



by

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Confidentiality Agreement

This agreement is to acknowledge that the information provided by McQueen Instruments in this business plan is unique to this business and confidential; therefore, anyone reading this plan agrees not to disclose any of the information in this business plan without the express written permission of Callum Scot McQueen.

It is also acknowledged by the reader of this business plan that the information furnished in this business plan, other than information that is in the public domain, may cause serious harm or damage to McQueen Instruments and will be kept in the strictest confidence.

Upon request, this document is to be immediately returned to McQueen Instruments.

Signature _____

Name (typed or printed) _____

Date _____

This is the business plan for McQueen Instruments. The presentation of this business plan does not imply an offering of securities.

Table of Contents

Confidentiality Agreement	1
Table of Contents	2
Executive Summary	3
Products and Services	5
Startup and Marketing Plan	6
Target Clientele	7
Location	7
Comparison to Competition	8
Startup Costs	9
Operational Costs	10
Cash Flow Projection	11
Cash Flow Detail	11
Social Responsibility Plan	12
Contingency and Disaster Management Plan	12
Ethics	13
Growth Plan	13

Executive Summary

Mission Statement

- Generate interest and creativity in the electronic music performance industry through the use of DIY MIDI controller kits that educate the customer on how to design interfaces, build enclosures, wire electronic components, and program. The products manufactured by McQueen Instruments focus on placing the knowledge and power in the hands of the customer, separating themselves from the rest of the market.

Goals

- Build a reputable brand that serves the customer's needs for functionality, aesthetic, and education.
- Gain affiliation with established artists and companies to promote product
- Qualitative long-term
 - 1. Gain positive reviews from established performers and DJs.
 - 2. Generate interest on Facebook, Youtube, and Instagram.
 - 3. Increase reputation of the MIDI controllers within the music performance industry.
 - 4. Gain income by accumulating views on YouTube.
- Quantitative long-term
 - 1. Gain 500 subscribers on Facebook and YouTube within the first 60 days of releasing the product online.
 - 2. Sell 100 MIDI controllers within the first 12 months of being open for business.
 - 3. Have product mentioned on 4 different online websites 6 months after release.

Financial Requirements

- Startup cost:
 - The startup cost will be \$571.18, for tools and equipment. They will be used to manufacture the products. This business will be done all at my Uncle's workshop, where I can manufacture the products sold by McQueen Instruments.

Company Description

- McQueen Instruments will be a one-man project that creates educational videos on constructing MIDI interfaces.
- The company will send the kits out as orders are placed online.
- **Location:** Bryn Athyn, PA. Due to the intended small size of the company, all work will be done in a family-owned workshop.

Business Structure: Sole Proprietorship

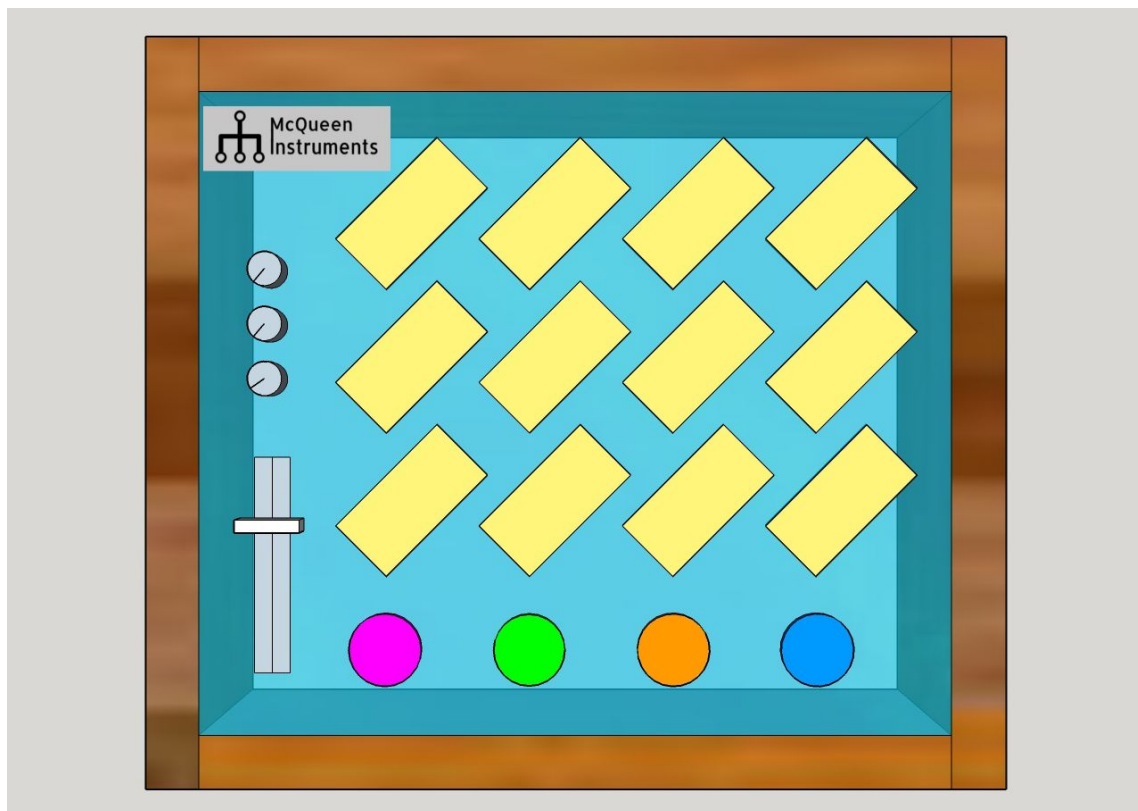
- I run the entire business. The only organizational hierarchy will be myself, as the CEO of the company who also does all the work.
- I will owe for all the debts, taxation, and personal return
- Can file for LLC in the future.

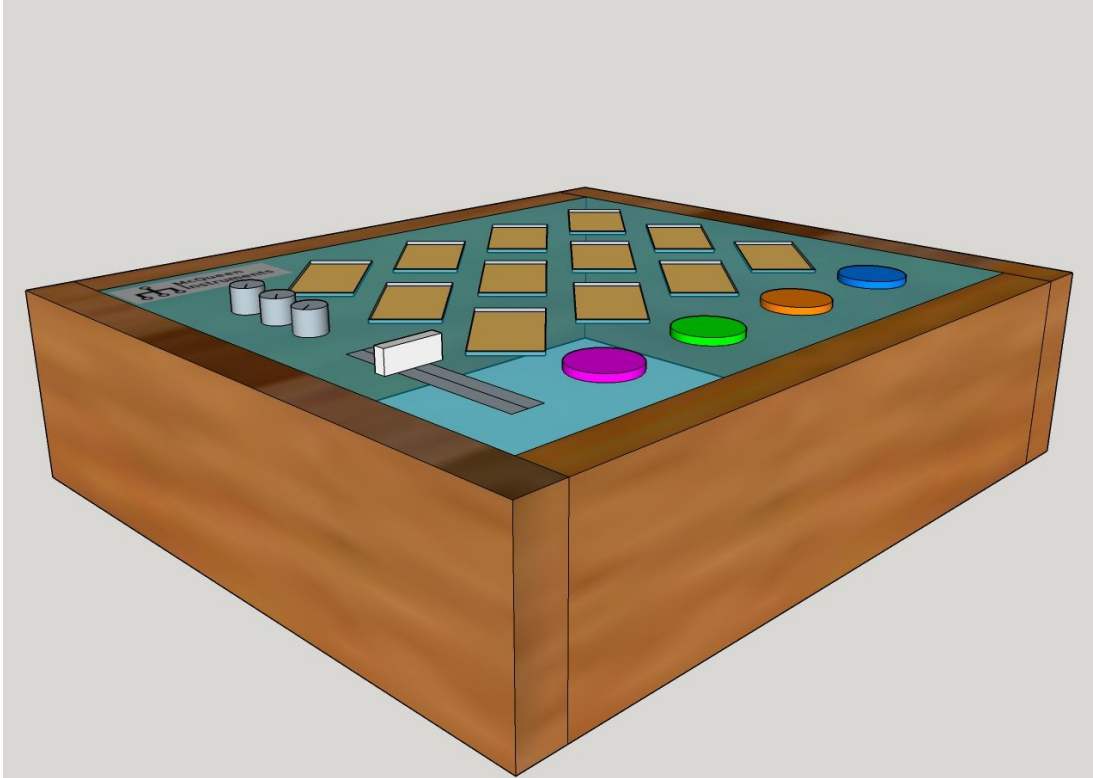
Products & Services

The primary service that McQueen Instruments plans on offering is education. The majority of companies sell products without offering much information on how their product works. They are likewise non-customizable. The education that McQueen Instruments offers is the knowledge and the power for the customer to build their own controllers based on personal desires of aesthetic and functionality.

McQueen Instruments will start off by building the “Touch 45,” a unique MIDI-enabled instrument that is compatible and programmable with Ableton. At the price of \$275 per kit, it will cover the cost of parts and labor. What separates it from the competition is the use of the 12 touch strip sensors (represented by tan rectangles) that behave like a button as well as a variable sensor. This offers unique expressive possibilities with the touch of just one finger.

Concept Design





The build for this controller will be recorded and posted as small YouTube videos that viewers can tune into and watch as it is being built. Each video will show the progress made, and provide some educational insight on building, planning, and decision making.

Startup and Marketing Plan

How will you open your doors to business?

- Create a website on SquareSpace that customers can use to order kits and parts for their controllers.
- Develop a YouTube channel with builder, demo, and programming videos. If the channel gains a decent amount of views and subscribers, I could start earning income through YouTube in addition to selling products.
- Advertise on Facebook and Google, directing potential customers to the products and information they desire.

Target Clientele

Below is a chart that describes the audience that the company will be targeting. Demographics relate to the population and the particular groups within it. Econographics relate to the spending profiles of the population. Psychographics relate to the psychological attitude and interests of the population.

Demographic	Econographic	Psychographic
<ul style="list-style-type: none"> • Primarily Male • Age: 14-30 • DJ's, Electronic musicians and performers. 	<ul style="list-style-type: none"> • Middle class • Cannot afford expensive gear • Have a primary job 	<ul style="list-style-type: none"> • Interest in electronics • Interest in programming • Hobbyists

Location

- Bryn Athyn, PA
- Made in home workshop.
- This makes sense due the the small size of the business.
- This will keep rental fees at a minimum.

Comparison to Competition: Analysis

Company	McQueen Instruments	DJ Tech Tools	ZenDrum	Monome	Novation
Product	Touch 45	MIDI Fighter 3D	ZX	Grid	Launchpad
Price	\$275	\$219.99	\$1600	\$700	\$300
Strengths	Affordable, customizable interface, educational	Good community support, most affordable product, aesthetics, durable	Wearable, durable design, high-quality product, does not require computer	Unique, FAQ page, programmable with ableton	Pre-programmed to ableton, very plug and play, aesthetics, FAQ and forum
Weaknesses	Takes work and maintenance to function.	Weaknesses unknown	Not very affordable	Expensive, poor marketing, niche	A bit large, fragile, hard to take out on the road.

Startup Costs

Below are the tools and items necessary to build my products, and open McQueen Instruments for business.

McQueen Instruments: Startup Cost				
<u>Qty.</u>	<u>Item</u>	<u>Store</u>	<u>Price per Item (\$)</u>	<u>Cost (\$)</u>
1	Soldering Kit	Amazon	25.59	25.59
1	Tip Tinner	Amazon	7.95	7.95
1	Wire Cutters/Strippers	Amazon	11.50	11.50
1	Ryobi Miter Saw	Home Depot	199.00	199.00
1	Ryobi Miter Saw Stand	Home Depot	99.97	99.97
1	10 in 60 tooth Saw Blade	Home Depot	29.97	29.97
1	#22 Gage Solid Wire Kit 100'	Jameco	36.95	36.95
1	Silver Spray Paint	Ace Hardware	6.58	6.58
1	Lasko Plastic Cutter	Home Depot	3.67	3.67
1	Milwaukee 9 Piece Hole Saw Kit	Ace Hardware	50.00	50.00
1	Ryobi 18-Volt Compact Drill/Driver Kit	Home Depot	100.00	100.00
			Total Cost:	571.18

Operational Costs

In order to get a good idea of the operational costs for McQueen Instruments, I must calculate the ongoing cost for parts to manufacture my product, and account for the cost of renting my uncle's work space.

ONGOING PARTS AND COST				
Qty.	Item	Store	Price per Item (\$)	Cost (\$)
1	Livid Brain Jr.	Livid Instruments	49.00	49.00
4	LED Arcade Buttons	Retro Arcade	2.55	10.20
1	10k Slide Potentiometer	Jameco	1.95	1.95
3	10k Linear Taper Potentiometer	Uxcell, Amazon	0.53	1.60
3	Black Metal Potentiometer Control Knobs	Amico, Amazon	0.27	0.81
12	50 mm Soft Membrane Potentiometer	Jameco	6.95	83.40
0.5	8' 1"x4" Pine Wood	Home Depot*	8.92	4.46
0.0625	48in x 96in 1/8in Acrylic Sheet	Home Depot*	108.99	6.81
			Total Cost:	151.42

* These parts are the items to build the enclosure. They would be bought in bulk from Home Depot, and can be used to make more than one unit. See below for how many units can be made with purchasing one of each item.

INTERMITTENT PARTS AND COST				
Qty.	Item	Store	# of Units	Price per Item (\$)
1	1in x 4in x 8ft Pine	Home Depot	2	8.92
1	48in x 96in 1/8in Acrylic Sheet	Home Depot	16	108.99

I must spend \$151.42 for every unit made. I will also have to keep up with the cost of rent (\$300) each month, plus utilities (x). In addition, I will need a website. I plan on running an online store through SquareSpace, whose upkeep will be (\$26) per month. (M)onthly operational costs would be: $M = 300 + (26) + (x) + (y)*151.42$, where y is the number of units ordered per month.

Cash Flow Projection

Below is the projected gain that McQueen Instruments would make over a 12-month period, by selling each product at \$275.

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Beginning Cash (\$)	428.82	526.40	623.98	721.56	942.72	1163.88
# of Units Sold	1	1	1	2	2	2
Income (\$275/Unit)	275	275	275	550	550	550
Parts (\$151.42/Unit)	151.42	151.42	151.42	302.84	302.84	302.84
Website (\$)	26.00	26.00	26.00	26.00	26.00	26.00
Total Expenses (Sum of Parts, Rent, and Website)	177.42	177.42	177.42	328.84	328.84	328.84
Ending Cash (Beginning Cash + Income - Total Expenses)	526.40	623.98	721.56	942.72	1163.88	1385.04

Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
1385.04	1729.78	2074.52	2419.26	2887.58	3355.90
3	3	3	4	4	4
825	825	825	1100	1100	1100
454.26	454.26	454.26	605.68	605.68	605.68
26.00	26.00	26.00	26.00	26.00	26.00
480.26	480.26	480.26	631.68	631.68	631.68
1729.78	2074.52	2419.26	2887.58	3355.90	3824.22

Cash Flow Detail

These estimates were made based on the idea that the company would start with \$1000, purchase all items on the Startup Costs Table (page 6), and be left with \$428.82 in Month 1. As can be seen by the chart, as long as 2 units are sold per month, the company will make a profit.

The Touch 45 will cost \$275 per kit, as that will cover the cost of parts and labor. Once I get into a rhythm of making these units, I should be able to make multiple kits in bulk in one day.

Social Responsibility Plan

For my business, profit is not everything. I wish to achieve something higher than just money. In order for my company to become successful and remain sustainable, I plan to emphasize the service that my company is providing for the people. My company is providing information for its clients through educational videos that explain how different electronics work, how to code, construct, solder, and create.

Contingency and Disaster Management Plan

Disasters are inevitable. It could affect a company heavily if unprepared. Below is a chart for potential risks, and how I will plan on avoiding the risk

Risk	Contingencies
Tools break.	<ul style="list-style-type: none"> ● Keep all receipts for equipment bought. ● Purchase best-quality tools. Look at reviews before purchasing. ● Buy multiple expendables.
Product does not sell.	<ul style="list-style-type: none"> ● Post construction and performance videos of various kits on YouTube. Watch which kits get the most views. Build kits based on interest. ● Reconsider price of product. ● Develop a cheaper product. ● Develop multiple products at different prices to allow more buying options for customers. ● Sell just the individual parts of the kit that the customer cannot buy/build by themselves.
Workshop destroyed (via fire, or natural disaster).	<ul style="list-style-type: none"> ● Invest in property insurance that covers all tools and equipment. Invest in insurance for workshop building
Customer confused with how to build product.	<ul style="list-style-type: none"> ● Create a FAQ page on website. ● Make sure that all details of kit construction are described in fine detail.
Customer upset with product due to faulty parts.	<ul style="list-style-type: none"> ● Test all parts before sending out to customer ● Provide extra parts in kit
Products start selling more than I can keep up with.	<ul style="list-style-type: none"> ● Build kits in bulk, have multiples ready to send out. ● Hire another worker to build kits.

Ethics

As a small company, it is important for me to make sure that I am adhering to all the laws in the United States. This is why I should make sure to follow the laws for owning a sole proprietorship.

Growth Plan

The company will start as a part-time project, using my uncle's workshop. As it grows, I may start transitioning into manufacturing the product full time. If the business does grow, I will renegotiate with my uncle to calculate an updated cost for rent and utilities.

I plan on refining the design as time progresses. I wish to invest in different enclosure options, like plastic, to make the product look more professional.

From there, I will develop additional products to manufacture and sell. As I generate interest within the community, I may file for an LLC, which will involve other members to build the company with me.

