

Beatcrumb is the musical Instagram for independent musicians



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SERVICE

Beatcrumb's service promise is to provide Do-It-Yourself (DIY) artists with an engaging mobile music messaging and sampling application that allows them to connect to their fan base quickly, easily and personally. Fans listen for free by passing musical samples ("crumbs") to their own contacts.

Beatcrumb, a company comprised of DIY artists, is committed to "artist first". That is, and always will be, our design approach. Our services are anchored in employing the most effective methods to maximize reach for the DIY artist, and to ensure authentic engagement with fans.

We believe that the direct messaging that Beatcrumb enables can create and nurture a powerful personal connection between artists and fans. Music is then consumed within a more emotionally meaningful context. We will utilize the newest technologies to maximize efficiency and convenience for all users. Our vision is to create and maintain a platform and brand that sets the standard for artist-curated music messaging.



MISSION

We believe that every recording artist is capable of creating music that has value and appeal. The divide between the commercial artist and the Do-It-Yourself artist is often a difference in financial clout: the commercial artist has access to resources that help substantiate a favorable environment, and helps to grow that artist's popularity.

We believe that the growing democratization of the recording studio is disrupting the old model. The notion that greater financial resources equate to greater musical value is no longer acceptable. As DIY artists ourselves, we know that all DIY artists want to be heard, respected, supported and followed. We also know that there are music fans who will discover, follow and support their favorite DIY artists. These two constituencies just need a viable marketplace.

Beatcrumb is not a technology that markets single "hit" songs to millions. It is a technology that enables millions of recording artists to present their work easily and quickly to their own fan network, a network that both supports and evangelizes their work within a marketplace that allows for creative growth in all directions.

Our mission is to increase artist-to-fan engagement through personal music messaging by providing the DIY artist with the MOST convenient, MOST dedicated, MOST effectively efficient music messaging platform: Beatcrumb.



VALUE PROPOSITION

Beatcrumb is the only artist curated music messaging platform designed for independent musicians to message music directly to their fans in a personal, convenient and engaging way.

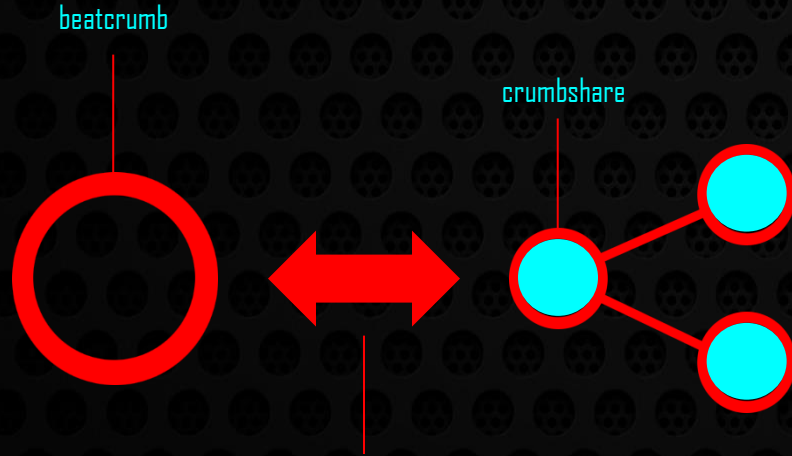


PRODUCT

Beatcrumb is an engaging music messaging application and platform that connects artists to their fans via their phonebook contacts.



AUDIOVISUAL ENGAGEMENT



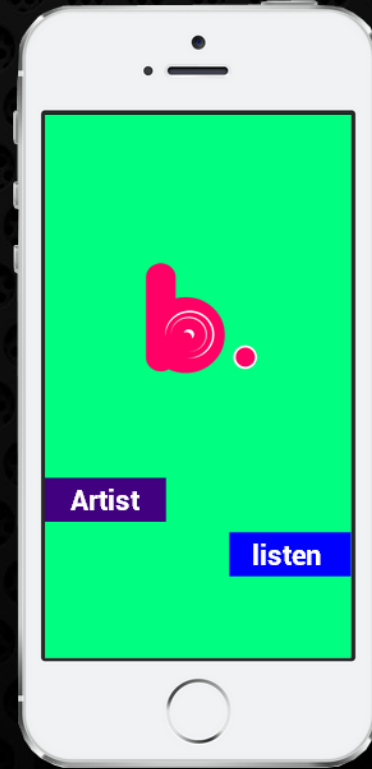
After a track is done streaming the beatcrumb icon becomes empty. The crumbshare icon fills as a result, prompting the user to message the song to three or more friends. When the three or more crumbs are sent out the beatcrumb icon refills allowing the user to stream the song again.

The process of messaging fans in Beatcrumb isn't a two dimensional A to B transaction. Crumbs are refilled as a result of messaging a song to three or more contacts. This exchange has an audiovisual dynamic interplay between the beatcrumb icon and the crumbshare icon. The back and forth interplay between the messenger and receiver is cultivated by the freedom of listening to a particular song again and again. This audiovisual interplay between the beatcrumb and crumbshare icon solidifies Beatcrumb as not only being a music messaging service designed for the DIY musician but also a digital packaging service that is geared towards creating a viral messaging culture through a greater degree of audiovisual engagement.



USER FLOW

Users sign in as either
"Artist" or "Listener"

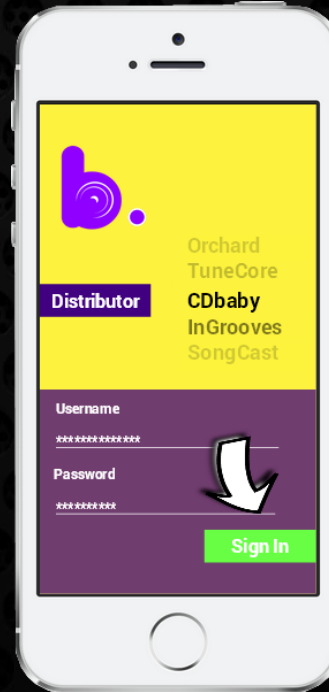




USER FLOW



Artists sign in with their respective digital distributor: CDbaby, TuneCore, Loudr etc.

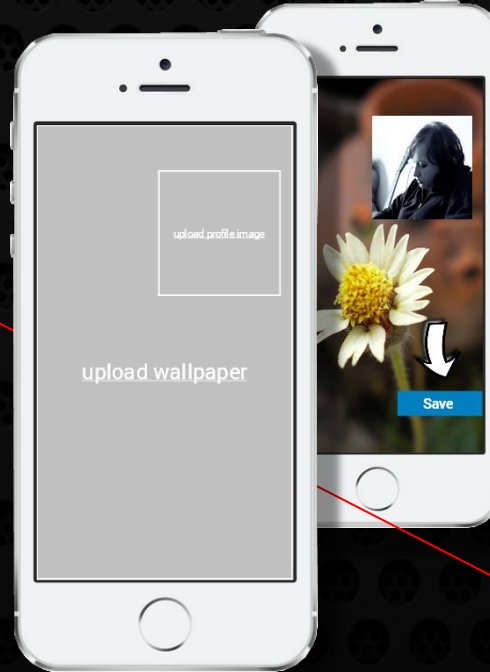


Digital distributors synchronize their database with Beatcrumb so that songs containing ISRC codes can be accessed and monetized through Beatcrumb. Songs with ISRC codes will automatically sync with their respective digital retail outlets such as; iTunes, Amazon etc. This creates a comprehensive, convenient retail platform within the Beatcrumb application



USER FLOW

Upon signing in for the first time, users are directed to creating a profile which entails uploading a profile photo of themselves or their band and wallpaper for their listening page which will be presented to listeners; in other words the profile page is the page that listeners will see when they are listening to an artist's track.



The listening page is what listeners see while hearing tracks.



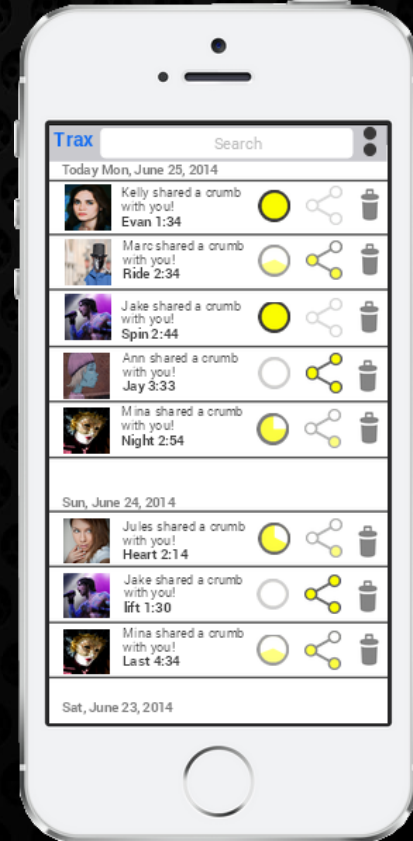


USER FLOW

The artist's home page contains; *Beatbox*, *Trax*, *Listen* and *Contacts*.



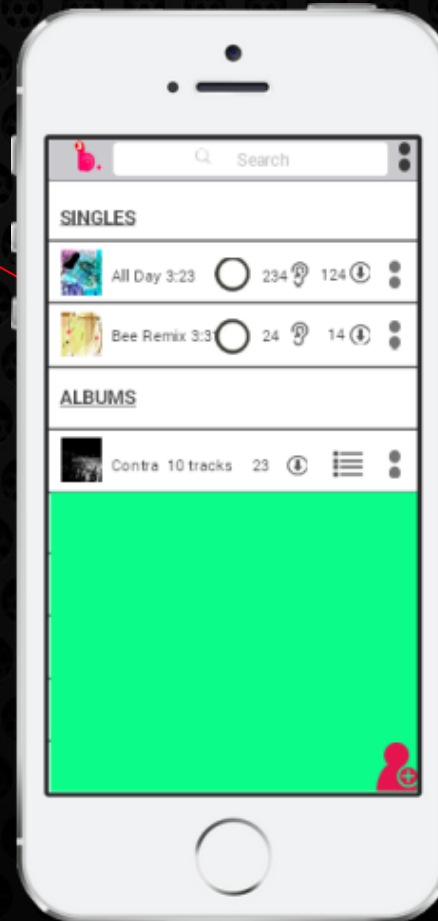
Beatbox serves as your mail box. This is where you will be notified of songs that have been sent to you from your contacts.





USER FLOW

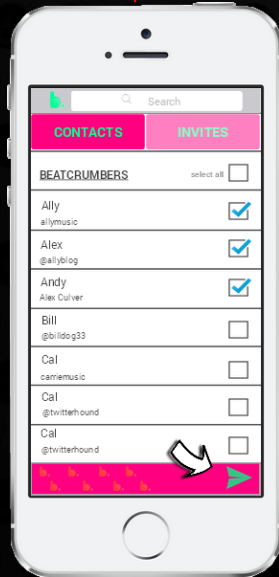
Trax is a list of all your songs that have been stored by your digital distributor. If you are signing in with Soundcloud then all your songs will sync to Beatcrumb for your convenience and for you to release to your contacts. If you are signing in with a digital retail distributor then all you songs containing bar codes (ISRC) will sync to Beatcrumb for you to release and potentially sell to your contacts. The standard file format for all songs will be either WAV or MP3 16 bit 44.1 kHz.



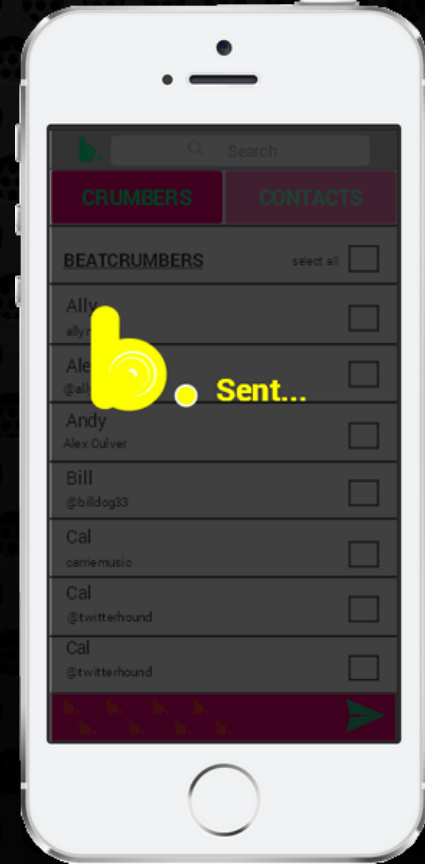
When in your Trax folder, you as an artist can decide to release and send any or all your songs at any time to anyone in your contacts list.



Once you have selected your songs for release/delivery you are directed to your contacts page for you to decide who you would like to release/deliver your songs to.



Contacts are separated into 2 categories; those who have also downloaded the Beatcrumb application and contacts whom you can invite to download the application. You can send songs to both groups but the invites group will only get a chance to listen to your song once they have downloaded Beatcrumb. Like many social media applications the contacts within your OS are synced automatically within the Beatcrumb application.

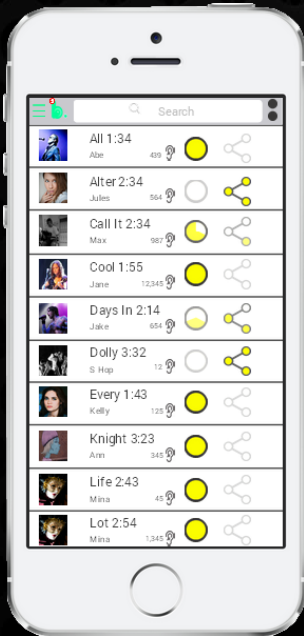


USER FLOW

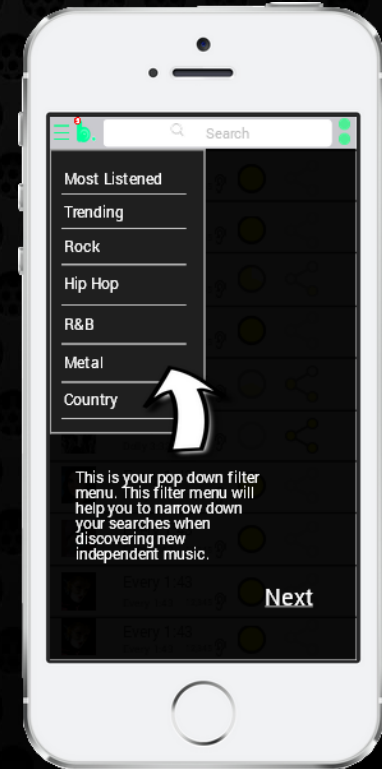


USER FLOW

The Listen tab serves as a music discovery database of all the songs by all the users that have synced their songs within the Beatcrumb application. This aggregation of songs for the sake of music discovery allows every listener the freedom of listening to any song once.



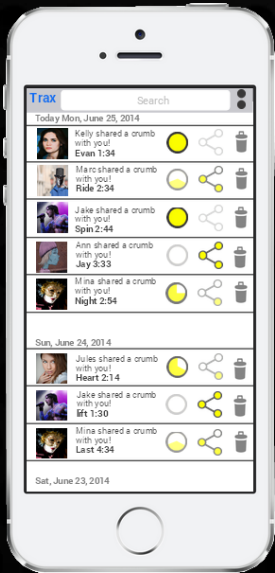
The Listen features filter path contains criteria such as; genre, trending, most purchased/downloaded and most listened.





USER FLOW

You can listen to an Artist's track in 2 places; your Beatbox and through the "Listen" tab. Through the "Listen" tab you will be directed to a list of tracks in alphabetical order.



Pressing on the crumb icon on any one of these tracks automatically directs the user to the artist's page where the song begins to stream. From here the listener can choose to delete the song or listen to the song again by messaging the song to three or more contacts, or the user can choose to purchase the track directly and conveniently through the retail options that are linked to the particular track.





API



SOUNDCLOUD API

In addition to the preliminary prototype Beatcrumb would ideally serve as an iOS App Built in XCode 5, targeting iOS 6/7. During beta testing, testers would sign-in with integration through the Soundcloud Application Programing Interface (API). Soundcloud's API would act as the engine for the audio content that would be relayed within the Beatcrumb application. All appropriate protocols would be followed in adherence to Soundcloud's API use policy.



MINIMUM VIABLE PRODUCT

For an initial prototype, Beatcrumb will lease a dedicated server or use AWS (Amazon Web Services) with the minimum required specifications. This will run ~\$60 per month on the initial roll out. The test servers will be used to handle artist and listener authorization as well as sign-up, messaging, listening counts, and analytics. The ideal time frame will be to have the wireframe screens produced in code within a three to four week period with a development team working full time. As a result of completed and specified wireframes, integration points will be "mocked" within a third party system (i.e. Soundcloud). These integration points will essentially be "faked" for the sake of proof of concept. The Beatcrumb application will behave as the user would expect, without having spent too much time and finances integrating with a backend system.



Patrick Rourke
Chief Marketing Officer



Patrick Goncalves
Chief Creative Officer



Gaurav Bahl
Product Advisor



Noelle Leblanc
Brand Ambassador

MANAGEMENT

Beatcrumb is managed by Patrick Goncalves and Patrick Rourke, who together comprise Beatcrumb's Chief Executive Office. The company's advisory board is made up of seasoned veterans and like-minded music lovers and musicians with both startup and business development experience. Gaurav Bahl, and Beatcrumb's brand ambassador Noelle Leblanc are part owners of Beatcrumb.



EXECUTIVE TEAM



Patrick Gonçalves

Co-Founder

Chief Creative Officer

Patrick Gonçalves is a knowledgeable, practical visionary, success oriented leader, a recognized, artistically driven, interdisciplinary designer and audio visual producer with a proven track record in managing teams . He is experienced in working closely with clients to create concepts, budgets and production schedules pertaining to various media and business development projects ranging from UI/UX design to strategic alliances.



EXECUTIVE TEAM



Patrick Rourke is a multidisciplinary experienced sales and marketing professional who has successfully contributed to the growth of several small to medium-size businesses. As a service oriented dynamic promoter, Rourke manages his own consulting firm specializing in strategic planning and marketing.

Patrick Rourke

Co-Founder

Chief Marketing Officer



ADVISORY TEAM



Gaurav Bahl is a customer-focused technology business leader with demonstrated success managing cross-disciplinary product development teams. His expertise is in synthesizing market needs and new technology to shape market-leading products. His specialties include; product management, product innovation, customer insight and organizational leadership. Gaurav has worked for Tremor Video, Brightcove and Monster.

Gaurav Bahl

Advisor

Product Development



ADVISORY TEAM



Noelle Leblanc

Advisor

Brand Ambassador

Noelle Leblanc is a Boston based singer/songwriter and multi-instrumentalist. She spent most of her adolescence in studios and touring the world. Noelle has been signed by two major labels - RCA and Island Def Jam as the lead singer and guitar player for the 80's glam inspired rock band Damone. Currently she is busy working as an independent artist alongside friends and collaborators in multiple, ongoing projects. Noelle continues to work diligently on her craft in her modest home studio while releasing songs small scale via social media and playing the occasional local show with her primary band The Organ Beats.



MARKET



Beatcrumb utilizes the Soundcloud Application Programming Interface (API) and therefore, Soundcloud provides all the content that is being messaged within the Beatcrumb application. As a result of Beatcrumb's use of the Soundcloud API, Beatcrumb's market consists of the Soundcloud user base. As of 2014, Soundcloud has 40 million registered users and 250 million fans accessing the application to discover music.



TARGET USER

The Beatcrumb music messaging application is designed with the DIY musician in mind. The demographics of Beatcrumb's target market typically attribute to music making millennials, ages 15-34, fashion forward, artistically in tune, moderate to light social media users.

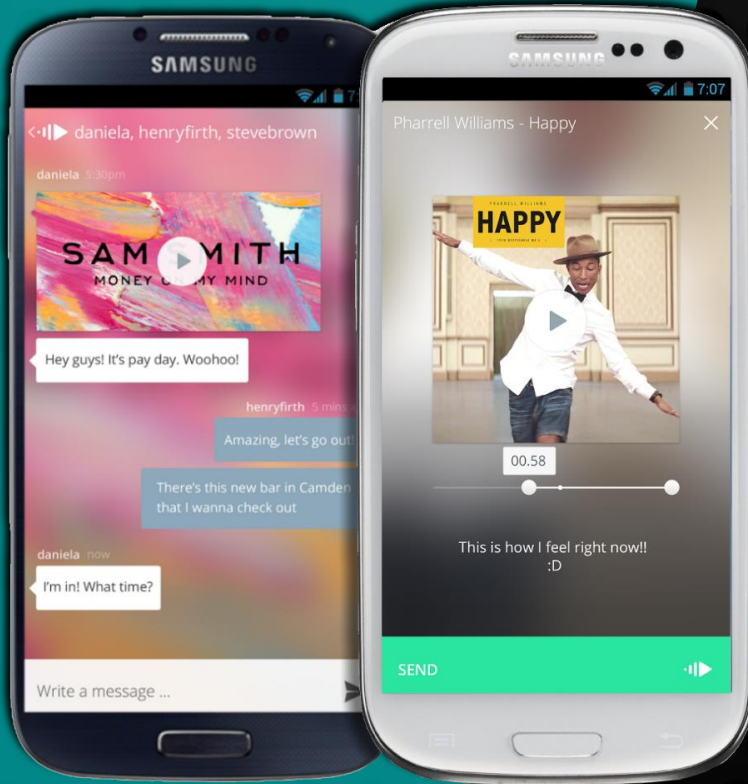


COMPETITION

The competitive landscape for music messaging is just starting to take shape. There are several competitors in the space and they all maintain the philosophy that music messaging is a timely new way to communicate via music. Music messaging startups maintain the decree that music messaging is also a more personal way to connect directly to friends and fans in contrast to the spam-filled, detached consumption patterns that have followed the saturated practices of posting and sharing. Competitors in this space have received funding and have maintained operations on funding alone. There has been some press on ways to generate revenue from this new and up and coming music messaging space.



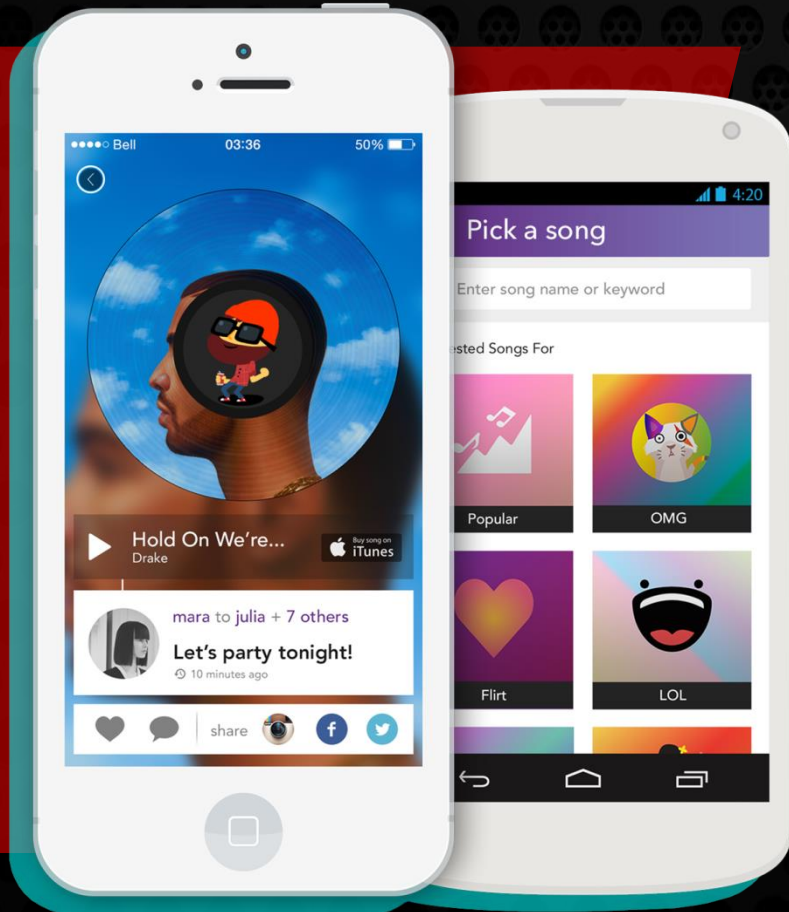
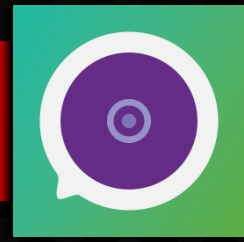
PINGTUNE



PingTune is a London based startup that was founded by Henry Firth. Henry is now the CEO of PingTune and his company is backed up by a \$1.6m seed investment from Rupert Hambro and Dominic Perks of Hambro Perks Investment Firm. The CEO has been quoted saying "We saw that people were sharing music on social networks, but it can be clunky. Copying links between windows is hard work on a mobile phone. We wanted to make that process easier... so we built PingTune.". PingTune is dubbed "The Music Messenger". The app allows users to send parts of songs to each other (an Android version is on the way). The music is pulled from YouTube and Soundcloud. A song link can be pasted, or users can just search through the app. To date the application has approximately 50k downloads. The 12 person company has yet to implement a revenue model.



RITHM



RITHM is a fun oriented music messaging application that has been dubbed as "Snapchat for music". Like Snapchat, Rithm enables users to accompany their music messages with text, pictures, doodles and dancing emojis. The app was developed by the company Mavensay, founded by Mike Wagman. The app secured a \$950,000 seed investment from Jamie McDonald, Motek Sherman, George Babu, Ruby Osten, MDC Partners Inc. Like PingTune, Rithm has not implemented a revenue model however the company is planning to develop a new feature that allows for in app purchases of exclusive dancing emojis.



MARKETING

Beatcrumb will focus on evangelizing the DIY community in the Boston area. The artist is the catalyst to all Beatcrumb marketing initiatives; that is why a marketing model that is built on patronage and ambassadorship is crucial for Beatcrumb to gain initial traction in user acquisition. The company's focus will be to team up with the most influential, active and diverse artists in the local Boston community and build a cross-branding partnership with their brand. Marketing campaigns built on interactivity and reality based commercials will be geared to infiltrate high density DIY communities educating the potential evangelists on product use and purchase through Apple's App Store and Google Play. Attendance of music festivals and conferences held by the National Association of Music Merchants (NAMM) will be part

of Beatcrumb's annual marketing schedule. Product tables showcasing the app will be the standard marketing procedure when attending national festivals and conferences. Initially to build out the Beatcrumb user base and to keep costs down and increase marketing efficiency for the purposes of economy and research, the company will only focus on marketing to New England markets while concentrating heavily on the indie festivals and conferences in Massachusetts while making an exception for the NAMM show. Some of Beatcrumb's targeted events include; Lowell Folk festival, New Bedford Summerfest, Greenview Music Festival, The Life is Good Festival, The Nines Festival, College Fest, etc.



DISTRIBUTION



Available on the
App Store



ANDROID APP ON
Google play

The Beatcrumb application will be distributed through the Google Play Store as well as through Apple's App store. Windows store integration is a viable third retailer, contingent upon their increase in market share for digital retail. Sales analytics will be tracked through both the digital retailers; Google play and the App store.



BUSINESS

SUBSCRIPTION

\$99

COST-PER-BUY

3%

Achieving critical mass through direct marketing from DIY communities is the staple behind Beatcrumb's business model. In order to feasibly implement the Beatcrumb service and value promise, Beatcrumb will establish a primary subscription based revenue model and a secondary, cost-per-buy revenue model. Beatcrumb's market opportunity is afforded by the Soundcloud API which enables Beatcrumb to keep storage costs low and profitability high based on preliminary market research data.



REVENUE

SUBSCRIPTION

The Beatcrumb revenue model is primarily anchored to a subscription model that is designed to increase user acquisition of Beatcrumb's target market. The target market is made up of music repositories such as Soundcloud, Bandcamp, CD Baby, Tunecore etc. Statistically speaking there is data to support that there is an independent music listening culture of approximately 250 million participants. This number represents DIY artists and their fans. Beatcrumb first and foremost is a dedicated, convenient marketing tool for the DIY musician and secondly; an ad free music messaging platform for fans. Due to the vast number of participants within the Beatcrumb market, in order to generate healthy business operations, the first impression to potential customers is critical. Customers will be encouraged to download the Beatcrumb application as part of a recommendation from their own friends. This is why upon downloading the Beatcrumb application, all users initially receive one year of service cost free. Every year after, the customer will be charged \$.99 to enjoy ad free, newly released, streaming independent music. These three aspects; internal user-generated marketing, first year free and affordability are the pillars of Beatcrumb's success in achieving critical mass within the current target market of 250 million DIY artists and fans.



COST-PER-BUY



REVENUE

Beatcrumb's plan for a cost-per-buy revenue model will include integration to non-exclusive digital distributors such as CDbaby, Bandcamp and Tunecore. Presenting artists with a platform for e-commerce is a goal for the Beatcrumb business and adheres to the company's mission to service convenience and dedication for the DIY artist. The cost-per-buy model will instill a 3% pay-out to Beatcrumb on all purchases made on the Beatcrumb platform. This pay-out is leveraged off of Beatcrumb's virility and instant market penetration as an ad free messaging tool for the DIY artist. The cost-per-buy revenue model will not cut into the independent distributors percentage of each purchase. The additional 3% will be allocated from profit after the digital distributors share has been realized.



PARTNERSHIPS

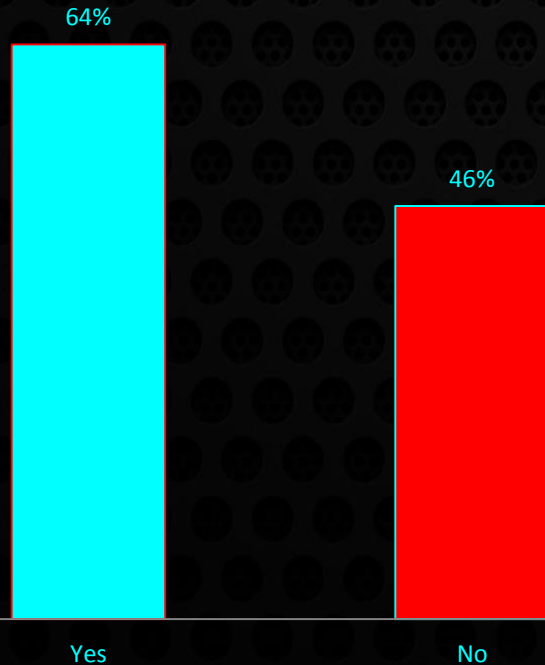
Beatcrumb is determined to run a cost effective operation. It is our focus to keep operation costs as lean as possible as we build market leverage following an initial funding round. That is why it is crucial for Beatcrumb to build partnerships with experienced development teams who will build, test and maintain the Beatcrumb application during the initial launch phase. This scenario allows close collaboration between Beatcrumb's management and development teams throughout the application development.



RESEARCH

Are you an independent musician who produces and records music?

■ Yes ■ No

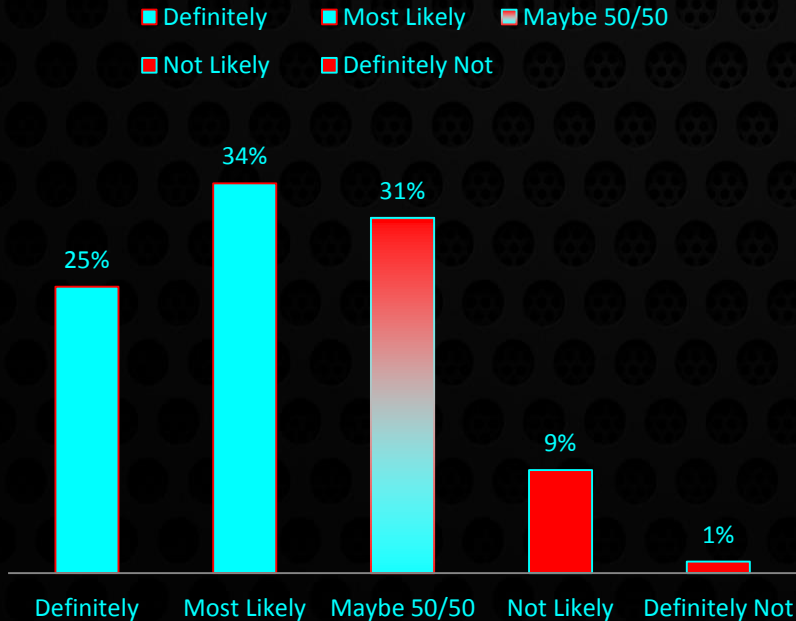


For preliminary market research purposes, an online survey was conducted reaching 100 targeted independent musicians and fans. The 5 question survey was a preliminary test in order to gauge demand for the Beatcrumb application. Out of the 100 respondents 64% were DIY artists.



RESEARCH

If there was a mobile music messaging app that allowed independent artists to message their music quickly and conveniently to all their fans; would you download and use that app?

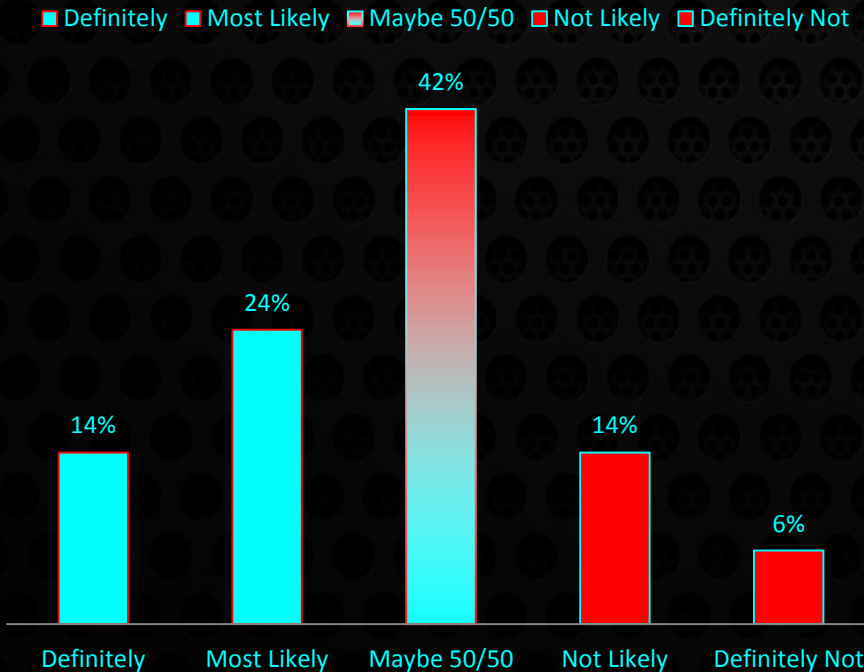


Due to Beatcrumb's dedication to the artist first the 64% margin was useful in portraying a more accurate picture of the responses from Beatcrumb's primary target user. A question regarding the likelihood of download was asked in order to build preliminary projections for Beatcrumb's subscription service. An overwhelming 59% of responders indicated positively to downloading and utilizing a music messaging app and 31% were unsure whereas only a combined 10% answered negatively to whether or not they would utilize a music messaging application. Another positive inference was the fact that 46% percent of the respondents were not DIY artists, yet the majority of those participants within their category did not answer negatively to whether or not they would download a music messaging application.



RESEARCH

How likely would you purchase songs that you liked for \$.99 on this mobile application?



In order to project for Beatcrumb's secondary revenue model; cost-per-buy, the company asked respondents to illustrate the likelihood that they would use the application as a platform for purchasing content. On a global scale music sales are down across all media; physical and digital. This likely explains the slight difference between positive and negative responses. Accordingly, 42% of the respondents provided a neutral response.



BUDGET

The budget will account for salaries, marketing and travel expenses as well as vendors who will be contracted to build, test, maintain and host the Beatcrumb mobile application.



OPERATING COSTS

OPERATING EXPENSES	Mo 1	Mo 2	Mo 3	Mo 4	Mo 5	Mo 6
	1.0	1.0	1.0	1.0	1.0	1.0
Salaries & Benefits	\$ (23,333)	\$ (23,333)	\$ (23,333)	\$ (23,333)	\$ (23,333)	\$ (23,333)
Programming Development	\$ (5,277)	\$ (5,277)	\$ (5,277)	\$ (5,277)	\$ (5,277)	\$ (5,277)
Advertising, Sales & Marketing	\$ (1,700)	\$ (1,700)	\$ (1,700)	\$ (1,700)	\$ (1,700)	\$ (1,700)
Travel & Entertainment	\$ (417)	\$ (417)	\$ (417)	\$ (417)	\$ (417)	\$ (417)
Office Expenses	\$ (1,900)	\$ (1,900)	\$ (1,900)	\$ (1,900)	\$ (1,900)	\$ (1,900)
On-Going Operating Expenses	\$ (2,950)	\$ (2,950)	\$ (2,950)	\$ (2,950)	\$ (2,950)	\$ (2,950)
Professional Services	\$ (1,175)	\$ (1,175)	\$ (1,175)	\$ (1,175)	\$ (1,175)	\$ (1,175)
Other	\$ (100)	\$ (100)	\$ (100)	\$ (100)	\$ (100)	\$ (100)
TOTAL OPERATING EXPENSES	\$ (36,851)	\$ (36,851)	\$ (36,851)	\$ (36,851)	\$ (36,851)	\$ (36,851)
		\$ (73,703)	\$ (110,554)	\$ (147,406)	\$ (184,257)	\$ (221,108)



FUNDING

Projecting from the six-month budget, the first year operating costs are: ~\$442,216.

Our funding objective is to secure an amount ~\$1.4M that allows the development and testing of a viable initial product. To deliver on our service and value promise, larger scale testing and market research is required. This activity will also contribute to return-on-investment confidence among Beatcrumb shareholders.



PROJECTIONS

	Conservative	Neutral	Aggressive		
Subscription (first year free)	\$2,722,500	\$56,925,000	\$116,325,000		
Cost Per Buy	\$372,000	\$744,000	\$1,116,000		
Annual Operation Costs	~\$442,216	~\$442,216	~\$442,216		
Net Profit	\$2,652,288	\$57,226,788	\$116,998,788		
	Year 1 (free)	Year 2	Year 3	Net Profit	
Conservative	-\$70,212	\$2,652,288	\$2,652,288	\$5,234,364	
Neutral	\$301,788	\$57,226,788	\$57,226,788	\$114,755,364	
Aggressive	\$673,788	\$116,998,788	\$116,998,788	\$234,671,364	
			profit range:	~\$5,234,364 - \$234,671,364	



EXIT STRATEGY

As an exit strategy the founders of Beatcrumb believe in the long-term viability of Beatcrumb as a business that is supported by satisfied customers who recognize Beatcrumb's mission to become the release platform solely for DIY artists. Any acquisition scenario would have to be consistent with Beatcrumb's company values and strategy.