



HOT HOUSE MUSIC

Franchise Prospectus

May 2021 | #Joinourtribe



INSPIRATIONAL
MUSIC
SINCE 2002

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**“Hot House Music
continues to deliver
amazing young musicians
to the music scene”**

- Mary Jo Papich, JEN





Spotlight on Hot House

Mission and Vision

Hot House began with a mission to positively change lives through the transformative power of music in 2002. We aspire to reach 1.6% of the UK school population (circa 145,000) within the next 5 years.

- The original school was incorporated as a social enterprise, governed by a **#CSR** that ensures the principal tenets of **#access** **#nurture** **#employability** and **#legacy** are central to the core delivery.
- This commitment to our core ethics helps inform musicians on how to commercialise their talent.

Since our inaugural year, we have experienced consistent annual growth and this fine trend continued throughout the recession in 2008 and pandemic of 2020 with double figure growth (17.5%).

Hot House Music is currently incorporated as an (LLP) Limited Liability Partnership and is one of the UK's leading independent networks of curricular and extra-curricular music schools. We have an internationally recognised brand that continues to develop and grow across international markets.

“Jon Eno’s work is a model of artistic quality, educational commitment and social inclusion. Fun without demagoguery, demands without pain, nothing but happiness!”

**- Jean-Denis Michat,
Lyon Conservatoire & Yanigisawa**

Hot House Highlights

01 Founded 2002

02 Over 15 years of [#inspirationalyouthmusic](#)

03 **Extremely low overheads**
(no requirement for bricks and mortar)

04 High Profit Margins on a service-based industry

05 **Average earnings per territory £200k** with a target market of circa 60,000 households (see page 9)

06 Over **30 international Awards** for music, business and education

07 **Internationally recognised brand**

08 A huge social enterprise reach of over **6000 children each week**

09 A **robust organisation** (Recession and Pandemic Proof)

10 **Thousands of alumni** that work with Noel Gallagher, Michael Buble, Take That and many more

11 **International Expansion Plan**

12 **Over 500,000 social media interactions** every year

12 Live Performances to **over 150,000 audience** each year

The private tuition market for the UK is in excess of £2bn

Our awards:

National Apprenticeship Service
appawards.co.uk

APPJAG

All Party Parliamentary Jazz Appreciation Group for Jazz Appreciation – Jazz Education Award

IAJE

International Association of Jazz Educators
www.apassion4jazz.net/iaje.html

JEN

jazzednet.org

BEM

www.hud.ac.uk/news/alumni/music-graduate-receives-parliamentary-award/

"I only do what I do today, because of Hot House!"

- Alex Archer, Vevo, Hot House Alumni

Our Commitment

What you can expect from us

- Exceptional ongoing support
- A cost effective and successful “launch plan”
- Specialist legal advice on incorporation
- Virtual Operations Manual
- Full access to Microsoft Systems and Intranet
- Effective marketing strategy including exclusive access to tryfeed.co
- Unlimited access to our expanding alumni network
- Annual Safe-guarding/Security Induction & Updates
- Exclusive expertly defined territory
- Registered Intellectual Property
- Privileged access to our immersive virtual ensemble programme delivered by Hot House Music
- Unlimited Commercial rewards through our partnership programme with Big Bang Music
- An effective and efficient application process that ensures a Hot House franchise is the right option for you
- Exit options

“A franchise is a partnership and a happy franchisee equals a happy franchisor, we all want to succeed!”

**- Jonathan Eno BEM,
CEO HHMUSIC LLP**



Building your Hot House franchise

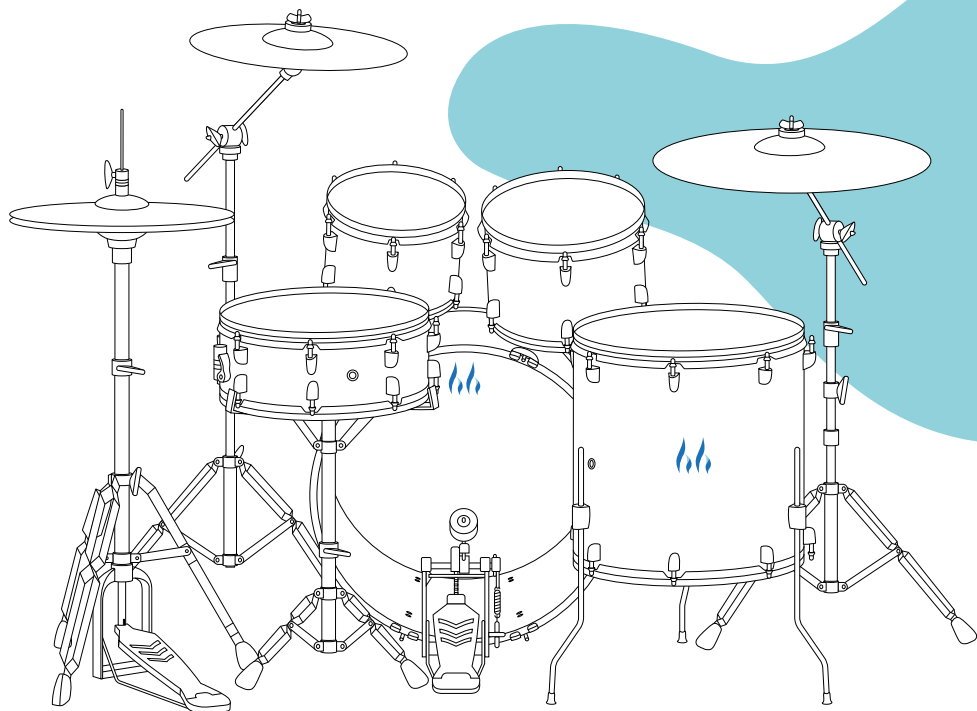
We have proven that a Hot House Franchise is recession and pandemic proof. Our dynamic approach to flexibility and data will help you build a business that delivers great returns whilst making your customers feel valued and engaged. Choose from a variety of tax efficient incorporations to suit your dynamic business.

As a company we:

- Are data driven and [#digitalbydefault](#)
- Know where our customers come from and how to retain these customers
- Have excellent retention rates
- Monitor our ARPU
- Monitor NPS survey data collection
- Are great at partnership working (particularly with local schools)
- Provide a great website for frictionless UI
- Offer access legal, accounting and IT services
- Ensure the CSR supports the brand

“There are nearly 500 franchisors within the children’s activity sector and there’s an estimated £12.5bn in revenue being spent within the extra-curricular sector.”

- Mark Rasche CCA



What does delivery look like?

We work within curricular and extra-curricular business environments with the greatest success evolving from successful partnership working.

Hot House Music provide:

- **Lessons** – Typically 50% of business comes through the provision of music lessons which supports the lead generation for the Ensemble provision. Lessons vary in length from 15 minutes to an hour and are delivered by specialist peripatetic music teachers.
- **Ensembles** – The ensemble programmes are key to retaining your customer base whilst growing and developing your market presence within your territory. The margins on Ensemble provision are extremely high and typically generate 30% of your total income.
- **Recording** – Hot House Franchisees can access recording opportunities with industry professionals (Hot House Alumni) such as the head of VEVO live sound – Alexander Archer alexanderarcher.co.uk a great tool for retaining customers whilst building the brand.
- **International Touring** – Is the most time consuming but rewarding aspect of a Hot House franchise. With dedicated tour operator accounts, a Hot House franchisee can deliver tours to Disneyland, NYC or any other global destination. The social benefits are sensational, and as a lead generation and retention tool these tours are essential. On average, customers who engage with a tour remain an extra 18 months with Hot House Music! Use this option to visit festivals, competitions or cultures that inspire you.
- **Service Level Agreements for (WCET and more)** – The duration of an SLA is typically 12 months and these enable Hot House staff to build a relationship with schools and students and serves as lead generation for the music lessons programmes. These provide extra stability to the business as schools are legally obliged to honour these agreements even during times of a pandemic.
- **Online Education** – Lessons, Ensembles and SLA's can all be delivered online through your Zoom account. All Hot House Music franchises can also access our immersive virtual ensemble programme (free of charge), your customers pay you for work that is delivered by Hot House Music.
- **Holiday Clubs** – Many parents and customers look to Hot House to provide holiday clubs to help with their child-care during school holidays. These are easy to provide, easy to source and a great additional income.
- **Commercial Rewards through Big Bang Music** – All Hot House Music Schools benefit from a 5% reward generated from all purchases their customers make through Big Bang Music. That's a 5% reward on all sales and rentals of music, instruments, merchandise and digital products!





Why Hot House

- + Experience of running your own business with amazing support and proven success
- + We know our USP and we know our market
- + Flexible model with well-defined start-up costs
- + Our core values help ensure a successful business
- + Attractive wealth creation and exit strategies

**Run your own business,
experience amazing
support, enjoy success
and help positively
transform lives with music**

Investment and Returns

Our detailed launch plan outlines the total investment required and expected timescales for ROI. The set-up cost is marginal for franchisees with the principal costs being related to staffing.

Exclusive territories are based around a geographic area that includes over 60,000 “affluent” family based households (with registered children between 5-17 years old). Each franchise has a target of reaching 360 customers within the first year yielding in excess of £200k (based on current ARPU levels).

- National target of 1.6% for each territory
- Due to exceptionally low overheads the profit margins ensure your business becomes a significant asset!
- Data powers our business processes ensuring that we are able to help you maximise profits

Option 1: Owner Operator

Initial Franchise
Licence Fee £30k
Investment £18.5k
Service Fee 8% of turnover

Summary

- You deliver and manage from the start
- **Target** – 120 Customers by end of Y.1
- **Target** – Y.1 Turnover £40k
- **Benefits** – You will understand your business from the bottom up whilst developing the leads in preparation for your first team member.

Option 2: Manager

Initial Franchise
Licence Fee £30k
Investment £30k
Service Fee 8% of turnover

Summary

- Engage 3 Peripatetic Staff plus you as manager
- **Target** – 200 Customers by end of Q.1
- **Target** – 200 Customers by end of Y.1
- **Target** – Turnover EO Y.1 = £70k
- **Target** – Turnover EO Y.2 = £200k
- **Benefits** – You spend your time managing, facilitating and building executive relationships with partners within your territory.

Option 3: Fast Track Incubator

Initial Franchise
Licence Fee from £50k
Investment £50k
Service Fee 8% of turnover

Summary

- Develop a current or incubated territory
- Ideal for franchisees who want to focus on rapid growth, expansion and multiple territories
- Providing an instant income stream
- Work with an established team
- **Benefits** – This ready-made option delivers returns in the fastest possible timeframe.

The figures set out in this illustration represent anticipated performance by a franchisee based on sales achieved in our core business when operated on a full-time basis (2020). There is no guarantee that you will achieve these figures and it is not intended that you should rely on them as a warranty or guarantee. Neither the Franchisor nor any of its directors, employees, professional advisers or associates makes any representations, warranties or guarantees as to the reasonableness or accuracy of the financial information provided, nor any of the assumptions used therein. It is essential that any potential franchisee takes independent financial advice. Your success will obviously depend on your own hard work and commitment, local market circumstances and general economic conditions.

These are “full-time” business models and you can trade upto 7 days a week!

Through our excellent relationships with franchise finance, you can access 50% loan funding (subject to status) with specialist banks including HSBC and Lloyds.



Safety and Ethos

We believe in “mitigating” risk and by adopting “best practice” are able to ensure that our customers, staff and partners all benefit from a positive working environment.

- Each Hot House Music franchisee receives annual Level 1 Child Protection and Safe-guarding training which is supported by 24hr access to our dedicated in-house Safe-guarding team (exclusively comprised of level 3 safe-guarding practitioners).
- All franchises have “Health and Safety” policies and procedures that are supported by risk assessments and training.
- All franchises are encouraged to adopt best practice in all areas including data protection and teaching standards
- We encourage students to engage with their professional development and trust that franchisees will value our award-winning apprenticeship scheme.

Avatar...

Who are we looking for

There are no set Avatars for becoming a Hot House Music franchisee, however, if you...

- Want to run your own business
- Like working with children's activities
- Have management experience
- Have great communication skills
- Have drive!
- Extol Hot House virtues of honesty, integrity and kindness
- See your self as being well organised and a positive person to be around?
- Value diplomacy

... then you might be a perfect fit for a Hot House Music franchise.

Giant Steps

We hope you are interested in becoming a Hot House Music franchise owner, here is how to proceed...

1. Complete the online form and book a zoom call
2. If you like what you hear you can join us for a discovery day
3. Following this discovery day you will be invited to formally apply for a franchise, this involves a Privacy Agreement and Selection Process
4. Should we be the "right fit" for each other, the adventure begins

Testimonials

"Hot House Music have a global reputation for world-class education and safe-guarding. They place the students' well-being at the heart of their activities, ensuring that equality and diversity apply to both students and staff. The unique approach to music Hot House Music offers is one of the (many) reasons that explain their fast-growing number of aficionados worldwide! I highly recommend them!"

- Anastasia Masset, Saxophone Teacher at the Conservatoire à Rayonnement Régional in Lyon, France

"Hot House is doing an amazing job of inspiring young people to engage deeply with music while having tremendous amounts of fun. Their methods are truly transformative, helping young people be better humans as well as better musicians."

- Brian Seeger, Professor of Music, Alvin "Red" Tyler Endowed Professorship, University of New Orleans

"Hot House is a revelation. They provide a veritable masterclass not only in the tuition and enjoyment of music but also in engaging with the wider business and stakeholder community.

Their energy and attitude completely busts any mythology around music being something exclusive and separate. Whenever they operate they become a brilliant, productive and fun team member."

- John Forkin, Managing Director

"Hot House Music continues to deliver amazing young musicians to the music scene"

- Mary Jo Papich, JEN

"The Hot House Business Model ensures that young people have access to fantastic music education while learning the skills critical to finding success in the music industry."

- Caleb Chapman, Founder and Executive Director of Caleb Chapman Music, Director of the Crescent Super Band

"Seeing Jon and the team in action is one of the most inspiring things I have witnessed in my time in education. The passion that they bring to their craft is amazing, the use of music to influence and change behaviour is truly unique. I never fail to feel emotional and it's so great to see Hot House going from strength to strength."

- Bev Crighton, Senior Lecture and B2B enterprise lead

"I have so enjoyed my relationship with Hot House and Jon and Jane Eno. I really appreciate their effective approach to music education. I've interacted with the Hot House student groups multiple times in New Orleans, Boston, and Derby. The kids (and their parents) are so warm and friendly, interested in learning, and curious about the places they visit and the people they meet. I deeply believe in the Hot House mission of teaching solid music literacy skills while using music as a vehicle to make the world a smaller place."

- Cindy Scott, Associate Professor of Voice, Berklee College of Music

"I only do what I do today, because of Hot House!"

- Alex Archer, Vevo, Hot House Alumni



Contact

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