

Virtual Band

A Worldwide Music Phenomenon



Founders:

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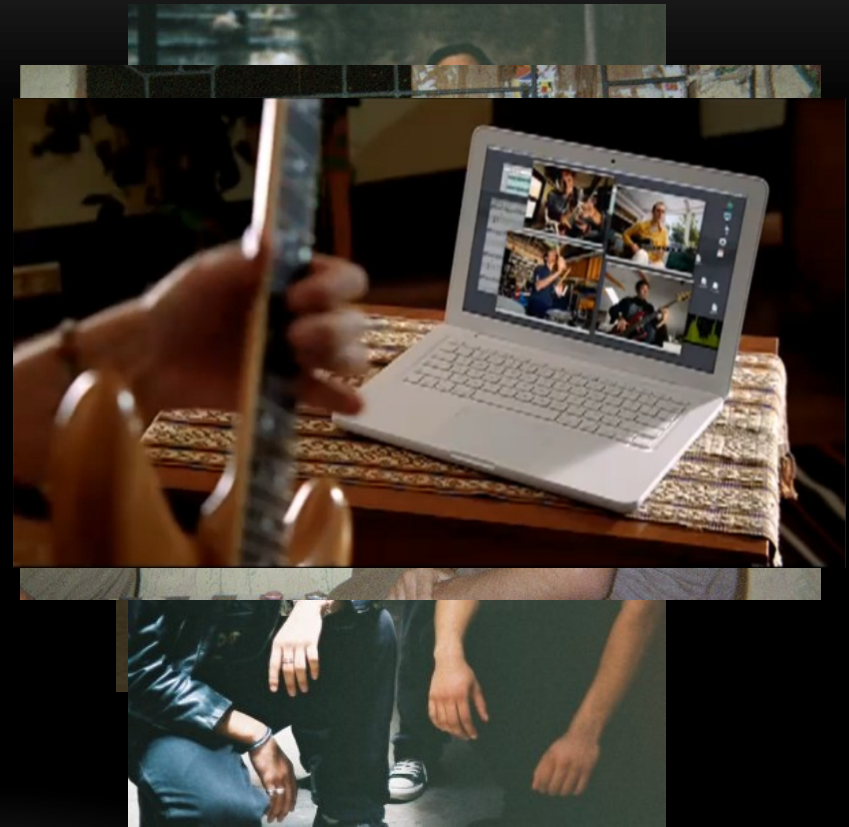
What is Virtual Band?

A website where musicians can:

- Jam online in real time with people from around the world.
- Meet other people with similar tastes in music.
- Post sample clips of your original music on your profile
 - Let the world contribute and add to your music.
- Start a worldwide music project.
- Signed with a distribution deal to sell your music.

How Did Virtual Band Come About?

- Played music all throughout high school.
- Played in a very successful band that aired on MTV.
- Came to college to enhance his knowledge.
- Found no one who had the same music taste and skill
- But what about a virtual band?



What's innovative about Virtual Band

- Revolutionize the way people write, play, and enjoy music.
- Potentially pair up with OnLive.
- Host music lessons online.
- The more users, the better it becomes (network effect).
- Opens the music industry to the world.
- Virtual Band offers all the software and services needed to successfully create your own virtual band.

Consumer benefits

Virtual Band can be used by anyone from any experience level willing to create music with other people around the world.

Potential partnerships would include

- Record companies – to expand the music created online into real albums
- Instrument Manufacturers (Fender, Gibson, Les Paul)
- Local Music Stores
- Cloud Computing companies (OnLive)

Competition

- **Virtual Rock Band**
 - Free Membership
 - Web-based
 - Not live jamming
 - Poor Advertising
- **Ejamming**
 - Faulty software
 - Desktop software
 - Subscription model
 - Poor Advertising

Target Market

- Music enthusiasts
 - Any skill range
 - Any age group
 - Any pluggable instrument
- Record Industry
 - Sign contracts with “virtual bands”
- Instrument Manufacturers
 - Instrument would include a waived version of Virtual Band for the first year

Market Analysis

- Worldwide Music Industry Revenues (2010): **\$67.6 billion**
- Worldwide Recorded Music Revenues (2010): **\$35.1 billion**
- Worldwide Live Music / Concert Revenues (2010): **\$23.5 billion**

Funds

- We need \$150,000 for
 - Purchasing Servers
 - \$35,000
 - Maintaining on our own = no extra maintenance costs
 - Advertising
 - \$15,000 to post advertisements
 - Music Stores/Websites
 - Salaries
 - \$20,000 each employee (\$80,000)
 - Legal Fees
 - \$10,000
 - Research and development
 - \$10,000

Company Details

- Type of Company
 - Currently Limited Liability Company (LLC)
 - After investments, transfer company into C-Corp at investors' request.
- Pricing Model
 - Freemium
 - Free version includes basic limited features
 - Full version = \$50/year
- Distribution
 - Web-based
 - License included in instrument packages

Financial Projections

	2011	2012	2013	2014	2015
Revenue	\$2,500	\$25,000	\$150,000	\$500,000	\$5,000,000
Expenses	\$5,000	\$10,000	\$25,000	\$50,000	\$250,000
Net Income	(\$2500)	\$15,000	\$125,000	\$450,000	\$4.75 M
Headcount	4	4	10	15	15
Customers	50	500	3,000	10,000	100,000

- Exit Strategy
 - After four years, get bought out by a superior music-related company
 - Fender, Gibson, Les Paul
 - Apple, Google, Microsoft

Potential Applications

- **Record companies**
 - To expand the music created online into real albums.
- **Youtube**
 - Host “live concerts” online.
- **Non-profit organizations**
 - Michael Jackson - We are the World
- **Promotional Opportunities**
 - Win a chance to jam with Eric Clapton
- **Replace current music-related sites**
 - Myspace Music

Why Us?

- Founders are all technology enthusiasts and music savy
 - We are all on top of cutting edge technology
 - We all love music and we all play instruments.
- So far, competitors have failed.
 - No “real” real-time jamming
 - Customers dissatisfied with current software costs and quality
- Small Investment for great ROI
 - Innovative in a market that doesn't exist yet

Virtual Band

Revolutionizing the way people write, play, and enjoy music!