make up within two to three days. A small discount to the hourly rate should be made available to students who pay for their lessons in bulk (such as monthly or ten lessons at a time).

How much of the start-up costs can be deferred until certain measures (define such) have been met? (Measures such as success of attendance, sales, and growth of clientele, goals met, etc)

The start-up costs of overhead and payroll cannot be deferred when opening a private school in the public sector. A big goal in the success of the business is met when the income
from the pupils matches and eventually exceeds the overhead. Depending on how much the target market can be saturated, advertising and solicitation of students through various media and exposure to the general public of the existence of the conservatory will determine the rate of growth that the school will experience.

Advertising alone does not ensure success of the business; the quality of the program that the school has to offer will maintain a high standard for the students to attain in attending and being a member of the Conservatory. In less than three years, the school should be able to stand on its own without any outside support.

If there are two teaching rooms, and each instructor has twenty hours per week, in a typical forty-hour work week, a minimum of 40 hourly students can be taught privately per week; at $45 per hour each, that comes to $1,800 a week. Within three years the school should be able to carry that many students and teachers to become successful. The price is also very competitive, as the method we teach pedagogically was passed down from the great Masters of Music. Funding for the conservatory may come from a number of different sources, and will ensure success as the proof of time shows growth and eventual independence.

The target market includes students who are looking for help in preparing their acceptance auditions into an institution for higher learning as a guitar major. Children under the age of eight are not ready to learn and should postpone the commencement of their studies until they are older. There are no other age limits; we have had many senior citizens and young people study with success in accomplishing their goals as an amateur guitarist.

College students who wish to receive credit from us toward their degree program through a co-operative education program can be accommodated via the necessary paperwork being
processed with their schools. The majority of the pupils begin at the beginning; therefore they will learn the method without any gaps in the dissemination of knowledge available through the course of their studies. Very rarely does a pupil begin his studies with us at an advanced or accelerated point in the method, unless he has had previous studies with a teacher in the family of instructors from which we have come.

The first lesson is given for free, as it is basically an audition for entrance into the program of study. During this crucial first lesson, the instructor may determine the pupil’s viability and potential for success at pursuing his studies with us. Most students are accepted at the first lesson into a program of study tailored to their individual capacity to learn and be successful in their goals on the instrument.

Literacy in reading music is also taught, and can be extended to other instruments or arts such as composing and arranging, or song-writing. The more advanced students will participate in the master classes, which give them a chance to present their work before their peers, who in turn will criticize and complement each person’s performance with an emphasis on improving the pupil’s work in progress. These classes are to be held weekly or once every two weeks.

A meeting of the Society for the Preservation of the Classical Guitar (of which I served as Chairman for the New England Chapter for many years) can take place at these Master Classes as well, exposing the students through their membership in the Society to innovations and new discoveries of guitar literature, and other subjects unique to the Classical Guitar. This is a world-wide society that sponsors such events as international guitar competitions and the introduction of budding luthiers.
The activities of the school are not limited to those taking place at the location of lessons and instruction; Performances will be made at local elementary, high schools, colleges and universities to expose the art to students and established institutions, and possibly glean new pupils for the conservatory as a result.

CONCLUDING PARAGRAPH

There are many ways that pupils for the school can be reached and found, including the creation of flyers that can be distributed through public and privately established schools. Advertising in the local newspaper and on the radio helps to raise awareness of the conservatory’s existence to the potential student. The best way of getting students in through word of mouth, where a successful student refers those he may have in his ‘audience’ of listeners whom he can recommend to us for further study of the classical guitar. Building the school and acquiring a healthy student body is very easy if it is done properly.
Results of the Study

Introduction

This study has been conducted to find the best way to fund the start-up of a non-profit music conservatory. Included in the study is the boundaries involved with how grand a scale should the start-up be perpetrated; what is involved in the expenses; how much of the start-up costs can be deferred until certain measures have been met; and what activities would be conducive to the success of the establishment and growth of the conservatory. Please refer to the Financial Projection: Profit and Loss Sheet appearing below that explains these expenses in more detail. Following are the results of the study that has been conducted to estimate the viability of the business of opening a new music conservatory.

Results of the Study

On how grand a scale should the start-up be perpetrated?

The start-up should begin with enough work for the employees to at least break even for their salaries to be covered. This can be accomplished by creating a waiting list, and consequently having enough pupils to pay for the salaries of the employees. A minimum income of ten one-
hour students per teacher at start-up will cover a salary of two hundred dollars per week for each
teacher to begin with.

What is involved in the expenses?

The financial projection shows all expenses involved in the start-up and life of the business
for the first three years. The most important expense is the payroll, because without the
employees there is no school to run in the first place. Loans such as the business loan payment
and the mortgage should take priority as well, and expenses such as advertising and utilities are
essential to the success of the business. Wholesale purchases of goods for sale are an expense
that will bring a profit and add to the net profit after tax.

How much of the start-up costs can be deferred until certain measures (define such) have been
met? (Measures such as success of attendance, sales, and growth of clientele, goals met, etc).

Items such as loan payments and mortgage or rent payments can not be deferred. Salaries can
be deferred to being increased according to the number of pupils the teacher is responsible for
and will grow in direct proportion to the hours that the employee actually puts in. The amount of
money dedicated to advertising can increase proportionally to the amount of monthly or weekly
profit that is available to open up the capacity to invest in reaching our potential students.

What activities would be conducive to the success of the establishment and growth of the
conservatory?
The methods and means of reaching the potential pupils is key to the success of the establishment and growth of the conservatory. Carefully choosing the venues and media involved in promoting the conservatory are crucial to the success of the establishment. Keeping the teachers on board with the proliferation of the Method and supervising to the point where there is no deviation in the pedagogical techniques implemented are the most important responsibilities of the administrator, as is timely payment of expenses and the re-investment of excess funds back into advertising the conservatory and thereby exposing it to the general public. In this manner, all things involved, we are able to accomplish the best way to fund the start-up of a non-profit music conservatory.
Summary and Discussion

Introduction

The study has been devoted to the founding and establishment of an educational institution for the arts specializing in the study of the Classic Guitar. The main issues addressed are:

- Funding and Grant Writing
- Location
- Staffing and growth of the school (aka conservatory)
- Anticipated outcomes of the aims and intentions of the pupils
- Collaborations with other institutions of learning
- Scholarship funding for exceptional pupils
- Wholesale/retail sales of instruments and literature required for pupils
- Administrative obligations and tasks
- Exposure via media and communication entities
- Application of knowledge acquired as used in other areas of their lives
- Audience addressed by advertising and demographics
- Administrative responsibility to pedagogical tasks

The main focus of the literature review is based on the aspect of raising funds to establish the re-start of a previously successful business. According to the rules of the funding sources, this business is considered to be a brand new start-up since so many years have passed since it was last in existence. Some refer to it as a ‘re-start,’ which holds the same status as a start-up.
Statement of Problem

Major Question: What is the best way to fund the start-up of a non-profit music conservatory?

Sub Questions:

1. On how grand a scale should the start-up be perpetrated?
2. What is involved in the expenses?
3. How much of the start-up costs can be deferred until certain measures (define such have been met? (measures such as success of attendance, sales, and growth of clientele, goals met, etc)
4. What activities would be conducive to the success of the establishment and the growth of the conservatory?

Explanation of Project

Having studied with a line of great masters of music for many years, I would like to pass down the knowledge I have incurred to future generations of musicians. Although I have had many memorable teachers who were private instructors to me in the field of music, I have chosen to focus on the guitar to dedicate my life to in progressing the literature, literacy, study and performance, among other things, for the sake of the advancement and conservation of the guitar; Many important musicians have handed down their knowledge to students of the present day and those students (such as myself have the obligation to pay that knowledge forward.
Leopold Auer, a violinist that had works by Mozart commissioned for him, was the teacher of my classical guitar teacher Leonid Bolotine. Maestro Bolotine played violin for many years as the Concertmeister (first chair and solo violin) for the Metropolitan Opera House’s Orchestra, and was the head of the Guitar Department at Mannes College of Music in Manhattan, as well as the founder of The American Institute of guitar in New York City where I served as Vice President. Maestro Bolotine used the Tarrega method of teaching the Classical Guitar. I studies with Bolotine for twelve years.

Miguel Angel, who taught me Spanish Guitar for ten years, was a pupil of Miguel Llobet who was a premier editor, composer, and transcriptionist for Spanish guitar. He taught the Aguado Method of Guitar, using the Socratic Method of pedagogical teaching. His students included Mike Mazzeo (guitarist for ‘The Duprees’), Anthony Mottolla, Paco de Lucia, and many other very famous guitarists. Our Conservatory Method is derived from the marriage of the Tarrega and the Aguado Methods, bringing together the best of both worlds to utilize a proven successful method of teaching to students at all levels and ages who wish to learn how to play the guitar properly. This is ancient wisdom being passed down through generations of significant musicians.

Hopefully, we will help to create new musicians to “carry the torch,” as have we. The founding and the steps that must be taken to insure the success and health of the conservatory are considered here, as well as what it takes to re-start a conservatory from scratch as though it were a new start-up business. As Miguel Angel often said, “My landlord is not a philanthropist.” The business side of the conservatory needs scrutiny and exploration in order to grow and thrive successfully. This is a study of that business side of the conservatory, and a focus on what it entails to open and maintain the conservatory successfully for future generations to come.
Review of Methodology

Beginning with researching The National Endowment on the Arts, I was led to the site for The National Endowment on the Humanities. I had already explored these endowments many years ago (before computers!) to see how they might help in founding and maintaining a conservatory for the guitar. I was referred to the county agency (Monmouth Arts) from The New Jersey Council on the Arts, to which I was directed by the National Endowment for the Arts. All of these agencies are interconnected, and operate on different levels; locally (county), state, and federal aid to endeavors in the arts.

The Small Business Administration advises and provides funding and support for new start-ups, where the arts councils and endowments will only fund businesses that have been in existence for more than three years with a proven track-record. I was referred to a template for a business plan through the SBA site, and also to SCORE. SCORE provides mentoring for free, tutoring services provided by retired executives, either in person or online (SCORE for the life of your business). They help to direct the new business owner to find funding and managing their new business.

Summary of Results

On how grand a scale should the start-up be perpetrated?

The onset of business should have at least half of the proposed yearly income, growing eventually within that year to full anticipated capacity, for each of the first three years. Hence, year one should begin with twenty hours growing to forty; year two to forty hours growing to sixty; and year three, sixty hours culminating in eighty hours as goal to par. One or two teachers to begin with on a part time basis, teaching ten hours each for two hundred dollars a week
approximate, would be the ideal start up phase. This would show that a small start will grow successfully as time progresses.

What is involved in the expenses?
The salaries of the teacher and the administration are the most important expenses to the company, which all hinge on the other expenses, all of which are necessary to run the business smoothly. These expenses must be compensated for in the grand scheme of things to determine the opening costs and profits that will take place. The expenses show the small beginning that the business will have.

What activities would be conducive to the success of the establishment and growth of the conservatory?
The more flyers we are able to distribute, the better chance we have of meeting our goals in acquiring sufficient numbers of pupils to bring the conservatory to life. Our word of mouth advertising, which comes as no cost to us, is our best and most profitable means of advertising to increase our student body. Other traditional means of advertising, such as media advertising and press releases, are also to our benefit, but not as much as word of mouth or flyers distributed throughout the school systems. Creating a waiting list for students before the opening via the use of these flyers indicating a phone number to call for the student to procure placement on the list will help to determine the number of student potentials at start-up.

Relationship of Research to the Field
The research was conducted using previous knowledge of agencies that exist to aid in the support and development of the arts, and using present-day search engines and the internet to glean information and support in founding a conservatory for the arts, specifically the Classic Guitar. The research did support the knowledge encompassed by the broad range of information available to find appropriate answers to questions based in the founding of the conservatory. The field of conserving a dying breed of music instruction handed down from the Masters of Music will benefit greatly those who wish to preserve such intricate methods of teaching and learning, as well as pedagogy, of different disciplines in the arts.

Conclusions

The major question was thoroughly answered through the exploration of the three sub-questions. Creating a waiting list so that clientele are already available prior to the opening of the conservatory will determine the ‘scale’ at which we will begin operating at start-up. This shall be accomplished through the use of flyers being distributed in the school systems. The expenses must be determined and met from the on start in order for the conservatory to be successful; therefore, a small business loan to help cover the expenses will aid in the start-up of the business so that it is guaranteed success.
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