Ok before we dig into the business plan, take a deep breath.

It’s a lot! A great business plan will be thorough, and have all the details about your company included. Which means it can get a little dense!

We’ve tried to write this business plan in a way that is simple and straightforward, but hits major points that we feel can contribute to running a great dance studio.

Just to recap, here’s the order in which we modeled our business plan:

Executive Summary
Company Description
Market Analysis / Customers
Products and Services
Marketing Publishing Strategy
Operational Plan
Legal
Startup Expenses

Feel free to jump around and find specific portions that you’re more interested in, or get yourself a second cup of coffee and power your way through! Either way, we hope this plan can help to inspire your own hopes and dreams for your studio.

For more information and ideas for small businesses, check out the resources at the SBA (Small Business Administration): [https://www.sba.gov/](https://www.sba.gov/)
Executive Summary

TIPS is an imaginary dance company dedicated to dance pedagogy and community health through the arts. TIPS will be opening its first location this fall of 2016, and a three-year plan has us opening an additional location by the end of our 2018-2019 dance season.

Three full-time employees (including the studio owner) will run the studio. The curriculum for our studio will be comprised of classical ballet, jazz, hip-hop, and the studio space itself will also be leased out to local fitness and yoga teachers for further community development. The studio will participate in two annual dance competitions, specifically for our older and more competitive students.

We’ve chosen to open our business in this city because of low competition and the potential for quick expansion over a three to five-year period. The suburban population has stayed constant over the past ten years, so we expect to grow as a business by adding additional locations around the city.

Company Description

Our expert staff is comprised of:
1. The studio owner/principal instructor, a classically trained ballet dancer and jazz teacher
2. One assistant ballet teacher, who has experience dancing hip-hop
3. One studio office assistant/bookkeeper
4. Independent, hired staff as needed (accountant for tax season, lawyer for official documents, studio photographer)

After talking to people in the community, like schoolteachers, business owners, and other fine arts businesses, we’ve found that the main demographic to market towards is the suburban parent population. Those parents can be reached via physical mail marketing, social media, and community events put on or sponsored by TIPS.

As we mentioned in our staff listing, TIPS will spend the money needed for professional consulting on issues like legal protections and finances. As we started putting together this business plan, the TIPS team heard from both our lawyer and accountant, who suggested that the company would be best protected as an LLC (Limited Liability Company). So, TIPS will be structured as an
LLC, to provide financial protection for the studio owner.

TIPS has decided that the paperwork and annual fees associated with maintaining an LLC offset the risk of a studio owner operating as a sole proprietorship. This way, the studio owner is not personally liable for any debt that the company takes on.

The barriers TIPS will face as a small business include:
- Real estate costs (leasing a studio space)
- Time Management
- Marketing (must create reputation from scratch)

To overcome the barrier of **real-estate costs**, TIPS has developed a multi-revenue approach to the using the space. By encouraging the use of the studio space by community fitness experts and charging a small facility fee per session, costs of leasing the studio space will be reduced as more community members attend fitness classes.

Similarly, the studio space will be rented out as a birthday party and other event space. That way, TIPS can maximize the use of the location and build relationships with the local community.

To overcome the barrier of **time management**, TIPS plans to hire a studio office assistant to take care of the day-to-day operations of the studio (under the supervision of the studio owner). Day-to-day operations might include: answering calls and returning emails, parent communication, bookkeeping, student check-in and check-out, etc.

To overcome the barrier of **marketing**, and needing to develop a reputation from scratch, the same studio office assistant comes into play. The assistant will be responsible for maintaining the studio’s social media accounts, and looking for opportunities to market to customers in the community.

Based on the opportunities found, the studio owner (who will have more free time outside of the studio thanks to the assistant) will then go out into the community and make those opportunities a reality. Whether it’s a community event where the TIPS students put on a short show or an arts expo where TIPS can set up a table and talk about the school, the studio owner will take the lead on organizing bigger projects for the studio.
**Market Analysis / Customers**

The ideal TIPS student falls somewhere in the following categories:
1. Age 3-7, enrolled in beginning dance and ballet
2. Age 8-13, enrolled in ballet, beginner jazz or beginner hip-hop
3. Age 14-18, enrolled in ballet, jazz, or hip-hop and interested in competition
4. Age 18+ enrolled in ballet, jazz, hip-hop, competition
5. All ages (most likely 18+), as a student participating in community fitness classes (yoga, pilates, boot camp, martial arts)

According to our research, there are two additional dance studios that are well-established and currently operating in the city. Because of our location, we believe that our student recruitment will have little overlap with competing studios’ student population, and any future expansion of the business will take into account the potential competition from independent studios.

As we mentioned earlier, the main demographic to market towards is the suburban parent population. Those parents will be looking for extracurricular activities for their children, and dancing is a fun and healthy activity for kids of all ages. A majority of dance students are expected to be female, however TIPS will actively work to bring on male students as well.

As part of the overall marketing (and initial recruitment) strategy, TIPS will use a referral program that offers discounts to students who recruit additional students to classes. The program will include a 10% discount on the cost of the dance season, as well as two free TIPS t-shirts (one for the original student, and a second one in the size of the family’s choosing).

The goal of the referral program is to begin the first season (and consequent seasons) with as many students as possible, with the understanding that not all students may return the following season.

**Products and Services**

TIPS will rely on the following income sources to grow as a company:
- Dance lessons (registration and season-based)
- Community fitness events (ongoing, fee-based)
- Retail Sales
- Event Space Rentals
Dance lessons
TIPS provides professional instruction in a variety of dance styles, helping students to develop an appreciation for art, express themselves creatively, and lead physically healthy lifestyles. TIPS will offer both group classes and private lessons in ballet, jazz, and hip-hop.

Community Fitness Events
As a studio space, TIPS encourages and hosts local fitness classes and events that promote physical well-being and a shared sense of community. Community fitness classes will be scheduled with teachers, usually during the evening.

Coming back to the multi-revenue approach, by using the space to host different kinds of fun classes for adults, you get extra exposure while being able to charge a small facility fee for the cost of your space. If you do your homework and find great teachers to offer great classes, you can easily help to develop a group of people who appreciate you for your cooperation, and will support your studio by giving you positive feedback in the community.

1. Group classes will take place twice a week, during regularly scheduled times.
2. Private lessons will take place 1-2 times a week, as scheduled with individual students on weekdays (at this time, no weekend classes will be available to allow the staff time for rest and business development).
3. Community fitness classes will occur as frequently as student demand requires, and TIPS staff can facilitate use of the studio space.

Retail Items
Additionally, TIPS will offer branded dance clothing and equipment for students to purchase as desired. TIPS’ retail store will offer the following products for optional purchase:
1. TIPS branded exercise/yoga pants
2. TIPS branded t-shirts
3. TIPS branded sweatshirts
4. TIPS branded bags

Retail goods offer extra income and easy marketing, so we’ll start providing these items for sale from Day One.
Event Space Rentals
As part of our multi-revenue strategy, TIPS will look to offer its space for events like art gallery showings, theatre productions, music recitals, birthday parties, and more. Renting our studio space will serve two purposes: extra income and free marketing.

By using the studio during down times, possibly weekends or non-class evenings, we can maximize the use of the space. And, by having different kinds of people in the studio, we can increase awareness about the studio’s services and hopefully get more rental business or even more dance students.

As part of our rental agreements, we will have our lawyer draft contracts or waivers (depending on the renters) to protect the studio from liability. We’ll also talk to our lawyer about having appropriate insurance for a worst-case scenario.

Marketing Publishing Strategy
Marketing information and content will be sent out through three main channels:

1. Community outreach
2. Print marketing
3. Social media/email

We’re going to call community outreach and print marketing “general marketing practices,” with social media and email being categorized as “online marketing practices.”

General Marketing

For community outreach, TIPS will host a number of free after-school dance classes in local elementary and middle schools. Staff will distribute flyers and stickers at the events, and will collect emails from interested parents. Additionally, the TIPS staff will reach out to fitness expert/teachers in the community and start community fitness events (like yoga) in the studio as quickly as possible.

By having a large number of different events in the studio, TIPS will be able to spread the word about the studio to a large audience of fitness and health-minded individuals who can recommend the studio to potential customers.
Similarly, the TIPS staff will talk to other friends and colleagues and give them some flyers and information to relay to their own network of friends (and potential customers)

In print marketing, TIPS will order and distribute: flyers, stickers, leaflets, and postcards. Flyers will be put up in audience-related locations throughout the community, like coffee shops, dance stores, shopping malls, and schools. Stickers will be distributed to anyone who interacts with TIPS staff, and will be decorated nicely with the TIPS logo and a website address.

TIPS will also create branded yard signs that include the TIPS logo, a short motto or tag line, and contact information for interested customers. A phone number, the TIPS website, and social media icons will help community members find us online or via phone. These yard signs will be offered to parents who might be willing to support the studio, and in exchange we will give that student a free TIPS t-shirt. Yard signs will also be put near shopping areas, restaurants, and other high-traffic areas for our target market (as allowed by state regulations).

Leaflets will be distributed in a similar fashion to music and entertainment street teams: at popular meeting places or during large events, leaflets will be put out for interested people to pick up or left under windshields of cars. While an aggressive strategy, TIPS believes that leaflets offer a few seconds of undivided attention from potential customers, and can translate directly into an extra student (or ten!) that we might not have gotten otherwise.

Postcards (with a nicely decorated logo on the front, and information about our referral program and contact information on the back) will be printed ahead of time of registration, with part of the registration process including an address. As dance students register, postcards will be mailed out to each household as both a “thank you” for joining and an opportunity for dancers to save money by recruiting additional students to the studio.

Social Media Marketing

In online marketing, TIPS plans to pay for a professional website, and will make regular use of email and the following social media platforms:

1. Facebook
2. Instagram
3. Twitter
Following the joint creation of all online channels by the studio owner and studio office assistant, the office assistant will then take on the full responsibility of TIPS’ online presence.

For its website, TIPS plans to network within the local community to find a website designer who can create a simple, elegant website with essential information for the studio at the lowest possible cost. TIPS will ask for the professional to use established website-building software (like wix.com, weebly.com, or wordpress.com) that can give the studio owner the ability to edit website details after some training, instead of having to only rely on the designer to make any needed changes. Also, by using established website software, the cost of creating the website instead of building one from scratch will be significantly less.

Initially, TIPS won’t have the staff to be monitoring and updating the website all the time. To account for that, the initial website design will include information about:

1. The TIPS mission/philosophy
2. The studio staff’s credentials and experience
3. Class options, registration information and a fillable form with PayPal to accept credit card payments
4. Studio policies (for dancers, for parents, and for the season)
5. Important dates for the season (holidays, special events, recital information)
6. Contact information (not the staff’s personal phone numbers or emails)
7. Pictures of the TIPS retail items available for sale in the studio location
8. Email subscription option for people in the community
9. Links to social media platforms

Most of this information won’t change more than once a year, so we’ll only need to update information if things like important dates change or there’s a shift in class offerings.

For its Facebook platform, the studio office assistant will be expected to post regularly about TIPS upcoming events, and to upload weekly photos of students (of all classes, both studio classes and extracurricular fitness classes) as appropriate.
Facebook events will be created for any dance-related events, being sure to designate recitals and other public dance events as “Public” and events like dress rehearsals or parent observation/parties as “Private.”

Public Facebook events will also be created for each of the fitness events (through coordination with fitness teachers), to promote increased attendance and awareness of these events.

For its Instagram platform, the studio office assistant will be expected to post 2-3 times a week, featuring both dance students as well as fitness students who attend sessions at the studio.

The TIPS staff plans to send out a biweekly email to all student parents, with updates on the dance season and reminders for upcoming events or deadlines. In order to build excitement and encourage parents to open emails, TIPS will include a collection of photos from the previous two weeks celebrating the dancers and showing off particularly good practice sessions or individual achievement. The images will include different students each week, and will also be published to the TIPS social media platforms to build traffic and awareness for the studio.

Note: As seen in our potential staff listing, TIPS plans to have a studio photographer regularly taking pictures for the studio to be included in email blasts and other marketing content. As included later in this document, part of the registration process will include a photography and multimedia release form for parents to sign, allowing the TIPS studio to publish photos of their dancers in marketing materials and on social media as appropriate. Similarly, photo sessions of extracurricular fitness activities will be hosted for marketing purposes (with multimedia release forms signed by willing participants).

Operational Plan

Studio Teaching Space

The TIPS studio will be outfitted with the essential equipment and facility features for a dance school: a barre, treated floors, mirrors, and a music system.
Parent Communication

In order to be as proactive as possible in heading off parent conflicts, TIPS staff will constantly send out information to parents via a variety of channels. During the registration process, parents will be asked to provide:

1. Two reliable phone numbers
2. Two reliable email addresses
3. Home address
4. Emergency contact information

As mentioned earlier, home addresses will be used to mail out “welcome” postcards prior to the beginning of each season, as both a confirmation of enrollment and a marketing push for the referral program. Having two phone numbers (a cell and office phone, two different cell phones, etc) helps by providing a backup in case the studio needs to get in contact in a more timely situation.

Similarly, having two email addresses (personal and work email, two personal emails, etc) doubles the chances of the message arriving to a household and provides some insurance for the studio in case parents claim to have “never received” an email.

The studio office assistant will be responsible for checking the TIPS email daily (2-3 times a day, at least once in the morning), and communicating with the studio owner as needed regarding parent questions, parent concerns, and any other important topics.

As with any business or project dealing with children, emergency contact information is essential in the case of a medical emergency or other urgent situation involving a student. Providing emergency contact information will not be optional.

Legal

Business Creation

For the creation of the business entity, TIPS networked in the community and found a business professional who will put together the necessary paperwork and initial business taxes as required in our state. The company will be structured
as an LLC, to provide financial protection for the studio owner. The business professional will consult with her own legal and business community to ensure that all necessary permits are obtained and filed in a timely manner.

Additionally, the business professional will help TIPS to secure a state trademark for our logo. That trademark will protect the TIPS logo from use by any competing businesses. For the first year, while the business grows and any design changes are suggested, TIPS has decided that a trademark at the state level will be sufficient protection. Should expansion ideas start looking across state borders or competing dance studios begin to produce materials very similar to our own, TIPS will then consider moving to secure a federal trademark.

Insurance

Like any business, TIPS will be proactive in protecting itself against accidents and other unfortunate events that might put TIPS in a financially damaging situation. While we hope that this season will be accident-free, and that customers will refrain from lawsuits in the case of an accident, the studio can’t afford to take the risk of having less-than-great coverage.

For that reason, TIPS has chosen to purchase dance studio insurance (more specific than basic business insurance) in order to have benefits like liability insurance, structural insurance, and the ability to communicate with professionals who regularly work with other dance studios.

Music Licensing

In order to play copyrighted music (either during lessons or during events held at the studio), music licensing companies require dance studio owners to purchase and renew licenses annually. There are three licensing companies, and licenses are required for any of the companies whose music a studio owner plays in his/her studio.

Because of the variety of songs TIPS plans to use, both in dance lessons and in fitness classes/birthday parties/recitals, TIPS will purchase licenses from all three companies in order to protect itself from potential lawsuits and/or copyright fines.
Included below are registration documents for the future reference of TIPS staff:

BMI (Broadcast Music, Inc)

ASCAP (American Society of Composers, Authors, and Publishers)
http://www.ascap.com/licensing/types/dance-schools

SESAC (Society of European Stage Authors and Composers)

The completion of these documents will be the responsibility of our hired business professional. If the studio location is to change in the future, TIPS will ensure that 30 days notice of license cancellation is sent to the various companies to avoid cancellation fees or accidental renewals.

**Startup Expenses**

After calculating all of the necessary expenses for TIPS to be a success, like marketing, leasing a space, hiring initial staff, and the time value of the studio owner, TIPS will consult with the business professional in order to find the best bank to help in financing the business.

TIPS will seek to take out a small business loan with a low interest rate, and will rely on the studio owner to find additional sources of income or funding in order to pay off the loan in a timely fashion. In planning for contingencies/emergency funds, TIPS will include in the budget a cushion of 20% of the total loan amount.