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Entrepreneurship First: Business Essentials for the Entertainment Professional

By: Isha Edwards

Unbeknownst to many, the drastic downturn in the music industry actually began in mid-2000 after the onset of Napster. As a result of consumer's resolve to download and purchase music a la carte, well over 5,000 music industry employees can now be found among the entrepreneurs navigating the independent scene. While entrepreneurship is good for the economy, lack of planning, inability to circumvent risk and account for spending led two-thirds of business startups to dissolve within two years from inception and less than half within four years.

There is a comprehensive approach to owning and operating a business. This article outlines seven business essentials and practical ways for entertainment professionals to employ.

The 7 Facets of Business Real Time

The FAMMLIE Network™ is an acronym for finance, accounting, management, marketing, legal, information systems, and economics plus networking. In order of importance, management: legal, finance, marketing are vital for building a solid foundation. Economics and accounting are next followed by information systems and networking.

There is nothing like venturing into the unknown. Without the right guides; a seasoned management team to include lawyers, marketing and finance advisors who can help you make the right decision at the right time, your efforts could amount to nothing more than a dream deferred. Also, without analytical skills gained through fiscal processes, it is easy to base business decisions on industry-based standard operating procedures or SOPs. Although helpful, implementing industry SOPs without factoring each facet business as it relates to a product or service is detrimental.

More important than duplicating SOPs established by successful entrepreneurs, is learning from their mistakes and capitalizing in ways they cannot.

The world's billionaires are comprised of people who created a niche by honing in on a natural gift, skill or talent

and providing value (meeting a need or want) to a specific or primary target market. Some, like Home Depot founders Arthur Blank and Bernie Marcus, became involuntary entrepreneurs. Despite putting in considerable time and hard work, which yielded \$155 million in revenue, Blank and Marcus were fired from their jobs at home improvement retailer, Handy Dan. Today, the two have a long-standing reign on Forbes' list of billionaires. Bill Gates is a favorite if not the most obvious billionaire. Without Gates and his computer and Web counterparts, Michael Dell (Dell), Steve Jobs (Apple), Shawn Fanning (Napster) and MySpace's founding team, the music industry would not be where it is today.

Plan B

Contrary to popular opinion, having Website presence supported by business cards, flyers, a publicist, a manager, and periodic newsletters does not equate to business ownership. Although the former activities are necessary, they are all marketing related and a business cannot be successful with marketing alone.

Whether you're in music, film, television or even theatre and fashion, before you hit the ground running, your objective should be to approach your career like one would a business.

The proper way to establish a business entails working with a lawyer to advise on the proper set-up of your company: creating an LLC, sole proprietor, partnership or corporation; seeking brand identity trade marking rights, and creating business agreements/contracts. Implementing an accounting system, which tracks income, expenses, and mileage, pays bills, and generates reports for tax purposes will help manage daily operations. Hiring an accountant or being able to use tax software like Turbo Tax to ensure you are in compliance with the IRS is as essential as opening business checking and savings accounts and establishing a business line of credit in your company's name.

Establishing a business also entails: 1. creating a brand that meets a consumer need/want, 2. adding value beyond your unique skill or talent, 3. selecting the right platforms to manage interaction with customers, the media and the public, and 4. creating a marketing plan and finance initiatives that support your company's short and long term goals. Without a vision, you'll perish. So write down your plans, research at least three alternatives to each goal then follow up on options, which best support, your vision. Not only will planning save time and money, but planning will yield exacting results.

Birds of a Feather Shouldn't Flock Together

As far as networking is concerned, you'll only grow as far as your circle is wide. So, do not limit yourself to networking with like-minded individuals. Instead, network within a variety of circles (at least three).

In entertainment, everything is interrelated. So, even if you're a stage performer, it's a natural fit to network at music and even film conferences where writers abound. If you have a preference for R&B, network with jazz and classical enthusiasts. OutKast phenom, Antwan "Big Boi" Patton demonstrated his ability to create value beyond two turntables and a mic. Earlier this year, Patton ventured into stage and classical music in *Big*, a musical collaboration with the Atlanta Ballet.

If you are an artist or songwriter for example, make it a goal to participate in one or more industry-specific organizations like the National Association of Television Arts and Sciences (Emmy), the Grammy Foundation (Grammy), the Academy (Oscar), and the American Theatre Wing (Tony) all for whom music is a vital part of operations. As your knowledge base broadens, so will your ability to define product offerings, create new product lines and ultimately create wealth for generations to come.

Changing the Status Quo

Understandably, entertainers may feel partial to following SOPs because for centuries, there has only been one of a handful of ways to excel in any entertainment platform: music, television, film theatre, media and even fewer ways to gain market share. Birthed outside of cultivated norms, Hip Hop defied those odds. For more than three decades, Hip Hop has been crucial to driving sales for everything from burgers to blue jeans across every business platform including real estate (clubs), technology, law, hospitality, gaming, fashion, and interior design. No other genre has garnered the type of unharnessed global leverage, which is why Hip Hop continues to thrive.

Multi-hyphenate, Tyler Perry is an inspiring example for those in film, theatre, and television. Perry, who started off as a playwright and actor, was recently touted by the Hollywood Reporter for his ability to corner off an untapped market. Like an oil well in the midst of a fuel crisis, Perry is making it rain via DVD sales, TV sitcoms, blockbuster movies, stage plays, books and other licensing deals-scarcely ten years from his first documented success. Perry's 28-acre Atlanta based production company will be the largest of its kind to develop organically outside of the confines of Hollywood.

All is not lost if you are unable to garner a record deal or even a leading role. If you can write, edit, create graphic designs or have a technical skill such as an engineering or Web design, the ideal thing to do is to use one venture to fund another. Gaining credibility in a less popular trade will give you financial leverage as well as industry savvy. Income if not notoriety from one talent may be used to branch off into other ventures. At the very least, you will discover if you fare better as a producer instead of an artist; a manager instead of a writer; or

a director instead of a sound engineer.

Just like putting your money in a variety of investments helps hedge against decline, having multiple streams of income or several product offerings will help you stay on the upside of each curve. When one stream dries up, all you have to do is switch streams.

The phrase, "often imitated but never duplicated," reigns true for the trendsetting entrepreneur. In the early 80's, Coca-Cola proved the noted with the Pepsi initiated taste test. While knockoffs abound in fashion, even designers, Louis Vuitton and Burberry have to admit that similar does not equal carbon copy. An entertainment professional who puts entrepreneurship first and does it well is worthy of imitation. Make it your goal to create in such a way that you're always ahead of the curve and others either follow or are forced to create an entirely new product (think iPhone) after yours.



Among a myriad of talents, Isha Edwards is an idea catalyst for companies and individuals in entertainment and academia. A self-described brand agent, Isha has garnered notoriety in small business commerce, media, and music in the East and Southeast (U.S.). She is a business instructor at Loyola Marymount University's Extension in Los Angeles

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