### GUIDE TO SETTING UP A MUSIC VENUE



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#### INTRODUCTION

So, you want to open a music venue? Congratulations – Whanganui welcomes you to our hospitality sector.

Opening a music venue takes careful planning and preparation so we've made this guide to help you along the way. It provides information on setting up a venue, from legislative requirements to general business and marketing tips, and other important considerations to help you succeed.

The guide is prepared by Whanganui & Partners with support from Whanganui District Council and is aimed at anyone setting up a venue for live music.



#### Section 1: Finding the Right Venue

You've fallen in love with the perfect space. But have you considered all the options?

## THE NEIGHBOURHOOD

Music means sound, so location is crucial. For example, the central city allows for greater flexibility in noise (up to 65 decibels) compared to residential parts of town (only up to 55 decibels). Locating your venue in an area of town where hospitality is encouraged makes issues like noise easier to navigate.

Some questions to consider:

- Are you based in a part of town where late-night noise is expected?
- Is it easy for musicians to park outside for unloading and loading gear?
- Does the venue have access to good parking or is it near a bus stop?
- Who is your target audience and where do they like to go already?

### THE BUILDING

Unless you're lucky enough to own a building, you'll need to lease a space. It's important to make sure the building owner knows you'll be running a music venue. Be honest! Ensure that the lease you sign gives you permission to run a venue, as well as undertake any necessary alterations to the building such as putting in a stage, rigging lighting or sound, or putting in a bar.

## **BUILDING COMPLIANCE**

Your venue needs to comply with the New Zealand building code for its intended use and have a current Building Warrant of Fitness (where applicable). This ensures that a building is safe and healthy for members of the public to enter, occupy or work in. The Warrant of Fitness will tell you the maximum number of people allowable in the building at any one time which will dictate what scale of venue you can run. This number will have been calculated on a variety of factors, primarily on its risk group but also the number of escape routes it has, and if sprinklers, smoke detection and fire doors are installed within the building. The building's current lawfully established use may not be adequate if you're changing the building's use, for example; from an office to a music venue.

As every building is specific, we strongly recommend you contact the council's Building Control and Health teams before signing a lease or taking on a venue. They will be happy to look over a proposed venue with you and talk about any potential issues.

Although there are no hard and fast rules, here are some tips:

- A newer building might be easier to make compliant than an older building
- A space previously operated as a hospitality venue could be easier than starting from scratch

Remember, before you commit to anything, contact the friendly people in the Building Control Team on 06 349 0001. They'll be happy to check out a potential venue with you and provide insight into what you'll need to do to make it fit for purpose.

You can also check out their website here <u>Building Warrant of Fitness</u> <u>Whanganui District Council</u>



#### Section 2: Being a Good Host

You're welcoming people into your space, are you looking after them properly?

# ALCOHOL AND FOOD

If you're selling alcohol at your venue you'll need an On-Licence. You can find out all about this on the council website here: <u>About alcohol licensing</u> <u>Whanganui District Council</u> the application form can be found here: <u>untitled</u> <u>(whanganui.govt.nz)</u>

To get an On-Licence you'll need to have qualified staff (LCQ), a Host Responsibility Policy documenting your commitment to host responsibility and other documentation.

In the first instance contact with the Alcohol Inspectors will assist you (Steve Turfrey, Therese Back and Charleen Omundsen - Environmental Health Team phone 06 349 0001) and advise you of the process that includes navigation of the Town Planning and Building requirements. Matters related to the Food Act will also impact on your plans and in this instance contact with the Environmental Health Team in those early stages will be helpful.

If you want to chat to someone about your licence, you can contact Steve Turfrey (Chief Alcohol Licensing Inspector) at 027 213 9460.

## **SAFER SPACES**

Music should be a place of joy for all, and consumers increasingly expect venues that are safe for diverse communities. The #metoo movement has led change in the music industry and venues are changing in response.

Some questions to consider are:

- Do performers and customers feel welcome in your venue?
- Are your staff trained to understand and respond to situations of sexual harassment and assault?
- Is it possible to create gender neutral bathrooms to accommodate a range of visitors?
- Is your venue wheelchair accessible?
- Have you thought of running all-ages gigs?



#### **Section 3: Running a Business**

You love connecting music with audiences, we get it. But to allow your passion to be sustainable, your venue needs to be run as a business not a hobby.

## **BUSINESS PLANNING**

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Make sure you have a business plan to guide you. This can be fully detailed or as simple as a plan on a page (and if simple is good we have a great template for you at the end of this guide). You need a written plan that outlines what your goals are and how you're going to achieve them.

Your plan will identify the different ways your venue will make money (ticket sales, bar and food sales, merchandise sales, venue hire etc) and what your costs are (wages, fees, wholesale food and drink, rent, power, equipment hire etc). It'll also identify who your customers are and how to reach them.

## **BEING A BOSS**

You need to be set up to hire staff and pay contractors, suppliers and tax. Always start off by checking in with an accountant, even if you end up using an online accounting system such as Xero or Hnry. The accountant will make sure your systems are fit for purpose.

Unless you're a one-man-band you'll need to hire staff. That means you need a job description and a contract. If you're not used to managing staff, it's important to work out what kind of boss you want to be and what kind of staff your venue will benefit most from.

## SELLING

You'll need to choose a point-of-sale system, so your customers can buy that beer or pizza. There are multiple different systems on the market from apps that you can use on your tablet to full blown standalone POS (Point of Sale) systems that do everything, so think about what scale is most appropriate for your venue.

## **PAYING MUSICIANS**

Pay scales for musicians vary widely depending on their experience and popularity. If they have a manager, they'll let you know a set fee, otherwise you'll negotiate directly with the musician. Every musician playing at your venue is working, so it's important to pay them!

This article is a couple of years old now but still useful:

#### HOW MUCH SHOULD MUSICIANS GET PAID? - Muso | New Zealand

#### Section 4: Marketing and Promotion

Who is going to come to your venue? How are they going to find out about it?

# **KNOW YOUR MARKET**

Heavy metal or EDM? Classical or hip hop? Music is tribal and there are many different communities of music lovers. Make sure you know and understand who the target market is for the music genres you present.

## **REACH YOUR MARKET**

Once you're clear who your market is, you can work out how to reach them. Are they on Facebook or Tik Tok? Drawing up a marketing plan will help you understand the best and most effective way of reaching the people you want.

Some quick tips:

 Media coverage. Connect with writers locally who write about music. Local newspapers are the Whanganui Chronicle (zaryd.wilson@whanganuichronicle.co.nz); Whanganui Midweek (steve.carle@nzme.co.nz) and River City Press (<u>rivercitypress@xtra.co.nz</u>).

2. Social media. You can communicate effectively through social media—once you've identified who and where your customers are. For example, Facebook still reigns supreme for most music lovers, but younger audiences are more often on TikTok. Before you launch your preferred platform spend time finding your authentic voice, the way you communicate directly with your customers.

3. Event listings. There's a myriad of online channels to list gigs, some of which will sell tickets on your behalf. Take time to familiarise yourself with them and figure out what's best for you.

Want to know more about marketing for music venues? Check out these helpful articles.

<u>5 Marketing Strategies For Indie Music Venues - Purplepass</u> <u>How to Promote Your Venue to Attract Musicians and Fans (eventbrite.com)</u>

<b>Cost Structure</b> What are your fixed and variable costs?	Existing Alternatives Who else is out there doing similar products?	<b>Problem</b> What is the gap in the market your product fills?	Lean Canvas for Creatives
	Key Metrics What's important for you to measure?	Solution How does your product fill this gap?	
Revenue Structure What are your sources of revenue?	High-Level Concept Why are you doing this?	Unique Value Proposition Single, clear and compelling message that states why you are different and worth buying	Designed by:
	Channels How will you reach your customers?	Unfair Advantage What is it you do that can't be easily copied or bought?	Date: Version:
	Early Adopters Who are your first, core customers?	<b>Customer Segments</b> Who are the different kinds of target customers you want to attract long term?	



### Keen for a kōrero?

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