

SARASOTA **OPERA**

CONFIDENTIAL

# **SARASOTA OPERA**

## **Costume Studio**

---

---

**Business Plan**  
Prepared July 2023

### **Contact Information**

Richard Russell

[rrussell@sarasotaopera.org](mailto:rrussell@sarasotaopera.org)

941-366-8450

<https://www.sarasotaopera.org/>

61 North Pineapple Avenue

Sarasota, Florida 34236, USA

# Table of Contents

Executive Summary .....	1
Opportunity .....	1
Expectations .....	4
Organization .....	6
Overview .....	6
Team .....	10
Opportunity .....	14
Problem & Solution .....	14
Target Market .....	20
Competition .....	25
Execution .....	31
Marketing & Sales .....	31
Operations .....	37
Milestones & Metrics .....	42
Financial Plan .....	45
Forecast .....	45
Financing .....	47
Statements .....	49

# Executive Summary

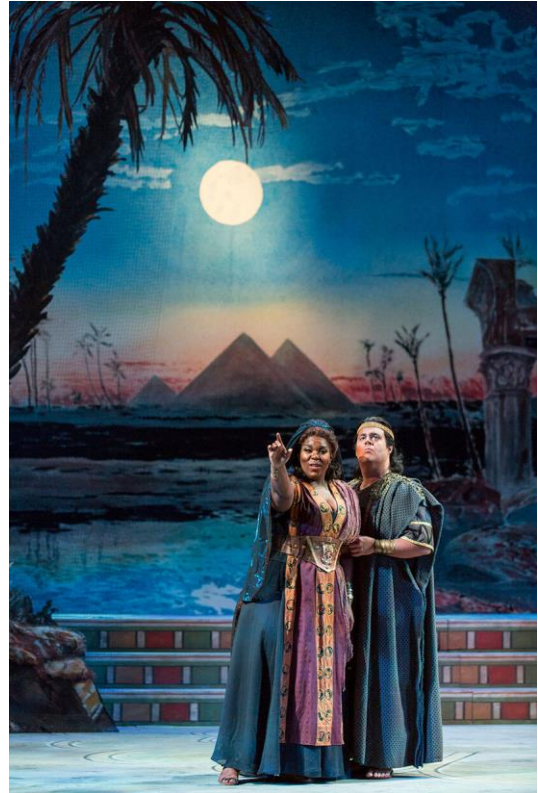
## Opportunity

### Problem

Opera is the art form that brings together multiple disciplines: music, drama, dance, and scenic design. A most important element of opera are costumes. The bulk of the operatic repertoire is made up of stories that take place in historic time periods that require appropriate clothes. In addition, the number of characters and chorus members, and multiple scenes per opera mean that many costumes are required for a high quality operatic performance.

These premium quality clothes, which are made to withstand repeated performances and the various sizes of performers are expensive to build, costing \$1,000-2,000 per costume. COVID and inflation has exacerbated the pressure on most opera company's budgets. Few medium sized and small opera companies have the financial or logistical resources to build these costumes in-house. The most cost effective option for many is to rent them or significantly downgrade their artistic product.

The availability of high quality rental costumes has decreased in recent years as commercial rental houses have closed and the stock of usable clothes has decreased.



## Solution



In 2019 Sarasota Opera had the opportunity to purchase the stock of Malabar, Ltd., one of the largest costume rental companies in North America. This collection of over 50,000 costumes have

been used by the U.S. and Canada's leading opera houses for decades. Added to Sarasota Opera's existing stock, the company is now uniquely positioned to be the most significant resource of opera and other costumes on the continent.

By expanding its rental inventory, Sarasota Opera can now offer these clothes to opera companies at cost that is significantly more economical than building them themselves. The company is also able to service the market at prices that are lower than those of most competitors and offer extremely high quality. This acquisition also protects Sarasota Opera's costume needs for the foreseeable future.

## Market

The primary market for costume rentals are the 81 professional opera companies in the U.S. and Canada with budgets over \$1M. In addition, there are 66 universities and colleges with opera programs who are potential rental clients.

There is also growth possibilities in the area of film and television companies, as well as professional theaters and college theater programs.

## Competition

In the opera production space, the primary competition are several opera companies with sizeable inventories. These include Utah Symphony and Opera, Seattle Opera, Santa Fe Opera, Opera Theatre of St. Louis, and Tricities Opera. These collections are smaller than Sarasota Opera's and are generally more expensive, or if not, are of much lower quality.

There is one commercial competitor in the market, Wardrobe Witchery of Pensacola, FL. Although competitively priced with Sarasota Opera, their inventory is much smaller and is the work of a single designer.

## Why Us?

Sarasota Opera can offer rental clients an expansive collection of operas to choose from. There are currently 135 complete opera productions in inventory, and a wide array of costumes that can be assembled to create a production of a title not currently on our list. Clothes range in period from the Roman era to the 20th century and are available in an extensive variety of sizes.



In addition to offering complete operas, Sarasota Opera can offer designers the opportunity to visit the collection to assemble their own production from the

available stock. We also have an in-house design resource available to create a production from our collection.

Finally, our pricing is competitive with or lower than any of our peers, while guaranteeing a product of the highest quality.

## Expectations

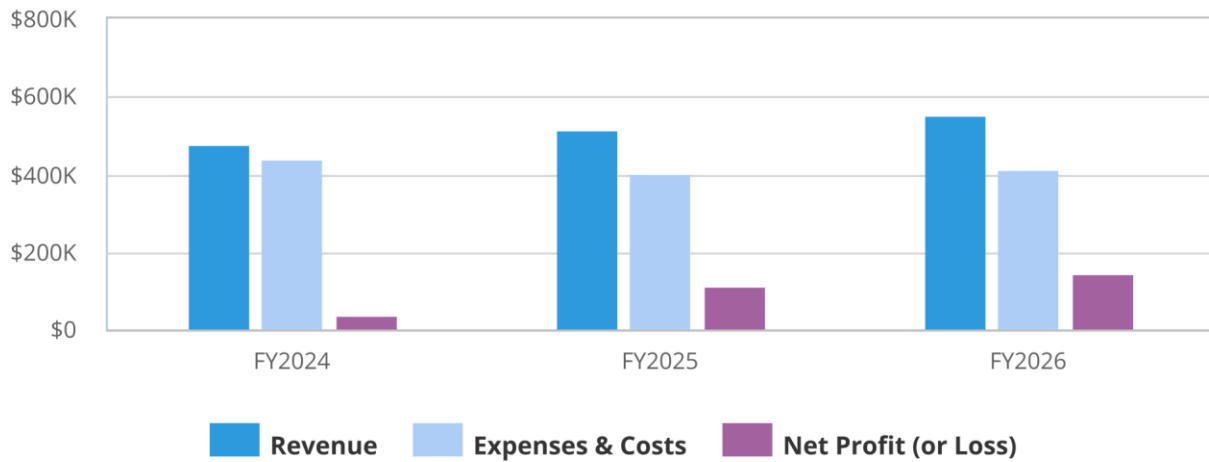
### Forecast

After several years of running this expanded business, mostly during a pandemic, we think it was important for us to revisit our business plan and to identify those needs that will help the initiative move forward and generate the level of revenue of which we believe it is capable. Now that we are in the new warehouse, there are equipment needs that will help us maximize our resources, including a genie lift to utilize the third story of storage, a van to help transport the costumes from workshop to warehouse, and washing machines to minimize trips to the cleaners when items are returned dirty.

We also need to expand our staffing to have dedicated resources for business development and marketing. To maximize our staff's effectiveness, we also need an inventory and sales tracking system.

With these resources in place, we believe we will be able to increase our share of the market-place and achieve our objective of being the premier supplier of opera and theatrical costumes in North America.

## Financial Highlights by Year



## Financing Needed

We are hoping to increase the capacity of our costume rental business by seeking investment to help us expand. Because of the challenges of re-building our opera audience and donor base post-COVID, it is challenging to find the needed funds from Sarasota Opera's operating budget.

In order to devote the resources necessary for business expansion, we are seeking \$160,000 in investment from our individual and institutional donors to ensure that this business achieves its potential to expand and generate additional revenue in support of Sarasota Opera's mission.



# Organization

## Overview

### About Us

**Based in Florida's beautiful Gulf Coast, Sarasota Opera is now in its 64th season.**

Sarasota Opera is Florida's leading opera company, producing a world-renowned Winter Opera Festival with four operas and a fall season, featuring one opera.



Under the artistic leadership of Victor DeRenzi since 1982 and General Director Richard Russell since 2012, Sarasota Opera is the only opera company in the world to have produced all of the works of composer Giuseppe Verdi. The quality of its performances have garnered the company national and international attention.

The Sarasota Opera House, where the company has performed since 1984, has been called “one of the finest venues for opera in America” by Musical America.



## Mission and Core Values

### Our Mission

Sarasota Opera produces impassioned opera performances true to the vision of the composer, to entertain, enrich, educate, and inspire a life-long love of opera in our diverse and growing communities.



### Our Core Values

**Community:** We will represent and serve all who live, visit, and work in our region

**Excellence:** We will maintain high standards in everything we do on and off the stage

**Faithful to Composer:** We will honor the composer's musical intent

**Financial Stability:** We will be fiscally responsible and financially stable

**Integrity:** We will always operate in a manner that treats everyone at Sarasota Opera and in our community with honesty, fairness and respect

### Our History

In 1960 the touring Turnau Opera Players presented their first season in the

historic 320 seat Asolo Theater on the grounds of Sarasota's Ringling Museum of Art. The following year the Asolo Opera Guild was formed to support the annual visits of the Turnau company. In 1974 the Guild formed the Asolo Opera Company to begin producing opera locally. Recognizing the need for a theater more conducive to opera, the company purchased the former A.B. Edwards Theater in downtown Sarasota in 1979. Renovations began in 1982 and the theater, now on the National Register of Historic Places, opened in 1984 as the Sarasota Opera House, with the opera company now called Sarasota Opera.



Since 1983 the company has been under the artistic leadership of Victor DeRenzi. Recognizing the importance of training, Maestro DeRenzi founded the Apprentice Artist and Studio Artist programs. Sarasota Opera also maintains a commitment to education through its performances for local schools and the unique Sarasota Youth Opera program, currently the most comprehensive youth opera program in the nation.

Sarasota Opera began attracting international attention with the Masterworks Revival Series, which presents neglected works of artistic merit and made history in 2016 by completing the Verdi Cycle, a 28-season effort to produce every work written by Giuseppe Verdi. Sarasota Opera is now the only opera company in the world to have presented every work, in every version and Maestro DeRenzi is the only conductor to have conducted all the composer's works.





The Sarasota Opera House completed a \$20 million-dollar historic renovation and restoration in 2008. The project was designed to restore the historic 1926 theater to its original glory, while creating a venue for opera for the 21st century. Decorative details have been restored, seating has been replaced, and the orchestra pit almost doubled in size to accommodate operas that require larger orchestras. Backstage systems have been updated and public areas and amenities expanded and enhanced.

Richard Russell, a former Sarasota Opera Apprentice Artist, rejoined the company in 2012 as Executive Director, now General Director, and lead the building of the Steinwachs Artist Residences and the acquisition of an historic collection of over 100,000 opera costumes to create the Sarasota Opera Costume Studio. He and Maestro DeRenzi managed the company through the COVID pandemic and into its 64th season.

## Location & Facilities

The **Sarasota Opera House**, purchased by the company in 1979, reopened in 1984, and renovated again in 2008 has been called "one of the finest venues for opera in America" by Musical America. The 1,129 seat theater was built in 1926 as the A.B. Edwards Theatre. The venue was a former vaudeville and movie house, that hosted many great attractions over the years, including the Ziegfeld Follies, Will Rogers, Sally Rand, Tommy Dorsey, and Elvis Presley. The world premiere of the film *The*

*Greatest Show on Earth*, directed by Cecil B. DeMille, filmed mostly in Sarasota, was held there in January 1952 with many of the stars in attendance.



The theater complex was expanded in the mid-eighties with the construction of the Artist's Wing, including several rehearsal rooms, dressing rooms, and a scenic bay. In 1995 Sarasota Opera acquired the adjacent building, now called the **Jonas Kamlet Education Wing**, to house education programs, production offices, and additional rehearsal spaces.

In the mid-eighties Sarasota Opera purchased 16 apartment units on 2nd Street within walking distance of the Opera House. These were sold in 2016, when 30 new condo units were built in the burgeoning Rosemary District, to create the **Steinwachs Artist Residences**. The residences house up to 70 artists during the Opera season, and are rented to other non-profit organizations at other times of the year, providing safe and comfortable housing to Sarasota's non-profit community.

The company also leases two warehouses: one to store sets and props and the other to house an historic collection of over 100,000 costumes, which are also available to rent to opera, theater, and film companies.

## Team

### Our Team

**Richard Russell** - General Director

**Victor DeRenzi** - Artistic Director

**Kenneth Tarasi** - Director of Finance

MEET **OUR**  
**TEAM**



**Marco Nisticò** - Artistic Administrator

**Scott Guinn** - Director of Development

**Stephen Baker** - Director of Marketing

**Martha Collins** - Director of Education

**Jesse Martins** - Youth Opera Music Director and Music Administrator

**Scott Keclik** - Director of Production

**Jeremie Guglielmi** - Director of Facilities Operations

**Susan Ashcraft** - Director of Patron Services

**Howard Tsvi Kaplan** - Resident Costume Designer

**John Tully** - Costume Administrator

## **Board of Directors**

### **Chair**

Arthur Siciliano

### **Vice Chair**

Katherine Benoit

### **Treasurer**

Ron Archbold

### **Secretary**

Steve Sabato



## **Trustees**

J. Sumner Bagby  
Ulysses Brualdi  
David Chaifetz  
Syble DiGirolamo  
Carol English  
Frances Fergusson, Ph. D  
Roger S. Kaufman, M.D.  
Waldron Kraemer  
Rosanne Martorella  
Mary J. Mitchell  
Toby Siegel  
Janet Stern Solomon  
Susan K. Straus  
John Suhre  
Bill Tompkins  
Michal Wadsworth  
Donald J. Worthington

## **Emeritus Trustees**

Edward Bavaria  
Murray Bring  
Harold Ronson

## **Sarasota Opera Guild**

Meryl Gale

## **Manatee Opera Guild**

Richard DeGennaro

## **Legal Counsel**

Jeff Troiano



## Key Planned Hire(s)

To expand the Sarasota Opera Costume Studio's capacity, we plan on hiring additional staff in the near future:

Fall 2023: Two part time staff.

- One will work remotely on business development initiatives including marketing, customer tracking, and inventory management.
- One part-time staff will be available as needed to help service client requests: pulling and packing of costumes and shipping.

June 2024

- The remote part-time staff member will be available to join us full-time to expand their role. We have identified this person who was worked with us in the past and is currently working at another institution, where some of their responsibility is in managing costume rentals.
- The part-time staff person will continue to work with us in services requests.

# Opportunity

## Problem & Solution

### Problem Worth Solving



Access to high quality opera costumes, appropriate to the time period and able to accommodate artists of various sizes, becomes increasingly more difficult each year. Costumes can cost between \$1,000-2,000 each to build and hundreds of costumes are needed for each production. Fabric is becoming more difficult to find and more expensive and labor costs are rising.

One option for opera companies is to rent costumes, but the market of available costume stock is shrinking. The problem has been exacerbated by COVID. A number of costume rental shops have closed and the only sources are larger opera companies, whose costs are high due to obligations to designers and directors, or to rent inferior quality costumes.

### Validation of Problem



Malabar Ltd., a Canadian company that had one of the largest stocks of costumes available for rental was closing due to the increasing age of the owner and lack of successors to take over the business. One possible buyer of the company was an existing costume company that wanted to use the stock to enhance their stock of

Halloween costumes available for rental.

A.T. Jones, the next largest opera costumer, closed during COVID and sold off the stock to a theater company.

Sarasota Opera has been a Malabar customer for over 30 years and without that stock to rent the company would either have to build new costumes or seek out sources that would more than double the company's costume budget.

As the performing arts emerge from COVID, many companies are reviewing their business models and looking for greater efficiencies. Some companies, who had been Malabar customers in the past, are happy to have continued access to these costumes. Others are reconsidering the cost considerations of building costumes and are contemplating renting rather than creating their own costumes. Having access to a wide variety of high quality costumes provides them with alternatives.

## Our Solution



After in depth financial and business analysis, in 2019 Sarasota Opera purchased the opera costume inventory of Malabar Ltd. The intent was to provide costumes for the company's productions and to rent to other opera companies. This would be a dramatic expansion of Sarasota Opera's existing costume rental business and provide additional earned revenue to the company, going back to the

operating budget.

In the spring of 2020 the COVID pandemic shut all performing arts venues and suspended most companies' activities. Sarasota Opera had planned to take over all of Malabar's existing customers and build the business, but now all rental orders were canceled or postponed until such time as performances resumed.

Some rental business was possible to the film industry. Opera performances began again in the summer of 2021, but the activity was limited, and most productions were small, on reduced budgets. It was only at the beginning of 2022 that larger scaled performances became possible, although many companies pulled back or canceled after COVID outbreaks.

In the meantime Malabar closed their entire business and donated the rest of their costume inventory (non-opera), fabric, and equipment to Sarasota Opera.

Sarasota Opera now has over 50,000 individual costumes (over 100,000 costume pieces) which include 135 individual opera productions (some popular titles with several different production styles or time periods), making this the largest collection of opera costumes available for rental. The range of the costume stock also make it possible to assemble productions for theater and film companies.

Rates to rent these costumes range from \$138-\$200 per costume for a two-week period, depending on the number of costumes rented and whether they are principal artists or chorus. There are additional charges for longer rentals and for rush service.

As activities resume to a fuller extent, Sarasota Opera will continue marketing costume rentals to opera companies, university theater and music programs, and to the film industry.

## Validation of Solution



Orders for costume rentals are steadily increasing. Multiple inquiries are coming in per week and the revenue is growing.

As companies review their operating models in the light of COVID, institutions are revisiting building their own costumes and considering

rentals. With the expanded stock due to the Malabar donation, Sarasota Opera is now able to service a wider variety of productions.

With still limited in-person opera and theater performances, in 2021-2022 Sarasota Opera was able to generate approximately \$180K in rental revenue and is on track to realize \$300K in 2022-2023.

In the last year customers have included:

- Believe Media
- HBO
- Counterpoint Films
- Des Moines Metro Opera
- Piedmont Opera
- Opera Colorado
- Arizona Theatre Company
- New Orleans
- Florida Grand Opera
- Indiana University
- Huntington Theatre
- Florentine Opera
- Michigan State
- Texas A&M
- Virginia Opera
- North Carolina Opera
- Palm Beach Opera,
- Opera Tampa
- North Carolina School of the Arts
- Pittsburgh Opera
- Central City Opera
- Calgary Opera

We received multiple inquiries per week for rentals and many turn into signed contracts. Many of the inquiries are repeat requests and we have productions booked out to 2025.

After using our costumes for their production of H.M.S. Pinafore, Sarah Beckham-Turner, opera director wrote: "I was blown away by how helpful Howard and the Sarasota Costume Shop were in meeting our every need. The costumes arrived early and clearly labeled for each cast member. The students all loved the costumes and with our limited set, the beautiful costumes brought so much life to our show. I will definitely be renting from Sarasota again."

## SWOT Analysis

**Strengths** - we own the largest inventory of opera costumes in North America. We have a talented costume designer running the business who can help clients pull together productions. We price the rentals lower than most other sources and lower than building their own costumes. The costumes are of high quality and can survive multiple performances.



**Weaknesses** - We have limited staff to service clients and given our resources we occasionally have to turn business down. We have yet to build up our staff or marketing capacity. We are perceived as having only period costumes, although that is not entirely true.

**Opportunities** - Opera companies are looking for high quality costumes and reducing costs. Our offering offers both. We have potential markets with existing opera companies and university opera programs. We also can accommodate many theater productions as well as certain film projects.

**Threats** - There is little competition in this space, but it does exist (although at lower quality or higher cost). Also, some opera companies are turning to modern productions and utilizing other sources for costumes (especially if they do a limited run). Some companies are moving to smaller productions to cut costs.

## Risks & Mitigation

While Sarasota Opera is well positioned to take advantage of this business opportunity, there are a few risks which we will do our best to mitigate.





## **Risk #1: Staffing**

At the current time we have limited staff devoted to this business. Howard Tsvi Kaplan, our resident costume designer, has been hired on a part-time basis to manage the rental business. He is conversant with the stock of costumes from long experience with Malabar, with whom he worked for over 30 years, and Sarasota Opera. He knows the market and has connections with others in the industry.

John Tully is our costume rental coordinator and is devoted full-time to the costume rental business. He has knowledge of the stock and is able service requests.

We are able to over hire to help when there is a high volume of requests and costumes being sent out or returned. This staff requires minimal knowledge but does need to be available at important times. However, during our opera season (which is also the same time that other local theaters are busy) there are a limited number of candidates to help, and we have had to turn down some business, especially rush business, due to not enough resources to service the requests.

In time, lack of staffing will also impede the restocking of costumes as they are returned and create additional inefficiencies.

In the future, we will also need skilled workers to repair or alter costumes and potentially to build new costumes to replace costumes that have worn out or to accommodate sizes we may not have available.

We also need to plan for the future of the business in case Howard Kaplan should no longer be available to service requests. Much of our current business is reliant on his expertise and knowledge of the costumes.

## **Risk #2: Marketing and Technological Resources**

At the current time our marketing efforts have been limited, and we have primarily utilized word-of-mouth to build business. Our marketing staff whose primary function is to market our opera season has provided some resources in creating ads for industry publications.

While this has been appropriate as business ramps up, in order to expand we will need more dedicated marketing resources to reach a wider audience. This will include:

- Attending trade shows
- More print ad and social media placement for awareness
- A dedicated website to allow potential customers to peruse the stock and sizes in more detail

The last item would be tied to an inventory system, an investment in which would allow for more efficient processing of orders and also mitigate against over reliance on one staff person.

## Target Market

### Market Segments and Size



#### Primary Market #1: Professional Opera Companies

The service organization for the opera field lists 199 professional opera companies. Of this number, 11 are Level 1 companies (budgets over \$15M) who likely have sufficient capacity in house to build their own costumes (although we have received some inquiries from one Level 1 company). More likely budget levels 2 and 3 companies (70 companies with budgets over \$1M) will be our primary markets, with some limited possibilities from level 4 and 5 companies (with significantly smaller budgets).

## Primary Market #2: College and University Opera Programs

Opera America lists 66 educational members who are also part of our target market.

### Market Growth



Within the key markets of professional opera companies and college opera programs, the market size is fairly stable and unlikely to grow substantially. The number of professional opera companies (using the membership in Opera America as a gauge) has remained around 200 for the last 10 years. Happily most companies survived the pandemic and the field did not see the casualties experienced during the last recession, when five significant opera companies folded in 2009 alone, including Baltimore Opera, Opera Pacific, and Orlando Opera. The number of college/university opera programs also has remained relatively stable.

The major opportunity for Sarasota Opera's costume rental business lies in regaining previous Malabar clients and developing new clients from the base of existing opera companies and college programs.

## Market Trends

### Market Trend #1: Gaining Post-Pandemic Steam

All performing arts organizations suspended activity in the spring of 2020. Activity resumed on a limited basis in 2021 but did not really reach significant levels until well into 2022.



### Market Trend #2: Making Limited Budgets Go Further

As opera companies ramp up activities, they are well aware that the government pandemic funding will run out and are conscious of budgetary constraints out into the future. As a result many are looking at ways to economize in ways that won't impact the quality of product that they produce. The cost of creating costumes has risen dramatically over the last few years as fabric has become more expensive and difficult to find.

### Market Trend #3: Renting is Better Than Owning

Renting costumes is one way to achieve cost savings. The breadth of Sarasota Opera's costume collection allows opportunities for opera companies and producing organizations of various sizes to either rent a full production or to pick out costumes from the collection to create their own production. Also having costume designer Howard Tsvi Kaplan on staff provides a design resource, especially for smaller organizations.

## Key Customers



From 2013-2019, when Sarasota Opera purchased the collection, Malabar had 119 rental clients. Since assuming the collection in 2019 Sarasota Opera has serviced 57 clients, only 20 of whom were previous Malabar clients. The lack of overlap can primarily be attributed to the suspension of activity during COVID-19, but as opera companies resume a normal schedule, there is significant opportunity to regain some of these previous renters.

We have solidified many of our colleagues in Florida including Florida Grand Opera, Opera Tampa, and Palm Beach Opera. Additional colleagues who have rented from us but represent great opportunity include Central City Opera, Opera San Jose, Des Moines Metro Opera, Portland Opera and Pittsburgh Opera.

Former Malabar clients who represent potential new clients for us include:

- Arizona Opera
- Atlanta Opera
- Boston Lyric Opera
- Cincinnati Opera
- Indiana University
- Manhattan School of Music
- Detroit Opera
- Opera Omaha
- San Diego Opera

- Wolf Trap Opera

## **Future Markets**

### **Future Market #1: Theater Companies and College Theater Departments**

Our possible future market will be theater companies and college theater departments. This will be more specialized and there is more competition in this area. However, we have already received some inquiries from theater companies (primarily to costume period dramas or comedies). As we plan for future growth, we will assess the size of this market and potential for a wider expansion.



### **Future Market #2: Film Companies**

We have also had early success with a few film companies. This came primarily through referrals, but as we expand our capacity and marketing efforts, this represents a wider opportunity. We will need to gain further experience in this area and explore this with intention before launching a concerted marketing effort in this field.



## Competition

### Current Alternatives

# The Competitors

Our competition is limited to several other opera companies and one commercial company. Because of COVID our primary commercial competitor, A.T. Jones closed and although the collection was purchased by a theater company, it has not been made available for rental, as far as we know.

### Primary Competition

Utah Symphony and Opera  
<https://utahopera.org/production-studios-rentals/rentals-landing/> has approximately 75 opera productions available for rental and is competitive with us on price. Our selection is larger and more comprehensive.



Wardrobe Witchery  
<http://www.wardrobewitchery.com/> in Pensacola, FL is a commercial company with costumes for 35 opera and musical productions. Their pricing is similar to Sarasota Opera, but their policies are more restrictive (companies have shorter time periods with the costumes). The business is fairly new (2013) and represents the work of one designer.



## Seattle Opera

<https://www.seattleopera.org/rentals/> has 35 productions for rental. Their costs are higher than Sarasota Opera's and include designer royalties and require a wardrobe supervisor to travel with the costumes and be onsite during the production.



## Secondary Competition

Among the other opera companies offering costume rentals are:

- **Santa Fe Opera** <https://www.santafeopera.org/company/production-rentals/>
- **Opera Theatre of St. Louis** <https://opera-stl.org/about-us/production-rentals/>
- **Tri-Cities Opera** <https://www.tricitiesopera.com/set-costume-rentals/costume-shop/> (Binghamton, NY).

These collections are smaller and vary in cost and quality.

## Our Advantages

Sarasota Opera's primary competitive advantages are the size and quality of our costume collection and the reputation of our designer and company.

### **Advantage #1: Large Collection**

The stock of costumes that Sarasota Opera purchased from Malabar Ltd. is well known throughout the opera industry and an established resource for many opera companies. Coupled with the costumes already in our inventory, we now have over 140 separate opera productions and a costume stock of more than 100,000 pieces. In addition to the costumes dedicated to specific productions, we have assorted costumes from different time periods and specific uses. For example, we have several sets of military uniforms, formal wear, and suits of different periods (e.g., 19th century, early 20th century). The size of the collection give customers multiple options for either using a specific productions, or picking and choosing costumes to create their own productions.



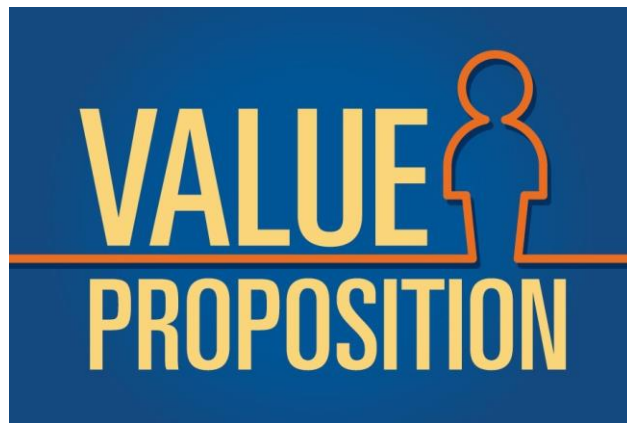
### **Advantage #2: Experienced In-House Designer**

We also offer an in-house designer, who has over 30 years experience with the collection (a significant part of which he designed), who can create bespoke productions from the costume stock. For example, this season he created a 20th century production of *The Tales of Hoffman* from costumes originally created for other operas.

### **Advantage #3: Outstanding Reputation**

Finally, the reputation of Sarasota Opera and the Malabar collection are well-known throughout the opera and theatrical industry. We have worked with many companies over the years who have come to depend on Sarasota Opera and know that they can rely on us to deliver a high-quality product.

## **Value Proposition**



### **Short Version**

Sarasota Opera provides an extraordinary selection of opera and theatrical costumes to opera, theater, and film companies which allow them to achieve the highest quality for their productions in a way that is more cost-effective than building their own costumes or renting from higher priced competitors.



## Long Version

Sarasota Opera offers clients the ability to rent high quality costumes at a cost much more reasonable than building their own costumes.

A typical opera costume would cost between \$1,000-2,000 to create. It would require a talented designer, and capable craftspeople to make, including a draper and stitcher. This labor is not inexpensive and unless there is an onsite or available costume shop, difficult to find. Depending on the size of the production, sufficient time must be allocated for costume construction. Some companies have tried to save money by having costumes created overseas, but shipping delays and customs issues can often interfere with delivery timelines.



Renting a costume from Sarasota Opera runs between \$138-\$158 per costume and a typical opera production would rent for around \$15,000. This is significantly lower than creating a similarly sized production.

Sarasota Opera's costumes are well-known for their durability and variety. They were designed to be used over a long period of time and to accommodate a wide range of sizes. By either renting a previously designed production or assembling a new production from our existing costumes (utilizing either their own designer or our in-house resources), an opera company can have exceptional costumes at a reasonable cost.

We also have a working costume shop, and can update or add to the collection as necessary (e.g., if a specific sized piece is needed).

## Barriers to Entry

The primary barrier to entry for any costume rental venture is the **cost of creation or acquisition of the costume collection**. Given the economics of the opera industry, it is unlikely that any company would enter this market without an existing stock of costumes. Our existing competition all are outgrowth of opera companies that have been in existence for a number of years. Even our sole commercial competitor, Wardrobe Witchery, emerged from the productions created for Pensacola Opera over many seasons.



When Sarasota Opera expanded this venture, it was clear that economics made sense, because it protected our costume costs for our own productions, as well as generated some incremental earned revenue.

At this time, most opera companies are looking to contain costs and wouldn't make this kind of investment in this business with a limited marketplace. Sarasota Opera's opportunity was unique, which is why we felt it made sense.



# Execution

## Marketing & Sales

### Marketing Plan



The Sarasota Opera Costume Studio is a business to business initiative and the marketing effort will focus on reaching our potential markets and giving them the tools they need to make a decision. It is important to align the rental business brand with Sarasota Opera because of the company's reputation and reliability.

### Professional Resources

The costume collection will be promoted through:

Opera America

- Ads in Opera America's quarterly magazine
- All productions are listed in Opera America's Production Database, a resource for all opera companies
- Exhibits at Opera America's annual Conference

**OPERA  
AMERICA**

## USITT (United States Institute for Theater Technology)

- Ads in the USITT newsletter
- Presence at future conferences



## Costume Designer's Guild

- Ads in *Costume Designer* magazine

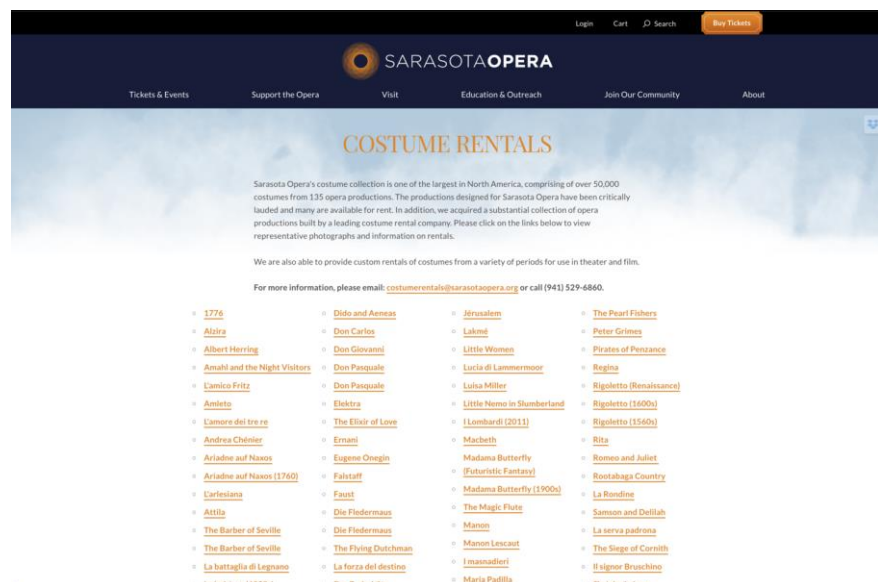
Resident costume designer Howard Tsvi Kaplan will use his extensive professional network to promote the business. Through email, social media, and other tools, he will reach out to opera and theater companies with whom he has worked, and make them aware of our ownership of the collection and resources available.

## Website

Sarasota Opera currently lists all the opera productions available for rental, most with pictures, on a dedicated section of our website. This includes the costumes that are available for each production, including numbers of chorus (if appropriate) and designer information. This will be the primary reference for potential clients.

In the short term, the website should be expanded to include:

- List of services (design services)
- Costume policies and pricing



- Client lists and testimonials
- More recent production photographs will be added as they are obtained

In the future, the website should be built out with an inventory system and separate domain name, as well as SEO to further promote individual costumes and potential for designers to utilize to create their own production from the costume stock.

### **Email and Social Media**

A Facebook group has been created to promote the costume collection. It has not been updated for a while, but resources should be devoted to doing so on a regular basis.

We are planning a regular newsletter to highlight successes, additions to the collection, and production photos. This will primarily be an email newsletter, but there may be times that a print version could also be useful.

Creating a database of opera and theater companies and tracking season announcements, although labor-intensive, could be a useful form of outreach to potential clients.

Regular Facebook and Instagram postings could help create additional awareness and promote testimonials and highlights from clients' use of the costumes.

### **Collateral Materials**

Hard copy and electronic brochures should be created to help promote the brand. These can be used at trade shows and through direct mail to highlight the collection.

### **Public Relations**

A PR strategy will help with outreach within the community and the opera industry. Press releases towards industry publications (Broadway World, Opera America) will help with awareness. Since much TV content ends up online, a local news story in

one of the local TV stations can be repackaged and shared via social media. National press will also be pursued for a wider reach.

## Sales Plan



Currently, inquiries are received through the [costumerentals@sarsotaopera.org](mailto:costumerentals@sarsotaopera.org) email address. These are reviewed by Howard Tsvi Kaplan.

1. Inquiry received from potential client. If not included in the initial email, we reach out for additional information which includes: opera to be produced, time frame of production and length of time the costumes are needed.
2. Client receives a response with availability, company policies, and pricing.
3. If the client responds with interest, they indicate:
  1. Pencil (soft) hold - indicates interest but not final commitment. Sarasota Opera will inform client if there is another inquiry on this package before booking.
  2. Pen (hard) hold - ready to go to contract. Client is sent informational form requesting information needed to go to contract.
4. Once information is received, contract is issued. A deposit will hold the package.

While we are currently tracking active customers and leads in an Excel spreadsheet, this will be migrated to a CRM system (Simple Sales Tracking or similar) for fulfillment or follow up.

A new (full or part-time) staff position is necessary to help us reach our growth goals. The Business Manager would be tasked with reaching out to potential clients, generating paperwork for contracts, and following up on pencil holds to finalize rentals. This staff position would also help with other marketing and sales activities including social media, emails, and client prospecting.

## Pricing



Rental prices are on a per costume basis based on a two-week rental and are competitive with others in the marketplace. While some costume rental companies require a wardrobe person to accompany the costumes, Sarasota Opera Costume Studio does not. Designer royalties are also required by many other companies and are all applicable to a few of our costumes.

The fee schedules are:

Full production rental:

- Principal artist costume: \$158 per costume
- Chorus costume rental: \$138 per costume
- Based on a two-week rental. Additional time is charged at an additional 25% per two-week increment

- 25% rush charge
- 25% charge if only the principal (not chorus) costumes are taken
- Additional charges include: packing fee and designer royalties (when applicable)
- Costumes are to be returned cleaned and sorted and any alterations removed. If Sarasota Opera must do any work once the costumes are returned, the renter is charged for dry cleaning charges and \$35/hour for any other work done.
- Renter is responsible for arranging shipping with their preferred shipping company and must insure the costumes for their replacement value.
- Shoes and jewelry are not included. A security deposit will be held against any future charges.

If a renter is just renting individual costumes, charges are \$180/\$200 per costume.

Pricing for Commercial/TV/Film is higher and customized upon request.

## Partners & Resources

While most of this business is self-contained, there are some resources needed for filling in gaps in the collection, repairs, or services we are not able to accomplish in-house (dry cleaning).

### OUTSIDE TAILORING

**Quartermaster Shop** - Quartermaster Shop Period daywear and custom uniforms

**Tuxedo Wholesaler** - Theatre & Costume Home ([tuxedowholesaler.com](http://tuxedowholesaler.com)) - variety of period menswear and women's formal converted for our purposes.

**Online Tailoring such as Studio Suits** - Thomas Shelby Peaky Blinders Blue Wool Suit - StudioSuits - used for Butterfly and Traviata tricky sizes.

We have also used Men Custom Suits & Custom Dress Shirts | Hockerty for custom frock suits.



Outside freelancers - to ease the in-shop workload. We will also be looking for more seasoned local stitchers and drapers.

We will need an outside tailoring resource for additional costumes. We are researching options for the future.

### **DRY CLEANER AND FABRIC PREPPING**

Ringling Cleaners - reasonable prices and will prep fabric for cutting.

## **Operations**

### **Technology**



To maximize the efficiency of the Sarasota Opera Costume Studio, we plan to invest in two key technology resources:

**Rental Tracker POS** (or similar) inventory management system. The system is designed to catalog all items and track their rental status. Addition modules can be added to put the available inventory on the web, order tracking, and online rental (if desired).

**Simple Sales Tracking CRM** (or similar) to track customers, lead management, and other marketing and fulfillment functions.

## Equipment & Tools

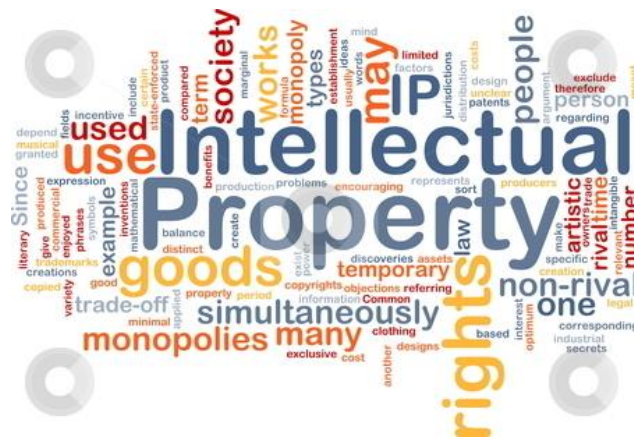
# Equipment & Tools

It will be important to fully outfit the costume warehouse with equipment needed for fulfillment, rental management, costume repair and construction and other needs. Some needed equipment includes:

- Industrial Washer
- 2 Top Load Commercial Washers (older pref)
  - 1 for Dye Work, 1 for Laundry
- 1 Industrial Dryer
- 2 Commercial Dryers
- 1 deep Slop Sink w/ spray attachment
- Metal Workshop Table
- Fire Cabinet – for dyes glues and chemicals
- 3 more 2-story narrow staircases
- 20 Large Box Specific Racks w/ wheels – need shelving for 1000 boxes min
- 5 more small rolling tables - [VEVOR Stainless Steel Work Table 36x24 Inch with 4 Wheels Commercial Food Prep Worktable with Casters Heavy Duty Work Table for Commercial Kitchen Restaurant | VEVOR US](#) or similar with drawers
- Custom Mannequins in “tricky” sizes
- Pallet stacker/ lifter (fork)
- Truck/ vehicle with hanging attachments - crates?
- 8 Z Racks - [Amazon.com: Migoda Z Rack Collapsible Rack, Height Adjustable Rolling Z Rack Clothes Rack, Heavy Duty Z Rack Garment Rack with Wheels - Ideal for Bedroom Storage and Organization : Home & Kitchen](#)
- 8 Double hung racks - [Amazon.com: Only Hangers Commercial Grade Double Bar Rolling Z Rack with Nesting Black Base \(Set of 2 Racks\) : Home & Kitchen](#)

- Steam hat stretcher
- Dye Vat
- Stovetop
- 4x4 Shopbuilt Ironing Table on Wheels
- Three Fold Mirror with Photo Station - [Rosdorf Park Mount Washington 60" W x 72" H 3 - Panel Glass Folding Room Divider | Wayfair](#)
- 2 Portable Sewing Machine Stations - [Sullivans Double Wall Carton Portable Sewing TableSullivans Double Wall Carton Portable Sewing Table \(joann.com\)](#)
- 2 Desk Chairs for Sewing Stations - [Amazon.com: Amazon Basics Classic Puresoft Padded Mid-Back Office Computer Desk Chair with Armrest - Black : Home & Kitchen](#)

## Intellectual Property



The costume collection is owned outright by Sarasota Opera. Apart from certain productions designed by Howard Tsvi Kaplan for Sarasota Opera and for Malabar Limited, none of the productions or individual costumes had any obligations to the original designers.

## Costumes Designed by Howard Tsvi Kaplan

For the costumes designed by Howard Kaplan, the intellectual property is owned by the Designer. Per the United Scenic Artists (USA) contract:

“All rights in and to the design as conceived by the Designer in the course of the rendition of their services hereunder shall be, upon its creation, and will remain, the sole and exclusive property of Designer”

Except for matters of safety, the Employer agrees not to alter nor permit anyone to alter or make substitutions for settings, properties, costumes, lighting, projections, sound, or special visual effects as designed and approved by the Designer after the termination date without the deliberate written consent and approval of Designer, which shall not be unreasonably withheld.

Renting companies are required to pay a royalty to Howard Kaplan.

RENTAL OF THE OPERA The Employer or Co-Producer may lease or rent the designs and/or physical production to another company (“Renting Company”) for presentation before a live audience. The Employer or Co-Producer is under obligation to require the Renting Company to assume each of the following as part of the lease/rental agreement:

- a. Require the Renting Company to sign a Rental/Lease Cover Sheet attached hereto, outlining rates, conditions and Pension and Welfare contributions. The Rental Cover Sheet shall be a part of the Employer’s or Co-Producer’s minimum rental agreement.
- b. In the event that the Employer or Co-Producer leases or rents any setting or costumes for presentation before a live audience, the Opera Company shall pay the Designer a minimum of 20% of the rental fee.
- c. The Designer will be consulted a minimum of four weeks in advance regarding any possible changes and/or alterations required for the Renting Company’s production.
- d. If the original lighting design is used, the Renting Company shall be obliged to pay the Lighting Designer to re-create the lighting at no less than the full rate of compensation for Lighting Designers provided in the then current version of this agreement.

e. Pension and Welfare contributions shall be calculated at the rate current at the time of the rental.

f. The Renting Company shall pay the travel and per diem costs, and out of pocket expenses as required in Designer's agreement with the original Employer.

If a designer chooses costumes from our stock for their production, they are required to acknowledge Sarasota Opera as the source of the costumes, but all other agreements for design credit and payments are between the designer and the renting company. Once the costumes are returned to Sarasota Opera, there is no obligation for Sarasota Opera to rent that designer's "production" and Sarasota Opera has no outstanding obligation to the designer.

## Milestones & Metrics

### Milestones Table

Milestone	Due Date	Who's Responsible	Details
Implement Square system for Invoicing	May 19, 2023	Costume and Facilities Staff	Work with Facilities to train on Square.
Update website	June 12, 2023	Business Operations and Marketing Teams	
Business Plan Completed and Approved	July 19, 2023	Core Business Planning Team	
Fast Pitch to Raise Growth Capital	July 24, 2023	Core Business Planning Team	
Setup and implement online CRM	August 01, 2023	Business Operations Team	
Advertise for part-time packing assistance	September 05, 2023	Costume Staff	
Select and begin implementation of Inventory system	October 02, 2023	Core Business Planning Team	
On Board part-time business management staff	October 02, 2023	Costume Staff	
Part-time business management staff becomes full-time	June 03, 2024		



## Key Metrics



### Mission

- PRESERVE an historic collection of costumes, used by many opera companies in North America. Among the great artists who have worn these costumes: Luciano Pavarotti, Beverly Sills, Marilyn Horne, Placido Domingo
- SAVE as much as \$100K annually in costume costs
- GENERATE revenue to help support Sarasota Opera's operating costs
- BECOME the leading costume provider to opera companies in North America

### Margin

- Generate net revenue of over \$500,000 in five years, inclusive of internal costume allocation

### Marketing and Sales

To drive ongoing sales and business development to meet our revenue targets, we will implement each of following activities by (date goes here):

- Hire business management staff (part-time business management to become full-time as of June 3, 2024).
- Identify part-time staff to help with pulling, packing, and unpacking
- Setup CRM System
- Implement Invoicing System
- Update website

To build visibility and awareness with our key target audience(s), we will implement each of the following marketing activities:

## **Operations**

To maximize the efficiency and usability of our facilities and space, we will implement each of the following measures:

- Installation of shelving units so can reorganize the boxes.
- Update inventories of key production and uniforms.
- Organize and label boxes.
- Install roofing over office spaces for additional storage.
- Purchase and install washer dryers sink and dye vat etc.
- Build fabric storage racking system to clear floor space.
- Identify the part-time labor pool need to build boxes and do other labor tasks.
- Set up the show bibles for easy access.
- Maintain an area for a photo booth

# Financial Plan

## Forecast

### Key Assumptions

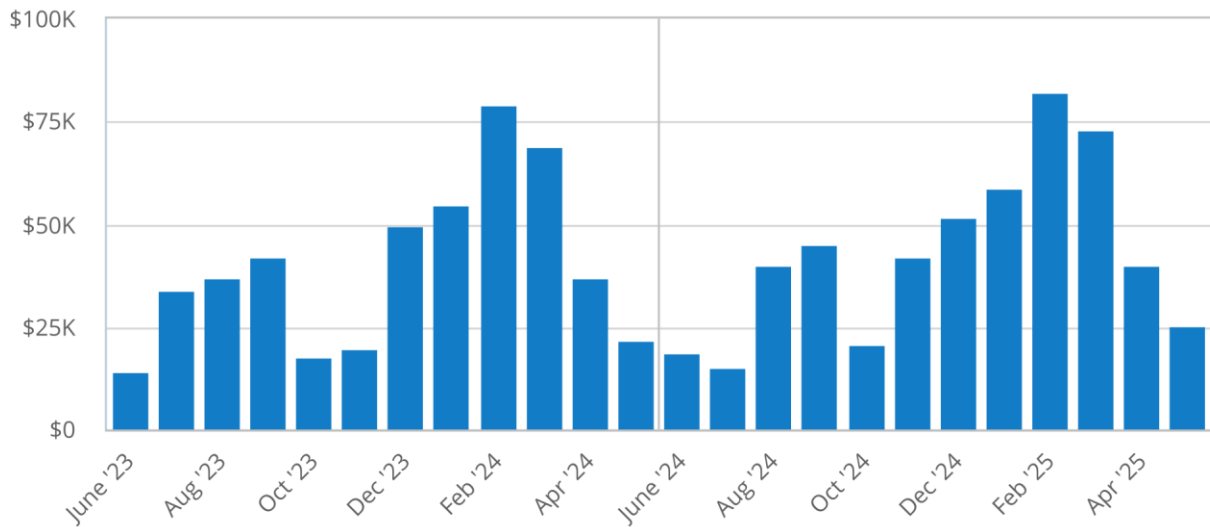
Costume Rental Revenue: Total revenue and monthly timing is based on FY23 data, adjusted to FY24 budget. Growth planned at 3% per year.

Costume Sales Revenue: This is not considered a regular revenue stream. July 2023 amount based on sales to known customer. Other sales amounts are based on replacing lost or damaged returns from renters and occasional sales of non-opera stock, along with the possibility of an annual sale in Sept/Oct in advance of Halloween.

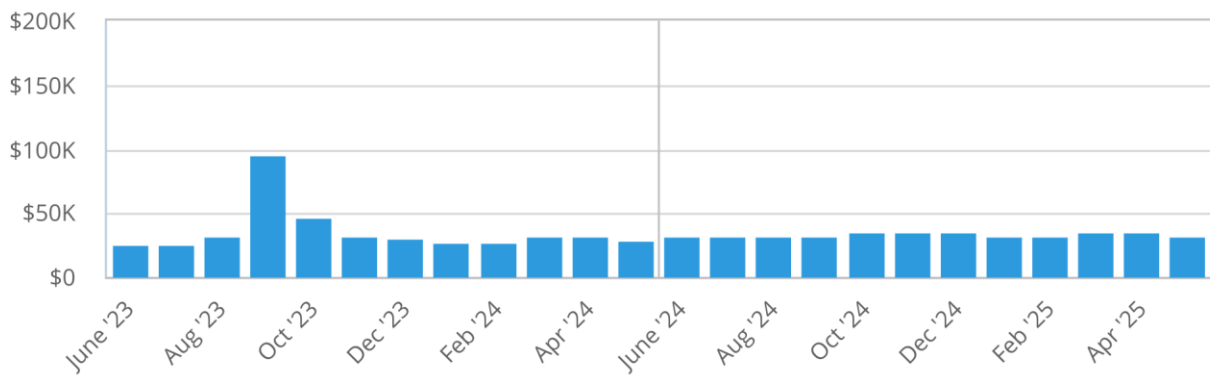
Costumes to SOA: Internal costume use estimated at \$20,000 per opera. Reduced in FY24 for a 4-opera winter festival only, returning to fall operas in FY25 & FY26.

Expenses: Based on actual expenses for FY23, adjusted to FY24 budget. FT Salaries increased 3% per year. Part-time labor will be added in peak activity months until rental revenue supports an additional full-time position. Costume manager/Business development added part-time beginning September, 2023 at \$2,000 month. The position will move to full-time beginning June, 2024, with an annual salary of \$45,600.

## Revenue by Month

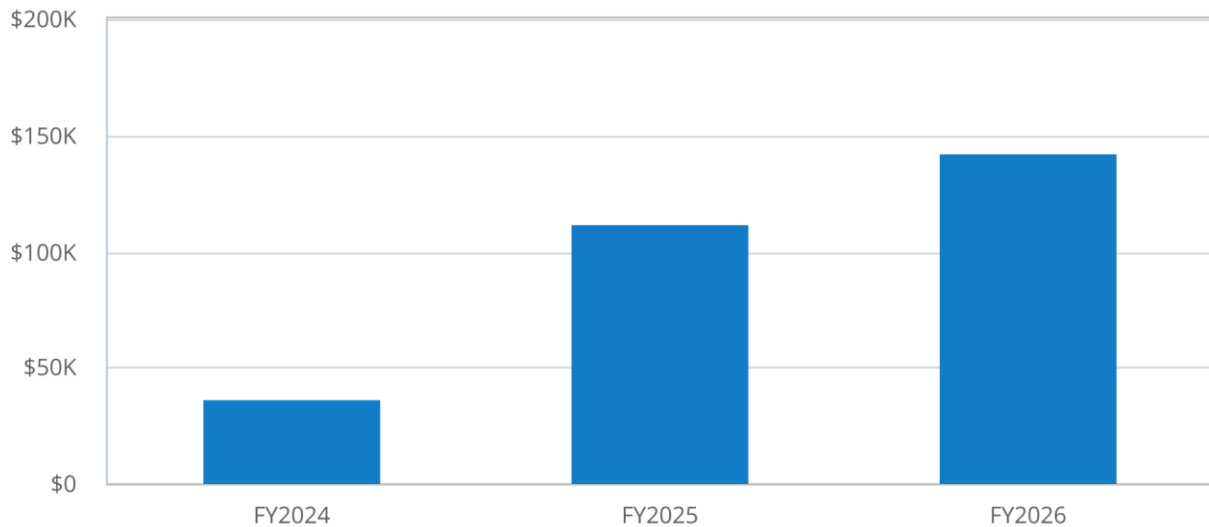


## Expenses by Month



 Direct Costs  Expenses

## Net Profit (or Loss) by Year



## Financing

### Use of Funds

We are seeking \$160,000 in growth capital to add capacity to the Sarasota Opera Costume Studio rental initiative. This will provide needed equipment, technological resources, and add staff to allow us to expand the business.

### Funding Needs

\$25,000 for additional equipment which includes: washing machines, moving racks, specialized mannequins,

\$50,000 for a van to transport costumes between warehouses, costume shop, and shippers

\$10,000 in technological resources included inventory management and sales tracking

\$75,000 in additional staffing

Total: \$160,000

## Sources of Funds

We will be seeking funding from individual and institutional sources. We will be holding a Fast Pitch session in late July 2023 to kick off our quiet funding campaign. Additional fundraising will most likely be necessary through the end of 2023. This will be accomplished by additional Fast Pitch sessions and targeted asks from potential donors. Additionally, we plan on a small campaign to reach patrons who are new to Sarasota Opera over the last few years and may not be aware of the scope of the Sarasota Opera Costume Studio. We think this might be an effective way to bring them closer to the organization.

We have also identified some institutional sources who have a priority of capacity building and who may have an interest in funding this kind of initiative.



## Statements

### Projected Profit and Loss

	FY2024	FY2025	FY2026
<b>Revenue</b>	<b>\$477,000</b>	<b>\$513,300</b>	<b>\$554,330</b>
<b>Direct Costs</b>			
Gross Margin	\$477,000	\$513,300	\$554,330
<b>Gross Margin %</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Operating Expenses</b>			
Salaries & Wages	\$124,000	\$154,780	\$159,437
Employee Related Expenses	\$0	\$0	\$0
Warehouse Rent	\$158,652	\$162,480	\$166,428
Payroll Taxes	\$10,573	\$13,055	\$13,443
Medical	\$9,396	\$18,792	\$19,728
Marketing	\$20,004	\$20,004	\$20,004
Warehouse Utilities	\$12,000	\$12,360	\$12,735
Warehouse supplies	\$3,000	\$3,000	\$3,000
Repairs & Maintenance	\$3,000	\$3,000	\$3,000
Costume Supplies	\$2,400	\$2,400	\$2,400
Office Supplies	\$3,600	\$3,600	\$3,600
Cost of Rentals-Non-Labor	\$1,200	\$1,200	\$1,200
Tools & Equipment	\$1,200	\$1,200	\$1,200
Computer / Connectivity	\$2,400	\$2,400	\$2,400
Software Maintenance / Licenses	\$1,200	\$1,200	\$1,200
Inventory Software Purchase	\$5,000	\$0	\$0
Van Purchase	\$50,000	\$0	\$0
Warehouse Equipment & Set-up	\$31,746	\$0	\$0
<b>Total Operating Expenses</b>	<b>\$439,371</b>	<b>\$399,471</b>	<b>\$409,775</b>
<b>Operating Income</b>	<b>\$37,629</b>	<b>\$113,829</b>	<b>\$144,555</b>
Interest Incurred			
Depreciation and Amortization	\$1,250	\$1,667	\$1,667

Gain or Loss from Sale of Assets

Income Taxes	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$440,621</b>	<b>\$401,138</b>	<b>\$411,442</b>
<b>Net Profit</b>	<b>\$36,379</b>	<b>\$112,162</b>	<b>\$142,888</b>
<b>Net Profit / Sales</b>	<b>8%</b>	<b>22%</b>	<b>26%</b>

---

## Projected Balance Sheet

	FY2024	FY2025	FY2026
Cash	\$32,629	\$146,458	\$291,013
Accounts Receivable	\$0	\$0	\$0
Inventory			
Other Current Assets			
<b>Total Current Assets</b>	<b>\$32,629</b>	<b>\$146,458</b>	<b>\$291,013</b>
Long-Term Assets	\$5,000	\$5,000	\$5,000
Accumulated Depreciation	(\$1,250)	(\$2,917)	(\$4,583)
<b>Total Long-Term Assets</b>	<b>\$3,750</b>	<b>\$2,083</b>	<b>\$417</b>
<b>Total Assets</b>	<b>\$36,379</b>	<b>\$148,541</b>	<b>\$291,430</b>
Accounts Payable	\$0	\$0	\$0
Income Taxes Payable	\$0	\$0	\$0
Sales Taxes Payable	\$0	\$0	\$0
Short-Term Debt			
Prepaid Revenue			
<b>Total Current Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Long-Term Debt			
<b>Long-Term Liabilities</b>			
<b>Total Liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Paid-In Capital			
Retained Earnings		\$36,379	\$148,541
Earnings	\$36,379	\$112,162	\$142,888
<b>Total Owner's Equity</b>	<b>\$36,379</b>	<b>\$148,541</b>	<b>\$291,430</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$36,379</b>	<b>\$148,541</b>	<b>\$291,430</b>

## Projected Cash Flow Statement

	FY2024	FY2025	FY2026
<b>Net Cash Flow from Operations</b>			
Net Profit	\$36,379	\$112,162	\$142,888
Depreciation & Amortization	\$1,250	\$1,667	\$1,667
Change in Accounts Receivable	\$0	\$0	\$0
Change in Inventory			
Change in Accounts Payable	\$0	\$0	\$0
Change in Income Tax Payable	\$0	\$0	\$0
Change in Sales Tax Payable	\$0	\$0	\$0
Change in Prepaid Revenue			
<b>Net Cash Flow from Operations</b>	<b>\$37,629</b>	<b>\$113,829</b>	<b>\$144,555</b>
<b>Investing &amp; Financing</b>			
Assets Purchased or Sold	(\$5,000)		
<b>Net Cash from Investing</b>	<b>(\$5,000)</b>		
Investments Received			
Dividends & Distributions			
Change in Short-Term Debt			
Change in Long-Term Debt			
<b>Net Cash from Financing</b>			
Cash at Beginning of Period	\$0	\$32,629	\$146,458
Net Change in Cash	\$32,629	\$113,829	\$144,555
<b>Cash at End of Period</b>	<b>\$32,629</b>	<b>\$146,458</b>	<b>\$291,013</b>