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**Thorne Building Project**

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## **Chapter 1: Description of Business**

This business is a new partnership in the art, education, and entertainment service industry. All entertainment services will be involved in the arts and will include musical performances by well-known and local artists, variety shows involving the community, classic movie showings. The business will also hold galleries that feature local artists, antique shows, and provide lessons in various creative endeavors. A café and bar will be open in conjunction with any featured event at which patrons may relax and purchase food and drink. The auditorium will also be available for rental.

The establishment will be open year round beginning in late spring 2008 to the general public, any person with an interest in the arts and creative guidance. This includes all age groups unless perhaps a movie rating may exclude some young children. Classes will be held from Monday through Thursday from 8am to noon, and 6pm to 9pm. The classes will fill 6 of these hours each day. The building will also be open for performances on Fridays, Saturdays and Sundays for approximately 5 hours each day. The specific times here will be appropriate to the type of entertainment provided, for example a movie matinee will start at an earlier time of evening than a musical performance by a local band. The hours here will be announced as events are scheduled.

Services generally will not be affected by seasonal considerations. Weather conditions in the winter months may be the greatest seasonal factor as both performers and clients may have some difficulty with travel. The kind of services provided will appeal to customers year round and the entertainment portion of this business will be successful despite any flux in the economy.

Slow payment by customers will not be an issue as tickets and lessons will be sold in advance, or payment will be required upon entry.

A special aspect of this business is the incorporation of classic movie events. It is a rarity to find movie theaters that show older movies on the big screen, and around this area all movie theaters are quite some distance away. A wide variety of events will be held here for and by the community, art exhibits, variety shows, for instance. Another point that makes this business special is that it firmly supports the local business by frequenting their services as often as needed, for example, the local liquor store will supply this business with beverages for events, and the local restaurants will provide food that will be catered by the business into its café.

The principal owners will succeed in this establishment for a variety of reasons. Between them, they hold a Bachelor of Music in professional music and have been active in the arts for 36 years. Mr. Downing has had a long-term career in advertising and sales, and has owned and operated two businesses successfully. Ms. Downing has varied work experience, which also includes sales, as well as small business management, much experience in hospitality, and customer service. The principals are very well connected in the marketplace, assuring the business the best resources for startup and operation, and people for performances.

In terms of direct experience in owning and operating an arts venue, Mr. Downing owns and operates Millbrook Motors Ltd., a local business, and is very familiar with all aspects of running a business and promoting to customers. Mr. Downing is also the former President of the Northern Westchester Symphony Orchestra, further enhancing his business abilities in the music field. Ms. Downing is an alumna of Berklee College of Music in Boston, and throughout her 4 plus year career there has been exposed to many facets of the industry. Her frequent exposure and involvement with band promotion have established a solid competency with evaluating music, promoting, and doing business with bands and gig venues.

This new business is congruent with the original purpose of the building, which was the foundation for the village of Millbrook, as a hub for the arts and a beneficial ally for local businesses. There are profound reasons why this business will be profitable and continue to grow. Millbrook is not highlighted for any particular attraction to outsiders, it is not known for anything save for the winery and some antique dealers. This enterprise will give others more reason to want to visit this village, thus boosting pride by it's residents as well as local commerce. Instead of the town dying come early evening, here is one of the few places that will keep it active. The national economy will not have a negative impact on the entertainment services as the public highly values them. History has also shown that this industry thrives especially in recessions as people frequent these venues as an escape. Educational services in artistic endeavors enrich the community culturally, guiding personal entertainment and pursuit of hobbies.

By only working with quality acts, providing interesting and unique entertainment, excellent artistic educational experiences, the business will make a name for itself and its performers. By becoming a valued member of the town and an ally to local businesses, the business will not only reinforce its own success but also make a great name for the town.

## **Chapter 2: Product & Service**

This business sells entertainment and educational experiences in the field of the arts. Sales of food and drinks will also take place as a compliment to performances.

The benefits and features of what this business is selling are varied and complex. Features include performances by local as well as big name musical artists, movie showings, educational opportunities in the arts, availability of the auditorium for rental, and the intimate knowledge of the music industry by the owners cannot be underestimated. An important feature to not only customers but to the welfare of the town businesses is the use of their services in operation of the events held by this venue.

As to benefits, this business provides a quality attraction to the town and much needed venue for artists. This new business will proliferate the entire town's economy as it becomes known as a desirable place for patrons to go.

The characteristics of this business may not be completely unique from competitors aside from motivated use of local businesses, but the diversity and highest quality in artistic events here will make it a desirable place to potential customers. Quality venues such as this are few and far between; the Thorne building in Millbrook is a prime location.

## **Chapter 3: The Market**

### *Customers*

Many customers will initially come from the town of Millbrook and the surrounding towns including Pleasant Valley, Clinton Corners, Amenia, Verbank, and others. This is anticipated because of their close proximity to the business location. This business will advertise to attract patrons throughout Dutchess Columbia Counties and beyond.

While this business currently has no customers, the principals have received much positive feedback regarding these ideas from various people. This kind of establishment is exactly what the town needs and many residents are already excited about this actualization. Key efforts will be made to promote all events well in advance to draw crowds.

In addition, the principals will employ their connections with musicians in drawing their fan bases to this performance venue, as well as with creative instructors, professors, and artists to inform their followings.

These customers will be buying expertise in quality music and art for entertainment and information.

Demographically, the customers will be male and female of all walks of life, and of various ages, particularly individuals in their 20s to 50s but including everyone. They will have an interest in hobbies and in the arts and enjoy personal enrichment and nights out. The businesses services are varied to appeal to most individuals of this nature.

### *Product Benefits*

Patrons will be interested in this establishment because of the expertise and reputation of the principal owners and their first hand knowledge of the requirements of running a successful establishment and the inner workings of the music business. As artists themselves the principals relate well to other artists and understand the challenges of working as a performer. The owners live fairly nearby, and work in the village, so they also see and understand the needs of the Millbrook residents and businesses. Inexpensive movie tickets purchased here are a great local alternative to an otherwise eventless Sunday. This venue meets the towns needs of notable arts, entertainment and nightlife, and will build a reputation which currently does not exist in any particular area. This venue will draw people from many counties to benefit Millbrook's businesses as well.

Customers will seek these services year round on a weekly basis. Classes are scheduled at two convenient blocks of time during weekdays, and entertainment is highly valued on weekend evenings.

### *Sales & Distribution*

The business will find new customers through the following methods:

- Initial outreach in the form of a letter announcing the opening of the business to personal friends and business peers.
- Ongoing print ads local and major papers notifying readers of movie and performance schedules.
- Radio advertisements regarding the opening of the business and when there are big name performances.
- Flyers for handout to the public
- A web site with all schedule information and including band profiles with sound clips, movie histories, and biographies of class instructors.

### *Positioning, Publicity and Promotion*

The principal owners will initially position the service in the market through an appeal not only to quality and creativity but also price and location convenience. These qualities will be maintained but location convenience will not be a factor for all potential customers, as the business becomes a desirable place to travel to.

The niche that will be marketed to are those creative people in search of artistic entertainment and enrichment that is approachable, and also those who are in need of this kind of stimulation without having to travel almost a half hour to find it. The sales message to these customers will be in the nature of "Millbrook is that beautiful town with all of those interesting music and arts events!"

This niche positioning will make this business only better than the competition for those who have homes in and near Millbrook because of this location, as in this rural part of NY there is much space between attractions. Otherwise this establishment will be at the very least comparable to fine establishments such as the Bardavon and Sharon Playhouse in all aspects, quality, reputation, openness to the public, variety, enrichment, and fun. These factors will have the expected outcome of this business name being well known in all surrounding counties and our events will attract their residents and visitors.

### *Three Basic Campaigns*

To launch the business the following will occur:

- Week 1: Announcements will be made in the form of print ads including newspaper insertions and handbills, posters, mailings to personal friends and business peers of the opening of this business, and a mailed announcement in P.O. boxes and on local mail routes. The building will be open to all who wish to tour the venue free of charge.
- Weeks 2: Advertising will continue as before but now include radio announcements. Convention style weekend including Friday featuring local

merchants for wine tasting, and open café with sample sized offerings. Book readings for children will take place early in the day. Entertainment by local bands.

- Week 3: A movie matinee will be held on the Saturday and Sunday of this week during the early afternoons. Later in the evening this venue will feature music by well-known and respected talents in the community via connections of the owners.

The market size is basically all of the residents and visitors of Dutchess, Columbia, and Litchfield counties and beyond because despite the similarities of this business to its competitors, schedules will have different events that will be taking place. If a competitor has a play performance on a certain day, this venue may have a band scheduled, customers have a choice of what they would like to do that night. The market will continue to grow because of the profound fact that people highly value entertainment. As the market grows the business will continue to grow by having the prestige and means to showcase bigger name entertainment more frequently and expanding our film library. As profits grow this establishment will hire more class instructors, as the reputation builds, more customers will want to sign up for classes, and to additional kinds of classes.

### *Pricing*

Pricing for events here will be reasonable, especially for movies and community event, to about average for very big names in art and music. Membership options are available which result ultimately in lower costs for the customer. Prices of course will vary upon the type of event.

## **Chapter 4: Location**

The business is located in the Thorne building on Franklin Avenue in the village of Millbrook, NY.

The building has 3 floors, which include a basement, and 2 floors above and is owned by the village. The basement floor was the cafeteria, there is a large room with a stage and various rooms on the middle floor, and rooms upstairs.

The Thorne building sits about 50 feet back from the main road through the center of the village, a walk of only a couple minutes to all the retail stores and restaurants, there is also a professional recording studio close by. Approximately 5 minutes down, walking, is the bank, post office, and gas station. The businesses nearby will help this new establishment, as many will be suppliers. Conveniently across from the gas station is the Loop bus stop.

The arts theater, which is rented, is located on the middle floor of this building. On this floor there are two entryways, in front and on the side. The front leads into a spacious hallway, on the left are bathrooms and closet space. Further down on the left a long room where the bar is and the auditorium. The café is across the front foyer and right from the bar, there is a small hall next to this room, already equipped with a sink, an appropriate spot for café employees to execute their tasks. To the left of the café are three rooms for classes and galleries. The side entrance contains the box office with a second entry to the bar on the right. Straight through the side door is a small lobby with popcorn machine and snacks, this leads into the front foyer. Total square footage is approximately 8,000 square feet. Business expansion may not be achieved because this is a historical site.

The business is in keeping with local zoning.

Many renovations must be done, the building is old and electrical work must be checked and repaired, lead paint must be dealt with properly, and there are various other repairs to be made before opening. Paint and plaster is peeling in most rooms, there is water damage repairs that need completion, damage to wood paneling on walls and the felt on the stage walls needs to be replaced. Some renovations include adding some windows in the bar looking into the auditorium, and some room divisions. New carpeting is needed, paint, construction of bar, and shelving.

This is the right location because this business perpetuates and promotes what the building was originally created for. It is conveniently placed between the busiest part of the town and a residential portion on a main street and also near a recording studio, which may attract more and better musicians.

## Chapter 5: The Competition

Although the public is quite willing to travel to see their favorite artists, the business owners have chosen to analyze 3 competitors from the NY Hudson Valley area. Because this is where the business's main connections and reputation are established, it will initially be competing on the local level for customers.

### *Rhinebeck Performing Arts Inc.*

This center for performing arts is located in Rhinebeck, NY, a nonprofit organization. The president is Andrew Weintraub, PhD. Since 1999 it has operated year round, 7 days a week and offers classes as well as being a regular performance venue for theater companies.

### *The Bardavon*

This opera house located in Poughkeepsie NY, also a historic building and the establishment's biggest competitor. The President of this venue is Mr. Patrick F. Moore. This business as well as the Bardavon will be holding many similar types of events on our schedules such as the concert performances with musical artists of varying celebrity, dramatic productions, community and children's events, cinema, and theater rentals.

The establishment at the Thorne building will differ slightly by focusing the cinema a bit more on the older classic movies, and also offer classes in varying creative endeavors, which is something the Bardavon does not offer at all. The Bardavon also has a bar, but unlike this business, there is nothing in the way of a café, it does not offer snacks to customers. This is something that customers do mention they would like to see and something that this new business will offer them. The location of the Thorne building is far enough from this business to immediately attract customers from the town and those surrounding because of easier accessibility.

The Bardavon is also known to cater to varying audiences and has an excellent reputation. Their business has been steady at the least, which is a good sign for the new establishment at the Thorne building.

## **Chapter 6: The Management**

The principals are Mr. Michael Downing, 58, and Ms. Erica Downing, 26. Mr. Downing currently owns and operates Millbrook Motors Ltd., and Erica is a graduate of Berklee College of Music in Boston, MA.

Mr. Downing was a business partner of a Brooklyn, NY based Sunoco automotive service station and a current business partner of Millbrook Motors Ltd. and Mymi Drums Inc. His employment history proves extensive experience in management and sales and marketing. He is a high school graduate, has completed college courses in computer technology and has an honorary doctorate from the University of Buffalo.

In this type of business, theater and the arts, he has worked as a music teacher at the Northern Westchester School of Music, a performing artist for a variety of venues for 34 years including in clubs, theaters for dramatic productions, and in orchestral settings, and is a former musician and president of the Northern Westchester Symphony Orchestra. Mr. Downing has had a 20-year career in sales and marketing as well, which is crucial to this business for the principals as well as the performers.

Regarding Mr. Downing, special abilities include well-developed skills in photography, artistic and advertising design, retouching, animation, and sales. He is an innovative and very talented machinist, and has impressively accomplished teaching himself patent law, and wrote a U.S. patent on a revolutionary percussion instrument based on the laws of physics. He has been a musician for approximately 25 years, Mr. Downing has been involved in the arts from performing to building instruments, to set design and many other roles.

Mr. Downing's personal financial status is stable and he has a personal savings account in place. There is moderate or little consumer credit card debt.

Ms. Erica Downing is a college graduate with a bachelor's degree in Professional Music. She has a diverse employment background including retail sales, hostess and bartender, mental health worker and also ownership and management of a small automotive detailing service.

In the music business, she has been a well-rounded musician for approximately 11 years and had been hired as a music teacher at the Northern Westchester School of Music. Ms. Downing is very knowledgeable in musical psychology as well. She has extensive experience in working with the public, and with performers and venues, and in hospitality and security, which would be key in the success of an establishment such as this.

Ms. Downing has fine tuned skills as a music connoisseur and has intimate knowledge in numerous aspects of the field, including promoting, management, song arrangement, and teaching. She has successfully worked in sales and the food service industry, and is also a culinary arts buff. Ms. Downing's experience organizing, prioritizing, attention to detail

and financial skills, and social business skills have resulted in a successful small business of her own.

Ms. Downing's financial status is fair, with accrued student debt typical of a recent college graduate. She has a small personal saving account.

The principals will be successful in this business not only for their passion and motivation for the work, but also because of the extensive combined experience and transferable skills acquired in their diverse backgrounds. They have also maintained various personal and professional connections in the marketplace.

## **Chapter 7: Personnel**

The personnel needs at the time of startup will be met through variable part-time labor. Workers will be hired as needed for installation and maintenance needs, staff will be hired per venue to cover ticket sales at the booth, security, janitorial services/setup and cleanup, and hospitality help in the café or bar. Some performance acts prefer to bring their own sound and lighting technicians, otherwise they, too will be hired on a per diem basis. Performers are classified as variable labor, even if they are regular contract work. The principal owners will have active roles in the operation of all events.

As the business grows, there will be room for regular staff who will receive hourly pay. This includes regular ticket collector when events are more regularly scheduled, waitstaff, bar back, and class instructors for creative pursuits. Sound and lighting technicians, performers and janitors will be paid per job. A 30, 60 and 90 day performance review will be done on class instructors, and a six month and subsequent annual reviews will be done on an ongoing basis to maintain quality experiences for customers.

Staff will need to be skilled, reliable people who are well educated in their area of expertise with experience. The ability to work with other people is important and pursuit of quality and attention to detail are essential.

Pay will vary depending on the position staffers are hired for, and their experience. Performers will be hired as freelancers and will be responsible for their own taxes via an annual 1099 form.

Depending on the success of the business, this may be a very desirable venue for musicians. Being hired to perform here will bring good publicity and recognition as a quality act.

## **Chapter 8: Application & Expected Effects of Loan**

The loan amount will be used in combination with the venture capital to help pay normal line item expenses in combination with anticipated grants to the business until such time that client-based revenues become sufficient.

The effects of this funding will be to allow the principal owners to devote complete attentions to the start-up of the business and seeking out of creative artists. Start-up activities consist of marketing activities, hiring variable labor, purchasing equipment and supplies, and furnishing the establishment.

| A                                               | B                |
|-------------------------------------------------|------------------|
| Description of Sources & Application of Funding | Amount           |
| SOURCES OF FUNDING:                             |                  |
| Loan                                            | To be determined |
| Grants/Venture Capital                          | 200,000          |
| TOTAL                                           | 200,000 + loan   |
| APPLICATIONS:                                   |                  |
| Purchase Capital Equipment                      | 151000           |
| Working Capital                                 | To be determined |
| To be secured by the assets of the business...  | †                |

**A****Capital Equipment Worksheet  
MAJOR EQUIPMENT CURRENTLY OWNED****B**

Cost or List Price

|                |       |
|----------------|-------|
| Computer       | 3000  |
| Stage lighting | 20000 |
| Tables         | 10000 |
| Seating        | 8000  |

**MINOR OR MISC. EQUIPMENT CURRENTLY OWNED**

|                         |      |
|-------------------------|------|
| General office supplies | 1000 |
|-------------------------|------|

**VALUE OF GEAR OWNED**

42000

**MAJOR EQUIPMENT NEEDED**

|                                     |       |
|-------------------------------------|-------|
| Movie projector/screen/misc. equip. | 30000 |
| Bar and furnishings                 | 11000 |
| Caf  furnishings                    | 16000 |
| Office supplies                     | 7000  |
| Sound equipment                     | 55000 |
| acoustical modification of theater  | 25000 |

*owned by ?  
Dennis***MINOR OR MISC. EQUIPMENT NEEDED**

|                |      |
|----------------|------|
| sound chords   | 5000 |
| lighting misc. | 2000 |

**TOTAL MONEY NEEDED TO PURCHASE NEW  
GEAR**

151000

## INCOME

Movie Tickets \$7 per person

Concession

Performance Tickets from \$25-\$450 for B bands and in demand playgroups/artists

Cover Charges \$3-\$10 for local performers if artist opts to be paid in relation to audience

Classes

## Variable Cash Disbursements

Taxes & Accounting approximately \$5000 per year

Legal Fees approximately \$3000 per year

Variable Labor-will be the greatest dollar figure during first year, estimated \$30,000.

## Fixed Cash Disbursements

Phone Lines about \$6,500 per year approx.

Insurance \$9,000

Licenses \$9,000

Saleries

Advertising about \$8,000 per year

Postage/Mailing Materials about \$1,000 per year

Monthly Loan Payment To be established

Total FCD \$33,000 + loan payments and saleries