

# BUSINESS

## A BUSINESS GUIDE TO THE OPERATIONS AND MANAGEMENT

OF THE

### MUSICAL INSTRUMENT REPAIR FACILITY

By Lars Kirmser

#### ANTICIPATING YOUR FUTURE IN BUSINESS MANAGEMENT

Starting and managing a business today is an enormous undertaking, not to be entered into ill advised. For many of us who may be the unwitting products of the so-called television generation, it can be difficult to fully comprehend the vast amount of thought, time, money, and energy required to take a complex idea such as opening ones own business and systematically processing that dream into a viable and successful reality. On television these days, the hero routinely resolves the world's most difficult problems within a time span of sixty short minutes (interspersed of course, with six or more agonizing commercial breaks). We, on the other hand, must deal with life's challenges and quandaries in REAL time, and of course, must pay for our mistakes with REAL money.

I recall talking to one shop owner who said, "If I had known EXACTLY what I was getting into before I started my operation, I would have approached it much more cautiously. In fact, I'm not entirely sure I would have ever taken the plunge to begin with!" Fortunately for him, this particular individual managed to succeed through hard work, perseverance, and a large measure of good fortune. Unfortunately, hard statistics tell us that the majority of first time entrepreneurs are not quite so fortunate.

In fact, somewhere between 600,000 and 700,000 small businesses are started each year in the U.S. alone. Of those, approximately 30% will predictably fail before their first birthday, and only 50% will likely get past their second year of operation. According to a 1982 report, approximately 66,000 small businesses filed for bankruptcy in that year. Of those filing, more than 70% were *Trade and Service* firms. Furthermore, out of all businesses filing for bankruptcy, 99% fell into the *Small Business* category.

A recent survey by the Dun & Bradstreet Corporation reported a leading cause of business failure was poor management. In this category, 44% was attributed to general incompetence, 31% unbalanced experience, 13% lack of experience in the specific type of business, and 13% of managerial experience.

Admittedly, running your own business can bring you a heightened sense of independence and may allow you the opportunity to freely try out some of your own ideas. You will be the "head-honcho", "numero uno", and no one will ever again be able to fire you or lay you off. It can give you a chance to earn a higher income than you might ever be able to make working for someone else. Often, a successful business owner is able to realize a significant return on their investment and allow themselves and their family a better chance for real security. These are certainly some of the more positive aspects of operating ones own business, but let's continue to take a closer look and discover some of the other realities.

If you intend to have employees, for example, you must meet payroll obligations each and every payday. You will have creditors who expect to be paid on a regular basis, such as your landlord, the Phone Company, the utility companies and any number of federal, state, and municipal agencies. Insurance premiums must be kept current to protect all aspects of your operation. All in all, many other lives are significantly affected by your actions, and, your ability to meet and understand the many obligations associated with business ownership will be critical.

An additional complication of owning and managing a service oriented business is that, not only must you be an astute business person, but you must also be an expert musical instrument technician, capable of handling and supervising all the technical aspects of your shop. It is for this reason that I will usually recommend to aspiring technicians an apprenticeship of from five to seven years as an employee of a reputable *full service* repair shop, before considering opening their own shop. During this apprenticeship, one would be able to learn and refine a good many technical aspects of the trade prior to making the commitments required of business ownership and management.

Far too often, a capable technician will open their own repair shop, only to discover that as owner / manager they are required to spend the better portion of their workday performing purely business duties instead of working at the bench where their principal

The typical new business in the U.S.  
will not survive beyond 2 years.

skills lie. This being the case, they end up having to eventually hire extra help to do the work that they are unable to complete, thus losing the potential profits of their trade skills. It is simply one of life's harsh realities that unless one is adequately knowledgeable in all aspects of the music business, they will be unable to both supervise and operate a repair service successfully. My best advice to the new apprentice would be to put these first years to good use and develop one's technical skills so that they may be performed rapidly with precision, and of course, profitably. During this same period, one would naturally make an effort to learn as many valuable business management skills as would be possible.

#### ARE YOU REALLY THE BUSINESS TYPE?

Apart from the other criteria mentioned, an important question that you should ask of yourself is "Am I really the type of person that should go into business?" After all, you will ultimately be your most important employee! Serious appraisal of both your strong and your weak qualities must be made. The following chart is taken from the booklet entitled *Starting and Managing a Small Business of Your Own* by Wendell O. Metcalf and released through the U.S. Small Business Administration. It is formulated by Mr. Metcalf to help you rate yourself objectively in the ten qualities that he feels are necessary for every potential business owner and manager to have superior ratings. Use the following chart to rate yourself as objectively as you can by making a check next to the most appropriate answer in the ten categories listed.

If, after objectively rating yourself, you find that most of the checks fall into the "A" categories, with an occasional "B" or so, then you have passed the first test. May I suggest that, in addition to rating yourself, you ask a personal friend or business associate (whose opinion you respect, of course) to objectively rate you on the ten criteria. Another person's honest opinion may surprise you, then again, they may very well confirm your own evaluation.

### EVALUATING PERSONAL TRAITS

#### INITIATIVE:

- a. Additional tasks sought; highly ingenious
- b. Resourceful; alert to opportunities
- c. Regular work performed without waiting for directions
- d. Routine worker awaiting directions

#### ATTITUDE TOWARDS OTHERS:

- a. Positive; friendly interest in people
- b. Pleasant, polite
- c. Sometimes difficult to work with
- d. Inclined to be quarrelsome or uncooperative

#### LEADERSHIP:

- a. Forceful, inspiring confidence and loyalty
- b. Order giver
- c. Driver
- d. Weak

#### RESPONSIBILITY:

- a. Responsibility sought and welcomed
- b. Accepted without protest
- c. Unwilling to assume without protest
- d. Avoided whenever possible

#### ORGANIZING ABILITY:

- a. Highly capable of organizing fundamentals in logical order
- b. Able organizer
- c. Fairly capable of organizing
- d. Poor organizer

#### INDUSTRY:

- a. Industrious; capable of working hard for long hours
- b. Can work hard, but not for too long a period
- c. Fairly industrious
- d. Hard work generally avoided

#### DECISION MAKING ABILITY:

- a. Quick and accurate
- b. Good and careful
- c. Quick, but often unsound
- d. Hesitant and guarded

#### SINCERITY:

- a. Courageous
- b. On the level
- c. Fairly sincere
- d. Inclined to lack sincerity

#### PERSEVERANCE:

- a. Highly steadfast in purpose; not discouraged by obstacles
- b. Effort steadily maintained
- c. Average determination and persistence
- d. Little or no persistence

#### PHYSICAL ENERGY:

- a. Highly energetic at all times
- b. Energetic most of the time
- c. Fairly energetic
- d. Below average

#### WHAT ARE YOUR CHANCES FOR SUCCESS?

Year to year changes in the actual number and types of businesses in the United States fluctuate concurrent with the prevailing business conditions. As a general rule, the number of firms will fluctuate in direct proportion to the population and industrial growth of the nation, and the types of businesses will reflect the needs of the general population according to the laws of supply and demand.

As was mentioned earlier, statistics reveal that the typical firm will not survive beyond two years. These statistics are further supported by a study performed by the U.S. Department of

Commerce, which found that certain types of businesses historically have better survival rates than others. For example, *Wholesale Firms* have the best survival records, while *Financial, Real Estate, Construction,* and the *Service Trades* fell below average, and those companies dealing in the *Retail Trades* had the lowest survival rate of all. This same study determined that two out of three firms (66%) do not survive to the age of four years and about four out of five (80%) will not make it to their tenth year. From all indications the data reveals that generally, and barring adverse economic trends, the longer that firm remains in business, the better are its chances for continued success.

The general mortality rate among new businesses is pretty shocking, and according to most business authorities, the single most frequent cause of business failure can be directly attributed to general **incompetence and poor management**. According to a study conducted by the statistical firm of Dun & Bradstreet, Inc., the lack of managerial experience and general business aptitude can account for over 90% of more than one million business failures that were analyzed. Material published by the U.S. Small Business Administration states that in the United States alone, each day, an average of over 1000 new businesses will be started, something over 900 businesses will change ownership, and approximately 930 will be discontinued altogether. Rather dramatic statistics indeed!

In addition to poor or inadequate business management, other significant reasons for business failure are, poor business location, a disregard for the existing competition, being under capitalized (not having enough unencumbered cash), high operational overhead, personal extravagance, and granting unwarranted credit or discounts.

On the other hand, businesses that did survive showed certain common characteristics. Some of these factors which seem to contribute to their success were, persistence and preparation on the part of the manager, sufficient prior business management experience, adequate working capital, and wise budgeting with shrewd control of cash flow.

#### IS THERE AN ADEQUATE MARKET?

The first and most logical step one must take before going into business is to conduct an objective **Market Analysis**. A carefully performed market analysis can render valuable information about the present and future potential for your anticipated enterprise. It should include the gathering of data that will indicate the present need for the service(s) that you plan to offer, the nature and extent of your competition, and will identify those factors that

could possibly affect your business in the future. This market analysis will allow you to base your final decisions upon reasonable and factual data, rather than on a "hunch" or "gut feeling". Furthermore, it should be noted that as you develop your plan and gather the data through its various phases, you might find yourself wanting to deviate from your initial plan or expectations. Be open to these fluctuations, as they will allow you to formulate a stronger plan in the end.

#### PERFORMING A MARKET ANALYSIS?

##### 1. THE PLANNING STAGE

- Define the purposes and types of data that you hope to secure from your market analysis.
- Perform a preliminary investigation so that you can more clearly define your objectives, purposes, and goals.
- Plan your research approach carefully. For example, how will you obtain the data that you are seeking?

##### 2. BEGIN TO GATHER YOUR DATA

##### 3. INTERPRET AND ANALYZE YOUR DATA

- Consider all the "intangibles". Base your final conclusions upon this factual information and upon your objective analysis.

#### TAKING THE FIRST STEPS

In the initial Planning Stage of your market analysis, you are simply isolating your potential market in anticipation of the Gathering Your Data stage of the analysis by seeking objective answers to the following six questions: 1. Exactly what type of service(s) do you intend to offer? 2. What are the physical boundaries and extent of your market area? 3. How many other firms within your chosen market area will be competing with you for the same clientele? 4. Who, specifically, will be interested in utilizing your services? 5. What percentage of the market could you reasonably expect to get . . . and why? 6. Will the anticipated market share be able to provide you with an adequate profit margin for the continued operation of your business?

#### TARGETING IN ON YOUR MARKET

Historically, the vast majority of musical instrument repair shops would provide only partial repair services to their clients, and often, specializing in only one of the three following categories: *Band Instruments, Orchestral Stringed Instruments, or Fretted Stringed Instruments*. I have noticed, however, that the trend, at least in this country has been that more and more repair shops are providing a broader range of services (albeit in varying levels) in all three areas. This has been due to the fact that full

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service retail store managers have found that they really need to provide their customers with services falling into all three categories in order that they remain competitive. Furthermore, this same manager will prefer to hire at least one full time comprehensively trained technician as opposed to any number of part time specialists. As our profession matures, I believe that fewer and fewer "dabblers" will be able to compete against those who have chosen the professional as a serious full time occupation.

On the other end of the spectrum are shops providing a complete range of services. Not only would their range of services include all three aforementioned categories, but they would be also able to provide complete restoration on the full range of contemporary musical instruments. This would mean that the shop would require adequate facilities capable of performing extensive soldering and brazing operations, the stripping of finishes, complete dent removal capabilities, an area dedicated to buffing and polishing, and of course have legally approved spraying facilities. This is what I will refer to as a *complete* repair facility as opposed to the *partial* repair shop.

With this in mind then, one of your first considerations will be to outline the specific range of services that you would be able to offer your future customers. Several factors can and will influence your decision here. For example, if certain specialized services are not being offered by the existing competition, you may wish to fill this void. In addition, the services you wish to offer will depend to a large degree upon the specific skills that you possess as a technician. Will you alone be able to provide the expertise required in all areas of your instrument repair business, or will it be necessary for you to seek out and hire trained specialists . . . and what is the viability of readily securing these trained experts? After deciding upon the extent of the services you intend offering, and considering the state of the existing competition, you will be in a much better position to know just who your potential clients might be.

Next, you will be able to plot some rough boundaries on a map isolating the proposed physical market area that you wish to serve. If your first choice for a potential market lies within a larger metropolitan area, and one or more repair firms are already servicing the local clientele adequately, then it might be advisable for you to select a location in another less served part of your metropolitan area, or, it may be more advisable to select a location in another metropolitan area altogether, that is, one with a more favorable business potential. In any case, don't get too anxious at this point if you are finding that your specific focus changes slightly as you in-

vestigate these preliminary considerations. This is generally considered to be a healthy sign, since it usually indicates that you are becoming more in touch with the prevailing conditions and are probably adapting your approach accordingly. Remember, the care and objectivity that you exercise during this initial step cannot be overemphasized.

#### GATHERING THE DATA

Now that you have targeted a specific clientele, and have decided upon the general area that could benefit from your services, you are ready to start gathering the pertinent data. In your initial investigations you will probably discover that your primary target groups will be tied directly to the public, private, and post secondary school instrumental music programs, that is, student musicians and institutional inventories. Secondary markets will include professional musicians, amateur musicians, and local retail music stores which do not currently offer an instrumental repair service. Beyond these target groups we will find limited chances for market exploitation. Not to worry though, for these target groups really represent quite a few repair dollars which are spent each year. It's not always an easy task to determine exactly how many dollars will be spent each year by musicians and institutions, but you can rely upon the fact that many more should be spent than are usually required to support existing repair technicians in nearly any major metropolitan area. This is where we may, as knowledgeable and astute entrepreneurs, be able to exploit the potential of just about any major metropolitan area with a healthy public school music program, and, to everyone's mutual benefit.

As far as estimating the size of our public school market is concerned, we are able to get some fairly reliable statistics from the various surveys published annually. One of the more noteworthy is the survey that is published each year by the Instrumentalist magazine, usually entitled "Survey of School Instrumental Music Budgets". Each year the percentage of student participation in instrumental music and other pertinent budget data is collected by a random national survey. According to their 15th annual survey (1991) participation in instrumental music has continued to be on a steady increase over the prior 15-year period. Additionally, in recent years, the overall school enrollment has been on a gradual increase. Any number of factors may influence enrollment trends, and therefore, the subsequent funding of instrumental programs. Factors most often cited are: (1) changing student populations, (2) general population shifts, (3) more interest in Band and Orchestra, (4) tax-

payer revolts, (5) inflation and the overall national economy, (6) more booster club support, and (7) the reordering of school curriculum priorities.

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### STUDENT PARTICIPATION IN INSTRUMENTAL MUSIC PROGRAMS

Another recent survey indicated that the average high school in the U.S. had a total enrollment of approximately 1200 students with an average of 128 of those students participating in instrumental music (10.7%). Excluding salaries, this average U.S. high school spent \$8317 on their program from monies provided through the local school district and an additional \$10,331 from monies provided through various fund raising activities and booster club support. That averages out to only 44.5% of the money required to fund the instrumental program provided by the school district and over half

(55.5%) generated by student and booster club support. I personally find this disturbing and difficult to understand. After all, what other classes normally offered by public schools require the students to provide over 55% of the funding necessary to adequately run the program. . . . certainly not varsity athletics, or biology, or chemistry, or any other standard subject within the public school curriculum for that matter. For some reason, our school boards and administrators have acquired the notion that musical education is somewhat frivolous, or at best, less deserving of consideration than other subjects offered through the public school curriculum. This attitude is reprehensible, when one considers all the evidence which has come to light recently relating the positive aspects music training lends to other serious endeavors such as mathematics, science, spatial reasoning, etc. Wouldn't it be nice if our school board members and school administrators were required to show proficiency before allowing them to make important decisions, much as other professionals are often required to do?

This same survey also indicated that 83% of the high schools surveyed sponsored fund raising projects with 66% having active booster clubs.

With regard to the Elementary and Middle schools polled, the average school enrollment was approximately 500 students with 105 students participating in instrumental music programs (20.8%). This school spent an average of \$3084 (70%) from monies provided by the local school district, with the remaining 30% or \$1299 generated by various fund raising and booster club activities. An average of 58% of the Elementary and Middle schools surveyed sponsored fund raising projects and 38% had active booster clubs. Let us hope that as time passes that the American public will become increasingly more supportive of music education so that our music educators can spend less time raising funds and more time sharing their musical experience with aspiring young musicians.

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high school instrumental program in the U.S.**

Continuing with our market analysis... Using these percentages as the basis for educated estimates, we are able to get a fairly accurate indication of the total student participation in instrumental music in our selected market area. In addition, it is with these projected figures that we may base our final decision upon, since these students will in fact be our primary market. Total school enrollment figures may be obtained by contacting the local School Corporation Fine Arts Coordinator (or other such title)

or by examining public documents published annually and made available through the public library. These figures, along with the projected percentages of participation, can help us approximate the number of student musicians

who may require our services during the course of any given year.

### APPLYING STATISTICS TO THE ANALYSIS

How then, will these figures indicate whether or not there exists a sufficient number of student musicians to justify opening a repair shop in a specific market area? This is a pertinent question which must be addressed objectively. First, it is my contention that each student musician may be expected to require the general services of a technician at least two times a year. The types of repair required will usually fall into the categories of partial repair or general preventive maintenance. Now, since most shops will base their minimum shop charge on a 1/2 hour labor rate, I believe that the average partial repair job will fall into the 1/2 to 1 1/2-hour time range. So, conservatively speaking, if the average student musician is expected to require the services of a technician for 1 hour, two times a year, we can predict the average number of partial repair hours that each student will require on average each year. Furthermore, it is my contention that the average student or school owned musical instrument will require the major repair services of a shop (i.e. complete overhaul, complete repad, damage due to vandalism, etc.) at least once every 5 years, and that this major repair will be charged at an average of 5 hours of labor (an average of 1 hour per year requiring major repair). This brings our anticipated yearly repair requirements to an average of 3 hours per student musician. I feel that these estimates are reasonably conservative and will allow adequately for the variables.

Using this general formula, we can then estimate essentially how many student musicians we must have in our market area to keep one full time technician busy for an entire work year. For example, if a technician works on average 40 hours per week for 50 of the 52 weeks of the year, this individual will work a total of 2000 hours per year. This figure may then be divided by 3 (the number of hours each student musician may

be expected to require annually) which equals 666.67. This then, represents the number of student musicians required to keep one full time technician busy for an entire year. So then, how many full time technicians can the student population of your selected market area support?

#### WHAT ABOUT EXISTING COMPETITION?

Next, we must determine just how many technicians are providing services, and in what capacity, in our chosen market area. To do this we may start by researching the Yellow Pages and then proceed to use any other available resources, such as talking to local musicians and educators. In performing past market research, I found that I was able to visualize my market area more easily by placing colored pins in a map. Each category of music services would then be represented by a different colored pin. Generally, you will find that instrument repair businesses will fall into one of eight basic categories. They are: (1) retail music stores that do not offer a repair service at all, (2) retail music stores that offer a repair service, but subcontract all their work to another unrelated repair service, (3) a "chain" retail music store that offers *partial* repair services only, and will send their work to a central location, (4) a retail music store which offers partial repair services only and perform these services on site, (5) retail music stores which offer complete repair services and will perform these services on site, (6) a business specializing in partial repair services only with limited retail if any, (7) a business specializing in complete repair services with limited retail if any, and (8) specialty repair shops which offer repair services on specific instruments or a narrow range of instruments and services (i.e. violin shops, guitars shops, drum shops, etc.).

Once you have isolated your competition, you must next perform a market survey so that you may find out how many technicians each store employs, and in what capacity (i.e. full time, part time, services offered, rates, etc.) This type of information isn't always volunteered easily by shop managers or store owners. However, an impromptu visit to the shop may be the best way to get this information. Especially if you present yourself as a potential client. This may seem to be a little sneaky, but I know that this is a common method utilized by most retail businesses when they price shop their competition. If you present yourself in a friendly manner, most shop managers will be reasonably open about their staff and services, even if they tend to be secretive about other aspects of their business. Don't do anything which would jeopardize your future dealings with these businesses however. If a personal visit or telephone call doesn't pan out, then talk to local musicians as well as to local band and orchestra directors.

When analyzing your data always remember that the information you have gathered has to be scrutinized carefully. After all, many owners will exaggerate somewhat to try to impress you and to try to get your business. The kinds of data that might be slightly skewed would be concerning the numbers of technical staff and the level of services they can provide. Where relatively few shops are able to perform complete overhauls, a great many partial repair shops claim to provide *complete* services simply because they are able to take these types of repair jobs in and then farm them out to large national repair facilities.

Don't automatically assume that everyone will rush to your place of business simply because you will be more conveniently located and will offer a superior service than currently provided. Unfortunately, this dilemma is true even in cases where local musicians and educators have indicated significant displeasure with the current selection of repair shops. The consumer is a strange animal. He is a creature of habit and often resists change, even when he knows that he may get a better deal somewhere else. Loyalties and the buying habits of a consumer are stead-

fast patterns that are often very hard to change . . . even when the advantages for changing are seemingly overwhelming. All new businesses face this disadvantage initially, however, with patience and perseverance, as well as continually try-

**Don't assume everyone will rush to your place of business simply because you are more conveniently located & offer superior service.**

ing to meet your customer's needs, you will be able to capitalize over time on qualities such as your convenient location, your superior - friendly service, the over all value and quality of your service, your respect for the clients time, etc. The unpredictable nature of your potential customer makes it particularly difficult for us to accurately estimate our initial market share, but let's take a look at who we might logically expect as our first customers.

#### WHO WILL YOUR FIRST CUSTOMERS BE?

It has been my experience that the people who become your first customers will usually fall into one of four basic categories. First, there are the newcomers, that is, persons who haven't yet established a significant trading relationship with any repair shop. These are often the parents of student musicians just starting out; each year we get a new crop of them. They might also be individuals who just haven't required service on their instruments yet, or often enough to have established any real alliance to an existing shop.

Second, are the strong and independent type who always scrutinize their trading habits very carefully. Their good judgement will usually override any past trading practices they might have had. This type of customer usually knows exactly what they want, and tend to be very discriminating and often demanding consumers.

Along with the first type of client mentioned, these folks are generally good customers to try to satisfy and hold on to.

Thirdly we get those persons who have had disputes in the past with existing shops. These individuals are often difficult to deal with and especially hard to please. They may be trying you out simply because they have worn out their welcome at all the other repair shops. Beware of this type of individual for they always seem to want favors such as special discounts or unwarranted credit. They also will tend to pay their bills more slowly and insist upon bringing their instruments back time and time again for free adjustments beyond the normal warranty period. They can, and will often do most anything without affecting their conscience and will make Class-A pests of themselves. An established shop can ill afford this kind of dead weight, let alone the new and struggling enterprise.

When dealing with this type of customer, it always pays to be exceptionally clear and to communicate exactly what your service includes, the probable cost, and what amount of time they may expect the repair to take. This, of course, is an important rule to follow when dealing with all types of customers, but particularly warranted with customers falling into this third category. Most shops will eventually deal with this problem by formulating a specific warranty and service policy and sharing it routinely with each client.

The fourth type is your so-called musician friend or "good buddy" who will expect you to do free or discounted repair service for them since they are your cousin, next door neighbor, or whatever. Don't fall into the trap of doing "freebies", for it is just this sort of policy which always seems to come back to plague you repeatedly. If these individuals are such good friends and want to see your business succeed, they should be quite willing to pay the going rate without getting their feelings hurt.

#### **WHO WILL YOU NOT EXPECT INITIALLY?**

The types of customers that you will NOT be likely to get in your first days of operation will probably fall into one or more of the following categories. First of all, no matter what the local band director has told you, it is not likely that you will get the entire local school district repair contract immediately, if in fact ANY instruments at all! It is simply not reasonable for you to expect any bureaucracy to abruptly switch from one established supplier completely over to another, especially when the new supplier has no real track record.

It is often difficult to get a school system to even agree on a limited trial arrangement. I have seen this happen even in cases where the existing service has been totally unacceptable. I don't know of any logical rationale to explain this pattern except that often, the persons who make the final decisions on these matters are so far removed from the actual Music Program, that communication, follow-up, and ultimate changes are invariably slow coming. Whether this is a contrived situation or an unfortunate symptom of bureaucracies, one never can be quite sure. Today

the handling of school contracts is carefully controlled and must meet very strict legal criteria. The state and local regulations pertaining to the issuing of contracts are designed to offer fairness and objectivity to ALL members of our free enterprise system. As a small business person, it would be prudent for you to become familiar with these regulations and know how they affect you and your business.

A second situation which is not always wise to bank upon is when the local retail music store lacking a repair service has indicated that they would be happy to award you with all their repair work on a subcontract basis. Music stores that do not offer a repair service love to see more than one shop operating in their area, after all, this gives them the opportunity to take advantage of a competitive market and sometimes allows them to take advantage of the situation by playing one shop against the other. With this in mind, it is no wonder why retail stores show an acute interest when a new repair business is being started. While it is very likely that you will get a portion of their subcontract work, it is only logical to assume that they will give it to you only on a trial basis. If a retail music store has an existing relationship with an established repair service, it is extremely unlikely that they would drop one existing service for a brand new one.

Initially, the first concern of an owner of a retail music store wishing to utilize your services will be the prices of your work. Secondly, he will be concerned with how long it will take you to complete and return the instrument(s) to him. Thirdly, he will want to know whether or not you will be willing to pick up and deliver the work. As is generally the case, it is possible that these first trial instruments will likely be the worst possible junkers that he can dig out of his scrap pile. And, not only will he want you to overhaul them for the standard price, but he will expect it to be done in record time. Just remember this, you will be inclined to promise him the world, but whatever conditions and promises you make to him in the beginning of your relationship will be a precedent for all future dealings.


Most store owners and managers are reasonable people, and, like responsible repair technicians, they are trying to meet their own goals and obligations. So, if you deal with them honestly and fairly you can probably expect to enjoy a long and valued business relationship.

### **REVIEW EXERCISES**

1. Owning and managing your own business involves many positive, as well as many not so positive aspects. Draw a vertical line down the center of a piece of paper and label each column as POSITIVE and NEGATIVE respectively. Next, list as many items in each category as you can. Do the positive outweigh the negative?
2. How do the necessary skills and knowledge required of the Musical Instrument Technician differ from those of the Busi-

ness Owner and Manager? Are they really compatible with one another? Are the skills required likely to be possessed by the same individual?


3. List some of the more influential conditions that may affect the overall business climate in your specific metropolitan area.
4. What were the most significant reasons cited for most business failures?
5. What were some of the common characteristics inherent in successful managers and businesses that tended to survive?
6. By using the Yellow Pages and/or local business directories try to ascertain just how many businesses offer instrumental repair services in your chosen market area and isolate the different markets that these different businesses are competing for.
7. Using a metropolitan map of your market area, isolate all of the public elementary, middle, junior, and high schools respectively. In addition, isolate the locations of all private and post secondary schools having instrumental music programs.
8. Ascertain the total student populations of each of the respective school types by researching the public documents or by calling an appropriate school official.
9. Using the relative percentages of student participation, estimate the approximate number of student musicians within your chosen market area.
10. If each one of these student musicians required the projected average of three hours of repair service per year, how many labor-hours of repair would the total student population account for?
11. Would this "student musician" category pretty much dominate the majority or our potential market? What secondary markets can you isolate?
12. How many full time technicians would the total projected student labor hours support if the average technician would be expected to work 2000 hours in the average work year?
13. On another metropolitan map, isolate the locations and types of all Retail Music Businesses and Shops.
14. How many equivalent full time technicians are currently employed within your chosen market area? Does a surplus of student work hours exist, or are there already a sufficient number of technicians serving the area already?



## American Musical Instrument Society

**MEMBERSHIP BENEFITS**

Lively Annual Meetings  
Three Illustrated Newsletters  
Annual Scholarly Journal  
International Membership Directory



*Members include collectors, dealers, performers, builders and curators. To join us in studying the design, history, use and care of all musical instruments, please contact :*

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