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Comprehensive evaluation of an Art business' Project: Band and School of Music of Sa Pobla.

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## **SUMMARY.**

The idea of this project is the evaluation of the social and economic factors expressed in the educational project of the Association known as “Band and School of Music of Sa Pobra “ who’s objectives mention cultural, social, economic and financial issues. For this analysis is indispensable to evaluate the different phases of a business project, focussing on the resources that a local non-lucrative association possesses. Also, there will be exposed several conclusions which will be accompanied by recommendations to improve the project in the long-term by boosting its strength and solving its weaknesses.

La idea de este estudio es el análisis socio-económico del proyecto educativo de la Asociación de la Banda y Escuela de Música de Sa Pobra, cuyos objetivos tocan tanto temas culturales y sociales como económicos y financieros. Para dicho análisis es indispensable evaluar las diferentes fases de un proyecto empresarial y acoplarlo a los recursos que posee una Asociación sin ánimo de lucro a nivel local (Sa Pobra). Además, a partir de las conclusiones se van a formalizar unas recomendaciones de cara a la mejora a largo plazo del proyecto, potenciando las fortalezas del mismo y solucionando sus debilidades.

## 1. INTRODUCTION.

### 1.1.Chronology.

#### **“More than 25 years making history as an asociation”**

Citation from Miquel Josep Crespí Cifre (2016), the Sa Pobla Music Band was founded by a family of carpenters known by the name of Rian; together with the organist of the parish of Guillem Mas i Rigo. The Band was founded between 1864 and 1865, a complicated political moment.

The Rian family obtained more than 50% of participation in what was known as the family association for more than 70 years. After this time more Majorcan bands began to emerge, forming competition. To differentiate themselves from other villages, in 1955 the Alderman for culture; Bartomeu Siquier, took the initiative to create a music school directed by Gaspar Aguiló. An infinite number of musicians were formed by the school, many of which played in the Band of Sa Pobla with a foundation of theoretic harmony, instrument and musical language.

The success was consolidated in 1992, when the local council of Sa Pobla gave an impulse to The Band and the Music School of Sa Pobla, by making it a non-lucrative association. With the local council's backing, it was a moment for change, innovation, new installations and educational projects that potentiated culture in the village of Sa Pobla.

At this time The Band and the Music School of Sa Pobla is directed by Karen Alonso, Piano teacher and principal promoter, together with the President Jordi Vanrell, of the project to be analysed.

### 1.2. Initial Project.

#### 1.2.1. *Origins.*

The project started in 2014 with the creation of a system of non-subsidised classes to boost school's growth. As the initial objective, the plan was to have a fixed commitment of efficient management in each speciality (each teacher with their own respective method). Before entering into the Association, the teachers present their method of education, and the superiors of the Association (the president and the two directors) evaluate whether the method and the teacher has affinity with the set initial objective.

As an incentive to the programme it is necessary to emphasise that once passing the evaluation of the superiors, all the teachers have the freedom to develop their respective classes.

After the success of the first year, in 2015 it was decided to differentiate from the competition: prices are risen above those of the competitors:

- For those students that are only students of the school, pay a fee that is higher than the competitors of the school.
- For those who are students, as well as the musicians of the band, are given a 50% discount on the previous fee. This works as an economical incentive to participate in the recreational activities of the village.

It is important to make clear that the project has the same lesson times as those implanted within the official schooling system because, objectively, it is orientated to realise the examinations in the music conservatory for all those students who wish to, and are able to continue their higher musical education there.

### *1.2.2. Basis.*

The project analysed in this analysis counts on pre-fixed foundations which can be modified in order to improve it.

#### **a) Economical management and administration of the Board**

The association counts on a non-lucrative Board that help with teaching the objectives. The economical and administration management is run by the Board; who's representatives are at the same time, musicians of the Band. This means, there is a direct link between the problems and the solutions (the Board is participant in the problems and creator of the solutions).

The members of the Board are elected through an assembly according to the statutes and do not constitute any increase in economic costs as it is a non-lucrative position.

#### **b) Outsourced companies**

There are no outsourced companies on behalf of the local council, which means, the benefits are re-inverted in new places for instruments.

#### **c) The advantage of being a non-lucrative Association**

Being a non-lucrative Association means that all the earnings should be re-inverted into the Association, avoiding surplus. The Association in question, counts on provisions for unforeseen causes (unfair dismissals or collectives) that are in the budget with the aim of anticipating any risk. If, at the annual closing (in September) no costs have occurred, they are invested in new places for instruments.

## 2. STRATEGIES AND OBJECTIVES

The project that is to be carried out, has the objective to potentiate quality, considering the economic effect. Also, wanting to implant a strategy that boosts those deficient specialities with a lesser affluence of choice; it is what is known as equative growth of all the specialities in order to give long term stability.

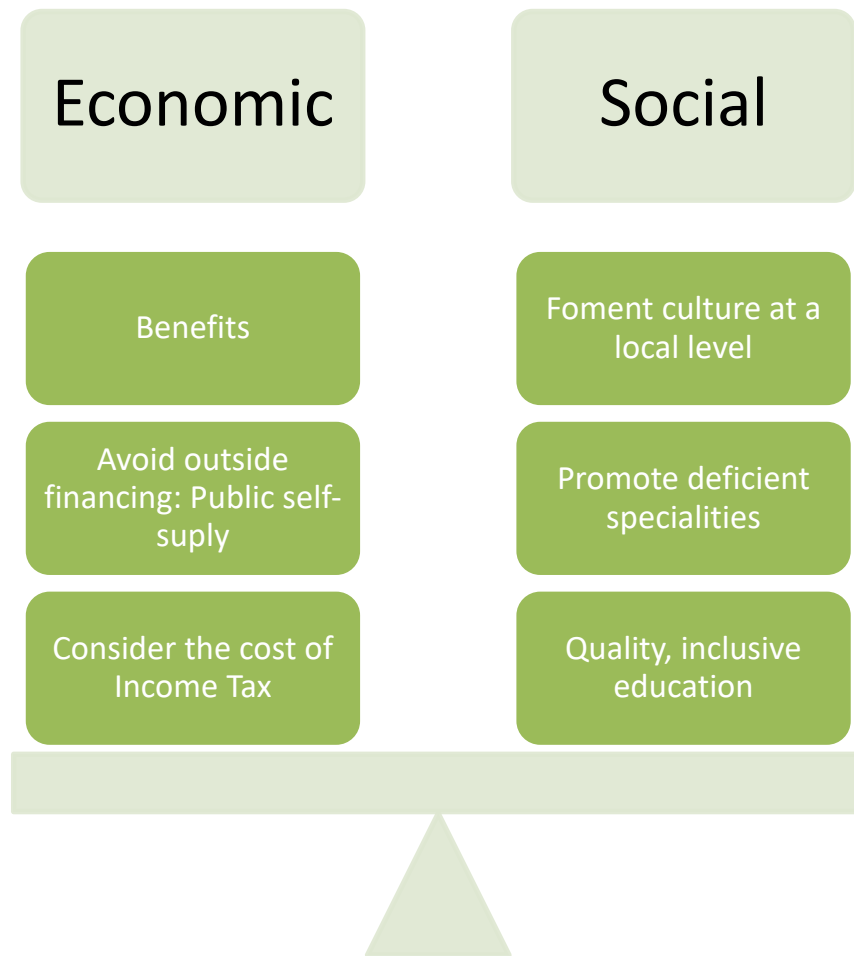
As far as the project is concerned, the intention is the creation of a line of teaching for those students that have certain limitations, pathologies or even incapacities either high or low (underlining that the pertinent health personnel are counted on). It should be added, that at the same time, a line of communication with the intention of taking an interest in the student and creating an environment of trust and adaptation, should be in order. To summarise, the intention is to avoid discrimination, taking a step towards inclusion, and of course, provide quality teaching.

However, it should be noted that the objective of every educational centre is education for all. Taking that into account, it should be mentioned that a great number of students abandon specialised schooling, owing to the lack of adjustments in the curriculums of subjects and contents. For this reason, it's important to insist on direct communication between students and their individual needs, having as an aim the realization of a useful task.

### 2.1.Traditional Music.

Also, within the project, an offer of musical formation is intended for those that are interested in participating in folkloric and autochthonous Majorcan music. Having said the aforementioned, what is needed to be carried out is the creation of Art Workshops for autodidactic musicians with the aim of incrementing the knowledge of the autochthonous, and maintaining Majorcan traditions. Going further into the aspect, what is needed is to foment the Workshop of the Sibil·la (an annual Art Workshop that forms the singer) to maintain this patrimony.

Having made these comments, economical and logistic support of the local council of Sa Pobla is essential, as being a non-lucrative association constitutes a nexus between entities that always work efficiently together.



**Project Objectives.** Own elaboration

### 3 . SOCIAL EVALUATION CRITERIA

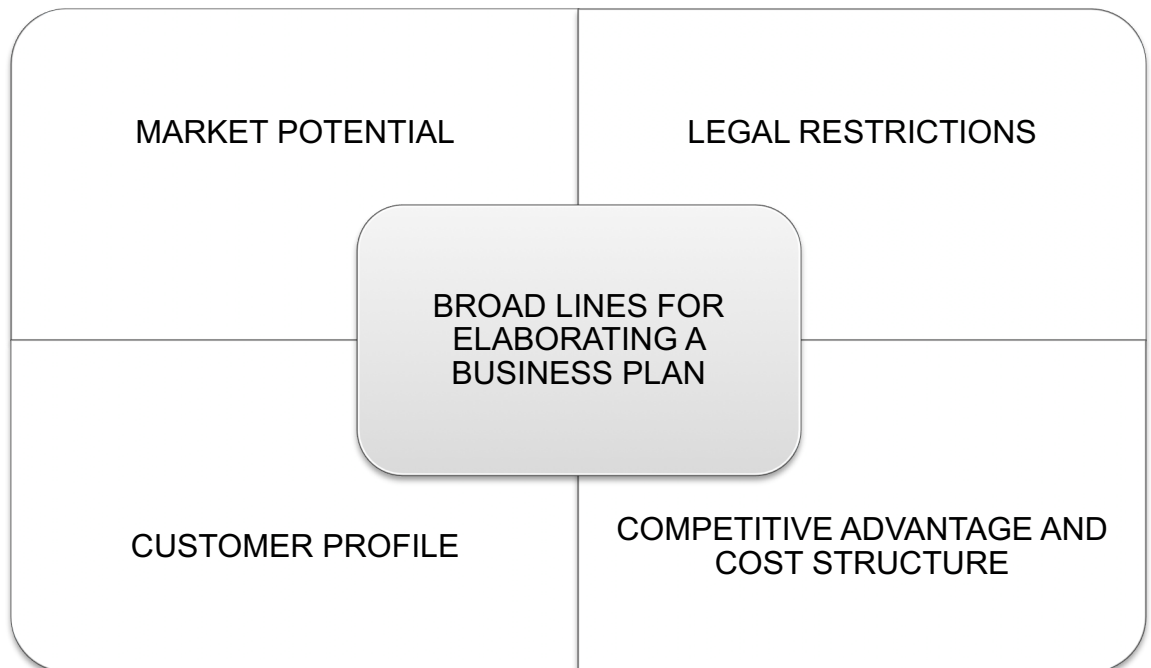
#### 3.1. FASE 1: The Business Idea.

There exist theorists, as in the case of the professors Urbano Medina Hernández and Alicia Correa Rodríguez (2009), who expose that in the initial business idea, it's crucial to analyse a fundamental aspect: the ignorance of the market. In other words, it is vital to have the maximum of information about the market and its evolution, past and present.

On the basis of this theoretical reasoning, it is worth mentioning that today, Spain counts with 1309 music schools, of which 754 (58%) are private and 555 (42%) are state-run (Educatea, 2019).

Consistent with Urbano and Correa (2009), in the first phase (once the idea is formed) there has to be a process of reflection based upon observing some technological aspects and their grade of innovation over the competitors' products, as well as the commercial viability.

Regarding the second phase, its essential to analyse the variables determining the success within which, this project is found. As a scheme:



**Source:** Urbano and Correa (2009): *Cómo evaluar un proyecto empresarial*. DÍAZ DE SANTOS. Own Project.

Considering the knowledge of Alberto de la Peña Gutierrez (2005), the key requirements for the success of the project are:

- That the objectives are realistic.
- That they are measurable in units of currency.
- Original.
- Specific.
- Comparable (suitable).

In the Music School project, the objectives comply with the characteristics exhibited by de la Peña (2005). It is an achievable objective, given that a first part has been carried out with positive results. Also, the monetary units have been measured at the budget level, counting with the income of the subsidy that is received from the associations according to agreement. At the same time, it is an original project as both creators of the project coincide regarding objectives, and



they both put in a hint of their own speciality in each phase. It is an easily identifiable project, given that words such as 'quality' and 'growth' define the silhouette of the plan.

Arriving at this point, it is necessary to identify which field of employment are founded in the project. Urbano and Correa (2005) group the fields in four categories:

1. Everyday life services
2. Improvement of quality of life services
3. Cultural and leisure services
4. Environmental services

In the case of the project analysed, clearly it first can be introduced to the category of Cultural Services given that, within its scope, it has the purpose of helping youngsters with difficulties through specialised Art Workshops to help in social reintegration and also making a reevaluation of the resources of the village.

## OBSTACLES

In accordance with the advantages that a project of such a nature supplies, likewise multiple obstacles are encountered. Thus, for example of the obstacles analysed by Urban and Correa (2005) there are:

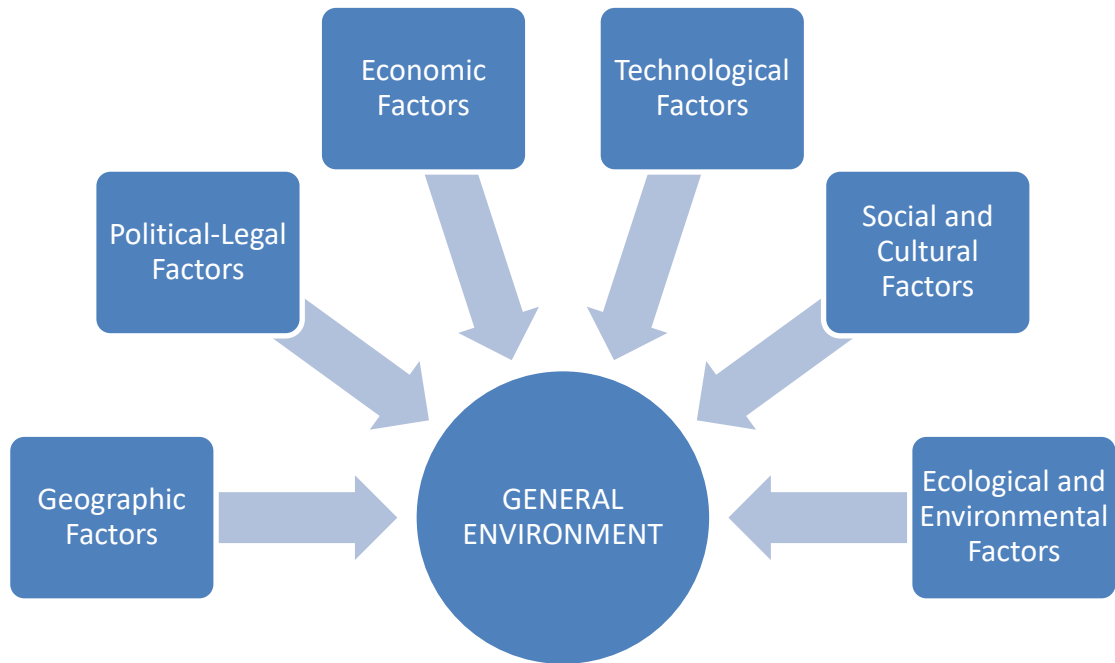
- Cultural obstacles; the psychological barriers. The deed of helping a student, requires a maximum of trust and communication between client, teacher and Medical Professionals. Luckily, amongst staff there exist pedagogues who are experts in the material that facilitate the development and success of the project.
- Obstacles tied to public intervention. Existing, nevertheless a certain degree of resistance regarding financing certain activities from the public administration. Indisputably, today the word 'caché' is present in a great part of the business routine. Luckily, the Sa Pobla Local Council has an exquisite interest in helping projects of inclusion and cultural quality. Possibly, this fact does not lead to the success of the project, but with no doubts helps a great deal to achieve it.

### 3.2. FASE 2. The Environment.

All the conditioning that surround a project, lead to making a significant influence. There exist theorists such as Julio Torre (2013), who speaks of the environment as social atmosphere, technology, economics and politics. This matter contains factors that directly or indirectly have an influence on the activity of any company.

At a pedagogical level, the business pedagogue Meza (2005) demands *"the continuity and development of the formative process of the person in the*

*business environment, with the aim to improve in the human skills (knowledge, skills, dexterity and attitudes) arouse a personal and professional improvement, favouring change and continuity of the business.”*



**Source:** Urbano y Correa (2009): *Cómo evaluar un proyecto empresarial*. DÍAZ DE SANTOS. Own Elaboration.

### Geographic Factors

The Band and Music School of Sa Pobla finds itself in a privileged geographic situation, with good climatic conditions. Also, with a reasonable, adequate infrastructure adapted to all types of requirements.

### Political-Legal Factors

There is an administrative team from the Cultural department interested in the continuity of the project, cooperating with each step, apart from participating in activities that take place. At the same time, the Association plays an important role in the village, as it cooperates with most of the non-musical cultural events.

### Economic Factors

Advanced in reasoning, the Local Council of Sa Pobla concedes to all associations, a subsidy, established according to convention. From another point of view, it can be seen as an exchange of a service by an economic reward used exclusively for the own growth.

## Technological Factors

With an aim to secure the competitiveness of the project, there are computer programs, educational applications, and computer equipment (hardware), that change the production system distribution and organisation completely. This enables the running of the class, complying with the annual teaching plan. Also, the fact that we are able to participate in the social network, such as Instagram and Facebook, facilitates the publicity and announcement of all the events at the centre.

## Social and Cultural Factors

- Demographics: In Sa Pobla, there are actually 12,714 inhabitants (INE 2019). In the Music School, there are only 197 students enrolled to date of which, 80% are from Sa Pobla. Such factors have an influence in the demands of families that are interested in their children taking music lessons following this project.

(See Annex 1: Subsidised Students (colective classe) ) )

(See Annex 2: . Subsidised Students (individual classes) )

- Educational system and instruction: All the schools' teachers have a degree in their respective instruments and a degree in Musical Education.
- Values and beliefs: The majority of students that assist the classes are of religious beliefs, therefore expecting Christmas and Easter concerts avidly; being participants in them as a reward.
- Cultural: The most commemorative custom in Sa Pobla takes place on the 17<sup>th</sup> of January, known as 'The Feast of Sant Antoni'. One of the principal activities of this project is to cooperate in a formative way to extol the quality of the musicians on such a long-awaited event.

## Ecological factors

The innovative idea of cooperating with other associations, has brought a participation in movements that help the environment and also encourages in the youngsters, habits which help protect the ecosystem.

*"In the associations, in order to make a survey on the environment, the concept of **Survey of The Neighbourhood** is used. It is important to establish divisions. First in Time: a community is something that shifts, and the first objective could be to establish a comparison between how this village was years ago and now" (Alberich; 2002).*

Each year there is observed a greater interest within the population to enrol in and take part in the activities of the Music School, to such a point that a great part of the specialities have a waiting list.

To encompass all the possibilities of the project, the most efficient element is the DAFO analysis.

The theorists, Armando Díaz Olivera and Idalberto Benjamin Matamoros Hernández (2011;58) define that *“the analysis of DAFO (or FODA) is a Management tool that facilitates the process of strategic planning, providing the necessary information for the implementation of actions and correct measures and for correct development of improved projects. The name DAFO corresponds to the four elements that are evaluated in the development of the analysis; the weaknesses, threats, strengths and opportunities”* .

In this analysis DAFO of all the participants of the project will be taken into consideration. On the one hand, the participation of teachers of each speciality that contribute education and expertise. On the other hand, there are students who receive lessons and simultaneously promote local culture, participating in the activities that are in greatest demand in Sa Pobra.

Furthermore, the team also counts on voluntary personnel who perform in a non-lucrative capacity. It should also be mentioned that these personnel who contribute ideas, are present in all the Associations' decisions, thus playing an important role within the project. This Board is included in the Statutes of the Association and are elected by vote.

To ensure success, there are two persons in charge; the President of the Association and the Director of the Music School, a perfect nexus between The Band and the Music School.

Considering that both (the President and the Director) have experience in leadership, it is convenient to quote the strategist Jach Welch (2007) with his action plan for good leadership:

- *“Implant in a small company the sensation of being one of the biggest and most diverse companies in the world.*
- *Motivate the successful personnel that make an extra effort even though they are at their peak.*
- *Train, encourage, incite each employee and insist in total frankness at every level in order to create a culture in which each employee is valued.*
- *Differentiate the rewards to guide behaviour.*
- *Motivate the managers who ‘show and tell,’ in able to extend better practices along all departments and divisions.”*

INTERNAL ANALYSIS	EXTERNAL ANALYSIS	
	Opportunities	Threats
Strong Points	<p>The infrastructure is a contribution that reduces costs.</p> <p>In promoting interest in external volunteers to potentiate the project, thus obtaining extra control over the quality and benefits for the association. These persons contribute to an improved development as they form part of the project, and therefore have an interest initiative.</p> <p>The influence between teachers and clients is minimalised, learning together and cooperating in order to improve. The volunteers learn from those that have been formed already.</p> <p>Improve the student-teacher relationship, which helps the development of the classes.</p> <p>Foment team work, whether it be in a direct or indirect manner.</p> <p>Increments the interest for the village, by taking part in leisure activities.</p>	<p>The difficulty in finding volunteers and professionals who want to implement themselves in the project.</p> <p>There may be misunderstanding between professionals and volunteers over the differences of opinion and the economical remuneration.</p> <p>The difficulty to define the equality of vote and opinion between volunteers and professionals.</p> <p>A project that is difficult to maintain without the support of all the participants.</p> <p>A project that could lead to unfair competition in the sense that they could use the projects' objectives in other schools.</p> <p>Difficulty to achieve the total satisfaction of all the participants in the project.</p> <p>The ratio of sacrifice plays a crucial part in the project, mostly in terms of time.</p>
Weak points	<p>The interest in culture at a local level is potentiated, as well as team work.</p> <p>Achieve potentiating the different specialities.</p>	<p>The confidence in the project is difficult to achieve if instant results are not observed.</p> <p>The difficulty in promoting consecutive incentives requires imagination and rapid action.</p>

**Source:** Díaz and Matamoros (2011): *Analysis DAFO*. Own Project.

### 3.3. THIRD PHASE. Design Strategy.

There are three components that define the strategy (Urbano and Correa; 2015):

- **Ambit or activity field.** It is important to specify the service that is wanted to be provided in the project; what is called education inclusive of quality. Also, the intention is to give information about the project to the clients in order to be able to collaborate as a team.
- **The definitive capacities.** The resources that differentiate this project from other is based on the concern and distinctive analysis of every student, adapting in this way their necessities, and establishing individualised and specific objectives within each speciality.
- **The competitive advantages.** The aim of the project is an equal cover of all the specialities, potentiating the most deficient, having favourable location, an advanced communication system and complete availability towards them that require it.

#### Vision

The Band and Music School of Sa Pobla has the intention of becoming a cultural reference of the Northern Zone, potentiating inclusive education. The orientation towards the client, leadership and commitment constitute the pillars of projects success.

#### Mission

The purpose of the Band and Music School, is the collaboration with Majorcan culture through formation. Also, the intention of potentiating those deficient specialities through motivation and incentives.

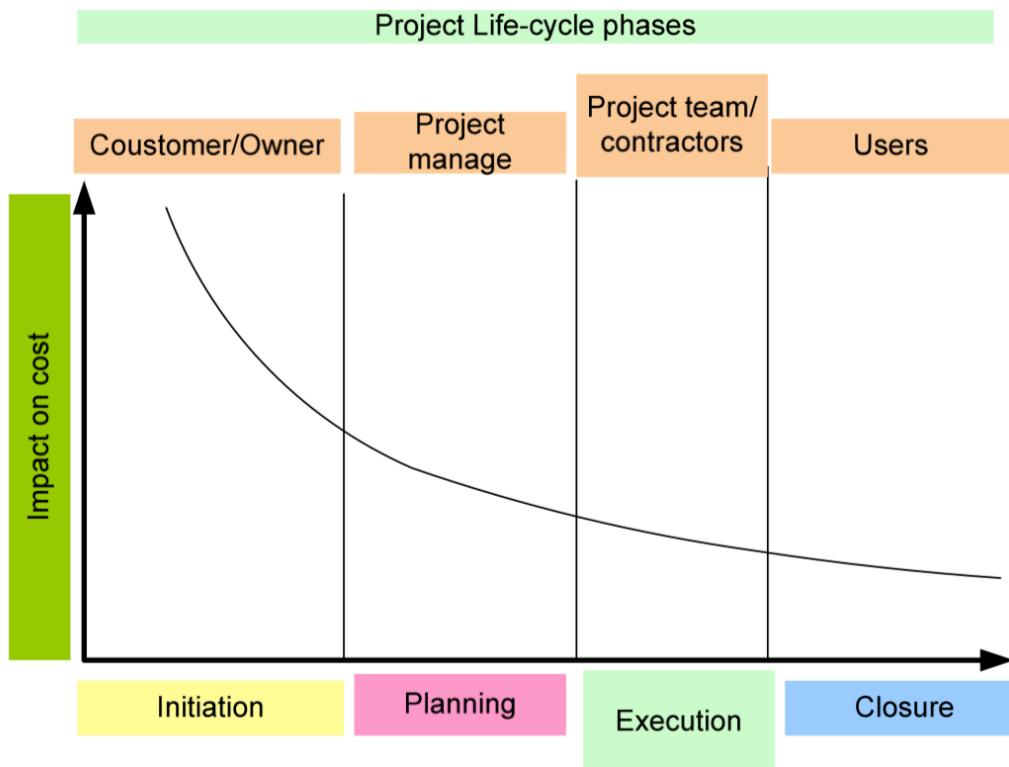
#### Cooperation Values

To assure its success, it is essential to have a team that shows confidence and dedication. According to that; it is very important to gain the trust of the clients and foment the Musical Culture in every age group. Also, to have transparent formation that projects clarity to the clients, that consequently contributes to the projects function.

## Project Life-cycle

In agreement with Ali Jaafari (2006), the life-cycle of the project generally defines:

- What technical work should be realised
- When it should be generated the deliverable product
- Who is involved in each phase
- How to control and approve each phase



**Source:** PMBOK guide (2011):*Chapter 2. Life-cycle of the project and organisation.*

As seen in the above graph, as the phase changes in the project, costs of the possible changes rise, and the possibility of reducing costs declines.

As presented in this project, the highest cost is the certainty of a successful end. Any change or correction in the error of the project, can multiply the costs as the project advances.

Likewise, it's necessary to emphasise that in order to avoid this type of problem, it is important to formulate the purposes of a project and that these duly justify its objectives. Also, it is necessary to verify constantly at a qualitative and quantitative level.

## Strategy in the business field

Of the three strategies proposed by Porter, the option used was the Differentiation Strategy.

*“A business differentiates from the market when it offers a product or service that the buyer perceives it as unique in any of its defining attributions. The Differentiation Strategy tries to achieve power of the market, what is wanted is what the market accepts as a product or service that is superior, or has more demand for price equality than the competitors.”* (Monge, 2010). So that the Differentiation Strategy has, as an objective, the business exclusivity. In the analysed case in question, the desire is to offer a teaching method that adapts to every type of student and, at the same time, is trying to potentiate the deficient specialities, in order to have a flow of income equal to the others.

## The Information

According to Urbano and Correa (2015), it is necessary to avoid the dispersion of the information that could even be counter-productive at times. Likewise, the used information should be:

- Correct and adequate for the project
- Brief and summarized
- Precise
- With a high grade of availability and accessible at all times

That said, in the Association a telematic designed publicity, for the use of only one person, is used to avoid disjunctives. Also, this same person is in charge of publishing the information in the social network, in which, *both* the Band and the School have activities.

In the image presented below, there can be seen an example taken from its Facebook page of the auditions for the month of April. As can be seen, they all have the same design, something that helps to the follower to associate the three projects. The information complies with the four aforementioned characteristics and can also be accessed at any moment.





Also, other activities in the cultural field of the surrounding are published with an aim to potentiate local culture. The Local Council has the obligation to assist as many cultural events as possible to foment fellowship and teamwork. For this, the Board is essential as they voluntarily, for mere cultural interest, assist all the activities in the said field.

*“Coming together is the beginning. Staying together is progress. Working together is the success.” (Henry Ford).*



In the above image can be seen a musical event renowned in the village of Búger. The A.C.A foundation collaborate with the auditions of the Association taking profit of its infrastructures and resources. As a mood of gratitude and appreciation, the Band and School assists to all the foundations activities. As well, the information reaches many of the Schools' students who also assist in these types of events, thus reaching the objective of the project.

### 3.4.FOURTH PHASE. Commercial Policy

#### Functions on marketing the project

Citation by Santesmases (2004): *“the marketing purpose is to satisfy needs and desires, and identifies, creates develops and fills the demand”*.

So, focussing on the project:

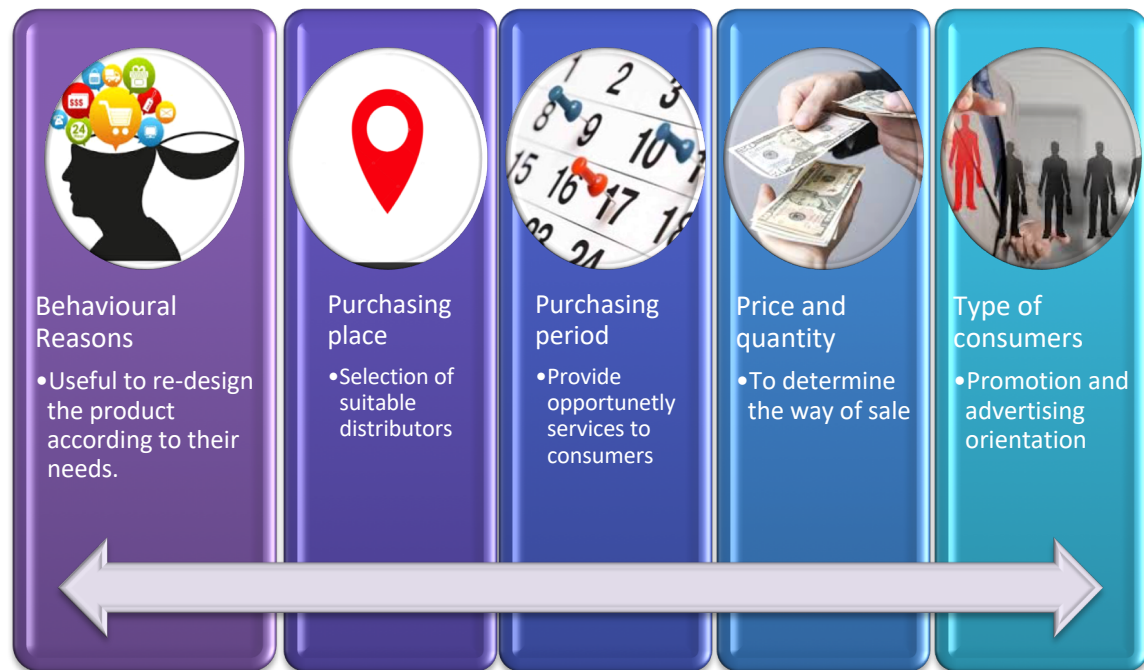
- Need. The social shortage of musical formation for everyone and a lack of participation of the lesser known instruments.
- Desire. The will that musical culture reaches the maximum number of people. Satisfying this need requires a knowledge of the personal characteristics of the individuals, the cultural, social and environmental factors. This is where marketing stimulation comes into play.
- Demand. Is the formulation of a desire conditioned by resources that the Association is prepared to contribute just like the formation, sacrifice and effort.

#### Positioning of the project

Just like Kotler cites, *“The position of a product is the form in which the consumers define it, in agreement with important attributes. It is the place that the product occupies in the mind of the consumer, in relation to other products of the competition.”*

The strategies of the positioning have a protection mechanism for the revenues of the project, along with maintaining leadership. Also, avoiding direct collision with the market leader, and at the same time, minimise the effect of future launches of new technologies (Marrón, 2019).

A part from this, there is a scheme that has to be strictly adhered to. Said scheme presents as an analysis of consumer behaviour; in the project in question analysed, it would be the schools' student. The purpose of this analysis is to adapt the product to the needs of the client, select the distribution channel that is most adequate, choose the best means of promotion and publicity, amongst many other aims.



**Source:** Urbano y Correa (2009): *Cómo evaluar un proyecto empresarial*. DÍAZ DE SANTOS. Own Elaboration.

## Marketing Tools. Marketing Mix.

The tools of Marketing Mix are:

- Product
- Price
- Distribution
- Promotion

The four aforementioned variables are controllable, so can be modified within limits: the product and distribution alter in the long-run. At the same time, the price and promotion are tactical tools; they can be modified in the short-term (David, 2009).



**Source:** Santesmases, M. (2004): *Marketing. Conceptos y Estrategias*. Ed. Pirámide, Madrid, P.98. Own project.

In the Associations' project, the key **product** is the quality of the classes adapted to all types of students. Also, as it is a long-term decision, it has been analysed along the years, and the conclusion is that what most satisfies the applicant of such a market.

As to **price**, the Association follows the legal framework of the Music Schools'. There are two different prices:

- Subsidised: the teacher receives 42,42€/h gross, and the student pays 65€/h.
- Non-subsidised: the teacher receives double, 84,84€/h and the student pays the same amount as they are receiving the same service.

The purpose of this difference in price is the extension of places without causing losses. Raising the prices of the hours compensates the business costs

(See annex 1. Subsidised Students (collective classes) )

(See annex 2. Subsidised Students (individual classes) )

As Urbano and Correa (2009) mention, *“A high price is often a synonym of quality. The price has a large influence over the incomes and benefits of the project as a short-term tool that can be modified rapidly”*.

In this case, a “Specialisation Strategy” is used given that there is a sale (and at the same time there is a charge) for over the usual price of the competitors. The factors that have motivated the project to carry out this strategy are the following:

- Intense commercial action: each time there are more individuals interested in this cultural project and form part of it.
- Specialisation of the product.
- Reduced actual market.
- Low level of competitors
- Little price-demand elasticity

With respect to **distribution**, it takes into account: the characteristics of the market and production, the distribution system that is usual in the sector, the available resources and of course the demands of the consumers.

Being a non-profit Association, the local council of Sa Pobla allows it the use of an establishment in a central zone and at the disposal of any individual.

The project makes the maximum use of the establishment. It is organised in such a way that all the classes are occupied in a manner that allows a one-hundred percent usage of the space.

Also, due to the massive growth of the Association, reaching almost 200 students, it has been necessary to create a waiting list owing to lack of space. An excess of students in a class could reduce the students' comfort and this leads to distraction, inability to follow the classes.

Lastly, and concentrating on the latest marketing tool, the **promotion** that is carried out is based on publicity.

*“Publicity consists in the creation and communication of ideas about commercial products that arouse in the potential consumer a motion to purchase. The publicity has to be: of a massive nature, rapid, and efficient”* (Urbano and Correa, 2009).

The Associations' project counts on personnel of the Board that publish all the activities in the social networks, daily. Also, the local council share this information immediately, so that this information reaches more individuals. Additionally, uncountable numbers of posters are made and hung in all the strategic places in the village, to increase the assistance to all the Associations' events.

The greatest incentive of the Associations' activities is that there is no charge, with the exception of those solidary concerts, whose benefits are destined exclusively to solidry causes.

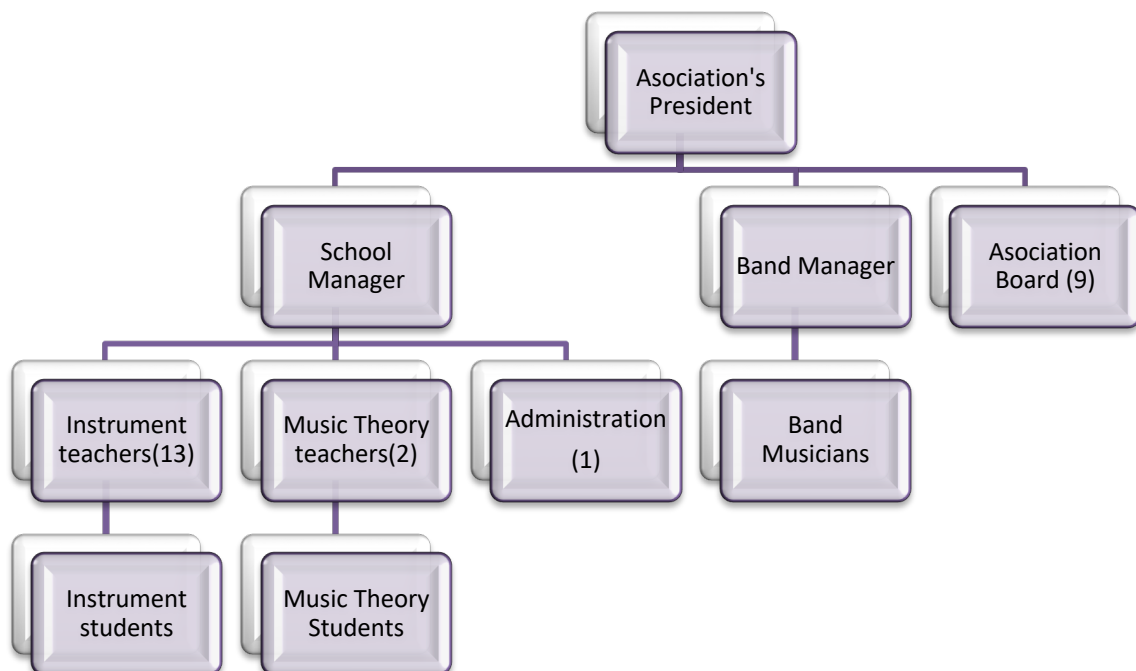
### 3.5.FIFHT PHASE.Organisational Design.

*“In the last years, the measure that the organisations have grown in complexity and size, and the adequate design of the organisational structure has become relevant for the achievement of the expected results, as much in the operative scope, and economical (production), as much in the social (quality service and personal motivation)” (Galán, 2006).*

According to Urbano and Correa (2009), the organisational structure is based on essential elements:

- The definition of hierarchy of authority. Here the individuals that make up the organisation coordinate. This gives the project a direct supervision, defines power, the responsibility and the attributes of each person in the organisation.
- The distinct posts in units or departments.

The analysis of the organisational chart of the Association. Just as Urbano and Correa (2009) define, *“The organisational charts is the graphic representation of the project’s structure, which allows to visualise correctly the relations that are produced between each distinct member that makes up the organisation”*



**Asociation’s organigram. Own elaboration.**

The Association counts with:

1. **The President of the Association:** Directing and administrating the whole Association. Carrying out the logistics, assisting all the acts, whether they are internal or external.
  
2. **School Manager:** apart from the Directors' post, she is the piano teacher and musical language teacher. She has an advance formation and also works hand-in-hand with the President in the task of achieving the objectives of the School. She assists to all the Schools' auditions and all the external activities of the Association.
  
3. **Band Director:** apart from this post, he is the trombone teacher at the School. Having formation in both orchestra conductor and as teacher in his speciality. He conducts all the Bands concerts, together with assisting and preparing the audition in his speciality. Like the Manager of the School, he works hand-in-hand with the President of the Association to accomplish the objectives of the same.
  
4. **Instrument Teachers:** there is a teacher for every speciality and each on has the right to apply their own method of teaching. It is essential that all the teachers possess a certified formation. Apart from this, all the teachers of instruments have the obligation to assist their auditions and prepare all students for them. Each teacher makes their own decisions within their own speciality, with the condition that they always count with the approval of the Director.
  
5. **Language Teacher:** the same as the instrument teachers have their own method of teaching, they have their respective pedological formation. Instead of audition, the language teachers encourage their students by means of competitions and musical language examinations.
  
6. **Personnel Administrator:** takes care of accountancy, billing and estimates.
  
7. **Board:** is formed by a people who are elected by vote amongst the musicians of the Band, the President of the Association and the Directors of both the School and Band. They assist all the internal activities of the

Association and help organise each event. The members of the Board are voluntary workers and are included in the Statutes of the Association.

In relation to what has been said before, the power of the association is distributed throughout the organisation, making it a decentralised structure. At the level of detail, it is about a **horizontal decentralisation**, as each individual works within their own specialisation according to their formation. For this type of structure, it is essential the trust and communication between everyone involved.

## 4. ECONOMIC EVALUATION CRITERIA

### 4.1. Revenue Summary.

(See Annex 5: Revenue Summary)

Following, all the information analysed in this point refers to **Table 5 of the annex**. As it can be appreciated in Table 5 of the annex, the revenue is divided in:

- **Enrolments:** are the influx of new students to the school. Each student pays around 30€ to enrol in the instrument desired and on fixed enrolment dates. There are around 193 fixed revenues in the budget; entrances that's are limited to space and infrastructure. Represents 94% of total annual revenues.
- **Monthly student fees:** are the bulk of the revenue. It refers to the payments that the students make for assisting the language and instrument classes; paying an average of 65€ monthly per speciality. The students playing in the Band, have a discount on the monthly fee as an incentive for forming part of the culture of the village. Represents 60% of the total annual revenues.
- **Contributions from the Band to the School:** they are those total costs that the school pays (cost of Director, student discounts, cost of administration personnel...) that the Band also enjoy. All these costs are divided to that all the Associations participate in the same degree of the projects' economy. Represents barely 2% of the total annual revenues.
- **Salary Director of the Band:** as commented earlier, the salary of the Director is a concept that only the Band enjoys; half of the Association. In this way, it is planned to create an internal transfer of the Band towards the School, where all the concepts enjoyed by all are paid; the Band Director, is at the same time, an instrument teacher of the School. It is 5% of the total revenues.
- **Subsidy from the Local Council:** the 29% remaining of the revenue summary make reference to a subsidy of 5000€ monthly, that they contribute to the Association taken under Convention. This contribution of income is paid monthly during the 9 months that the course lasts.



Having done this analysis, it can be concluded that the total of expected revenues of the Association follow two hypotheses:

- a) In the case of dependence on a local authority 158,054.77€
- b) In the case of completing the long-term objective economic self-supply (Association independent) 113,054.77€

Once done these hypotheses, it first sight it could be said, that the only thing that separates the Association from its economic independence is the annual 45,000€ contributed from the Local Council. There could be a period of austerity and achieve the objective in the long-term, but it's important to weigh up the alternatives and the inconveniences of having the public support of Sa Pobla. At times, the cultural Associations need the support of the local authorities to become known and to create a cultural ambience pleasing to all.

#### 4.2. Expenditure Summary.

(See Annex 4: Expenditure Summary)

As seen in the annex in Table 4, each one of the line item constitute a cost of the Association.

The dominating line items like Association costs are divided into two subgroups.

##### 1 – Personnel costs (salaries)

93% of the Associations costs refer to salaries of the staff, being either instrument or language teachers, and salaries of the respective directors.

- Annual hours: A total of 5,481 hours are dedicated annually to classes. The School opens every afternoon Monday to Friday and is open on Saturday morning. However, within this computation of hours, the hours of rehearsals, auditions and concerts are not taken into consideration, but are also fruit of the productivity of the hours of class. Represents 90% of the personnel costs.
- The remaining 10% refer to the costs of the Directors of the Association (that are at the same time, instrument teachers) and the eleven School-event teachers.

## 2 – Other Costs

The remaining 7% of costs of the Association refer to:

- Management service: for salary services Model 347 and legal aspects, amongst others.
- Bank costs: commissions for materials and other provisioning.
- Administration costs: the Association counts on the help of an accountant who is responsible for keeping up-to-date a summary of all incomes and costs. Also, the organisation of the bills, provide the estimates and the accountability models be presented, such as goods model ledger of suppliers and accountancy.
- Data protection through a specialised company in the Data Protection of Music Schools. It is an essential expenditure, seeing as that many of the Schools' students are minors and require authorisation to appear in social networks and public appearances.
- Insurance: for instruments, medical insurance for staff (prevention of risk service).
- Management of Ender Course: to update the leadership technique, each year the Director of the School assists a course relating to leadership strategies, marketing, communication and computer skills with the aim to innovate its formation.

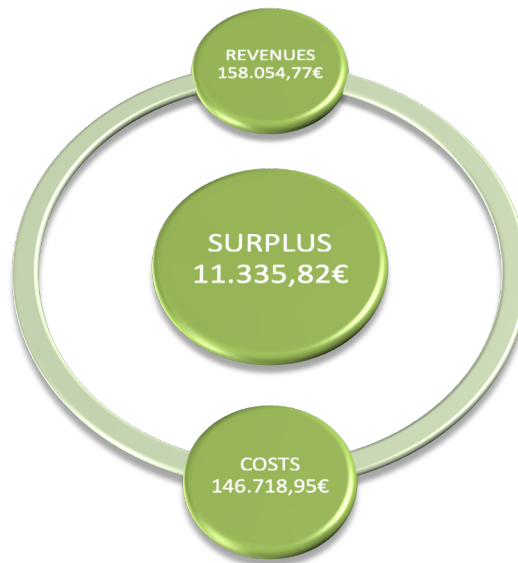
To summarise, the total expenditures of the Association are 146,718.95€, an amount inferior to the revenues, but limited of it does not count on the support of public subsidy.

Once finished this study, we can corroborate that the hypothesis of economic independence cannot take place in the short-term, because the costs would be higher than the revenues, therefore there would be a deficit.

### 4.3. Relation of revenues and expenditures.

Once finished the summaries of revenues and expenditures, it is necessary to carry out an overall study of both hypotheses:

Hypothesis A) Counting on the 45,000€ annually from the Local Council, we obtain surplus.



**HYPOTHESIS A) Relation of revenues and costs.** Own elaboration

Hypothesis B) Own auto-supply: without counting on the 45,000€ annually from the Local Council, we obtain a deficit.



**HYPOTHESIS B) Relation of revenues and costs.** Own elaboration.

## 5. CONCLUSIONS.

### SOCIAL POINT OF VIEW

Concluding the study, it could be said that at a social level, it meets its objective of inclusive education and that of potentiating the deficient specialities. With this project, the Association grows equitably and potentiates team-work and communication. Also, the fact of having an internal Board that at the same time participate in the recreational activities and the concerts, helps to value their work in vocational terms, seeing the source of the problems with more clarity as they are participants in them.

Concentrating on the cultural aspect, the fact of forming a part in the village activities, provokes an awareness raising exercise in all those participants; as much in the musicians as the spectators. With the project, culture reaches more ears, promotes the interest and stimulates to take part in the village activities.

In this sector, fellowship is essential, another strong point that boosts the project. The advantage that the same student goes through the evaluation of two different teachers (at least), promotes wider aspects to improve in their instruction apart from encouraging the assistance to the rest of their companions' acts, be they in their speciality, or another.

What's more, the social situation is a continued movement that poses for numerous phases very close in time. The project is based on the idea of Philip Kotler *"the poor companies ignore their competitors: the mundane companies copy from their competitors; the winning companies mark their competitors' route."* According to this, wanting to emphasise that this project has, as an objective, marked the route of the rest of the music schools, collaborating together in putting innovated ideas and services, with the sole idea of becoming companions instead of competitors.

Also, reaching sub-objectives, like equality between genders: the school has exactly half- and-half of both genders. What's more, both the School Director and the Band Director provide knowledge with a perfect symbiosis between two different teaching methods; covering at the same time, their respective lacking's, and in this way offering a quality service for all types of students. Having said this, and as a final input to this point of view, it could be said that the projects' social objective is achieved.

## ECONOMICAL POINT OF VIEW

After seeing the summary of revenues, and expenditures, the conclusion is that in the short-term, it is not feasible to stop receiving the subsidy from the Local Council being an objective not reached.

On the contrary, following the first hypothesis and receiving the annual 45,000€, there is a benefit of 11,335.82€ that could be interpreted as an investment for plans and objectives.

Another factor that hinders the fulfilment of the objectives is the fact of counting on limited infrastructures. Many of the places cannot be offered, owing to the lack of space. This object is probably the most difficult one, due that it requires the most economical effort, seeing as the building is a public one, at the time does not have a monthly cost in rent. The need to invest in an infrastructure would go over the budget at this moment, being needed a year of austerity to cover the cost over a long period.

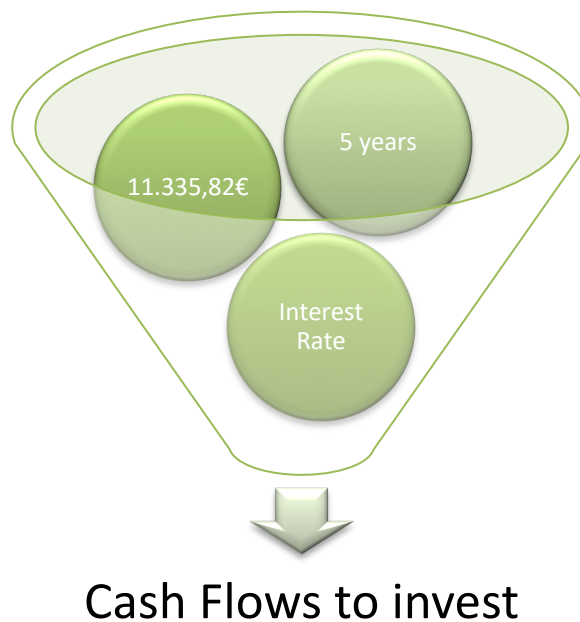
Relating to revenues it can be concluded that it is the most determining concept in the project. Seeing that it can be observed that the influx of the main revenue are the student fees, as it has been said in the respective part, forms part of the 60% of the total revenue. Having made this provision, it is the section that has to be maintained as it is the main revenue of the Association, so it should be maintained and even potentiated in the long-term.

In terms of cost, it is essential to mention the personnel costs being a vital expenditure for the project, having the fixed price of 84.84€ per hour non-subsidised, and half that price for subsidised. The hour covers, with success, the needs of the project, inclusively getting to the point where it is amongst the schools with the highest tariffs, which attracts the qualified teacher to this workplace. If you pursue what you know, like the philosophy of Henry Ford, *“the rule for the business man is to make products of the best possible quality at the least cost, and paying the highest salaries possible.”* With this emphasising, thanks to the price distinction that the student pay less than the competitive schools and at the same time the teachers earn more than in the rivals’.

## 6. RECOMMENDATIONS.

### Scenario 1

As a starting point, the emphasis is put on the failed objective: the economical self-supply. The possible solution to the problem is based on a long-term plan, by maintaining the benefit during a provision of 5 years for investing in a future infrastructure, growing in such a way that it can be achieved at 45,000€ minimum annually: the bigger the infrastructure, all the more space to offer more places for instruments and, in this way, obtaining more influx of revenues.



### Cash Flows, Hypothesis A. Own Elaboration.

With this capital, a great part of it will be designated to the improvement of the Associations' installations. As a starting point, a study of the possibility of changing the establishment to gain space and potentiate the highest flow of revenues to the Project: the fees of the students, more influx of students, better the flow of revenues.

Counting on this investment, the actual failed objective of the Project could be achieved: the auto supply of the Association. It could be added, that the fact of not depending on the Local Council could be harmful for the Association, given that it plays an important part in Sa Pobla. It is important to choose the right moment to make this decision anticipating any kind of reaction.

In the case of following this strategy, a change of infrastructure could be reached, more available space and as a result, offer more instrument places. As commented before, the biggest flow of revenues of the Association is the student fees, so if this is altered to a raise, it is to be expected that the rest of the teachers will also get a raise.

Also, not depending on the Local Council of Sa Pobla means that the Association could take part in other cultural activities in Majorca, make itself known, inclusive, and collaborate with the rest of the Associations in other villages. Creating indefinite growth in the long-term.

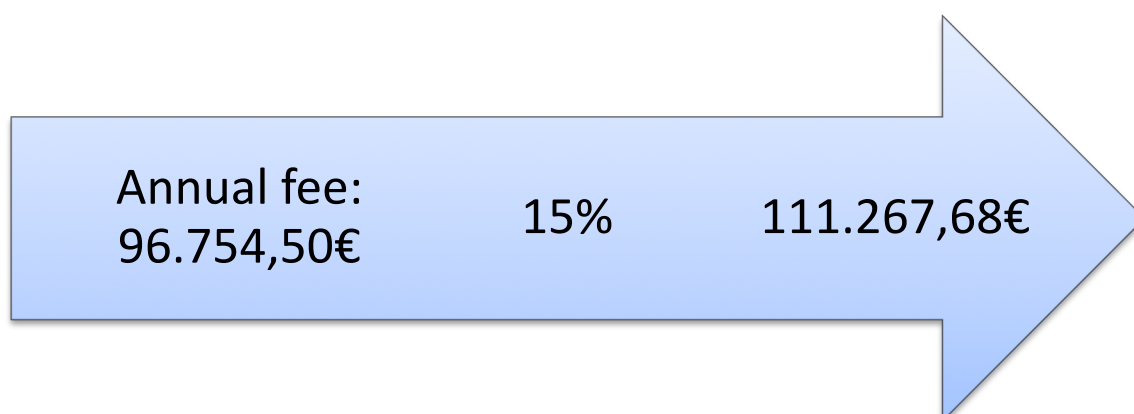
After this conjecture, and bearing in mind the difficulty of execution involved (it is a strategy that requires constant adversity to risk) the objectives, deficient of the project, can be considered settled. Nevertheless, words such as strength, solvency, constancy and sacrifice will be present at all times.

## Scenario 2

As an alternative to this recommendation, it can be taken to study the following scenario: if the revenue flow is potentiated during 5 years, and at the same time the fees of the students are raised, the time of being able to not depend on the Local Council could be reduced.

As a mode of study, the student fees could be raised 15% to give a greater margin of revenues resulting in a bigger investment in capital, obtaining this way, a margin of 14,513 € superior to the necessary margin for investment.

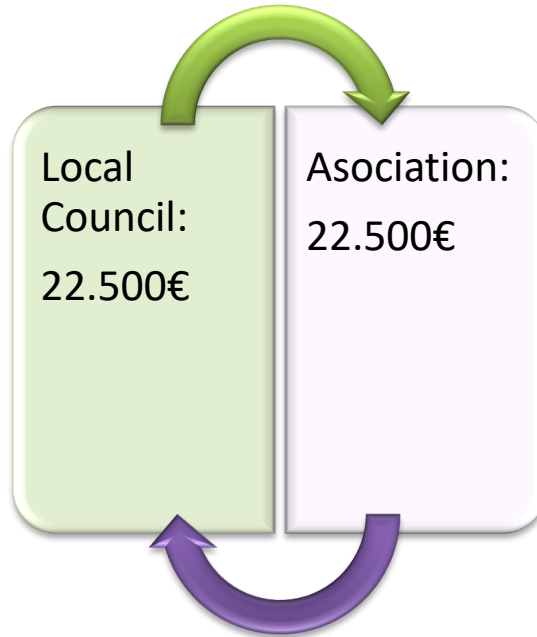
(See Annex: Table 5. Revenues)



### Scenario 3

Considering the subsidy from the Local Council, it could be taken to study the lack of the “dependence factor”. This is, in a way, the decrease of the subsidy and in this way, the increase in margin of free economic administration.

In this manner, the Association still count on the support of the Local Council and at the same time has a partial dependence of the same.



This analysis will close by mentioning the American economist William Clement Stone expressing constancy and effort as the key to success *“when you go for something, don’t return until you have obtained it”*.



## 7. ANNEX OF ESTIMATE TABLES.

TABLE 1. SUBSIDISED STUDENTS.

Collective Classes	Minutes Per Class	Number of Students	Places	Weekly hours
Music (4 years)	90	19	19	1,5
Music (5 years)	45	13	13	0,75
Rotation (5 years)	90			1,5
Music (6 years)	120	26	26	2
Rotation (6 years)	120			2
Initial course	60	15	15	1
1 <sup>st</sup> Course: Elementary	240	24	24	4
2 <sup>nd</sup> Course: Elementary	120	18	18	2
3 <sup>rd</sup> Course: Elementary	120	12	12	2
4 <sup>o</sup> Course: Elementary	180	14	14	3
Nivelation	60	7	7	1
Advanced 1	60	8	8	1
Advanced 2	60	0	0	0
Dancing classes (group 1)	120	0	0	0
Dancing classes (group 2)	120	0	0	0
Dancing classes (group 3)	60	0	0	0
Dancing classes (group 4)	60	0	0	0
Colective Singing lessons	60	0	0	0
Colective Band lessons	120	28	28	2
Combo	60	0	0	0
Modern Music lessons	60	5	5	1
Sibil·la Course	45	0	0	0
“Xeremies” Course	60	5	5	1
3 years’ course	60	0	0	0
4 years’ course	60	0	0	0
Free	60	0	0	0
<b>OVERALL STUDENTS (COLLECTIVE CLASSES)</b>			<b>193</b>	<b>25,75</b>

**TABLE 2. SUBSIDISED STUDENTS (individual classes)**

INDIVIDUAL CLASSES	Minutes per classes	TOTAL PLACES		SUBSIDISED PLACES		NON SUBSIDISED PLACES	
		Students	Initiation Students	Students	Initiation Students	Students	Initiation students
Piano	60	28	1	20	0	8	1
Chorus	45	10	0	5,3	0	4,7	0
Guitar	60	12	2	6	0	6	2
Percussion	60	11	4	8	0	3	4
Flute	60	10	0	6	0	4	0
Clarinet	60	9	0	8	0	1	0
Oboe	60	3	0	2	0	1	0
Saxophone	60	11	5	6	0	4	0
Trumpet	60	5	1	4	0	1	1
French Horn	60	3	2	2	0	1	1
Bombardino	60	2	0	1	0	1	0
Tuba	60	1	0	1	0	0	0
Trombone	60	7	2	4	0	3	2
Violoncello	60	5	0	3	0	2	0
Violín	60	3	1	2	0	1	1
Free	60	0	0	0	0	0	0
<b>Overall Students (individual classes)</b>		<b>120</b>	<b>18</b>	<b>78,3</b>	<b>0</b>	<b>41,7</b>	<b>18</b>

Overall Students: 197

**TABLE 3. PROFESSORS' SUBSIDISED HOURS.**

<b>ESPECIALITY</b>	<b>MAXIMUM SUBSIDISED HOURS</b>
Piano	20
Music Theory	14
Dancing lessons	3,25
Oboe	2
Chorus	5,3
Guitar	6
Percussion	8
Flute	6
Clarinet	8
Saxophone	4
Violoncello	3
Violín	2

**Inclusive Education:**

**Percussion:** additional information

- 25% of the students are in Initiation Level
- 25% of the students have and adapted educational analysis.

**Saxophone:** additional information

- 75% alumnos son de iniciación
- One student has and adapted educational analysis.

**TABLE 4. EXPENDITURES.**

	<b>Weekly hours</b>	<b>Monthly hours</b>	<b>Annual hours</b>	<b>Monthly cost</b>	<b>Annual Cost</b>
Total hours	152,25	609	5481	- 13.661,89€	- 122.957,01€
School's Direction	5,50	22	198	-622,24€	-5.600,14€
Eventual Teachers' compensation	-	-	-	-	-519,22€
Band's Direction	5,50	22	264	-666,75€	-8.001,00€
<b>TOTAL COST (SALARY)</b>				<b>-14.950,88€</b>	<b>-137.077,37€</b>
Consultancy				-312,88€	-3.754,60€
Banking costs				-64,23€	-578,04€
Administrative Costs				-250€	-3.000€
RGPD					-150€
Labour Risks					-748€
Assurances					-1.120,54€
Ender Applications					-290,40€
<b>TOTAL "OTHER COSTS"</b>				<b>-1.071,29€</b>	<b>-9.641,58€</b>
<b>TOTAL COSTS</b>				<b>- 16.302,11€</b>	<b>- 146.718,95€</b>

**TABLE 5. REVENUES**

	<b>MONTHLY REVENUES</b>	<b>ANNUAL REVENUES</b>
Registration		5.790€
Monthly Student Fees	10.750,50€	96.754,50€
Band Contribution	209,11€	2.509,27€
Band Director's wage	666,75€	8.001€
<b>TOTAL REVENUES PREVISION</b>		<b>113.054,77€</b>
Annual Subsidy		45.000€
<b>TOTAL REVENUES</b>		<b>158.054,77€</b>

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