

# Business proposal for mt. hood



Mt. Hood Entertainment Corporation is a unique music label company. It was founded by Samson Hillary who is also the chairman of the company and is focused at promoting bands based in Portland to help them improve and earn a living from their talent. The company's chairman has created and produced over forty albums in his entire career. He also helps in marketing of the albums. These albums have been a huge source of revenue for companies like Connor, Rexmark, Coastal Records and Emblem. Most of these albums have sold more than platinum (1, 000, 000) and Gold (500, 000) sales levels making the company one of the most recognized in the business. The company has been able to win awards such as Soul Train Awards, and even the most treasured Grammy Awards. Major companies and networks have used a variety of other projects from the company.

Mt. Hood Entertainment Corp. is made up of an experienced management team. As executives, producers and artists, projects that have been produced by the team have won Grammy awards and sold over three million copies. The experienced team together with both creative and business sides of record company operations will ensure that the company makes profitable revenues as soon as possible. Mt. Hood Entertainment Corp. maintains strong relationships within the music industry. Industry legends like Wellman Jax (JAX) and Calvin Roberts (Roberts Music) has offered the company international distribution with the Johnson Group and Rexmark Ultimate. According to Hutchinson, Macy & Allen (2009), it is through such like relationships that a company would be able to generate revenue from various global markets such as Germany, South America and even Japan. They open up the market for the company's products.

## Introduction

Mt. Hood Entertainment Corporation is a recognized multimedia entertainment company that provides positive, profitable audio and visual forms of entertainment to different international consumer groups. It is committed to a form of entertainment that is appealing to different groups cross the board. Mt. Hood Ent. Corp. believes that people could still enjoy quality entertainment without compromising on the commercial appeal. This is a contrast to the common scenario where most record label companies spend huge amounts of money producing music while they do very little in marketing and promotion (Hutchinson, Macy & Allen (2009). The greatest factor that distinguishes the company from the rest is its commitment to every artist. It awards equal respect to both the upcoming and established artists. Some record labels normally give established artists great attention and forget about upcoming artists. Although it might be possible that established artists might have so much work to be done, upcoming artists also need as much time so that they could be molded into better artists in future. Moreover as much as the quality of the music is important, marketing and promotion is equally important because no customer will buy music that he has never heard of. Companies should therefore invest much in marketing just like it does in production.

A powerfully calculated and relentless strategy will enable it to earn so much revenue through selling of singles as well as albums. Not everyone can afford to buy albums whenever they are released in the market. Some prefer specific songs in the entire album. All these considerations have been catered for by the marketing strategy so that the company does not loose

out on its loyal customers. The success of previous recorded music is also used in concert promotions. Most people love most of the songs produced by specific artists within the company. It is these songs that are used in advertisement for music concerts or in the sale of music albums just like Hutchinson, Macy & Allen (2009) recommend.

The stable of resourceful and experienced producers also ensure that the company produces high quality music within a reasonable budget. There is enough financial backup and expertise among the management team to stage relentless and intense marketing campaigns to create great products that make the company take up a huge market share. The company has even established four different labels to handle different varieties of genres of music including Rhythm & Blues, Jazz, Pop, Gospel, and Alternative Rock. A diverse roster of recording artists has been compiled to ensure that everyone is catered for. Considering the fact that there are many artists being served by the company, it was useful that a roster is developed so that the company could allocate specific times for each and every artist. Without a good plan, there is likely to be more confusion and even conflict considering that artists are very demanding when it comes to time spent in the Studio (Hutchinson, Macy & Allen, 2009). Each of them needs enough time and attention by producers other than rushing them through to save time for other artists. The company even works late in the night if need be to ensure that every artist is served. The long list of debuting artists and veterans has enabled Mt. Hood Ent Corp. to penetrate the music market share at a first rate and therefore make it more productive.

There are three major divisions that form the MHEC: Video, Music and Ancillary departments. There are several lucrative profit centers created by the company to earn immediate revenue. Starting with the pre-recorded music, there are so many compact discs, VCD, cassette tapes and even vinyl albums to cater for every customer's need. This ensures that those who like to listen to cassette tapes are not disadvantaged by the growing increase in CD preference. Some customers value their old music systems which can only play the tapes. Such people are frequent customers of the company stores. Some even request that the company convert music from the CDs to tapes for the current albums that are mostly recorded on CDs.

Additional income is produced through the merchandising, video, distribution and music concerts which are liked by so many customers (Hutchinson, Macy & Allen, 2009). Whenever the company holds a music concert, the venues are normally filled to capacity. The long list of veteran musicians under the record label is the main reason for such huge crowds. There is also a very highly talented team of managers in charge of distribution and selling of the company's Music and operation of any other associated labels. This has made the company achieve success in various facets of its operation. The management team has provided the best skills they have in the areas of marketing, project production, artist promotion, artist and repertoire.

The company's trust therefore has always been in its music. MHEC's responsible nurturing of talent, its production and marketing success has laid ground for more profit centers. Any artist that joins the company is therefore promised to prosper. The relationship between MHEC and Johnson Group and Remarks Ultimate has made it possible for it to make international

distribution of its products thus creating an effective marketing platform. Any new release by the company is always kept in motion thanks to the creative marketing plan. There are also several independent record promoters that have been hired by the company to handle regional marketing of its products and create radio promotions. Other forms of promotion include broadcast videos, internet sites, in-store promotion, dance club promotion and the use of different forms of media like television, newspaper and radio stations (Hutchinson, Macy & Allen, 2009).

Running of the business however involves spending of money as represented by the budget below.

Total production cost

\$100, 000

Total Marketing and promotion cost

\$500, 000

Office setup

\$60, 000

Leasehold investment

\$15, 000

Pre-production Equipment

\$130, 000

Deposit

\$ 10, 000

In-Store/Co-op

3, 600/month for 10 months

Budget for New Recording project

Studio fee: \$53, 000

Rent for rehearsal space: \$1500

Video expenses: \$ 8000

Promotional expenses: \$15, 000

Information system structure discussion

Information systems are very vital in the design, support, control and improvement of various business processes. However, information systems can only be useful in a company if the employees understand how the operational business processes are handled. Considering that business processes and information systems are intertwined and there is no way they could be separated, it is only necessary that companies get IT experts.

According to O’Brein & Marakas (2005) Information systems are very vital in an organization in such a manner that if it fails, the company’s operational processes will all come to a halt. The employees are also a vital component of the information system. For instance, it is these workers who interpret different kind of communication or information displayed by the hardware or

software through communication networks to disseminate it throughout the company. Information system is therefore the entire structure of flow of information in the company.

Mt. Hood Entertainment Company has a team of workers who coordinate to ensure that the company is operational. For instance its co-founders are Mr. Carl Bruce, Mr. Johnson Tailer and Mr. Samson Hillary who is also the chairman of the company. Even though these three are very influential in the decisions the company makes, the management team is given the made to run the company. According to Stair, Reynolds & Reynolds (2009) a bottom-up sharing of information works in such a way that any member of the team has the capacity to contribute or suggest better ways of doing business. This has created a very good organizational structure in the company that has seen the company grow over time. There is good relationship between the company employees and even the long group of artists signed under the label.

As O'Brien & Marakas (2005) put it, people depend on information system to exchange information with others using different kinds of physical devices. For instance mobile phones and the internet have become one of the most commonly used devices of communication. MHEC has a well networked internet connection on its PCs where producers and managers exchange information. This makes it very easy for members to link up any time they feel like. Moreover, member of the entire family has email account where they exchange ideas. Considering that every person has a mobile phone, this has made it easy for the managers and producers to link up with artists from wherever they are. The long list of artists is not easy to deal with at once.

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Producers there make calls for clarification of ideas or change of schedule in case other issues come up. These devices have therefore made it very easy for the entire ‘family’ to communicate.

Collaboration systems with other business partners and among the company employees are also maintained by information systems (O’Brein & Marakas, 2005). For instance by using the internet, the management team could chat and discuss about what they need to do to penetrate certain markets.

Regional producers and distributors can also chat via the internet and come up with better decisions. Through information system, the company has therefore kept watch and followed the public take on their music. A simple phone call to a distributor in Norway could make it possible for a marketing manager in the company’s headquarters to know how the sales are fairing on.

Sometimes the company also uses very simple forms of communication such as writing letters or through word of mouth. These are very accurate forms of communication that have been part of the company for a long time. For instance, music is normally written using various signs and musical notes. Artists are sometimes provided with such notes to read and understand so that they could know what to do when singing. While in the booth recording their music, artists are sometimes shown signs and hand gestures by producers to raise or lower their voices. Independent producers of the company also mail promotional copies of their new music to TV outlets and radio stations. The mails are later on followed by telephone calls to notify the recipients on the need to collect their deliveries (Stair, Reynolds & Reynolds, 2009). The company therefore has kept telephone contacts of various

business partners in its diary to ensure that calls are made whenever necessary. These are some of the forms of communication that have always been used by the company.

Marketing and promotion of music requires the establishment of relationships with various companies throughout the world. MHEC has signed agreements with various international marketing companies and regional companies to help in the distribution of its music. To keep the relationship working, it is important that contacts are made every now and then with all the distributing companies. Similarly, it is important that the company has links with radio and Television stations where they can take their music for air place. All this has made the company to set up communication department that links up with all its partners in business. Korpela, Montealegre & Poulymenakou (2003) argue that the most common means of communication is the use of telephones and internet. The growing popularity in the use of the internet has made it necessary for the company to develop a website where artists and other partners can log in with their user names and passwords and pass across information or ask questions. The website is also meant to advertise the company to the public and announce any new releases it might have. Company merchandise and products are also sold through the internet but most of all, the website provides a platform for the public to send emails to the company and give suggestions or views about issues that they might want addressed or inquire about future concerts.

The music industry also requires that the public is kept in constant touch with musician and their music. The company ensures this is done through the use of print advertisements and its monthly magazine that is supplied to

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all music distributors for sale. This has been a very good way of keeping in touch with the public. Apart from listening to quality music from the company, it is also necessary that the public understands the lives of their favorite artists and most of what surrounds them. The magazine normally publishes articles concerning the lives of different musicians in addition to reviews about past and upcoming music concerts. This has made the public learn more about the company and keep close contact with the label company.

O'Brien & Marakas (2005) explain that information system relies on hardware, software, people, data and communication networks to collect and pass over information. It is however important that this information is well interpreted for it to bring a meaningful contribution to the running of the company. It is however much easier for the management team because almost all of the musicians produced by the company understand English. There are therefore minimal problems of language barrier. Moreover, music is all about the vocal, beat, and aspects of sound such as pitch, tone and tempo. This makes it easy for the producers to come up with quality music even if it is sung in a different language other than English.

Online sales to customers have contributed to so much revenue for the company. Information technology has made it easy to display songs and albums via the internet on the company's online stores. Customers do not necessary have to physically walk to the music stores to buy music thanks to internet. Online sales save the customer so much time and are very convenient. All a customer needs to do is key-in his financial details and gain access to the music he wants. He can then download it directly to his

computer. In case a customer needs a hard copy of the album, the distribution company can easily mail it to him regardless of where he might be in the world. Suppliers are also sanctioned online and this has made the company to distribute so many copies of their products in various places of the world. For instance considering that it might not be easy for the marketers to travel to a continent like Africa every time it needs to put its new products in the market, a supplier can easily be sanctioned online. He will therefore become the main supplier to the African market while the company only checks on how the sales are fairing on. According to Stair, Reynolds & Reynolds (2009) this has therefore made it easy to do business all over the world.

Information systems have also helped the company to fight against piracy. This has been a problem in the music industry for quite some time. The highly professional team of information security officers ensure that all the music produced by the company is copy written and its supply and distribution follows the correct channel. For any person to download music from the company, he has to be permitted to do so by logging into the company's website and paying for any music he needs. There are however a number of promotion CDs which can be obtained freely for the public to get a hint on the kind of music that is available. The promotion CDs also help in marketing of the company's products (Korpela, Montealegre & Poulymenakou, 2003).

Every distribution company is however responsible for the products under its stores. MHEC business policy requires that distributors keep track of any merchandise being transported to a client so that it reaches the destination.

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GPRS technology has been very handy in doing this. By logging on to the internet, the company could keep track on any goods on transit to ensure that they are being taken to the right person. Upon delivery, the client is supposed to sign a delivery note after identification. This has also created customer loyalty because they are sure of getting any merchandise they order for in time and without failure. The company has a Chief Information Security Officer who ensures that the security of the company's information is not compromised. Korpela, Montealegre & Poulymenakou (2003) are of the opinion that a Chief Information Officer should be responsible for management of information security. He has a support team of IT experts who help him in doing the work. The network system security is always updated on monthly basis with the latest security firewalls to ensure that the information is not compromised. This has also helped keep away hackers into the company's system and therefore keep the company's data safe.

There is also a publicity department whose main job is bringing media attention to the artists. The department organizes for interviews and live shows in various forms of media where the artists are engaged in discussions about their music. This has been very helpful in improving the careers of most artists because it makes their music known by the public. As Hutchinson, Macy & Allen (2009) put it, this is the reason why you will always find articles and pictures of the company's artists in newspapers, and television programs. The publicity department has also been very active on social sites like facebook and twitter to help in the promotion of artists. It has created a company fun page where comments are given by the public and any concerts are also advertised in the social sites. The department is also

responsible for the artists being involved in charity programs that help various vulnerable groups in the society. This has helped make its artists known to the public.

Generally speaking, Mt. Hood Entertainment Corporation is a very active label company that produces quality music to the fans. It is more of a family where members and artists help one another to succeed in the music industry. It is a very good platform for any artist willing to make it big in the music industry.