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FACULTY OF ECONOMICS AND MANAGEMENT

«MASTER IN BUSINESS ADMINISTRATION »

## **MASTER THESIS**

### **BUSINESS PLAN FOR A PRIVATE MUSIC SCHOOL**

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**Abstract**

In the current thesis we will present a business plan of a private music school, which is planned to begin operations next year. A lot of reasons, such as technology development, new educational approaches and competition, make it mandatory for this music school to be modernized and innovative in order to be able to stay active in the music education area.

The analysis begins with a brief analysis of music education and a profile for our school. Afterwards a marketing plan is presented, as well as an environmental analysis regarding our business.

In addition, we will study its financial analysis after our investment in order to see if our music school will have the expected profits and the expected educational outcome, which is our students' success.

Finally, we will use data gathered from our research questionnaire in order to decide whether we should proceed with our plan or alter it in relation to our participant's answers.

All the above elements are mentioned analytically in their corresponding chapters, as well as the research questionnaire and participant's answers.

## Περίληψη

Η παρούσα διατριβή έχει ως σκοπό την παρουσίαση επιχειρηματικού πλάνου ενός Ωδείου, το οποίο προγραμματίζεται να αρχίσει να λειτουργεί τον επόμενο χρόνο. Πληθώρα λόγων, όπως για παράδειγμα οι τεχνολογικές εξελίξεις, οι μοντέρνες μέθοδοι διδασκαλίας και ο ανταγωνισμός, καθιστούν αναγκαία την εξέλιξη και την καινοτομία του Ωδείου μας ούτως ώστε αυτό να μπορεί να παραμείνει ενεργό στο χώρο της μουσικής εκπαίδευσης.

Η ανάλυση ξεκινάει με μια σύντομη βιβλιογραφική ανασκόπηση σχετικά με τη μουσική εκπαίδευση καθώς επίσης με την παρουσίαση του προφίλ που θα έχει το Ωδείο. Ακολούθως παρουσιάζεται το πλάνο μάρκετινγκ και η ανάλυση περιβάλλοντος σχετικά με την επιχείρησή μας.

Επιπρόσθετα θα μελετήσουμε τη χρηματοοικονομική ανάλυση του Ωδείου σε σχέση με την επένδυση μας ούτως ώστε να δούμε κατά πόσο θα έχει την οικονομική απόδοση που περιμένουμε και τα επιδιωκόμενα εκπαιδευτικά αποτελέσματα, που δεν είναι άλλα από τις επιτυχίες των μαθητών μας.

Τέλος, θα αναλύσουμε δεδομένα που θα προκύψουν από τα ερωτηματολόγια της έρευνας μας με σκοπό να αποφασίσουμε τελικά αν θα πρέπει να προχωρήσουμε με το επιχειρηματικό μας πλάνο, ή ακόμα και αν θα πρέπει να το τροποποιήσουμε ανάλογα με τις απαντήσεις των εμπλεκόμενων.

Όλα τα πιο πάνω αναφέρονται λεπτομερώς στα αντίστοιχα κεφάλαια της μελέτης, όπως επίσης παρουσιάζεται το ερωτηματολόγιο και οι απαντήσεις που πήραμε από αυτό.

## 1. Introduction

During the Master in Business Administration module of Open University of Cyprus, every student needs to present a master thesis in order to complete the course. This thesis can have a topic relevant to his or her profession or interest. In my case, since I am a professional musician with both music and education academic background, I had the opportunity to investigate the possibility to create my own private music school, which is a business tailored to my skills and my interests.

Modern times make it mandatory for every parent and student to organize effectively his or her time in order to fulfill academic or personal obligations. Parents need to make schedule adjustments in order to be able to take their children in their extracurricular lessons or activities, as well as having the ability to spend productive time with them.

On the other hand, due to the variety of information they have access every day, children develop interest in a lot of activities. One of these activities is music education and more specifically, the interest in learning a music instrument. I strongly believe that nowadays teaching music is more demanding than it used to be because children may have more inspiration, due to their easy access to audio visual material, but they may have also more obstacles for the same reason. Therefore, our school should be able to provide professional lessons effectively to overcome such obstacles.

The proposed music school will be developed in Strovolos area in which there are many schools and a large population. Additionally, it is located in the center of heavily populated areas such as Latsia, Lakatamia and Aglantzia. In my opinion, the chosen area is also very developed in terms of services and quality of life since there are many large supermarkets, private hospitals and every kind of store. For the purpose of our research, demographic data from Strovolos municipality office will be used, as well as relevant data from Cyprus Ministry of Education regarding the exact number of students in that area.

Our research will examine the viability of the proposed business in that area providing music lessons for children above 4 years old, as well as group lessons for music bands, choirs and theory lessons. Additionally, the research will investigate participants' interest in some additional services our school could offer. One of these services consists of a quiet room where students will have the opportunity to finish their homework while waiting for their parents to pick them up. Since a lot of parents have very busy work schedules, maybe they will need some extra time to pick their children from our school. Additionally, this service makes use of lost time a student can have waiting the parents to pick him or her up. The second service our school plans to offer a special music course designed for parents and adults in general, where parents will have the opportunity to learn a music instrument.

A brief music education literature review will be presented, as well as a school profile with details about our services and our premises. Our proposed working hours and the maximum amount of students will be presented as well as information regarding legal obligations and relevant rules.

Extended marketing mix will be used to define our analysis regarding our services, as well as a promotion strategy. Additionally, we will present an environmental and market analysis providing information about other relevant

businesses in Cyprus. A SWOT analysis will be conducted in order to present strengths, weaknesses, opportunities and threats our business will probably face. Finally, we will present our employee's profile and the required education skills and techniques that we seek to apply in our lessons.

Following, we will present a financial analysis regarding our business, as well as a best case scenario, a medium case scenario and a worst case scenario regarding our profits. Cost regarding rent prices, equipment and government approval will be calculated in order to present a realistic plan about the economic operation of our school. Additionally, a specific salary plan will be used in order to present our employees' working conditions. We will also present the minimum amount of student we will need in order to break even with our investment, as well as the profit margin we will have.

Finally, our research will gather data using a questionnaire regarding people's interest in our business activities, as well as the viability of our school. We expect that the results of our research will show a positive reaction to our services, as well as in music education in general. In my opinion, the additional services we plan to offer will prove competitive will attract more customers, since no other music school offers something relevant.

## **2. Music school presentation**

### **2.1 Music Education**

Education nowadays is much different than some years ago and this could be due to technological advancements, among other, and the results that come with that. For example, all this audio visual material provided to us by services like YouTube, Netflix or all these television channels we have in hand, as well as search results from Google, can make us learn new things every day. Thus, children create extracurricular interests easily resulting in their overall development as students very differently than it used to be. Music, among others, is one of the usual extracurricular activities that children show interest nowadays and a lot of positive outcomes can occur to their education.

Music's place in national curriculums is revised throughout the years due to several factors. As Aristotle said many years ago, music has a power of forming the character and should be introduced into the education of the young. A lot of studies have been conducted regarding this opinion and we have many positive results about music education's impact on student's achievements. The early stages of learning our language needed a lot of attention from us and a lot of skills, such as memory and imitation. These skills created many others on the way resulting to our whole skill set today. Learning music can stimulate these skills again, providing better understanding in speech and patterns between phonemes. (Hallam, 2010) In simpler terms, music proved to be improving student's speech and reading comprehension activity.

Reading music score and playing a music instrument requires constant rhythm counting. This procedure uses basic or complex mathematical processes regarding sub division between note measures and tempo changes. Even the race countdown in Olympic Games has simple rhythm logic in it. It is a three piece countdown similar to the four piece countdown a drummer should provide. The race countdown is performed as "Three, Two, One" while the drummer's one is performed as "One, Two, Three, Four". Therefore, there has been a connection between some music and improvement in mathematics, (Santos, 2017) and it can improve a student's performance in math lessons.

Additionally, music can enhance social development and self confidence. Being able to play a music instrument or achieving a specific goal, which can be a specific song of every music lesson's homework, it will probably provide proper motivation for the student to continue his or her efforts in music and in school's tasks in general. Also, participating in a band or any other type of group music lesson will probably improve a student's ability to communicate with others.

Finally, afterschool music education can provide children a lot of experience much different than their morning classes. For instance, a private music school in cooperation with local organizations can plan concerts and fundraising events, giving every student the opportunity to be a part of these events. Engaging in social activities will probably develop positive social skills to our students, as well as altruistic behavior.



## 2.2 School's profile

A modern music school should be able to offer a lot of different lessons, meaning teaching a variety of music instruments and similar classes. Even if we can see some preferred music instruments through our questionnaire, we need to offer most of the 'known' instruments for 2 main reasons: first, I strongly believe that it is easier for a business to attract new customers if it offers many products or services and second, in order to be able to create student music bands and orchestras we need to offer the corresponding lessons. For example, a typical rock band consists of drums, bass guitar, electric guitar, vocals and keyboards therefore we need to offer drum lessons, bass guitar and electric guitar lessons, singing and piano lessons in order to create that particular band for our students.

The 'known' instruments mentioned above cannot be entered easily in a list because many people have very different preferences but, for the beginning of our operations, we can limit our choices in these instruments:

- Violin
- Piano
- Classical guitar
- Electric guitar
- Bass guitar
- Drums
- Flute
- Saxophone

Of course, the above selection of instruments is not a complete set of music lessons but I believe that if we can offer these lessons in the first year of operations, we will be able to add more depending on future demand.

In music education area there are a lot of collaborations with well known music organizations and universities that offer a variety of classes. These universities give the opportunity to every student to take graded exams, with the ability to reach a higher level of certification which is equivalent to a GCE A level that can be used for further studies in English universities. It should be mentioned that this achievement can help a student to ensure a position in universities all over England, even that he or she will not pursue music studies.

Since we target mostly underage students, our working hours will obviously after morning school so it will be 14:30 – 19:30 on weekdays and 09:00-13:30 on Saturdays. The above timeline could offer about 7 teaching hours on weekdays and 6 teaching hours in Saturday morning. Therefore, an optimistic estimation of a maximum number of students for each teacher will be 40 students. Also, a very optimistic best case scenario will be that our school educates 200 students but our analysis will use a more realistic and restrained approach regarding the number of our students.

In addition to the ordinary music lessons, our school will provide a quiet place where children can finish their homework if they have to spend some time at our school before or after their lesson. It is not uncommon for parents to take their

children earlier or picking them up later than their lesson's time due to the busy schedule they may have. Also, if we have siblings in school, is very possible that their lessons take place fifteen minutes to half an hour apart, resulting to them having some extra time in our school.

### 3. Marketing Plan

Every type of business pays attention to its product or service development in order to keep on competition between rivals and the demanding market. This is one of the many aspects of their operations since the specific product or service should be known to prospective customers using effective marketing strategies. The term marketing could have a variety of meanings, from promoting and distributing products all the way to researching and identifying consumers needs. (Kotler, 1994) This variety of meanings indicates the important impact marketing could have in business, therefore its success in terms of sales or operations. “Have a break, have a Kit Kat”. We all recognize this famous tagline from the late 80’s therefore we are aware of the product throughout the years. If Kit Kat did not use an effective marketing plan back then, maybe we would not know about it today.

Of course, in our case, the above example cannot be easily applied since a music school offers mostly services than products. In a product based marketing mix we usually use 4 elements, which refer to the product, price, place and promotion. (McCarthy, 1960).

There are many variations in the marketing mix analysis but for the purpose of this assignment, a brief analysis will be presented. The product refers to a physical object or a service provided by a company to the consumer. That can have a variety of names and packaging styles but it will have a specific price in a specific period. There are countless ways to promote that specific product in many places and all of these consist of a marketing mix.

As mentioned before, service marketing can be a little different than product marketing, therefore 3 more elements are added in the marketing mix and these consist of people, process and physical evidence. Briefly, process could continue with post sales service. Additionally people play an important role since customers are usually present when a service is provided and they usually seek physical evidence because services cannot be experienced beforehand therefore customers will seek for review.

Since a service is not a tangible product, a service provider should find a way to ‘tangibilize’ it. A music school should pay attention to this service characteristic since a prospective customer could be a parent who wants his or her child to become a student in order to learn an instrument and participate in a concert. Because of that, our website and our social media page should have a lot of audiovisual material showing footage of concerts or lessons so current and prospective clients can see clearly what our music school can offer.

Additionally, a service has another characteristic which is inseparability, meaning that the service cannot be produced at one place and consumed at another in different time. Therefore, usually a customer is present while the service is produced. For example, a private music lesson is done while the teacher and the student are present and a concert is held in front of an audience. This is considered common sense of course but the important fact remains that teachers and other people of the music school’s staff should act professionally and politely since they can actually affect the whole service outcome. Besides, word of mouth plays a critical role for this kind of business and it is often used in Cyprus as a source of information.

### **3.1. Extended marketing Mix**

#### **3.1.1 Product**

As mentioned before, the first element in a marketing mix is the product which is obviously music lessons in our school. Therefore a modern music school must take into account today's needs in students and parents and, in order to succeed I believe it must have the following additional features:

- A number of special soundproof classes with the relevant equipment in it. For example, some of these classes should have a piano in them, some other should have some guitar amplifiers for electric guitar lessons, some other should have microphones for singing lessons and some others should have a drum set for the drums lessons.
- A larger class with a whiteboard and a sound system for group lessons, even this could be theory lessons or music history lessons.
- A properly decorated and equipped room for providing group music class for kindergarten ages.
- A soundproof rehearsing room for music groups through the music school and basic studio equipment in order to be able to record students there.
- A reception area where parents can wait for their children to finish their lessons.
- An extra room that may give the opportunity to students to do their morning school's homework if they have to come earlier at the music school for some reason. For example, some parents may not be able to pick their children up at 17:00, when their lesson is finished and children may have half an hour available at our place and they could study for their other lessons.
- A special program for adults since, in my experience, I noticed a lot of parents who would like to have music lessons along with their children.

#### **3.1.2. Price**

Most of our lessons will last 45 minutes and their price will start at 80 Euros per month for the first year. Each additional year the fees will have a €5 increase in fees. Lessons in higher level will last 1 hour and their price will cost 120 Euros per month. In case of siblings in the school there will be a 10% discount and our group lessons will cost less accordingly. Also, when students take more than one lesson, for example guitar and singing lessons, there will also be a 10% discount in their fees.

We also offer some group lessons, for example theory lessons or music group workshops. These lessons will cost 40 Euros per month and relevant discount will be applied in case of siblings.

### 3.1.3. Place

A private music school should be located in an area where a lot of people can have access to. This can be a center road in a large city or a connecting area between other cities or suburbs. In our case, it going to be located in Strovolos area. We will choose a place near central roads, for example near Nikis or Tseriou avenue because we can see from the map in appendix that there are a lot of primary and high schools there, as well as a lot of houses and services. In addition, Strovolos is a heavy populated area in Cyprus since almost 70000 people were recorded in 2011 from Cyprus Statistical Service and they are expected to be much more today.

Also, we have two important reasons about not choosing a central road and preferring a place near such a road. The first reason refers to the rent price of buildings in central roads and the second reason is about accessibility. We need to provide parking space to our customers because a lot of parents will come by our school every day in order to bring their children there or pick them up.

### 3.1.4. Promotion

The promotion procedure should begin way before the music school's operations begin since it is going to be a new business and people need to know about its existence beforehand. Since this kind of business usually works by school dates it will operate from September to June. Therefore, most admissions should take place from May in order to be able to operate smoothly in September, regarding both school's and student's schedule. As a result, our promotion will need at least a 9 month period, in which we will have the opportunity to execute a well designed promotion plan.

Our promotion plan consists of a variety of elements but the most important is to be known in morning schools. Since we want to reach school students, from primary school to late secondary school, we need to send advertising leaflets in schools so students may be attracted and come to us eventually. Also, I believe that one of the best promotional tools is of course the showcase of the given product. Therefore, we will be having some concerts throughout the year in local places, giving our students a chance to perform and gain live music experience and attract new students and parents.

Unfortunately, since we will only be able to present my own private students, who are only electric guitar students, we will limit the audio visual promotion material to these students, as well as my own material as a professional musician. I will also give personal interviews in TV shows and Radio broadcast promoting the music school, as well as my current students and their achievements. This obstacle can be overcome with another solution since we will have collaborations with specific organizations as mentioned in chapter 2.2. These organizations give their partners the authority to use their rich audio visual material for promotional reasons therefore we will use these before we obtain our own.

Additionally, we will add classified advertisement in Strovolos municipality magazine, which is distributed once a month in every citizen, giving us the exposure needed. We could also add material in that magazine about our events and we should embrace with a lot of Strovolos municipality events and shows. The specific advertisement should be correctly placed, providing expressive photos of our students who are enjoying playing music, both in their classroom and on stage.

Finally, all of these operations should be uploaded in our social media page, where every interested other can search and learn about our operations in the music school.

### **3.1.5. People**

People is a very important factor regarding services marketing since they will have direct communication with customers. Since our customers are students and parents, our staff will be trained accordingly regarding their communication skills. This kind of training could be just some basic rules and regulations regarding our school's approach. This will probably reduce the risk of misunderstandings and bad reputation of our school.

### **3.1.6. Processes**

While process describes the interaction between our school and our students, we will have a clear mechanism about that. Every new school year we will give our students a yearly calendar in which most of our activities will be reported. Also, in every new admission, every student or parent will be informed about our rules and procedures. For example, we will ask for tuition fees to be paid by the end of the 10<sup>th</sup> of the current month.

### **3.1.7. Physical Evidence**

Every physical component that has interaction with our customers will probably contribute positively or negatively to his or her experience regarding our services. Every business should pay attention regarding this issue because some elements may not seem important to us but could play a significant role for our customers.

In a private music school, there should be an attractive environment. First of all, we need to keep a clean and music related reception area because a lot of parents may spend some time there waiting for their children to finish their lessons. Therefore, we need to decorate that area in a way which a parent will feel comfortable. In addition, we will provide some basic services to these parents, including free Wi-Fi and cold water. That may seem irrelevant regarding our business, since we provide music lessons, but having a customer feeling good coming to our place will probably keep him happy about us. In addition, our reception area will have a TV screen in which we will show live music performances, as well as relevant music visual material in order to provide motivation to each one of our students and parents.

Our teaching rooms will be decorated according to each instrument taught there. For example, a modern poster of legendary electric guitar players, such as Steve Vai will be in our electric guitar's teaching room providing inspiration to every aspiring electric guitar student. Additionally, these posters can be used as teaching material since the procedure of learning a music instrument is not limited to the instrument itself but it extends to its history and famous musicians throughout the years.

Finally, our music school's logo should be known to our customers and we will update constantly the contents of our website and social media accounts so every customer, parent or student, will have another reason to visit these websites regularly.

## 4. Business Environment

Educational institutes should be student friendly, meaning that its decoration and its employees have to be able to inspire their students. A healthy working environment is crucial for the well being of every business as well as its organization culture. In larger organizations, employees and managers tend to have a set of shared values and expected behavior on their job and this can be seen and analyzed by three layers. The first layer consists of artifacts, visible or observed behavior and it is referring to dress codes, among other things. The second layer consists of values and beliefs and the third layer provides unconscious assumptions, beliefs that may create a way of behaving in an organization. (Schein, 2010) The whole term of organization culture can be described in simple words as a set of rules in terms of behavior in our school, as well as a personality of it. (Larkin, 2011)

### 4.1. Environmental analysis

As presented above, there are many private afternoon schools in Cyprus offering a variety of lessons. There are some barriers for a new school but it is not very difficult to obtain a building license and be able to operate. Some of the most important procedures a new school has to follow are:

- Using a building that follows the rules about the law regarding private schools and institutes, which can be found in Ministry of Education's website, [www.moec.gov.cy](http://www.moec.gov.cy). Information about that specific law can be for example the naming of the school, the curriculum of its lessons and information about employees.
- Building approval that declares the specific building as a private institute which follows the corresponding law. That approval will be given by Strovolos municipality.
- Certificate of suitability given by Cyprus Fire Service about protection in case of fire and other emergency situations.
- Accounting information such as lesson fees, student list and employee payment status.

The above certificates and approvals will need some time to be obtained, as well as some money cost. Since they can be obtained with help from accounting and legal services, we should expect a cost of €500 which will be added in our start up expenses.

Finally, we need to comply with the European Union General Data Protection Regulation (GDPR) because we will have files containing personal data of our students and their parents as well as photos and videos of our students performing live music. As a result, we need to present a legal contract in which parents give their permission to us to have this data and they also give us their permission to use audio visual material for educational and promotional reasons.

#### 4.2. Market analysis

In order to analyze the market of the area we first need to find relevant data regarding the area of our school. Since Strovolos is a large city in Cyprus and covers about 25 square kilometers, we will focus in a smaller radius for our target group. Therefore we will use the data below in order to be able to sort information about the external environment of our school, as well as the competition we are about to face.

- Population of the chosen area
- Number of elementary and high schools, both public and private
- Number of students in each of these schools
- The number of music schools and related schools in the area
- The number of other afternoon schools providing various other activities such as sports or dance.

The information regarding other kind of afternoon schools will show the interest in students and parents in terms of extracurricular lessons therefore if there are many afternoon schools, it means that a lot of students could be attracted to our kind of classes as well.

Strovolos area has a lot of primary and secondary schools. Specifically, as can be seen from its website (<https://www.strovolos.org.cy>), there are 14 primary schools and 8 secondary schools. Also, there are 4 private primary schools and 4 secondary schools that fall into our target radius, meaning that the environment is attractive for our music school. Having contacted Strovolos municipality and Ministry of Education we found out that public secondary schools have 3283 students and public primary schools have 3519 students. It is not easy to find the amount of students in preschools since there are a lot of these schools but a safe estimation could be about 1000 students and private schools should have this amount of students as well. Therefore, our chosen area has almost 10000 students in it, a very attractive number for our purpose.

Finally, there are a couple of large music schools in the area and many other extracurricular schools and facilities, such as dance studios and football academies. Being in an area with other music schools may look unattractive but it would be impossible to create a music school in a popular area without competitors. In addition, the fact that other extracurricular schools are operating in the area may have a lot of advantages regarding our location. For instance, children are enrolled in extracurricular activities therefore it would be easier to approach them to our school. Also, having dance schools and drama studios nearby, we will be able to create collaborations that will help us present larger events, such as concerts and musical theaters, combining our students and reaching larger audience for our school's concerts.



### 4.3. SWOT Analysis

An organization's performance can be affected by a number of factors both internal and external. Every manager should analyze these factors periodically in order to optimize the organization or prevent problems to occur. These factors are actually the strengths, weaknesses, opportunities and threats of the organization and they form an acronym known as 'SWOT'. (Worthington, Britton, 2006) Our SWOT analysis can be seen below, showing these factors regarding our music school:

- **Strength:** Our location is heavily populated with many schools near, meaning that we will probably attract many students easily. Also, with the right and experienced personnel, as well as targeted activities and constant promotion, our student number will easily grow.
- **Weakness:** Every new business will need some time to break into the market and gain recognition therefore it is a barrier we need to overcome. In addition, since some other music schools already have their structure, we will face some challenges competing them due to our start up expenses and our small size.
- **Opportunities:** A lot of opportunities arise in the music school sector considering the location of our school and our services.
- **Threat:** The most common threat in our business area is the arrival of a competitor since, as mentioned above, there are only a few barriers for new entrants. We should remain optimistic and provide the best service we can since we cannot do anything about that situation.

#### **4.4 Preparation procedure**

The preparation of such a business project will need at least a 12 month time in order to become operating smoothly. This is enough time for us to conduct our research regarding every aspect of our options.

First, we will need some time finding the right building for our purpose and, even if we plan to rent it later, we need to scan the area for possible options. We have may narrowed down our radius but we still have a lot of possibilities and opportunities available, therefore we will need a lot of time visiting and evaluating these options.

Additionally, even if we do not have the building rented, we need to spend some time researching options about all music equipment we will need. This will prove time consuming since there are many options available on the market. Therefore, we need to contact some of the music stores in Nicosia in order to explore our options and gather information that will help us make a profitable decision. Also, the same procedure should be applied in our search for building material. We need to be able to obtain all of this equipment without any delay since we will only have a 2 month period to assembly our school.

Another obstacle we need to prepare for is the certifications and municipality approvals we need to obtain. In order to be effective regarding this issue we need to contact the according professional beforehand so we will have this issue solved without losing essential time.

While all these structural procedures will be happening, we also need to apply our promotion plan which will also be time consuming. Visiting morning schools, creating flyers and giving interviews in local magazines and radio shows will take much of our time.

Finally, we will need a fair amount of time finding the right teachers for our school. As you can see below, we need a specific type of professional musician in order to provide high quality of music education. Therefore, we will start contacting people early in order to have the labor needed to begin our operations, meaning that we will need time conducting interviews and having the relevant answers from our business offers.

#### 4.5. Personnel

Teachers have a lot of responsibilities in their job, not only as instructors but also as educators and mentors. Many successful musicians refer to their teachers as mentors and idols, as well as lifetime friends. Therefore, coworkers should feel comfortable in the music school, knowing how to act in every situation, as well as be engaged in our music school's organization culture in order to create a steady working environment. It is important to have the right kind of people in our school since they will have direct contact with children of different ages every day.

There is a very different approach between 9 year old students and 18 year old ones due to the age gap, but there is also different approach between two students of the same age due to their uniqueness in terms of motivation, available time and learning style. (Stenberg, 1985) This will prove a challenge for every teacher since a traditional approach to teaching, such as follow the same book or method for every student, will probably make weak results resulting to student's turnover.

In order to overcome this obstacle and provide efficient and homogenous education to every student, a teacher needs to apply differentiated instruction for every student. This kind of teaching became popular in group lessons and normal school classes after a lot of failed attempts to create homogenous classes with similar students in terms of grades and achievements. The purpose of these attempts was to improve student's performance and provide better results. Since this kind of classes did not provide clear results, (Slavin, 1987), the whole concept of homogenous classes collapsed. Therefore, teachers started treating their lessons differently tailoring their instruction based on everyone of their students needs, which describes the whole concept of differentiated instruction. (Waterman, 2005) A music teacher needs to differentiate his or her lesson according to each student's needs. As a result, we need to have qualified music teachers in terms of education approaches and skills. Of course, the term qualified does not necessarily mean having a master's degree in music education or educational sciences but it means that, as a professional, the specific teacher knows what he or she needs to do in every case, applying both knowledge and experience.

Additionally, we need well music trained teachers who have advanced technique over their instrument and experience in concerts and live performing. Our lessons are not limited in a classroom but should be extended in a concert stage so a teacher should have all skills necessary in order to prepare and motivate their students into achieving such a task.

The above refer to our employees' skills in terms of music education and music performance skills. Although, we need to create a positive environment for every employee so we will have their maximum performance and engagement available. As a manager, I strongly believe that a positive relationship between each other teacher, and employee, will influence positively our school. Every teacher should have regular meetings, formal or informal with the manager and they should express their ideas freely. Since music is an art there would be plenty of ideas regarding our operations and our concerts. Given the opportunity, if teachers see their ideas applied and heard in general by the manager, they will be engaged in the school's mission emotionally and they will know better what it is expected from them to do. (Kahn, 1990).

In larger organizations, managers use a variety of sources in order to identify their staff needs and the gather information about their business areas that need additions or replacements. In order to achieve that they should conduct a human resource planning, a process which consists of 3 basic elements: job analysis, forecasting demand and supply and legal restraints. (Lunenburg, 2012). Since we are talking about a much smaller organization we do not need to use such a tool in full scale but we should extract relevant information from our teachers because we need to see clearly their skills and their role in our school's activities. Therefore we will make sure every student has improvement throughout the year by having some internal concerts in the school during normal lesson time. On the one hand, this procedure will motivate students to be ready to perform their current lesson's homework in front of a small audience, that consists of their teacher, the head teacher and a couple of other students. On the other hand, it will give us a better view about both our teachers and students performance and, if needed, relevant feedback can be given to both of them, as well as it will improve our communication with parents since we will be able to talk to them about their children's progress.

Finally, every job needs constant training and development. In music performance, this constant training may refer to daily practice but in music education it refers to applying modern teaching techniques using modern approaches and tools. As a manager and as a teacher myself, I seek guidance and knowledge about these techniques constantly because of the rapid technological growth which results to pupil's demands in terms of becoming motivated for our lessons. Therefore, I believe that we should invest in relevant seminars and training courses for our teachers for two main reasons. Firstly, they will probably improve their teaching skills and their motivation to become better teachers through these seminars and, secondly, they will probably become more confident about themselves and I believe that they will respect the fact that their employer invested in them. (Taylor, 2017)

## 5. Financial Plan

There are many everyday examples that show the importance of planning in terms of financial plans. For instance, if we plan a 5 day vacation we will choose our destination and the extra activities in relation to our budget. Of course, personal expenses and professional ones are treated differently but, if we do a detailed financial plan for our vacations, imagine what kind of plan we should do in our business investment.

There is a popular saying by Benjamin Franklin, which sounds like lyrics of a song, and says that 'Failing to plan is planning to fail'. The lack of proper planning will probably affect our business deliverables and, in order to avoid such a disaster, we need to pay attention to our planning process. (Raje, 2008)

Below, there will be presented our financial plan and sales forecast having in mind that our music school will be located in a rented area and rent price will be calculated accordingly through information about rents in the area. Our school should have at least  $150m^2$  of space, including 2 toilet rooms and every service is required by the law for this kind of buildings, such as an emergency exit, emergency lights and evacuation plans.

The first aspect we need to present is the way our employees work and get paid for their services in our school. Since we will have different teachers for each lesson we cannot set a standard salary for them because they will probably have difference in the number of their students. Even if our results show that we will attract similar number of students in each instrument, we can expect major differences. Therefore our payment plan is going to be a percentage in tuition fees of each student. This percentage will be at 66%, meaning that for each student that pays for 90 Euros per month for drums lessons, the drums teacher will earn 60 Euros and the school will earn the remaining 30. The amount of 60 Euros includes social insurance fees for every teacher of the school, therefore the cost of each teacher's salary will be calculated as the percentage of the student fees.

## 5.1 Start-up expenses

In order to prepare a place to be suitable for teaching music instruments, we need to make some adjustments, as mentioned in chapter 3.1.1. Therefore we need to calculate the cost of these adjustments beforehand because, even if we do not have the full capacity of students in the beginning of our operations, we need to have all relevant equipment ready to be used. Since I can build some walls using plasterboard myself, I will only use its cost if needed to add more rooms in an existing place. For the same reason, soundproof material will be calculated only as their cost and not installment.

Specifically, since we will rent a place which covers  $150m^2$  we have enough space to create 5 classrooms. Most of these classrooms will have dimensions of  $3m \times 2.5m$  while the drums room will be a little bit larger, meaning it will have dimensions of  $4m \times 2.5m$  with extra soundproof material in it. Having that in mind, we can assume that an amount of €2000 will be needed in order to create these rooms.

Additionally, an extra amount of €2500 will be needed for music and classroom equipment. This amount covers the cost of 2 electric pianos, a drum set, some electric guitar amplifiers, some beginner's instruments and some basic school's equipment such as chairs, music stands and whiteboards.

An extra amount of €1500 will cover the needs for some A/C units and relevant expenses since there is no place for rent which includes at least 6 A/C units. Also, we should take into account the cost of our certifications and building approvals, as well as expenses regarding the promotion of our school. The above amount of money can be seen on table 5.1.1 below.

Description	Cost in Euros
Material used for building classrooms	2000
Music equipment	2500
Other equipment	1500
Certificate and other expenses	500
Advertising Expenses	1000
<b>Total</b>	<b>7500</b>

Table 5.1.1 Start-up Expenses

## 5.2 Monthly cost

Since we will customize an existing place for our music school, the first expense is going to occur each month is the rent price. Developers estimate that a rent price in places not in central roads should be calculated as €10/m<sup>2</sup> so we can safely assume that our rent cost will be at about €1500 per month. We can have a special deal with the owner of the building of not paying the rent for the first two months in order to pay it later when we will have actual profit.

Additionally, we are expected to have €500 expenses regarding utility bills and general consumables and supplies. Our school will operate from September to June, meaning that our €500 expenses will be much lower on July and August since we will only need to pay settled charges of our services. Therefore, for these 2 months we will need at about €100 but we will assume that the cost is €250 in order to avoid surprises regarding other yearly fees such as general municipality fees regarding trash services and similar fees. The table 5.1.2 below shows the expected monthly cost relevant to the building expenses, as well as yearly cost with the difference that occurs in months July and August.

Description	Cost in Euros
Rent	1500
Utility bills	500
<b>Total</b>	<b>2000</b>
<b>Yearly Cost</b>	<b>23500</b>

Table 5.1.2 Monthly – Yearly Cost

### 5.3 Revenue Forecast

The maximum capacity of our students, as mentioned in chapter 1.2, is 200 students. This is the best case scenario but our revenue forecast will take into account a medium case scenario, where the number of our students will be much lower.

We expect to have a total of 100 students in our school since the number of students in the area is large with many schools in it and the percentage of our expected number is very close to 1% of all these students. Also, our tuition fees are not the same for every student since some of them are going to be in advanced level while some others will take theory lessons and instrument lessons as well. Besides, it is very common in music school for a new student to enroll in advance class for a variety of reasons. Therefore, we will calculate a standard fee of €100 per student in order to have estimation about our revenue. Also we will subtract €66 for the teacher's percentage for each student's monthly fees.

In the table below we can see estimated revenue forecast for the year 2020 to 2023. A 4 year period is chosen because it is a time period in which we can keep our rent fees the same and we will not change our fees or teacher's salaries. Also, it is a period of time where our needs regarding our start up expenses will be met since we do not expect our equipment to break so soon.

Additionally, we expect to have a 10% increase in the number of students each year and the difference in expected revenue are presented in table 5.3.1 below.

<b>Middle Case Scenario</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Expected number of students	100	110	121	133
Yearly fees per student (€)	1000	1100	1210	1330
Yearly gross income (€)	100000	110000	121000	133000
Yearly Rent Cost	18000	18000	18000	18000
Utility bills and general expenses	5500	5500	5500	5500
Teacher salaries (€)	66000	72600	79860	87780
Expected Revenue	10500	13900	17640	21720
Profit Margin	10.5%	12.63%	14.54%	16.33%

Table 5.3.1



As seen above, on the first year of operations we will have a 10.5% profit margin and it is increased in the following years in relation to the number of students. The 10.5% profit margin equals to €10500, an amount that covers the start up expenses, giving a chance to our school to break even and be able to have real profit afterwards.

The tables below will show a worst case scenario and a best case scenario. A middle case scenario was the table above which consists of 100 students in our first year of operations, with a 10% annual increase of that number. Of course the worst case scenario would be that the number of students is very low and we will not be able to recover from our investment, but we will use it as the minimum number of students needed in order to cover our start up expenses in 4 years time, meaning that our school will start having real revenue in its fourth year. Also, there will not be any increase in student's number in the first 2 years and in the remaining 2 years there will only be a 5% increase.

<b>Worst Case Scenario</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Expected number of students	75	75	78	81
Yearly fees per student (€)	750	750	780	810
Yearly gross income (€)	75000	75000	78000	81000
Yearly Rent Cost	18000	18000	18000	18000
Utility bills and general expenses	5500	5500	5500	5500
Teacher salaries (€)	49500	49500	51480	53460
Expected Revenue	2000	2000	3020	4040
Profit Margin	2.6%	2.6 %	3.8%	4.9%

Table 5.3.2 – Worst Case Scenario

As we can see above, the minimum number of students needed for the music school to be able to operate without financial damage is 75. Also, the profit margin has a noticeably increase in relation to the number of the students.

Finally, the best case scenario will consist of a starting number of 145 students with an annual 10% increase, making that number reach our full capacity in the first 4 years.

<b>Best Case Scenario</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Expected number of students	145	159	174	191
Yearly fees per student (€)	1450	1590	1740	1910
Yearly gross income (€)	145000	159000	174000	191000
Yearly Rent Cost	18000	18000	18000	18000
Utility bills and general expenses	5500	5500	5500	5500
Teacher salaries (€)	95700	104940	114840	126060
Expected Revenue	25800	30560	35660	41440
Profit Margin	17.7%	19.2 %	20.4%	21.6%

Table 5.3.3 – Best Case Scenario

Following that scenario, we should have additional ideas and plans regarding expansion due to the large number of our students. Even if this is an optimistic approach, we will probably be able to have one extra room in our existing school by altering our design. This investment will have minimal cost comparing to the revenue it could earn, which is 40 students capacity. Also, with an additional amount of €10000 we can buy and equip a moving container house that can be put in the back of our building. The specific house could easily expand our school by 1 or 2 more classes, therefore we will be able to have more than 50 more students.

It is important to mention that in each of these scenarios we will have enough income to cover the first two months of rent that we will agree to pay later. Even in our worst case scenario, our sales forecast seems to break even in the fourth year of operations.

## **6. Research**

### **6.1 Research approach**

Since we want to examine the operational aspect of the music school's we will conduct a survey research in order to find people's knowledge and beliefs regarding the schools and music education in general. Therefore we will use a questionnaire targeting prospective customers. Besides, research is a procedure that will provide relevant data to us in order to make decisions, in terms of marketing, that will help in recognizing the existence of problems and opportunities. (Stevens, 2006)

In order to be able to reach as many people as possible in order to widen our research sample, we will provide our questionnaires anonymously through Google form, a procedure I believe will make interviewees comfortable about their answers. For example, since I am an electric guitar player and teacher, if the questionnaire is answered in my presence, maybe the results will be compromised in favor of electric guitar lessons, as an instrument of choice. Of course we will use some conventional questionnaires because it is easier to reach some people who are not in our contact lists or people who do not use internet services that often.

The questionnaire will seek information regarding customer's needs and preferences regarding our school since in many cases we need to fulfill them in order to keep them satisfied. Besides, our customers can be parents and students themselves who choose to enroll in music school for a variety of reasons and we should know how to provide our lessons satisfying each customer's needs. Education, treated as a service, can be a complex procedure since every person may have a different opinion about the expected outcome.

Taking these into account we need to find out if our proposed services are suited for our prospective customers. This information is expected to be gathered from our questionnaire. For instance, since we plan to offer an out of music service, which is a proper class where our students can do their homework if needed, we need to know if our customers will prefer having it. If not, maybe it is not wise to promote it or having it in the first place. Additionally, since we plan to provide some group lessons for children, we want to examine if we will have a fair amount of students, as well as siblings in school where we will be able to create groups with brothers and sisters or something similar. Finally, we need to find reasons a student may leave our music school in order to enroll in another so we can manage customer turnover since this is a major issue I believe private music schools face nowadays.

In addition, our research expands to our chosen location of the music school. We will use information regarding the number of primary and high schools in the area, an estimation of the number of students as well as known competitors and possible collaborators such as dance and drama schools. We need to take into account that parents and students are very busy regarding after school activities therefore our location will be a high importance factor in their enrollment for our music lessons.

## **6.2 Research problem and research objectives**

Research problem and research objectives are very important information we need to gather using our survey, since we will find relevant data regarding our services. It is very important not to define the problem very broadly or very narrowly because we will receive a lot of unnecessary data or not useful data respectively. (Kotler and Keller, 2011) The research problem of this study is to find out whether people are interested in learning a music instrument both for their children and their selves. Since this is our main goal, we want to seek information about the viability of our business. Additionally, we will explore the following information, among others, through the questionnaires, that will set our research objectives.

- What instruments do parents and children prefer?
- Are parents interested in our additional service, where their children will be able to finish their homework in our school if they have some time?
- Are some parents willing to enroll in special adult music classes?

## **6.3 Research limitations**

Our research has some limitations, which are presented below:

- The questionnaire is given to people who are parents and have children with age above 4 years old.
- Very few questionnaires were answered by people who do not live in Strovolos area.
- For obvious reasons we did not include music professionals in the questionnaire developed for parents.
- Data were collected from only 41 parents regarding 79 children.

#### **6.4 Research procedure**

We conducted a quantitative research based on numerical data received by questionnaires. This data was transformed into usable statistics in order to uncover some patterns regarding our research objectives, as well as relevant data that will provide as a better view of our business choices.

The questionnaire consists of 12 questions and the first 4 of them are seeking demographic data. These first questions are used for creating groups between ages of parents and children in order to be able to analyze their answers later. In the remaining questions we wanted to find more information regarding the participants and our research objectives.

Data was collected between March and April from parents mainly staying in Strovolos area and are not musicians, as stated before. The reason of this decision was the fact that I believe that we would not collect correct data for the specific research. A musician would answer positively in the question about his children's enrollment in music lessons. Also, our question which seeks interest for a parent to enroll in special adult classes, also we would not have objective results since a musician will probably answer no anyway.

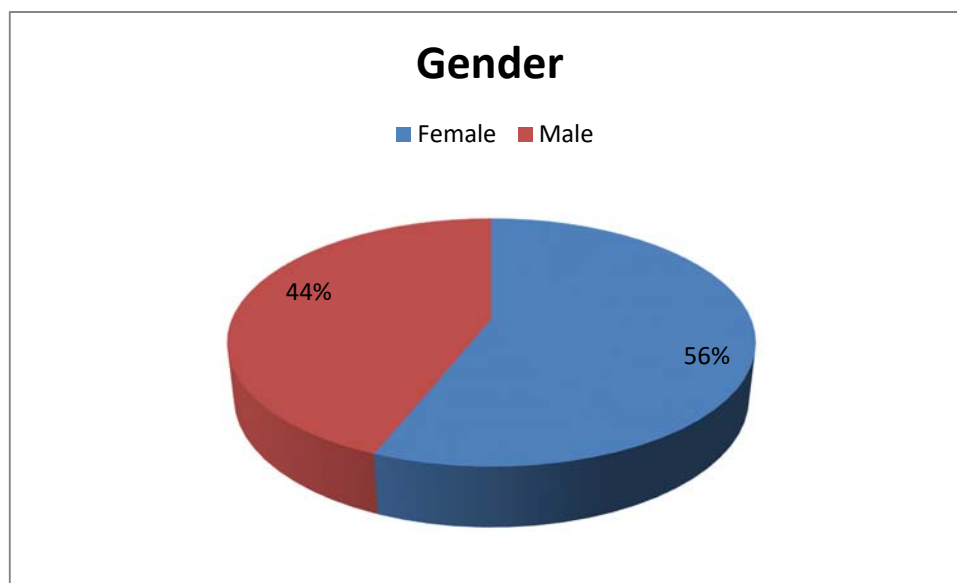
## 7. Data analysis

### 7.2 Demographic data

The first four questions of our questionnaire refers to demographic data that present us the gender of the parents, their age, the number of their children and their age as well. We have 41 participants in total and these results will be presented below.

#### 7.2.1 Gender

On the gender question, each participant could choose between 2 possible answers: Male or Female. Based on our data collected, we have 23 female parents and 18 male ones, consisting of 56.1% and 43.9% respectively, as can be seen below in graph 7.2.1.



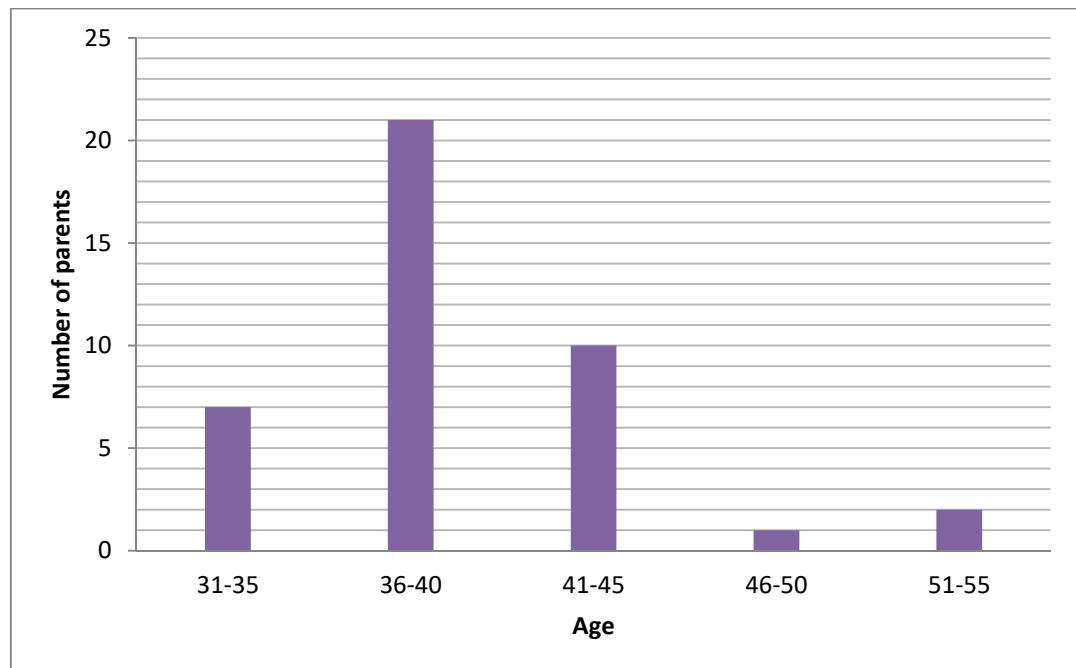
Graph 7.2.1 - Gender

#### 7.2.2 Age

The next factor was the age of the parents, and every participant had the possible answers below available:

- < 25
- 26 – 30
- 31 – 35
- 36 – 40
- 41 – 45
- 46 – 50
- 51 – 55
- 56 – 60
- > 60

Our graph 7.2.2 below shows our results regarding the age of parents who participated in our research. As we can see, most of our participants are younger than 45 years old and older than 31 years old. We only have one participant between 46 – 50 years old and two participants between 51 – 55 years old.



Graph 7.2.2 – Age

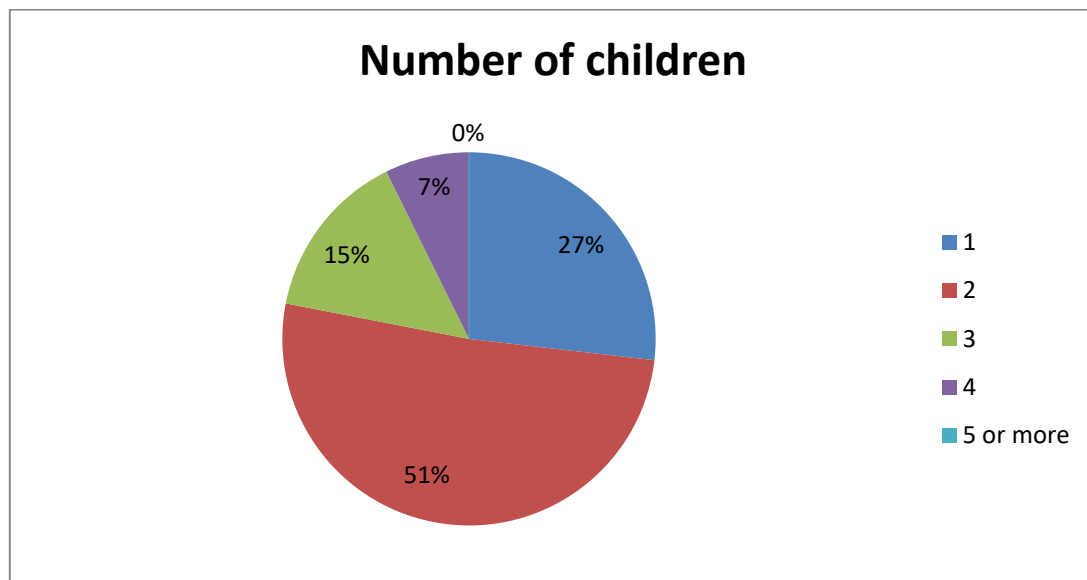
In percentage terms it means that more than 50% of our participants are between 36 – 40 years old, while age group of 41 – 45 is at 24% and age group of 31 – 35 is at 17%. The remaining groups of 46 – 50 and 51 – 55 are at 3% and 5% respectively.

### 7.2.3 Number of children

The next demographic factor was the number of children each participant has, and every parent could choose one of the following answers:

- 1
- 2
- 3
- 4
- 5 or more

The results are presented in graph 7.2.3 below:



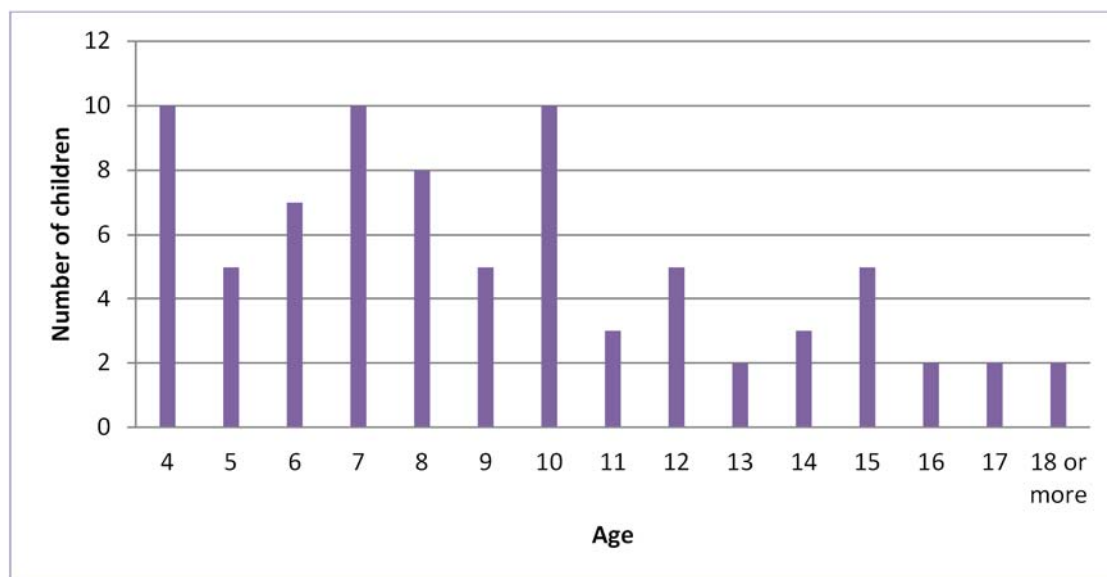
Graph 7.2.3 – Number of children

As can be seen from the above pie chart, more than 50% of our participants have 2 children, 27% have 1 child, 15% have 3 children and no one has 5 or more children. The total number of children is 79.



### 7.2.4 Age of children

Age of children factor had a range of possible answers beginning from 4 years old and ending in 18 or more years old. Therefore, participants could check the corresponding box and data collected are presented in the graph 7.2.4 below:



Graph 7.2.4 – Age of children

We have children from every age but most of them are in primary school and preschool age. This covers the 73% of every child and the remaining 27% is covering high school ages.

### 7.2.5 Demographic results

Based on the demographic answers we collected through our questionnaire, we can make some early assumptions regarding the results analysis. Every factor could play a significant role in our analysis.

The gender may not seem relevant now but with more questions we will maybe gather useful data about our services. Anyway, the difference between male and female parents is not that large.

The second demographic factor, which is the parent's age, is important because we will may see different approach from a parent below 45 years old than a parent older than 50 years old. Therefore we will see if this approach differs in terms of the remaining questions.

The fact that a lot of parents have more than one child is of high importance since if we find out that these parents would like to enroll their children in music lessons, we will need to adjust our schedule. Usually parents prefer to bring their children in afternoon schools at the same time due to their own timetables limitations. As a result, we need to develop our teacher's schedule accordingly. Also, if 2 brothers or sisters in close age want to have lessons in the same instrument, for example piano lessons, we need to have 2 or more piano teachers available.

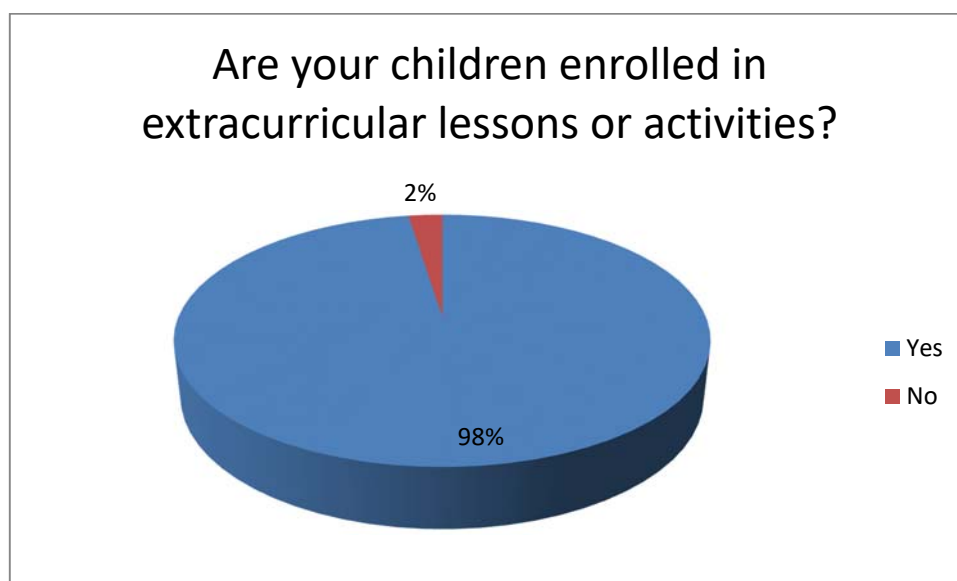
Finally, children's age is very important for our analysis. Having younger students means that our approach will be different than older ones. Also, we want to reduce student turnover and that is critical in younger ages for a variety of reasons.

### 7.3 Children's interests

The following 5 questions seek information regarding children's interests in extracurricular activities and in music instruments. More specifically we asked if children have some extracurricular activities. We should note here that we only asked for activities and not afternoon lessons. We did not want to find out if children have English lessons or private math lessons because they need support in school, but we wanted to see if they have other interests, such as dance, drama, music lessons and others. We also asked if they are interested in having music lessons and finally we asked which would be their instrument of choice.

#### 7.3.1 Children's enrollment in extracurricular activities

In the fifth question we asked the parents if their children were enrolled in any form of extracurricular activity. We had an almost 100% positive answer, meaning that almost every child has at least one extracurricular activity. We can see these results on the pie chart below.

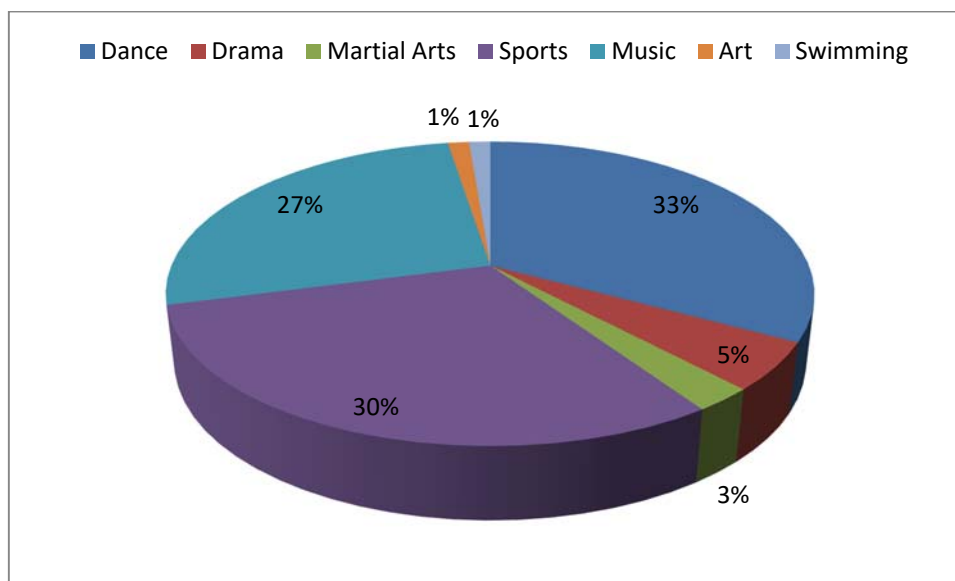


#### 7.3.2 Activities of choice

The following question regarding which activities children have, parents had one or more of the following possible answers:

- Dance
- Drama
- Martial arts
- Sports
- Robotics
- Music
- Other

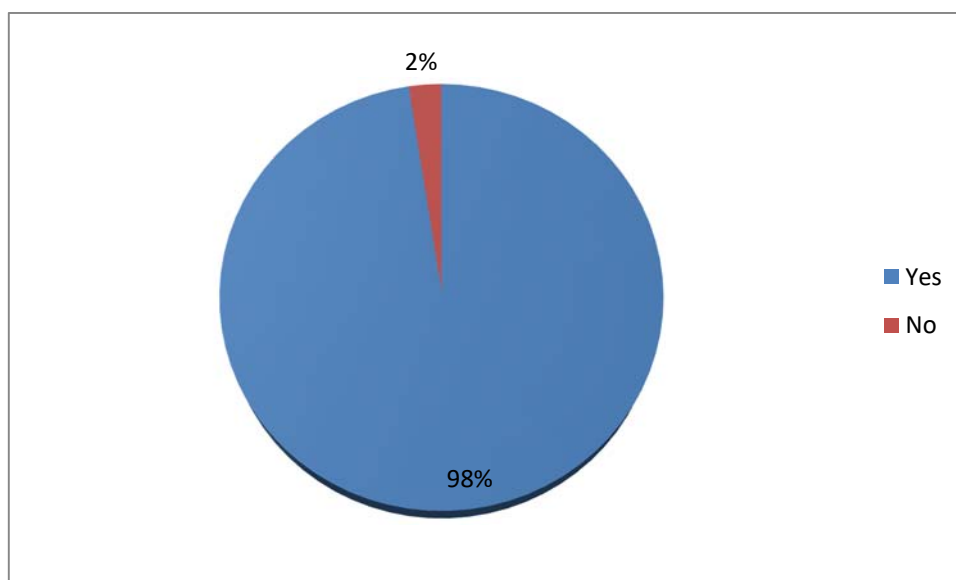
Our results showed that dance, sports and music activities were their favorite and two additional activities joined our questionnaire, which are art and swimming. In the pie chart 7.3.2 below we can see the percentage of each activity:



Graph 7.3.2 – Percentage of chosen activities

### 7.3.3 Interest in music lessons

We asked our participants about the obvious question, which was about their children's interest regarding music lessons. We had similar answers with question 5 where every participant but one answered positively, as can be seen below in graph 7.3.3:



Graph 7.3.3 – Interest in music lessons

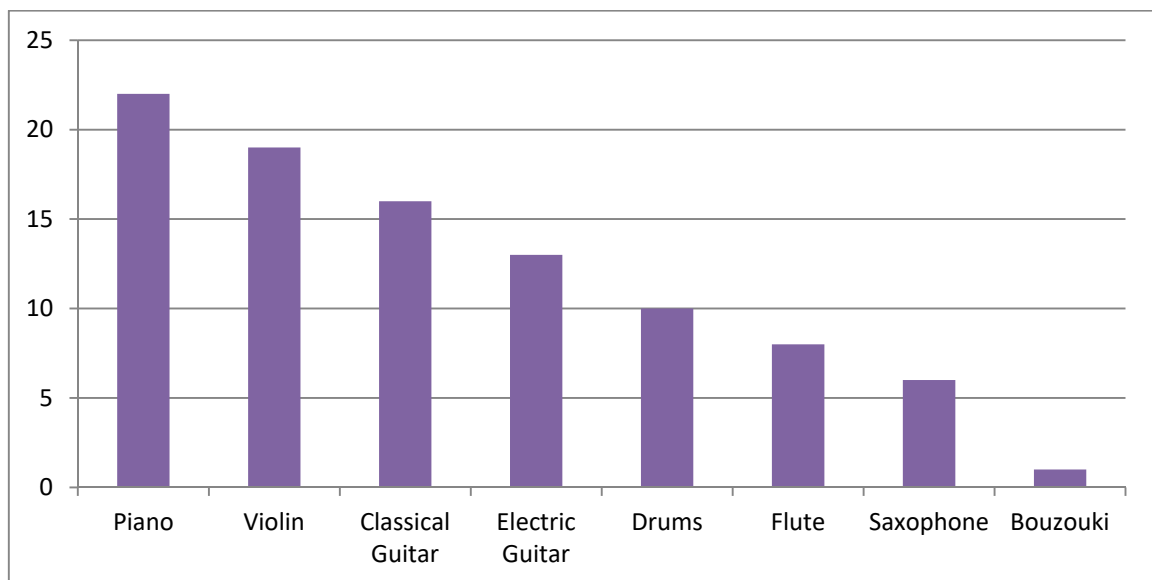
We were able to find that participant who answered negatively in the fifth question is the same, and we found out that it was a different one. Therefore, we will may investigate these answers and find out if we can use this data in our favor.

#### 7.3.4 Instrument of choice

At that point, we asked every participant who answered positively in the previous question about the instrument they would prefer to learn in our music school. They could choose more than one of the following options:

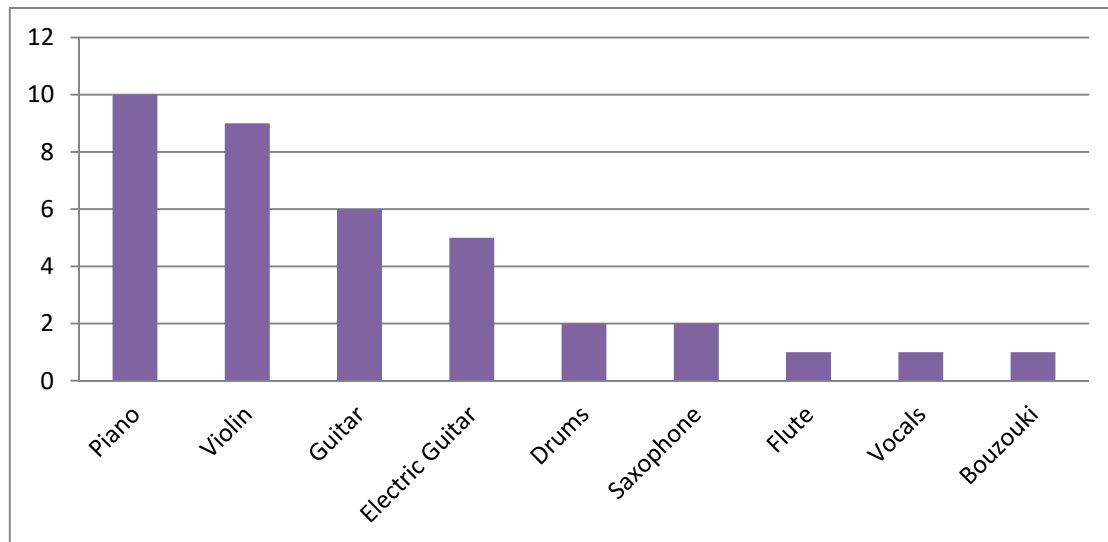
- Violin
- Piano
- Classical Guitar
- Electric Guitar
- Drums
- Saxophone
- Flute
- Other

Data collected showed that most of participants prefer Piano and Violin, with 23% and 20% preference respectively. Also, Bouzouki was added to our list of instruments. We can see all answers in graph 7.3.4 below:



Graph 7.3.4 – Chosen instruments

In addition to that question, we added a follow up question in order to find better answers regarding the instruments students prefer. Therefore we asked which instrument they would prefer if they could only choose one. That was an open question and participants answered without seeing a checkbox. The graph below presents the results from that following up question:



We observe a lot of similarities, as well as some differences. Piano and Violin are still the first choices but we have some irregularities in the Guitar section and a new instrument in our choices, which is vocals.

### 7.3.5 Results about children's interests

Based on the data gathered regarding children's interests in extracurricular activities and music instruments, we can have some basic assumptions regarding our music school.

First of all, almost every participant's child is enrolled in one or more extracurricular activity. This is very important for us to know because it shows a general interest in activities, therefore it is a favorable factor regarding our school. This is proven in the next question where almost every participant answered positively about an interest in enrolling in music lessons.

In the next question we gathered important data regarding the music instruments children prefer so we will organize our school and our teachers accordingly in order to be able to provide these lessons. Additionally we gathered more data supporting the above answers by adding that second question which limits participants' answers to only one instrument. In these questions we discovered 2 more possible instruments students may ask for, therefore this data will also be used in a better organization of our school.

Finally, this last question which limited the options of music instruments showed a very interesting result. People wrote down Guitar for a choice while they had previously chosen classical or electric guitar. As a result, we need to define the difference between these 2 instruments so children and parents will know what they actually want to learn since this is a common misunderstanding in this educational

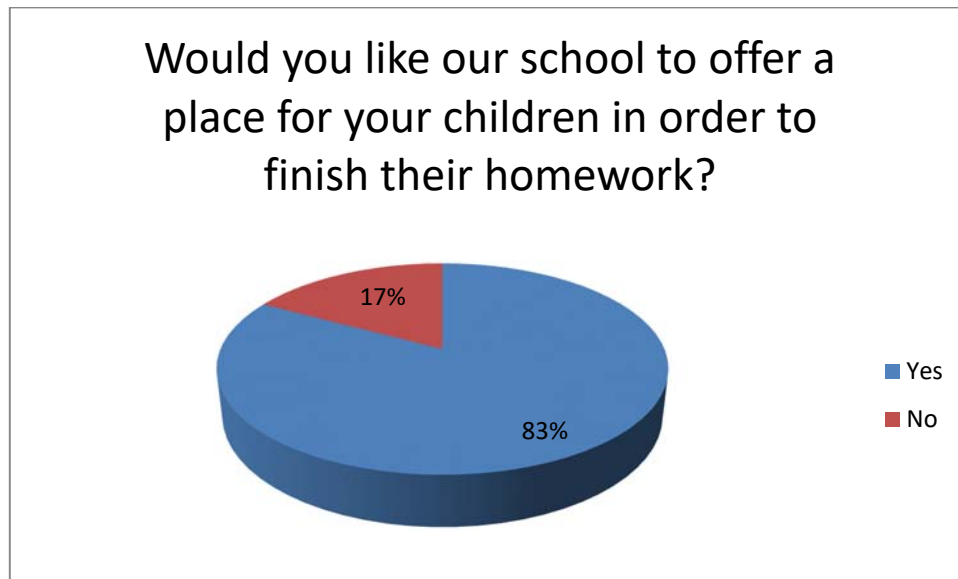
area. In a similar manner, only one participant answered that his or her child would love to have vocal lessons. In music terms, voice is considered to be an instrument. It is very possible that people believe that it is something else therefore if they see an advertisement saying that we provide lessons for every instrument, they will probably ignore us if they want to have vocal lessons.

## 7.4 Additional services

Our school plans to offer some additional services that we believe are essential and desirable to our prospective customers. These services were mentioned before and consist of providing a quiet room where students can finish their homework, as well as special music lessons designed for adults.

### 7.4.1 Homework service

At this we asked our participants if they would like their children to have the opportunity to finish their homework in our school. We had a positive reaction since 83% of parents wanted to have this service, as seen on graph 7.4.1 below.

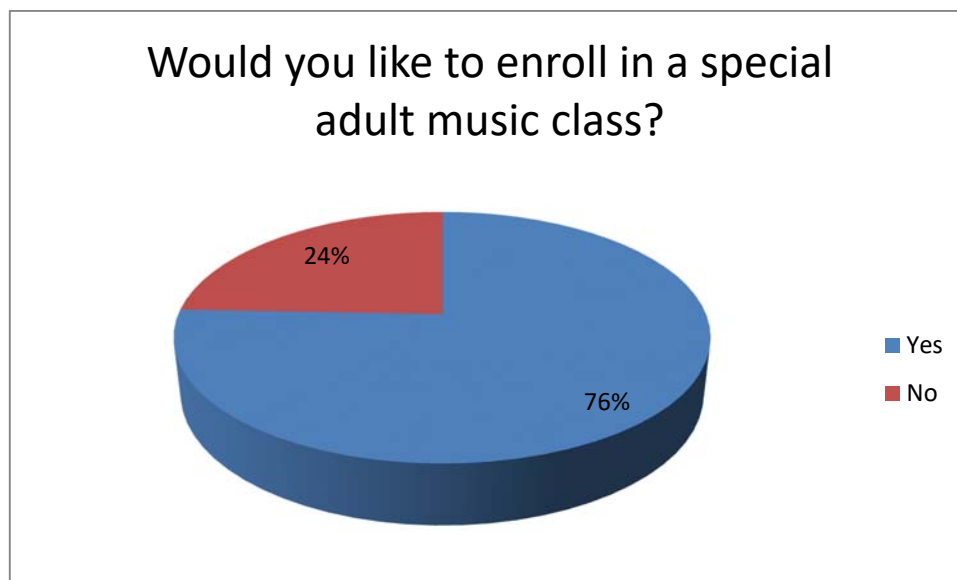


Graph 7.1.4 – Homework service

The percentage of 17% equals 7 participants while the remaining 34 consist of the 83%.

### 7.4.2 Music lessons for adults

In my personal experience I believe that a lot of parents would like to learn a musical instrument. I also believe that this desire is usually triggered when their children begin music lessons. For that reason we included this factor in our questionnaire and we had positive results since 76% of parents showed an interest in a special music class designed for adults.



Graph 7.4.2 – Parent’s answers for adult music lessons

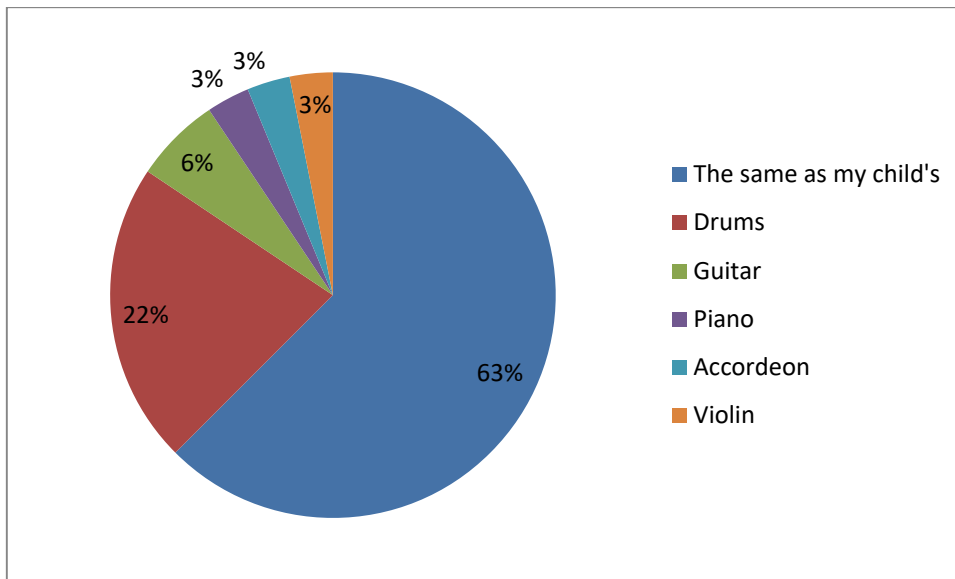
### 7.4.3 Parent’s instrument of choice

Even if we could not have known this positive reaction beforehand, we needed an additional question regarding the music instrument a parent may prefer for his or her lesson. Therefore we added a final question which asked what instrument they would prefer, if they previously answered positively about having special music classes for adults. We provided two possible answers, and these were:

- The same (instrument) as my child’s.
- Other:

The reason we provided these possible answers rather than a list of instruments was due to the reason a parent may want to start having lessons with us. For example, some parents would like to be able to help their children in a piano lesson or play together. Additionally, an open question will make an adult write exactly what instrument he or she would like to learn so we will have a clear view of the needs and the direction of this special designed music lessons for adults. Our data are shown in graph 7.4.3 below:





Graph 7.4.3 – Parent's chosen instruments

#### 7.4.4 Results about additional services

Based on the data gathered regarding the additional services our school plans to offer, we found positive reaction and positive business opportunity. The fact that the first service, which provides students a quiet room where they can finish their homework, showed interest in more than 80% of the participants means that we should develop this service. We need to create the corresponding room or organize accordingly our schedule there will always be one room available. In future, if we see that this service is used more than we expected then we should review and update this specific service by creating an additional place where a teacher will always be present supervising students. This will probably have an extra fee in every student but it is something that may bother us in the future.

As seen from our parent's answers, there is positive reaction regarding their own involvement with music lessons. Most of them would like to learn their child's instrument therefore we need to develop a special class of every instrument in order to make parents able to help their children learning a music instrument, as well as enjoying together the results of their music education and performance. In addition, parent's favorite instrument, if they choose to have a different one than their children, is drums. 1 out of 5 parents chose drums as an instrument of choice therefore we should be equipped accordingly in order to provide these extra classes. Taking these into account, we should promote this service as well since a lot of parents may be shy to ask for it. Also, this service could be designed with group lessons, giving the opportunity to parents who are friends to participate together and create some kind of adult music classes. The whole procedure will certainly provide a very nice experience to every participant and it will create a positive engagement with them and our music school resulting in greater results and minimizing customer turnover.

## 8. Conclusion

Since our research showed that there is high demand for music education and our worst case scenario that is presented on the corresponding table we can be optimistic about our business, even if we will may not have actual profit from the first year of operations. A fair capital will be used for startup expenses and our monthly cost is manageable therefore we should proceed with our business development.

It is mandatory for us not to ignore threats regarding competitors who already operate in the area, as well as threat of new entrants since there are not many entrant barriers for them. Although these conditions may create a non attractive environment, our innovative additional services and the well developed area will be used in our advantage in terms of our profitability and our establishment as a well known private music school.

Our business should focus on our three basic services in the beginning of our operations and in the future we should be able to expand in relation to the existing demand. For example, as mentioned before, our homework service may expand if parents actually want to use it and our music school will add a study center for students even if these are not enrolled in music lessons. Therefore our attendance will expand resulting in a possible music student's number growth.

Additionally, since parents showed great interest in learning a music instrument, we should focus on promoting this service as well. We mentioned advertising using photos from music events performed by children but we should also add photos of parents performing. Also we should mention clearly that we provide this kind of lessons so parents who want to participate will decide that easier.

A 12 month period for preparations and a 9 month period for promotional reasons is a plenty amount of time. Therefore if we find some weaknesses or problems we will be able to solve them on time and our school will begin operating smoothly.

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## Appendix

# Questionnaire for parents

Dear all,

The questionnaire below will be used for academic purposes, as part of my Master's thesis during my MBA course. All answers will be anonymous and all data collected will be only used by this specific research.

Thank you in advance for your time.

Christos Hoplaros

### Gender

- Male
- Female

### Age

- <25
- 26-30
- 31-35
- 36-40
- 41-45
- 46-50
- 51-55
- 56-60
- >60

### Number of children

- 1
- 2
- 3
- 4
- 5 or more

How old are your children?

4

5

6

7

8

9

10

11

12

13

14

15

16

17

>18

5. Are your children enrolled in extracurricular lessons or activities?

Yes

No

6. If yes, please check the following lessons or activities:

Dance

Drama

Martial arts

Sports

Robotics

Music

Other: \_\_\_\_\_

Would you like your children to enroll in music lessons?

Yes

No

8. If yes, please ✓the following instrument of choice: (you can ✓ more than once)

Violin

Piano

Classical Guitar

Electric Guitar

Drums

Saxophone

Flute

Other: \_\_\_\_\_

9. If you had to choose only one instrument, which one would be your choice?

Your answer \_\_\_\_\_

10. Would you like our school to offer a place for your children in order to finish their homework?

Yes

No

11. Would you like to enroll in a special adult music class?

Yes

No

12. If yes, which instrument would you choose for yourselves?

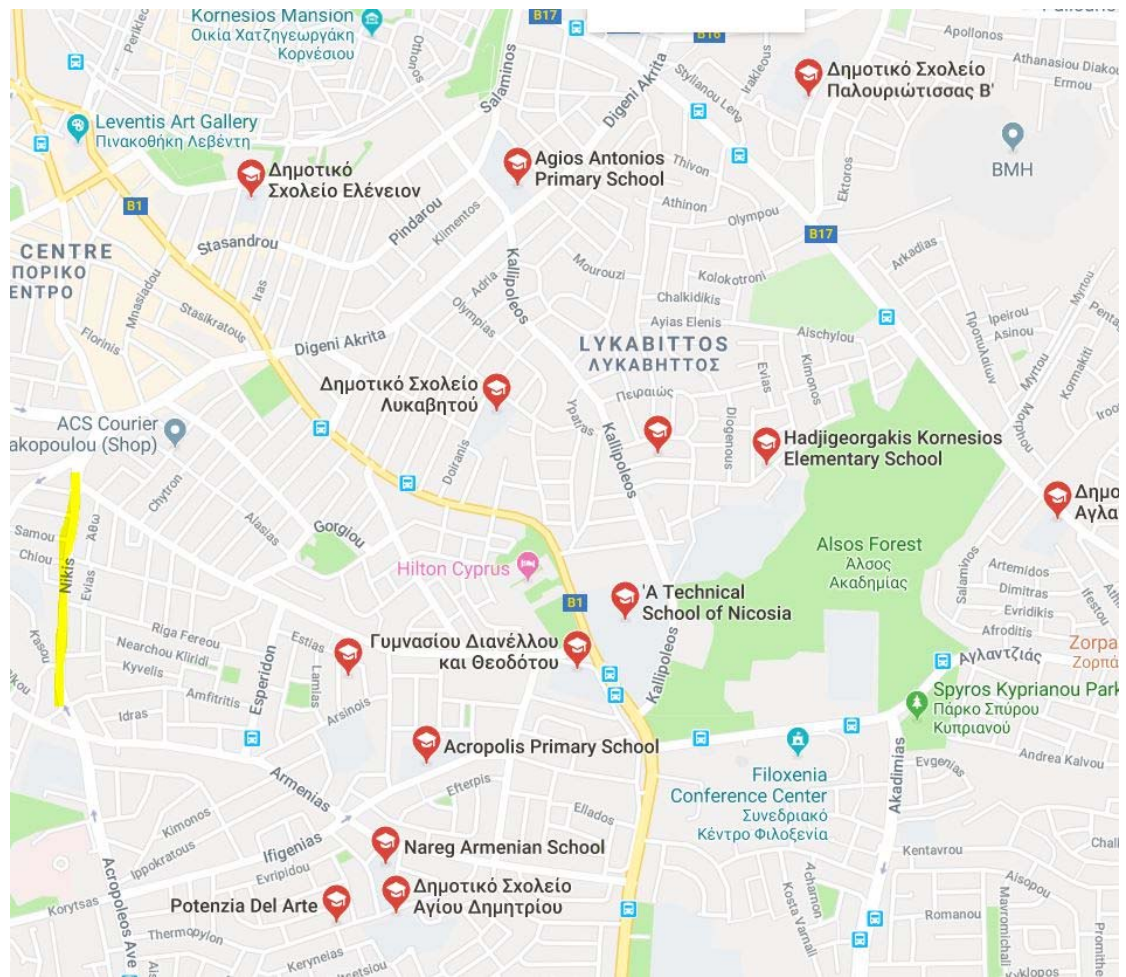
The same as my child's

Other: \_\_\_\_\_



## Maps

Map 1 – Nikis avenue area



Map 2 – Tseriou avenue area

