



# The T & T Foresight Project

## NIHERST

Sector Foresight  
Project:

**CREATIVE**

**Chapter 4:**

**T&T 'Best Bet'  
Investment Cases**

**Keith Nurse, Michele Reis,  
Jacqueline Morris, Chanzo  
Greenidge, & Nick Marsh**



**Final  
February 1, 2007**

## CONTENTS

1.	Introduction .....	3
2.	The Foresight Context .....	4
3.	The Value Chain .....	6
4.	The Chapter 4 Approach.....	7
5.	The Creative Sector 'Best Bets' .....	8
	Best Bet 1: Caribbean Music Portal – 'Carib-Music' .....	9
	Best Bet 2: Carnival in a Box – 'Trini Themes Go Global'.....	21
	Best Bet 3: 'Trini Fashion – Twin Islands Fashion Cluster' .....	32
	Best Bet 4: 'The Pan Tree' – Steelpan Innovation Clusters .....	45
6.	What Comes Next?.....	59
7.	Acknowledgements.....	60
8.	Appendix 1: Detailed Best Bets Research Feedback .....	61
	Best Bet 1: Caribbean Music Portal – 'All the Music You Can Eat – Now' .....	61
	Best Bet 2: Carnival in a Box – 'Trini Themes Go Global'.....	67
	Best Bet 3: Trini Fashion – 'Twin Islands Fashion Cluster' .....	71
	Best Bet 4: 'The Pan Tree' – Steelpan Innovation Clusters .....	77

# 1. Introduction

The challenge for Trinidad and Tobago is to develop and grow export niche businesses which can provide economic growth and social benefit in the medium to long-term. The aim of the Sector Foresight project has been to develop 'Best Bet' investments that offer significant growth opportunities.

In Chapter 1 of the Sector Foresight Projects, a big picture view of the sector on a global scale was developed. This overarching framework provided a context within which potential opportunities small countries such as Trinidad and Tobago could exploit could be identified.

In Chapter 2 we identified the capabilities and enablers that Trinidad and Tobago already had available and which were relevant to the global sector foresight framework of opportunities. The capabilities and enablers assessed included existing commercial expertise, research and development expertise, skills availability, resource availability, government policies and support programmes, and infrastructure.

During the July 2006 sector workshops, various key T&T stakeholders identified 35 possible 'Best Bet' investment opportunities for the country that matched both the global foresight sector opportunities and the capabilities and enablers T&T had to offer.

In Chapter 3 the initial 35 potential investment opportunities were short-listed into 'Best Bet' investment opportunities (four in the case of the creative sector).

The structural format for building each 'Best Bet' revolved around the following focus areas:

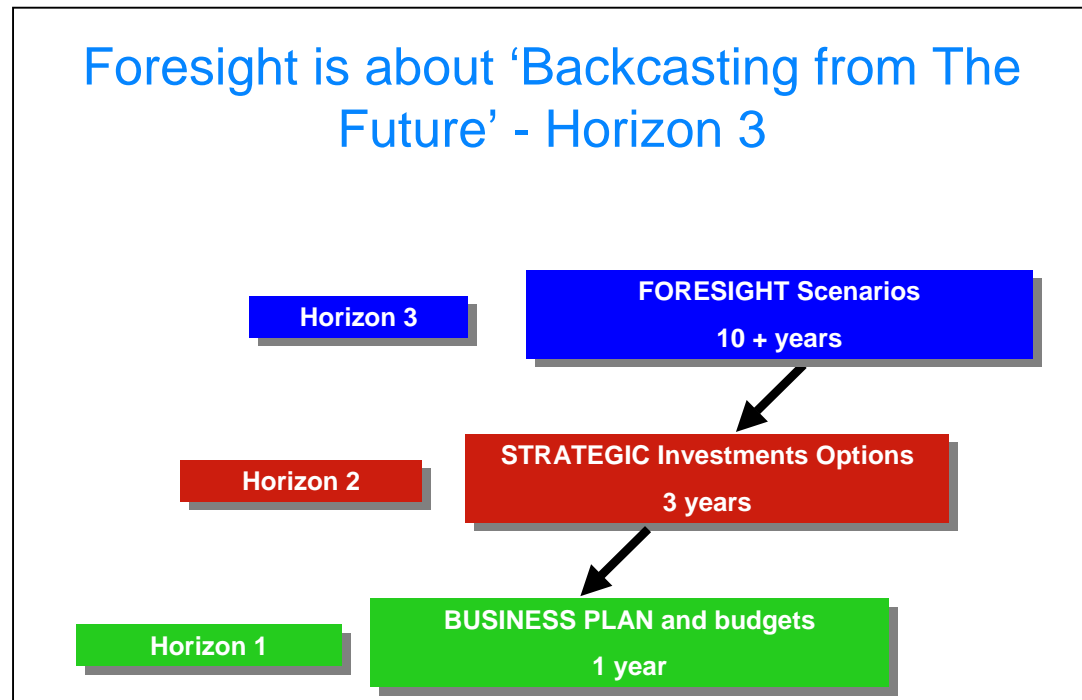
- **The Best Bet Title**
- **The Best Bet Description** – an overall summary of the 'Best Bet' opportunity
- **A Rationale** - for selecting the 'Best Bet' opportunity
- **The Target Markets** – who would the 'Best Bet' be aimed at
- **The Market Offer** – to target market customers
- **What We Have** – the capabilities and enablers available within T&T
- **What We Need** – the gaps that need to be filled and measures that need to be taken for the 'Best Bet' to become a commercial proposition
- **Key 'Best Bet' Roadmap Considerations** – an example of what a five-year roadmap for commercial realisation of the 'Best Bet' might look like.

In Chapter 4, each 'Best Bet' investment opportunity has been taken through an in-depth review and research process in order to build a business case for an investor audience. This needed to include supporting evidence, comparative justification, a roadmap, and a set of indicative financial projections.

## 2. The Foresight Context

At this point it is worth re-visiting the context within which these sector 'Best Bet' investment cases have been developed during these projects. Figure 1 provides an overview of that context in terms of the '3 Horizons'.

**Figure 1: The 3 Horizons for business and organisational strategic planning and development**

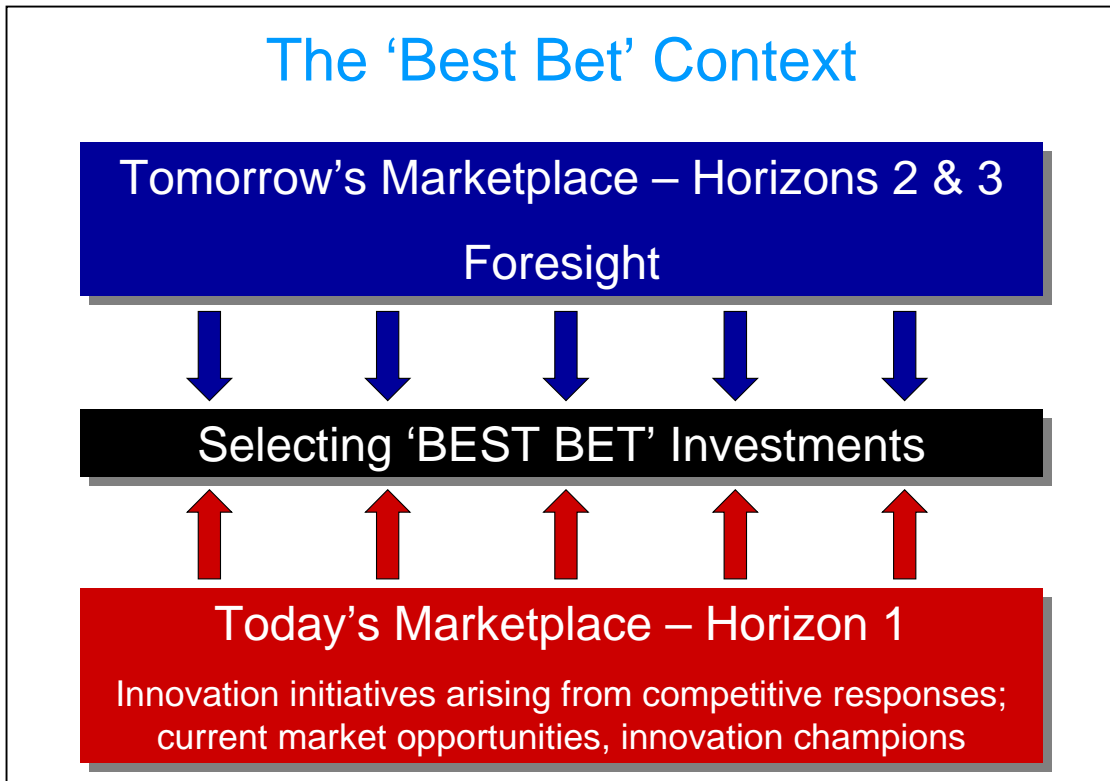


This foresight project uses the Three Horizons model which shows that there are three different perspectives to consider when identifying best bet investments in a sector. The long-term view (Horizon 3) identifies broad scenarios for the future of the sector, the medium-term view (Horizon 2) identifies the investment options, and the short-term view (Horizon 1) describes the immediate business plan.

The sector 'Best Bets' have been developed by combining Foresight insights from the future (Horizon 2 and 3) with opportunities in today's marketplace (Horizon 1). In the project we worked with many of the 'innovation champions' participating in the sector today. These include entrepreneurs who are already working with a wide variety of innovation projects today that have the potential for growth in the future.

The context for these sector projects is shown in Figure 2.

Figure 2: The T&T Best Bets context



An example of a 'Best Bet' that has been phenomenally successful internationally is the launch of i-Pod and i-Tunes by the Apple Corporation. Apple did not invent MP3 players or the downloading of music on the Internet. But it did look into the future and saw that there was an opportunity to dominate in a growth market by making the technology easy to use and by adding great branding and design. Before the i-Pod came on the scene, the technology was too complicated for the average person to use.

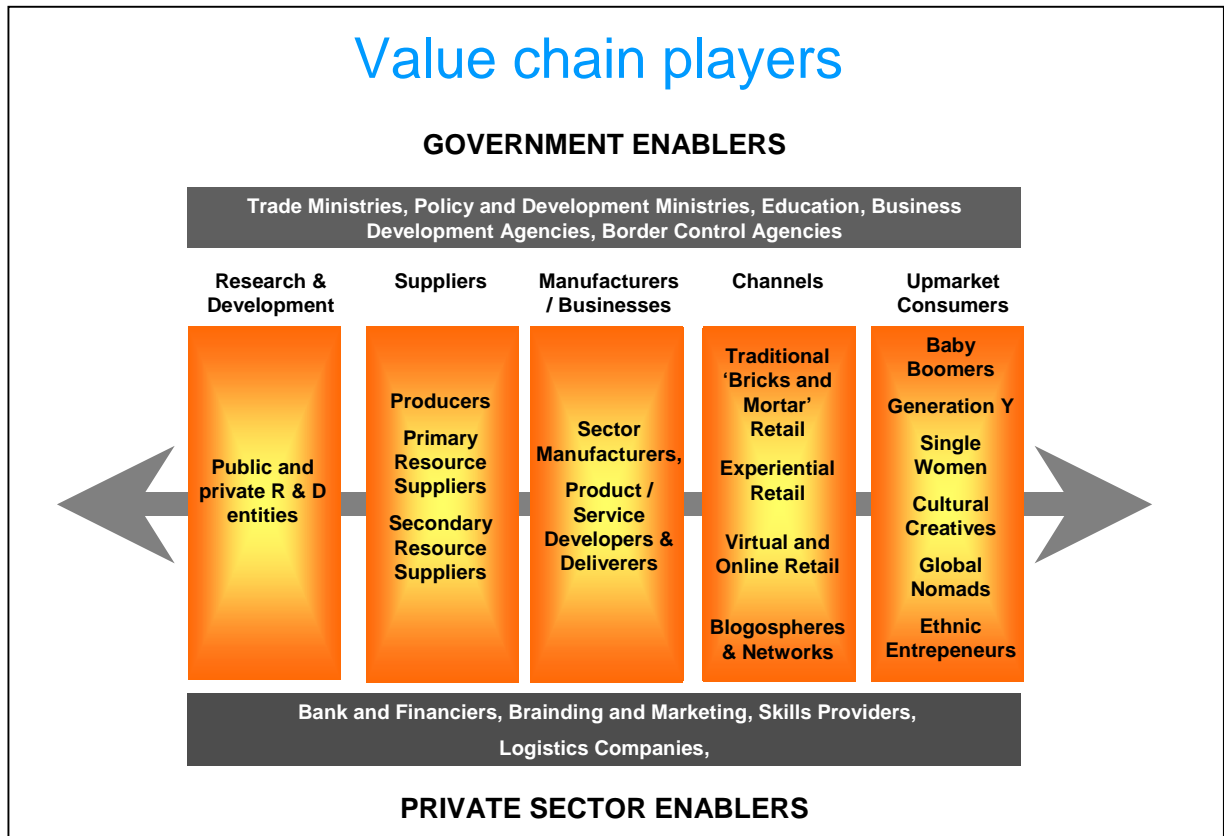
The Foresight Project has unearthed a considerable number of entrepreneurs and innovators in T& T who are not well known today but who have the potential to grow innovative businesses because they have the innovative capability required to provide offers which satisfy growth niches that are built around key global market trends.

Our research suggests that the sector is at a 'tipping point' where a cluster of interconnected innovative businesses, such as these three 'Best Bets' could grow rapidly and transform this T&T business sector to a level that would make a significant contribution to achieving the economic growth and social objectives associated with the Vision 2020 project.

### 3. The Value Chain

Global value chains are changing rapidly. Digitalisation and advances in global logistics are opening up a whole new range of opportunities, especially for small country players. Figure 3 illustrates the types of stakeholders typically involved in commercial value chains.

**Figure 3: Examples of stakeholders in value chains**



Policy setting and enabling agencies fundamentally support the effectiveness and efficiency of the value chain between the production sectors in one place and the end-customers in other places.

The intermediaries between the producer and the customer ends of the value chain are changing rapidly. Door to door 'packages for one' delivery services now span much of the globe. Online marketing is growing rapidly. Virtual networks and communities are determining what is 'in' and what is 'out' at an increasingly rapid pace. We have moved from an age where markets were production driven to markets that are customer driven. Customers are now 'kings' and 'queens' and failing to satisfy their increasingly specialised demands – 'customised solutions for one' – will lead to business failures. Many traditional players have been forced to urgently review their business models in the face of the rapid changes occurring in global value chains.

The emerging customer-centric value chain model offers far more opportunities for small countries and the commercial entities within those countries. This is because individual businesses, even small and medium sized enterprises, can more readily link directly with end customers on a global scale and so they are no longer limited to supplying small niches within a local market.

A tiny global niche can thus build a substantial business in a small country. But it does require a radical shift in thinking and a highly customer oriented approach. It requires accessing and developing strong networking and network management skills. It also means being able to work more closely with customers to better understand what it is they need.

## **4. The Chapter 4 Approach**

Each of the sixteen 'Best Bet' opportunities selected in Chapter 3 has been researched in greater depth by specialist T&T based researchers. Their brief was to interview selected key stakeholders whose experience was relevant to each 'Best Bet' opportunity using a template supplied by NEXT.

This template posed a series of questions that would similar be those asked by a potential commercial investor if they were looking to invest in a 'Best Bet' business opportunity. It also included a 10-year financial projection template which would provide an estimate of what could be achieved if the right mix of people and resources were put together to back a particular 'Best Bet' and achieve an outcome in the top 20% of the range of possible outcome scenarios.

In addition, both the T&T researchers and the NEXT team looked for additional information and examples, within T&T and offshore, which would provide supporting evidence that would strengthen the justification of each 'Best Bet' investment case. These examples included, for example, new emerging businesses that had focuses relevant to the business case, advances in science and technology that opened up new opportunities, new and innovative high growth channels which connected producers and customers, and other reference sources that were of special relevance.

As in any process such as this, it is not possible to find answers to every question. Each 'Best Bet' investment case is built upon the best possible information and knowledge available at the time of its development.

In the following sections we have built business cases that can be put forward to attract both public and private sector interest. The two need to work in tandem for the development of the sector. The private sector provides its vision, organisational, financial, and managerial experience in areas in which it possesses the required expertise, whilst the public sector provides the supporting administrative and regulatory environment.

## **5. The Creative Sector Best Bets**

The following four 'Best Bet' investment opportunities were identified in Chapter 3 as offering the greatest opportunities for T&T's creative sector in future.

In the process of researching and testing these 'Best Bet' opportunities with industry stakeholders, it became clear there is a considerable resource base in T&T that would enable each of these 'Best Bets' to be developed into quite fascinating and unique businesses that satisfy specific growth niches internationally.

Each provides a specialised opportunity within an overarching more focussed approach to developing T&T's creative sector in a way that in future it has the greatest economic, social and environmental benefits for the country.



## **Best Bet 1: Caribbean Music Portal – ‘Carib-Music’**

### **The Investment Opportunity**

- The primary investment opportunity is to develop **a business that is an online Caribbean music portal that supplies instant electronic downloads of music files on a paid for basis for a range of uniquely Caribbean music genres and performers from throughout the region.**  
The portal will also have Web 2.0 interactive zones, video clips, information resources, and provide the opportunity for online customers to order physical products associated with the music scene and individual performers.
- The secondary investment opportunity is to provide **an associated booking agency** that provides a ‘one-stop-shop’ for off shore event organisers to access a range of established and up and coming regional performers. This would be run separately to the online portal but provide an opportunity for leveraging greater value for regional performers and the portal business.

### **The Customer Offer**

- Caribbean music is well known internationally for its range of unique styles that have been developed and the ongoing creativity and innovation of performers in the region.
- The prime purpose of the ‘Carib-Music’ portal is to enable customers who have an interest in these types of music to visit a well-developed portal that offers a wide range of choices in styles and performers and provides instant access to pay to use downloads.
- Key components of the ‘Carib-Music’ portal offer include:
  - It provides sample music and videos of a whole range of Caribbean music styles from traditional steel pan right through to modern versions of Soca, Rapso, and Chutney as well as new emerging styles.
  - It enables access to immediate downloads at a single item cost of between US\$ 0.60 – 1.50.
  - It has a free download zone sponsored by major Caribbean corporate groups to promote new artists and talents.
  - It provides background about the artists.
  - It has a gig calendar that shows the who, where, what, etc. with regard to local artists.
  - Associated product catalogues and online purchasing options for supporting products such as T-shirts and memorabilia can be accessed.
  - There are free links to fan sites in offshore markets that build one vast network of niche fan/interest groups.

Figure 4: The 'Caribbean Music Portal' offer



## The Foresight Context For This Best Bet

- The major global foresight trends that are driving growth in this niche include:
  - The trend towards spending an increasingly greater proportion of disposable income on products and services in the leisure and entertainment sector.
  - The trend towards greater individualism and the growing demand for individually customised products and solutions – the end of the 'mass market'.
  - The growth in the high wealth 'global nomad' and 'cultural creative' consumer groups – who are also often 'adventurers'.
  - The growth in interest in ethnic, exotic, and cultural activities – reflected in the growing 'world music' market sector.
  - The growth in Caribbean Diasporas in major offshore centres that help create an interest and awareness in music and cultures from other parts of the world.
  - The growth in Web 2.0 Internet technologies and the associated online communities of interest that are increasingly determining the shape and form of future markets and who will be successful and who not.

- Globalisation which is increasing the exposure of unique localised areas of interest to world citizens and is facilitating direct consumer to producer value chains which offer a whole new set of opportunities compared to traditional value chains.

## Target Markets

- The Caribbean Diaspora in major cities and through Internet networks.
- The fast growing groups of more mature (35 years plus) fans of 'world music' styles – traditional and modern music styles that have a strong ethnic influence. Many of these groups can readily be found on the Internet by using search engines. For example, type 'Soca Musik' into Google and see how many German websites exist.
- Interest groups in specific European markets with a proven interest in Caribbean music – in particular Switzerland, Finland, the UK, Germany and the Czech Republic.
- Interest groups in rapid growth economies such as India and China that have a specific focus on the exotic and different in the music scene.
- Young people who are looking for an ethnic theme to which they can connect in almost any country in the world – especially in ethnic Diasporas from various countries. Once again, such communities can easily found on the Internet.
- Generation Y – the i-Pod generation - who are the most independent and adventurous of any of the current generations and who are totally familiar with Web 2.0 and advanced electronic technologies.
- Ethnic or fringe societal groups with a penchant for Afro/Indo/Caribbean cultural themes.

## What We Have

- T&T is the fourth largest music producer regionally with the most diverse offer of world ethnic music mixes.
- There is a great deal of innovation and diversity in surrounding countries that can add extra value to the local T&T base.
- T&T in particular has a history of innovation in a wide range of fields – calypso, soca, rapso, chutney, steel pan, and fusion styles. It has the music, videos, and production talent.
- It has Internet development capabilities, marketing and management skills.
- It has a number of key people who have a passion about connecting T&T and Caribbean talent to the world. These include Keith Nurse, Jacqueline Morris, Chanzo Greenidge, Rubadiri Victor, Wendell Manwarren, and many others.
- There are some small online portals selling a limited range of music out of the Caribbean – but not electronic downloads at this time.
- We have international interest from growth niche groups who are keen on the Caribbean culture and music scene.

## What We Need

To take this 'Best Bet' from where it is today – a selection of relatively unsophisticated and minimally functional Web 1.0 websites offering a limited range of product, often on a sole operator basis, from a sector that still relies heavily on traditional value chain models that face a bleak future - to a point where it makes a

significant and valuable economic and social contribution to T&T, a number of areas need to be addressed.

### **From the Private Sector**

- An entrepreneur to set up a one stop shop 'Carib-Music' portal that has a wide range of Web 2.0 functionalities and also offers instant online downloads of individual songs on a pay to use basis.
- The development of a fully researched marketing and branding strategy.
- Building up a substantial base of performers and music to offer for sale through the portal, along with the necessary contractual back up systems.
- There are niche groups of potential consumers in many parts of the world who have already demonstrated an interest and passion in Caribbean music and culture – but they are relatively 'disconnected' and so need connecting through smart network development and management techniques.
- An industry backed IP regime that protects artist's rights and minimises the attraction of piracy as an option.
- E-commerce development and management skills and internationally competitive e-commerce processing systems from the local banking community. Currently the offer is limited and highly expensive in international terms.
- Using the 'blogosphere' as a marketing tool to broaden the potential customer base for the portal. This is becoming a powerful global marketing tool, especially with Generation Y.
- Developing innovative marketing and connectivity maintenance strategies that create self-growth of the whole portal concept.
- Improved banking infrastructure for handling and processing international payments.

### **From the Public Sector**

- Recognition that the regional cultural and creative resources in the music sector and the associated accumulated knowledge and expertise are valuable assets that can contribute significantly to T&T's future economically and socially.
- A new strategic focus in the way the T&T creative sector offer is presented to the world through government agencies built around foresight-based growth opportunities.
- An integrated approach within a national growth and innovation framework that provides a long-term direction for the creative sector and which has a clear, harmonised strategy of development with the dedicated resources of manpower, finance, institutional supports, private sector involvement, and community involvement.
- Identifying opportunities for IP protection in areas related to internationally marketable concepts, product, and branding opportunities, and securing the rights as an intellectual capital asset for the country.
- Funding new areas of research that have a strong foresight focus and break away from the traditional 'academic' focus.
- Accelerating the commercialisation of IP that currently exists in many private sector player enterprises, state and regional research institutions, as well as the commercialisation of innovative creative offers that have potential through the use of public/private partnerships.

- Improved 'old' and 'new' infrastructure, particularly the latter. New infrastructure is built around facilitation growth in human capabilities and global communications. High quality broadband Internet at an internationally competitive cost is a vital new infrastructure component urgently needed to realise 'Best Bets' of this type.
- Speeding up and improving the effectiveness of the cross-border authorities, both at home and abroad and encouraging the exchange of creative people between countries, including within the region.
- Increased capacity and investment in training specialist people for the creative sector along with an offer of higher-level degree and diploma qualifications.
- Better collection and speedier processing of statistical data.

### **From R&D**

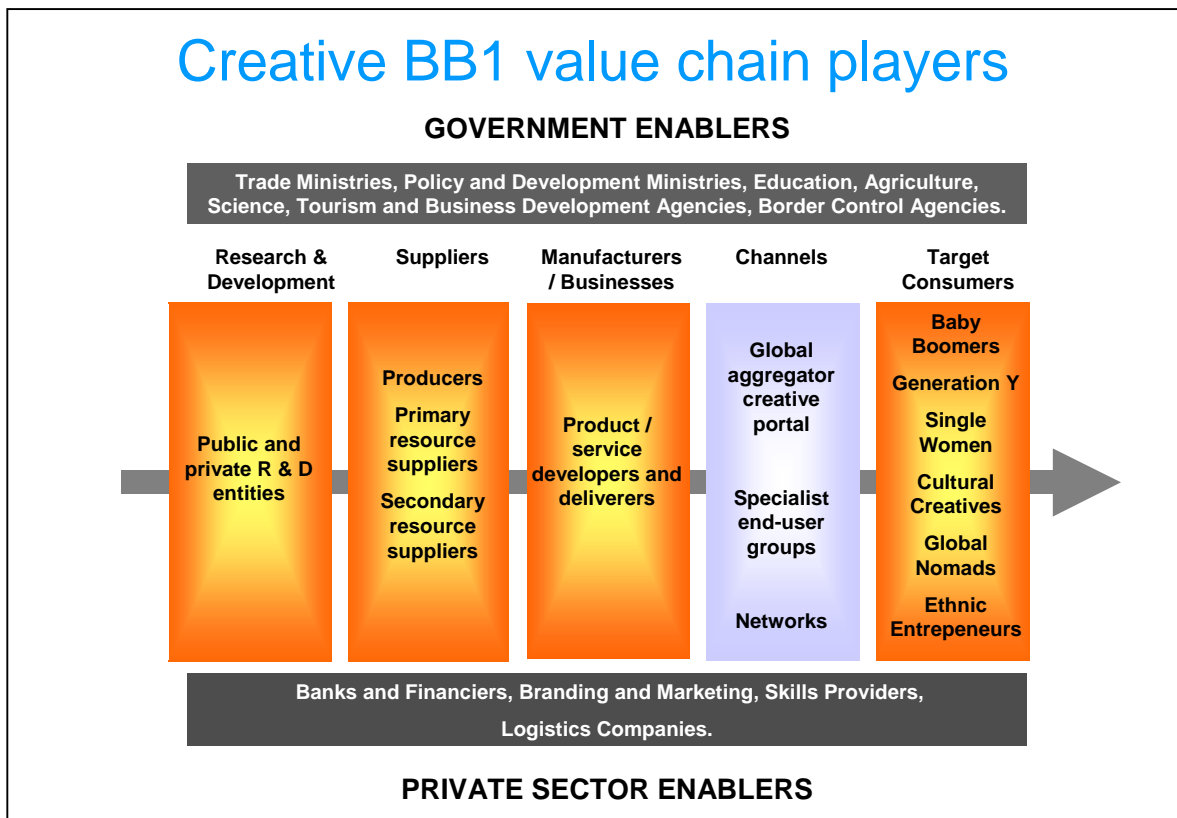
- There are two main areas where R&D can contribute to the success of this Best Bet:
  - Market research to identify potential niche target groups in offshore countries who may have an interest in Caribbean music genres and performers and then developing innovative strategies to connect and communicate with these groups.
  - R & D into improvements in the instruments and technologies used to make and deliver music.
- Improved linkages between research and technology institutions, and the commercial sector.

### **Best Bet Value Chain**

This 'Best Bet' centres largely on the 'Channels' components of the value chain. Connecting the products produced by musicians in T&T and other current Caribbean countries with end consumers using the latest in technology, particularly high-speed electronic file downloading, is crucial to the success of this 'Best Bet'. The traditional global music sector value chains are crumbling rapidly!

The prime need is to drive joint public - private sector initiatives to leverage greater value from the Caribbean creative music and video sector by taking a more innovative approach with regard to connecting products with consumers. However, these components are of little value unless all the other value chain components are aligned in the same direction towards a common medium to long-term goal.

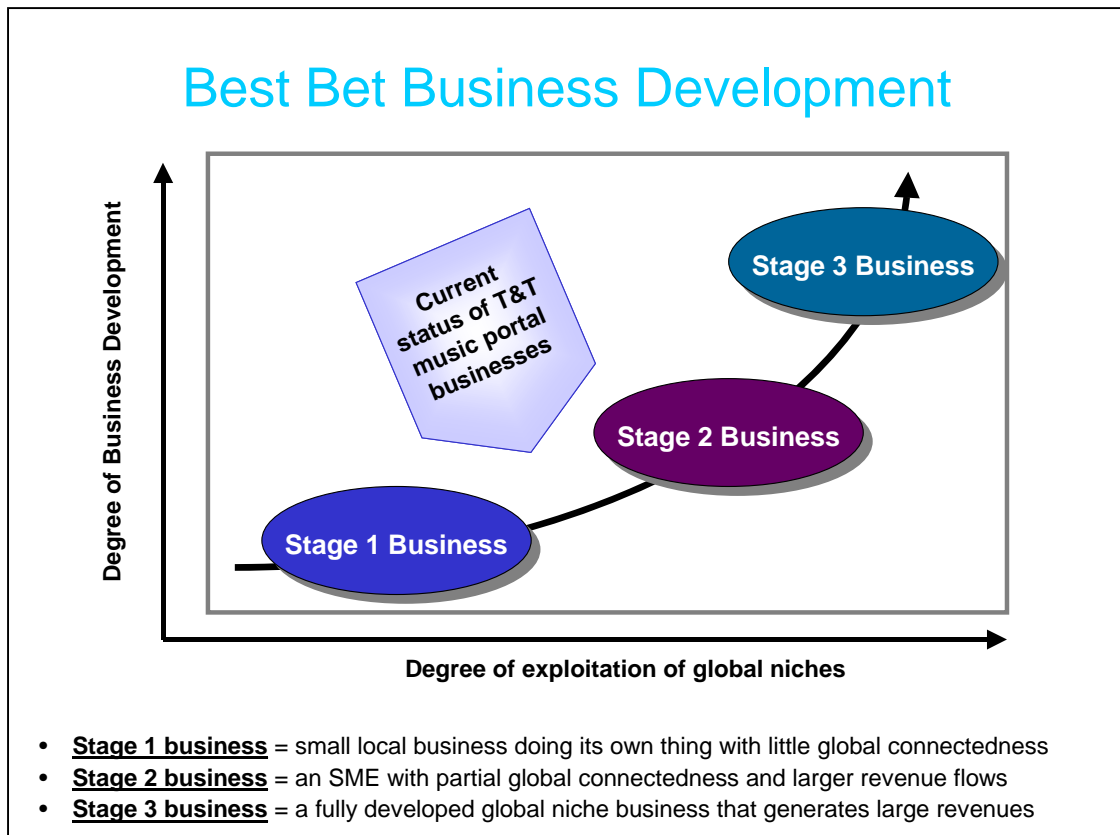
Figure 5: The 'Caribbean Music Portal' value chain



### Key Local Players, Entrepreneurs and Offshore Examples

- There are many creative people in T&T and the Caribbean who have high levels of expertise relevant to this 'Best Bet'. In addition, there are numerous existing businesses already set up and being operated, largely small and run by local entrepreneurs, that could contribute to leveraging the potential value of a T&T 'Best Bet' investment built around this opportunity.
- At present, after a considerable amount of investment and one failed attempt to set up such an online portal, the level of commercial development of high-value opportunities associated with this 'Best Bet' is still at a relatively low level. We believe it is somewhere about the point shown in Figure 6.
- There is considerable potential for achieving relatively fast business growth in this area if the way forward is built upon more fully exploiting existing commercial and public-private initiatives and a business model is developed that leverages the largely internalised value associated with the T&T and Caribbean creative music sector in fast growth global niche markets and, at the same time, caters to the unique and often highly independent 'creative character' – a person who likes to have his or her own space.

Figure 6: The stage of development of businesses in T&T associated with the 'Caribbean Music Portal' investment opportunity



### Local Players and Entrepreneurs

- Key people with who have contributed to the development of this 'Best Bet' include:
  - **Jacqueline Morris** – who works in the music and entertainment sector and is a driving force behind finding a way of commercialising this 'Best Bet'.
  - **Keith Nurse** – who is well known in the region for is involvement in many areas of the creative sector.
  - **Joseanne Leonard.**
  - **Tony Chow Lin On.**
  - **Jean Michel Gilbert.**
  - **Gregory Hernandez.**



**Camille Pierre – Chairman and CEO, Elli Mac Production Ltd**

We have included Ms Camille Pierre as a local entrepreneur because she is involved in some highly entrepreneurial and innovative business development areas that are built upon steelpan music genre - including sales of electronic downloads of steelpan music ring tones for mobile phones. She has plans to extend this into other areas of the online music business using offshore e-commerce platforms to ensure she is internationally competitiveness.



**Ms Camille Pierre  
Chairman and CEO  
Elli-Mac Productions**

**The Trinidad Music Store <http://www.trinidadmusicstore.com>**

We include this as one example of the current type of online music sites that typify the Caribbean offer to the world. It deals only with hard copy sales and delivery.





## **Offshore examples**

In the process of researching this 'Best Bet', we came across a number of specialist ethnic music sites that offered instant electronic music downloads using an e-commerce platform. Here are two examples.

**FunAfric, Nigeria** <http://www.funafri.com/home/>

This fairly simple site facilitates the instant download of a range of ethnic African music online with an e-commerce processing capability.



**Beat of India** <http://www.beatofindia.com/mainpages/downloads.htm>

This is an interesting Indian music website that offers users a range of music purchase options ranging from hard copy CDs through to instant electronic downloads. It has a couple of neat features including a 'try before you buy' function where a sample of each track can be played prior to purchase. It also has a club that regular site users can join and gain special privileges – such as free downloads.

It's a very neat simple example of a smart ethnic music portal with the beginnings of Web 2.0 functionalities.



## The Best Bet Roadmap

An indicative roadmap of targets set, how they will be reached, and who is involved, in order to achieve the desired outcomes of this investment opportunity is shown in Table 1.

**Table 1: Indicative road map for implementing the ‘Caribbean Music Portal’ investment opportunity**

Timing	What?	How?	Who?
<b>Initial</b>	<ul style="list-style-type: none"> <li>Gather key group</li> <li>Source funding</li> <li>Agree portal design and functionality</li> <li>Appoint project manager</li> </ul>	<ul style="list-style-type: none"> <li>Someone takes a lead role</li> <li>Talk with possible investors</li> <li>Consensus</li> <li>Consensus</li> </ul>	<ul style="list-style-type: none"> <li>A group of 5 – 6 key people</li> <li>Above group</li> <li>Above group</li> <li>Above group</li> </ul>
<b>1<sup>st</sup> 6 months</b>	<ul style="list-style-type: none"> <li>Build portal and e-commerce function</li> <li>Sign up first 250 artists and get initial material online</li> <li>Establish links with offshore sites relevant to the portal and give ‘elite membership’</li> <li>Enter the ‘blogosphere’</li> </ul>	<ul style="list-style-type: none"> <li>Site construction</li> <li>Approach with a deal – exclusive or non</li> <li>Network development</li> <li>Network development</li> <li>Largely through smart networking</li> </ul>	<ul style="list-style-type: none"> <li>Commercial site developer</li> <li>Portal project manager and key people</li> <li>Networking specialist</li> <li>Networking specialist</li> </ul>

	<ul style="list-style-type: none"> <li>Marketing and PR campaign to increase awareness</li> <li>First 25,000 sales</li> </ul>	<ul style="list-style-type: none"> <li>Search engine optimisation (SEO) and direct customer contact</li> </ul>	<ul style="list-style-type: none"> <li>Portal manager + e-commerce support</li> </ul>
<b>2<sup>nd</sup> 6 months</b>	<ul style="list-style-type: none"> <li>Sales reach 1,000 a day average - US\$180,000</li> <li>Ramp up support team and sign more artists</li> </ul>	<ul style="list-style-type: none"> <li>Network marketing and SEO</li> <li>Strategic business development</li> </ul>	<ul style="list-style-type: none"> <li>Portal manager + e-commerce support</li> </ul>
<b>Year 2</b>	<ul style="list-style-type: none"> <li>Sales reach 10,000 a day average - US\$3.6 million p.a.</li> <li>Ramp up support team and sign more artists</li> </ul>	<ul style="list-style-type: none"> <li>Network marketing and SEO</li> <li>Strategic business development</li> </ul>	<ul style="list-style-type: none"> <li>Portal manager + e-commerce support</li> </ul>
<b>Year 3</b>	<ul style="list-style-type: none"> <li>Sales reach 50,000 a day average – US\$ 18 million p.a.</li> <li>Ramp up support team and sign more artists</li> </ul>	<ul style="list-style-type: none"> <li>Network marketing and SEO</li> <li>Strategic business development</li> </ul>	<ul style="list-style-type: none"> <li>Portal manager + e-commerce support</li> </ul>
<b>Year 4</b>	<ul style="list-style-type: none"> <li>Sales reach 100,000 a day average – US\$ 36 million p.a.</li> <li>Ramp up support team and sign more artists</li> </ul>	<ul style="list-style-type: none"> <li>Network marketing and SEO</li> <li>Strategic business development</li> </ul>	<ul style="list-style-type: none"> <li>Portal manager + e-commerce support</li> </ul>
<b>Year 5</b>	<ul style="list-style-type: none"> <li>Sales reach 250,000 a day average – US\$ 90 million p.a.</li> <li>Ramp up support team and sign more artists</li> </ul>	<ul style="list-style-type: none"> <li>Network marketing and SEO</li> <li>Strategic business development</li> </ul>	<ul style="list-style-type: none"> <li>Portal manager + e-commerce support</li> </ul>

## Financial Summary

- The summary in Table 2 provides a ‘best-guess’ estimate of the potential revenues, expenses, and EBIT figures that could be achieved over a ten-year period based upon a business that is built around deriving greater value from the Caribbean and T&T creative music sector through the use of modern virtual marketing and networking channels and the application of innovation and entrepreneurship.
- These estimates are based on an optimistic scenario focussed on achieving an outcome in the top 20% of the range of potential outcomes.

**Table 2 Indicative financial projections for the ‘Caribbean Music Portal’ investment opportunity**

	<b>By year 3</b>	<b>By year 6</b>	<b>By year 10</b>
Revenue from sales	US \$ 3,850,000	US\$ 30,500,000	US\$ 203,500,000
Basis of revenue figure	3,600,000 music track downloads @ US\$ 1.00 each 250,000 product items @ US\$1.00 commission each	29,000,000 music track downloads @ US\$ 1.00 each 1,500,000 product items @ US\$1.00 commission each	200,000,000 music track downloads @ US\$ 1.00 each 3,500,000 product items @ US\$1.00 commission each
Capital expenditure	US\$ 320,000	US\$ 105,000	US\$ 140,000
Operating expenditure	US\$ 2,983,000	US\$ 19,840,000	US\$ 129,140,000
Earnings before interest and tax (EBIT)	US\$ 867,000	US\$10,660,000	US\$ 74,360,000

**Note:** This financial overview has not been subjected to detailed scrutiny. It is intended to be an example of what could be achieved in an optimistic scenario. Before making an investment commitment, it would need further development and to be subjected to due diligence.

## **The NEXT Star Rating for This ‘Best Bet’ Investment Opportunity**



- Music sales are moving rapidly online around the world – in spite of the best efforts of the traditional incumbents.
- The changing value chain simplifies the connection between the performers and end-consumers but requires professional management.
- Electronic portals with Web 2.0 and e-commerce capabilities are the business models for tomorrow for creative products such as music, video, and books.
- There is growing interest in ‘world music’.
- There is a big gap in the Caribbean online electronic music download area.
- There is already an extensive global network of fans who have an interest and / or passion for Caribbean music genres.
- It’s the right time!

## **Best Bet 2: Carnival in a Box – ‘Trini Themes Go Global**

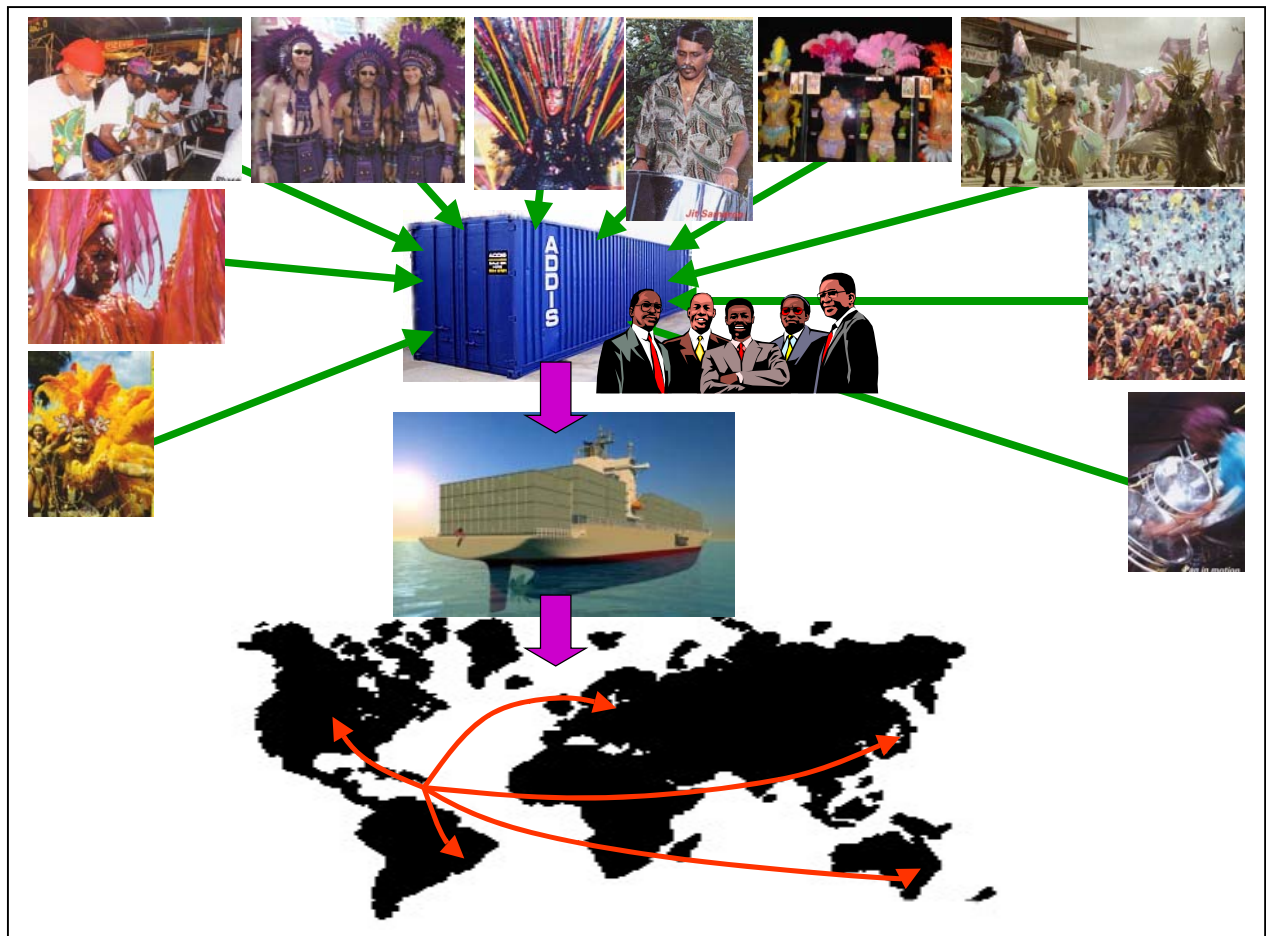
### **The Investment Opportunity**

- The primary business investment opportunity is to build **an event management and consulting company that leverages the considerable resources and expertise available in T&T in the Carnival sector**. There are now somewhere over 400 hundred cities internationally that have their own carnivals (not necessarily with Caribbean themes) and are constantly looking for new and innovative ideas. In addition there are increasing numbers of arts, ethnic, and cultural festivals being held each year in cities around the world that are always searching for new and different concepts to make their festivals ‘world class’.

### **The Customer Offer**

- A full ‘Carnival in a Box’ offer – a complete Carnival package in containers that can be delivered along with performers and event management to any venue in the world.
- The offer includes all aspects associated with a major Carnival themed event such as:
  - The overall theme and programme.
  - Costume design, manufacture, and accessory design and production – the whole ‘mas’ scene.
  - Musicians and bands – in particular steel bands and Caribbean style artists.
  - Carnival managers - total event organisers.
  - Promotional aspects – pre and post event – including saleable products.

Figure 7: The 'Carnival in a Box' offer



## The Foresight Context For This Best Bet

- The growing global 'Competitive City' market – cities are increasingly focussing on ways they can retain and attract the professional and cultural creative classes to live and work in their cities. This includes increasing investment in events and festivals – particularly cultural and ethnic festivals.
- Greater individualism is driving a search for more unique, personalised, and exotic experiences.
- More hedonistic attitudes are driving a search for experiences that cater to personal pleasure and heightened levels of 'fascination'.
- People are travelling more often and experiencing a greater range of cultures and related experiences and want the chance to relive them after they return home.
- Increasing numbers of young people are replacing the disintegrating nuclear family with their own personalised 'tribes' and are keen to explore new and innovative experiences with their 'tribal' groups (real and virtual). They are not into 'mainstream' but things that 'give them a buzz'.
- There is an increasing interest in products and services linked to more exotic ethnic groups.
- Satisfying the growing need for 'constant fascination' and more intense pleasure experience

## Target Markets

The key target markets are:

- Cities that have Carnivals of various types around the world, in particular those with a Caribbean influence – there are at least 123 in this category.
- City event managers in major cities that run cultural, arts, and ethnic festivals as part of their bid to improve their international competitive city reputation. There are international rankings that list the top 100 competitive cities in the world.
- Mardis Gras organisers e.g. in Sydney, Australia.
- Major corporate groups and sponsors who are involved with large scale events.

## What We Have

- T&T has all the components to make this 'Best Bet' work but has few entrepreneurs who have had the international contacts to run a business of this type to date.
- There is a strong passion associated with the T&T Carnival in all focuses.
- There is considerable experience in all aspects of events of this type including organising, managing, and delivering Carnival.
- T&T has the mas and mas building expertise (for a wide variety of genres - fantasy mas, historical themes, 'traditional' mas, character mas, etc.).
- There are many costume designers and makers who have a broad range of experience in designing and producing costumes for a variety of regional and international carnival events (e.g. Tribe, Legacy and Genesis, Callaloo Company, etc.).
- T&T has the music – the whole range of genres from steel pan through to soca and chutney.
- T&T also has the culture associated with Carnival – especially steel pan and mas – and this is recognised around the world.
- There are already a number of T&T individuals and groups involved in carnivals overseas on an ad hoc basis.
- The country's major training and educational institutions are focussing more on the needs in this area e.g. UWI, UTT, GORTT.

## What We Need

To take this 'Best Bet' from where it is today – a predominantly internally focussed sector that is largely involved with one major T&T Carnival a year - to a point where it makes a significant and valuable economic and social contribution to T&T, a number of areas need to be addressed.

### From the Private Sector

- Greater motivation to do more with what T&T has got, in association with its Carnival sector, and expand the associated business opportunities globally.
- To do this will require an entrepreneur who can pull all the disparate and largely SME size players in T&T together and focus them towards a much larger business opportunity.
- A network developer, marketer, and manager who connects well with potential end-users and develops opportunities into commercial contracts.
- Recognition that this is a globally marketable package and not just a Diaspora targeted product.

- Commercial investors to fund the development of the business.
- A global branding and marketing strategy.
- Building alliances with key regional and international partners.

### **From the Public Sector**

- Recognition that T&T's cultural and creative resources, in particular the annual Carnival event, and the associated accumulated knowledge and expertise are valuable assets that can contribute significantly to T&T's future economically and socially.
- A new strategic focus in the way the T&T creative sector offer is presented to the world through government agencies built around foresight-based growth opportunities.
- An integrated approach within a national growth and innovation framework that provides a long-term direction for the creative sector and which has a clear, harmonised strategy of development with the dedicated resources of manpower, finance, institutional supports, private sector involvement, and community involvement.
- Identifying opportunities for IP protection in areas related to internationally marketable concepts, product, and branding opportunities, and securing the rights as an intellectual capital asset for the country.
- Funding new areas of research that have a strong foresight focus and break away from the traditional 'academic' focus.
- Accelerating the commercialisation of IP that currently exists in many private sector player enterprises, state and regional research institutions, as well as the commercialisation of innovative creative offers that have potential through the use of public/private partnerships.
- Improved 'old' and 'new' infrastructure, particularly the latter. New infrastructure is built around facilitation growth in human capabilities and global communications. High quality broadband Internet at an internationally competitive cost is a vital new infrastructure component urgently needed to realise 'Best Bets' of this type.
- Speeding up and improving the effectiveness of the cross-border authorities, both at home and abroad, and encouraging the exchange of creative people between countries.
- Increased capacity and investment in training specialist people for the creative sector along with an offer of higher-level degree and diploma qualifications.
- Better collection and speedier processing of statistical data.

### **From R&D**

- There are several areas where R&D can contribute to the success of this 'Best Bet':
  - Market research to identify potential niche target cities and corporate groups in offshore countries who may have an interest in Carnival and related events and then developing innovative strategies to connect and communicate with these groups.
  - R & D into improvements in the processes and technologies used to make and deliver the various components of major events in areas such as materials science, instrument development, design, and sustainable solutions.



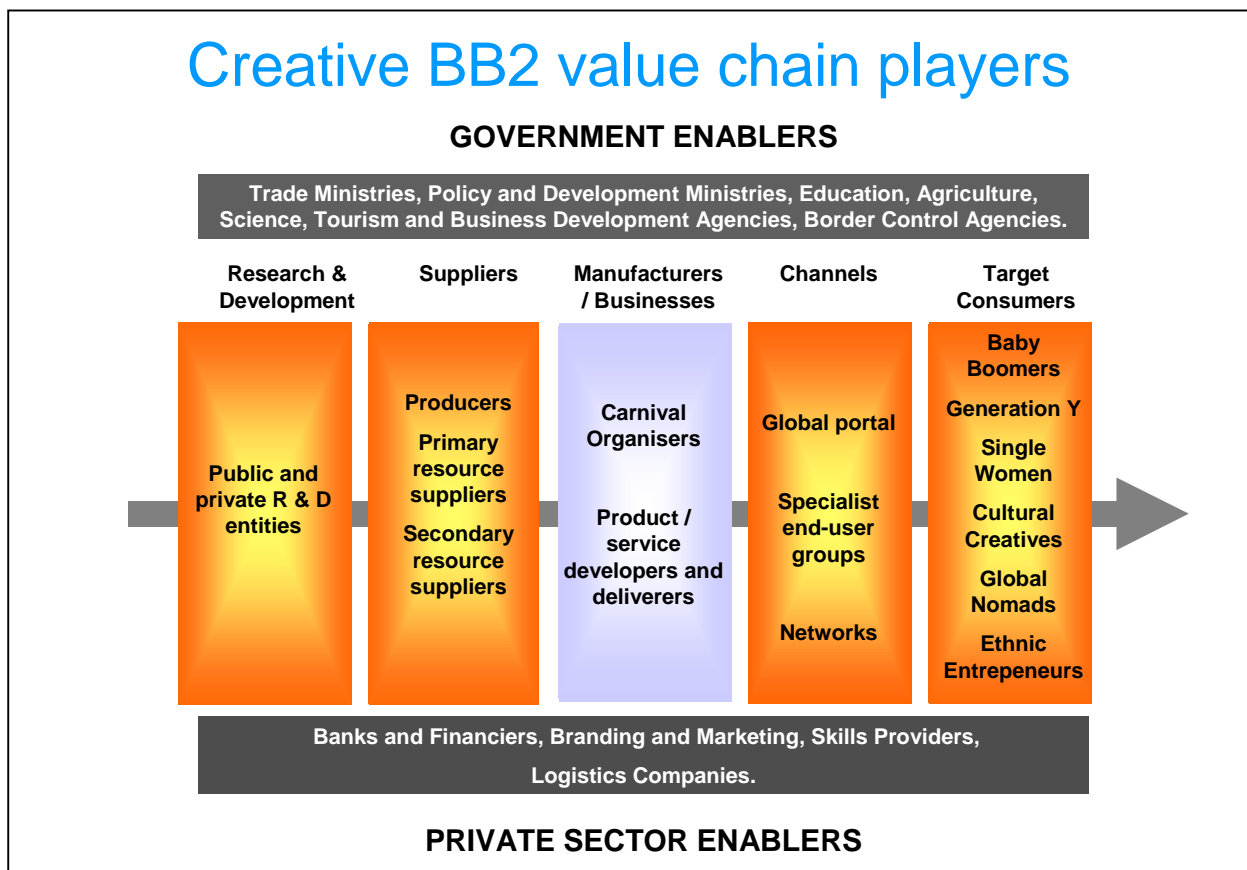
- Improved linkages between research and technology institutions, and the commercial sector.

## Best Bet Value Chain

As shown in Figure 8, this Best Bet centres largely on the ‘Manufacturer / Business’ components of the value chain. However, the ‘Channels’ component is also important for the success of this ‘Best Bet’ – particularly in the area of developing connections with potential international end-users of the ‘Carnival in a Box’ offer.

The prime need is to drive joint public - private sector initiatives to leverage greater value from the existing T&T based Carnival sector by taking a more innovative approach to developing internationally attractive offers built around local resources and differentiators. However, these components are of little value unless all the other value chain components are aligned in the same direction towards a common medium to long-term goal.

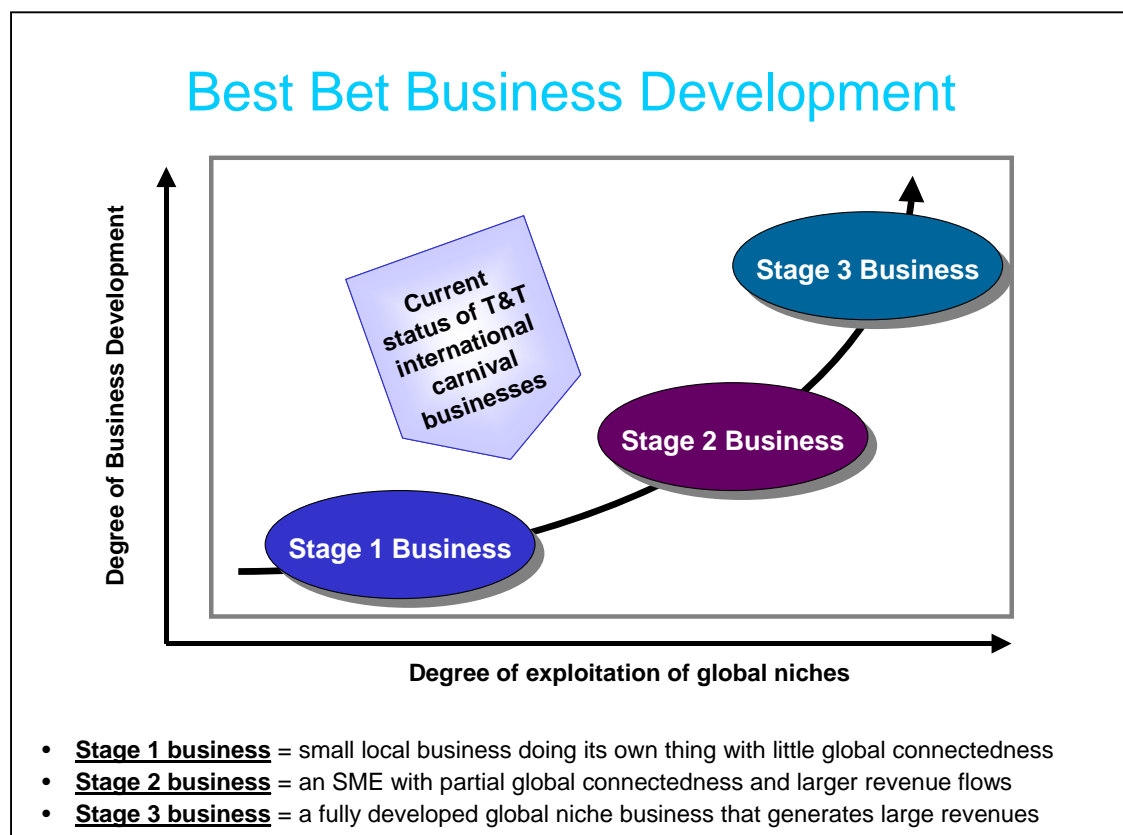
Figure 8: The ‘Carnival in a Box’ value chain



## Key Local Players, Entrepreneurs and Offshore Examples

- There are many highly creative people in T&T who have high levels of expertise relevant to this 'Best Bet' and can supply all the skills and props associated with the organising and delivery of T&T's internationally recognised Carnival.
- There are numerous existing businesses already set up and being operated, largely small and run by local entrepreneurs, that could contribute to leveraging the potential value of a T&T 'Best Bet' investment built around this opportunity.
- At present, after a considerable amount of investment, the level of commercial development of high-value opportunities associated with this 'Best Bet' is still at a relatively low level, shown in Figure 9.
- There is considerable potential for achieving relatively fast business growth in this area if the way forward is built upon more fully exploiting existing commercial and public-private initiatives, and a business model is developed that leverages the largely internalised value associated with the T&T creative sector into fast growth global niche markets and, at the same time, caters to the unique and often highly independent 'creative character' – a person who likes to have his or her own space.

**Figure 9: The stage of development of businesses in T&T associated with the 'Carnival in a Box' investment opportunity**



## **Local players and entrepreneurs**

Local entrepreneurs identified as being relevant to commercialising this 'Best Bet' include:

**Island People** <http://www.islandpeoples.com/about.html>

This is an example of one of T&T's leading mas design and production companies.



### ***Ian Wiltshire***

An entrepreneurial player in the T&T Carnival, music and event production and management scenes.

### ***Spektakula Productions International***

A professional events management company based in T&T and involved with a whole range of events outside of Carnival

There are several regional promoters, known to Jacqueline Morris and Keith Nurse, who have experience in exporting Carnival events such as 'Crop Over' from Barbados and the Jamaica Carnival

## **Offshore examples**

The following are a couple of examples of businesses that are turning local cultural events into global opportunities.

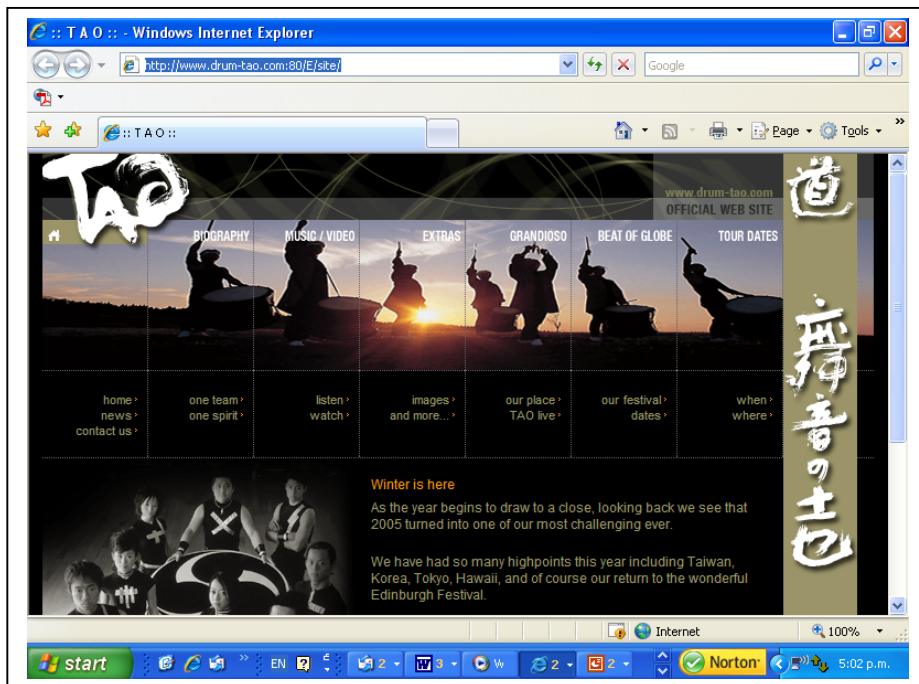
***The Carnival Roadshow Company*** <http://www.thecarnival.tv/Event%20Management.htm>

This is the UK based group which organises the famous Notting Hill Festival in London. It is now marketing its event organising and management skills to other cities and clients around the world. In a way it is somewhat ironic that the Caribbean Carnival themes and concepts, which are a major part of the Notting Hill Festival, are being marketed from the UK into other markets.



***Japanese Tao Drummers*** <http://www.drum-tao.com:80/E/site/>

This example is included because it is a wonderful example of how a home grown cultural tradition has been developed into a highly professional global business. The Tao drummers participate in major arts, cultural and ethnic festivals in many of the world's top 'competitive cities'. They are a world class act with a world-class marketing and management model.



## The Best Bet Roadmap

An indicative roadmap of targets set, how they will be reached, and who is involved, in order to achieve the desired outcomes of this investment opportunity is shown in Table 3.

**Table 3: Indicative road map for implementing the ‘Carnival in a Box’ investment opportunity**

Timing	What?	How?	Who?
<b>Initial</b>	<ul style="list-style-type: none"> <li>Define the offer and target markets</li> <li>Funding needs and sourcing</li> </ul>	<ul style="list-style-type: none"> <li>Consensus</li> <li>Consensus</li> </ul>	<ul style="list-style-type: none"> <li>Key carnival players + market specialist</li> <li>Commercial + govt</li> </ul>
<b>1<sup>st</sup> 6 months</b>	<ul style="list-style-type: none"> <li>Choose target markets and research who the potential customer s might be, their needs and timings</li> <li>Establish a viable go forward plan including the practical offer</li> <li>Build a database of potential Carnival in a Box suppliers in T&amp;T and global clients and supply contracts</li> <li>Develop a web portal</li> <li>Initiate an e-marketing network development programme</li> </ul>	<ul style="list-style-type: none"> <li>Market research</li> <li>Business plan development</li> <li>Market research</li> <li>Contract</li> <li>Marketing strategy and implementation</li> </ul>	<ul style="list-style-type: none"> <li>Market researcher</li> <li>Commercial</li> <li>Market researcher / commercial</li> <li>Website developer</li> <li>Marketer / networker</li> </ul>

<b>2<sup>nd</sup> 6 months</b>	<ul style="list-style-type: none"> <li>• Contact all the key carnival organisers globally re the T&amp;T service</li> <li>• Contact at least 400 cultural, arts festival and Mardis Gras event organisers in target countries to alert them to the T&amp;T services</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing exercise</li> <li>• Marketing exercise</li> </ul>	<ul style="list-style-type: none"> <li>• Marketer</li> <li>• Marketer</li> </ul>
<b>Year 2</b>	<ul style="list-style-type: none"> <li>• First total Carnival event management contract won</li> <li>• First Carnival in a Box smaller event won</li> <li>• Total revenue US\$500,000</li> </ul>	<ul style="list-style-type: none"> <li>• Contract signed off and project delivered</li> <li>• Contract signed off and project delivered</li> </ul>	<ul style="list-style-type: none"> <li>• Marketer / commercial</li> <li>• Marketer / commercial</li> </ul>
<b>Year 3</b>	<ul style="list-style-type: none"> <li>• Three total Carnival event management contracts won</li> <li>• Three Carnival in a Box smaller events won</li> </ul>	<ul style="list-style-type: none"> <li>• Contracts signed off and project delivered</li> <li>• Contracts signed off and project delivered</li> </ul>	<ul style="list-style-type: none"> <li>• Marketer / commercial</li> <li>• Marketer / commercial</li> </ul>
<b>Year 4</b>	<ul style="list-style-type: none"> <li>• Six total Carnival event management contracts won</li> <li>• Six Carnival in a Box smaller events won</li> </ul>	<ul style="list-style-type: none"> <li>• Contracts signed off and project delivered</li> <li>• Contracts signed off and project delivered</li> </ul>	<ul style="list-style-type: none"> <li>• Marketer / commercial</li> <li>• Marketer / commercial</li> </ul>
<b>Year 5</b>	<ul style="list-style-type: none"> <li>• Ten total Carnival event management contracts won</li> <li>• Ten Carnival in a Box smaller events won</li> </ul>	<ul style="list-style-type: none"> <li>• Contracts signed off and project delivered</li> <li>• Contracts signed off and project delivered</li> </ul>	<ul style="list-style-type: none"> <li>• Marketer / commercial</li> <li>• Marketer / commercial</li> </ul>

## Financial Summary

- The summary in Table 4 provides a ‘best-guess’ estimate of the potential revenues, expenses, and EBIT figures that could be achieved over a ten-year period based upon a business that is built around deriving greater value from T&T’s internationally recognised Carnival and associated creative sector expertise through the application of innovation and entrepreneurship.
- These estimates are based on an optimistic scenario focussed on achieving an outcome in the top 20% of the range of potential outcomes.

**Table 4: Indicative financial projections for the ‘Carnival in a Box’ investment opportunity**

	<b>By year 3</b>	<b>By year 6</b>	<b>By year 10</b>
Revenue from sales	US \$ 880,000	US\$ 2,640,000	US\$ 4,580,000
Basis of revenue figure	6 contract fees@ US\$ 50,000 each 20 theming services fees @ US\$15,000 each 10 agency fees for artist bookings @ US\$ 3,000 each 3,000 commissions on accessory sales @ US\$ 50.00 each	18 contract fees@ US\$ 50,000 each 50 theming services fees @ US\$15,000 each 80 agency fees for artist bookings @ US\$ 3,000 each 15,000 commissions on accessory sales @ US\$ 50.00 each	20 contract fees@ US\$ 50,000 each 90 theming services fees @ US\$15,000 each 160 agency fees for artist bookings @ US\$ 3,000 each 35,000 commissions on accessory sales @ US\$ 50.00 each
Capital expenditure	US\$ 470,000	US\$ 180,000	US\$240,000
Operating expenditure	US\$ 828,600	US\$ 1,797,300	US\$ 2,913,100
Earnings before interest and tax (EBIT)	US\$ 51,400	US\$ 842,700	US\$ 1,666,900

**Note:** This financial overview has not been subjected to detailed scrutiny. It is intended to be an example of what could be achieved in an optimistic scenario. Before making an investment commitment, it would need further development and to be subjected to due diligence.

### The NEXT Star Rating for This ‘Best Bet’ Investment Opportunity



- T & T is a leader in the Carnival conception, design, theme development, management and delivery internationally.
- There is a vast pool of specialist skills and expertise available.
- The T&T Carnival is recognised as a world-class event internationally.
- There is a growing market for supplying complete packages or components of packages in the international city Carnival (of all types), cultural, arts and ethnic festival events area.
- The growing ‘competitive cities’ market is giving rise to new opportunities.
- T&T specialists and performers are already involved with such events in offshore cities – but generally on an ad hoc basis.
- There is a real opportunity to ‘go global’ with the right entrepreneurial leadership.
- The reason we have given it four stars is that groups like the UK based Carnival Roadshow Company are already making moves into this area on an international basis.

## **Best Bet 3: 'Trini Fashion – Twin Islands Fashion Cluster'**

### **The Investment Opportunity**

The primary investment opportunity is to develop **a business which is provides a 'one stop shop' interface between a cluster of innovative and entrepreneurial fashion designers and manufactures – both established and up and coming – and high wealth niche customers in offshore markets.** The focus is on leveraging greater value out of T&T inspired creative fashion design and specialist regional resource materials – such as Sea Island Cotton. The 'Twin Islands Fashion Cluster' is essentially a portal that provides a mutually beneficial relationship between the designers/manufacturers, and end-customers – both wholesale and retail. The business derives revenue from commissions on sales that are generated through the portal.

### **The Customer Offer**

- Highly individualised and customised offers to discerning fashion customers in both the high-end retail and end-customer market segments.
- Access to products that have been designed to use unique local and regional materials such as highly valued Sea Island Cotton.
- Access to a wide range of highly innovative established and up and coming T&T fashion designers.
- Worldwide door-to-door delivery to individual customers either through strategic high-end market alliances or through virtual portals.
- Access to the special influences from within the 'Twin Islands' that local designers and manufacturers have used to create unique and innovative fashion products e.g. from traditional carnival styles to leading edge fashion and décor design.
- Access to a wealth of local talent – established and up and coming - in both fashion and accessories design and manufacturing and the opportunity to own products that cater to a growing need for individual differentiation.



Figure 10: The 'Twin Islands Fashion Cluster' offer



## The Foresight Context For This Best Bet

- The major global foresight trends that are driving growth in this niche include:
  - The trend towards spending and increasingly greater proportion of disposable income on products and services which make people feel good – a hedonistic trend.
  - The trend towards greater individualism and the growing demand for individually customised products and solutions – the end of the 'mass market'.
  - The growth in the high wealth Baby Boomer segment – they are far more active and adventurous than previous generations of the same age and are becoming the wealthiest cohort in developed countries.
  - The growth in 'Age Defiance' – a passion to stay looking and feeling young – not just in the senior cohorts of populations.
  - The growth in the high wealth 'global nomad' and 'cultural creative' consumer groups – who are also often 'adventurers'.
  - The growth in interest in ethnic, exotic, and cultural activities – reflected in the growing 'world music' market sector.
  - The growth in the independence, self-confidence and financial status of women consumers.

- The evolution of the 'metrosexual' male – a person who is concerned about his personal appearance and the impression he makes on others.

## Target Markets

- Predominantly the higher end male and female fashion market – apparel and accessories - in selected global niches e.g. London, Paris, Berlin, New York, Shanghai, Singapore, Los Angeles, Sydney, Hong Kong, Rio de Janeiro, etc.
- Areas with a strong T&T / Caribbean Diaspora.
- Costume design and manufacture buyers – including accessories.
- Fashion décor retail outlets – in particular around the Caribbean rim.
- Fashion décor buyers for institutions and the accommodation sector.

## What We Have

- The 'Twin Islands' have a number of excellent designers and manufacturers who are of an internationally competitive standard and who represent a range of focuses from traditional carnival styles to leading edge fashion and décor design.
- There is a wealth of local talent – established and up and coming - in both fashion and accessories design and manufacturing. However, many up and coming fashion designers and manufacturers have limited prospects in the T&T market because of its small size and the low numbers of tourists that visit the country.
- There are high levels of creativity in the fashion design sector.
- There are a number of established brands and high profile designers who are known outside T&T (e.g. Heather Jones, Claudia Pegus, Meiling, The Cloth, Radical Designs).
- There are also a number of local designers based overseas, either in the USA or the U.K. (e.g. Donna Dove for urban wear in New York, Ria Ramkissoon for leather handbags and accessories in New York, and Daronte for larger size womenswear in the U.K.).
- An industry base to work from (e.g. extremely good pattern-makers, small manufacturers who have worked with established designers and who are good task people, as well as people who are good at making prototypes).
- Existing experience with branding. In this regard, there are a number of lines that readily available.
- Unique local and regional materials, designers, and design processes (Sea Island Cotton, shells, wood, calabash, etc.).
- There are groups of consumers in wealthy global markets who are interested in exotic fashions from smart new designers anywhere around the world.
- A growing interest in moving towards cluster concepts. By promoting the diversity offered by a cluster of small designer and manufacturing groups to global niche audiences, a range of styles and interpretations can be offered through a single 'portal' so that highly individualistic customers can pick and choose from what is essentially a mixed portfolio.
- The formation of the NEDCO backed fashion sector cluster in January 2007 for small-scale designers and manufacturers. NEDCO is also assisting talented up and coming fashion designers to connect with customers and high end retailers in offshore markets e.g. Lynette Atherley, Tehillah's Designs, at the Winnipeg Fashion Show in Canada during 2006.

- The planned establishment of an Institute of Fashion Technology of Trinidad and Tobago at the University of Trinidad and Tobago in the 2007-2008 year.

## **What We Need**

To take this 'Best Bet' from where it is today – a relatively fragmented production and marketing sector with a range of independent players ranging in size from small to large - to a point where it makes a significant and valuable economic and social contribution to T&T, a number of areas need to be addressed.

### **From the Private Sector**

- An entrepreneur to drive the development of a one-stop shop portal for a cluster of smaller established and up-and-coming fashion designers and manufacturers who have products that are of an internationally competitive nature. At the same time, the cluster needs to preserve the needs of the individual creative designers and manufacturers – in particular their 'space' – whilst helping them achieve success in their businesses.
- Greater efforts at IP protection and the use of certification of authenticity.
- Coordinated branding and marketing strategies – this includes the need to move into global e-marketing to better connect the 'Twin Islands' offer to potential end-customers.
- Development of an online virtual portal with e-commerce functions.
- Development of key networks and strategic alliances that are essential to underpin the success of the cluster and its overarching 'Twin Islands' one stop shop interface.
- Development of the most efficient value chains to connect T&T based designer/manufacturers with end-customers in offshore markets.
- Creating a Caribbean fashion 'buzz' in key global niche markets and within the cluster to stimulate innovation and success.
- The availability of world class cost competitive e-commerce capabilities through the country's major banking groups.

### **From the Public Sector**

- Recognition that T&T's cultural and creative resources, in particular in the field of fashion design, and the associated accumulated knowledge and expertise are valuable assets that offer considerable potential to contribute significantly to T&T's future economically and socially.
- A new strategic focus in the way the T&T creative and fashion sector offer is presented to the world through government agencies built around foresight-based growth opportunities.
- An integrated approach within a national growth and innovation framework that provides a long-term direction for the creative sector and which has a clear, harmonised strategy of development with the dedicated resources of manpower, finance, institutional supports, private sector involvement, and community involvement.
- Identifying opportunities for IP protection in areas related to internationally marketable concepts, product, and branding opportunities, and securing the rights as an intellectual capital asset for the country.
- Funding new areas of research that have a strong foresight focus and break away from the traditional 'academic' focus.

- Accelerating the commercialisation of IP that currently exists in many private sector player enterprises, state and regional research institutions, as well as the commercialisation of innovative creative offers that have potential through the use of public/private partnerships.
- Improved 'old' and 'new' infrastructure, particularly the latter. New infrastructure is built around facilitation growth in human capabilities and global communications. High quality broadband Internet at an internationally competitive cost is a vital new infrastructure component urgently needed to realise 'Best Bets' of this type.
- Speeding up and improving the effectiveness of the cross-border authorities, both at home and abroad, and encouraging the exchange of creative people between countries.
- Increased capacity and investment in training specialist people for the fashion sector along with an offer of higher-level degree and diploma qualifications. Mentoring programs are an area that might offer considerable potential.
- Better collection and speedier processing of statistical data.
- Advancing progress towards the Caribbean Single Market Economy (CSME) so that greater regional opportunities are opened up to T&T fashion designers and manufacturers.

### **From R&D**

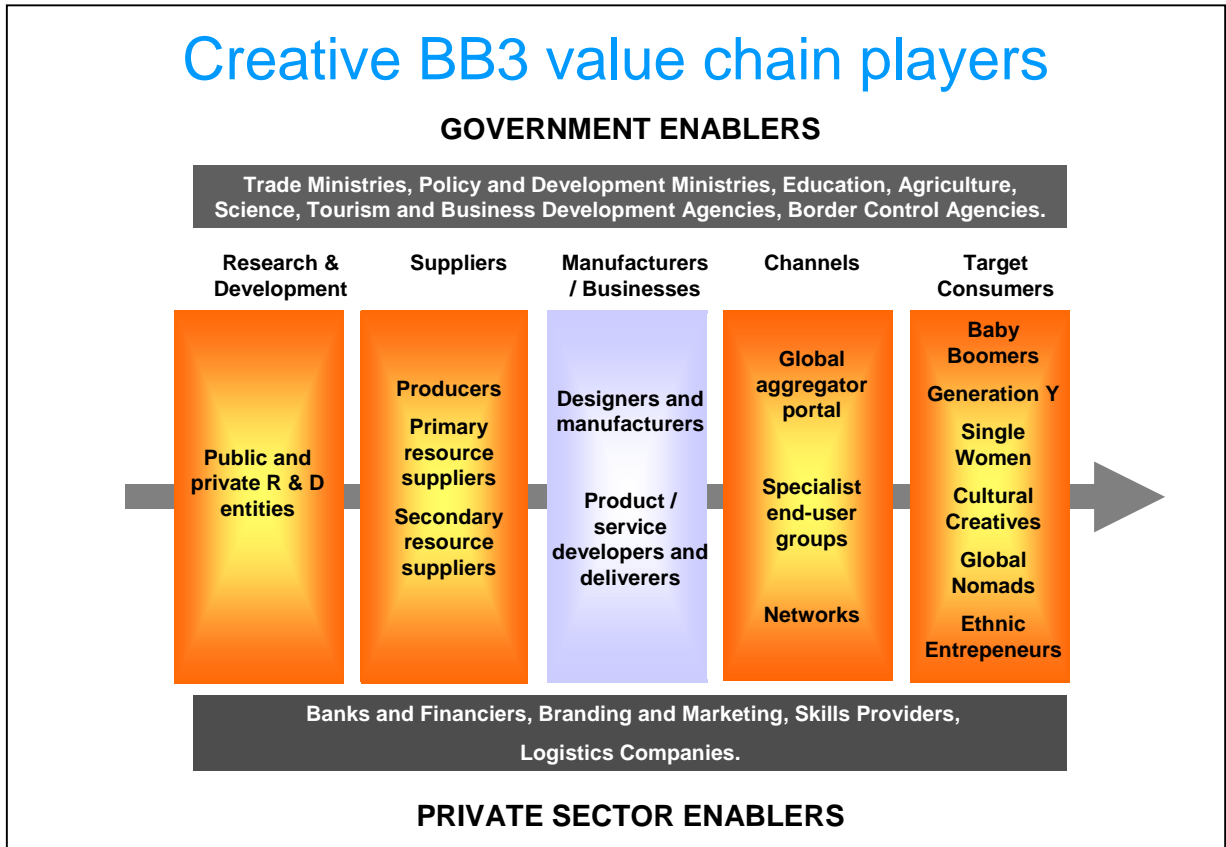
- A more innovative approach to developing new and unique design concepts and manufacturing processes that enable differentiation of the country's fashion sector offer in global markets.
- A priority focus on securing IP as it relates to products and processes as they relate to this sector.
- More involvement in consortia and public-private partnerships/alliances to hasten the commercialisation of research.
- Research to develop greater knowledge about international fashion trends e.g. in areas such as styles and design, technology, fibre and fabric development, process trends.
- Market research to establish the best ways of networking and connecting with increasingly individualistic global customers in the preferred niche market areas.
- Improved linkages between research and technology institutions, and the commercial sector.
- The development of environmentally friendly products and processes for the fashion design and manufacturing sector.

### **Best Bet Value Chain**

- As shown in Figure 11, this 'Best Bet' centres largely on the 'Manufacturer / Business' components of the value chain. However, the 'Research & Development' and 'Channel' components are also of great importance to facilitate the success of this 'Best Bet' – particularly in the areas of encouraging ongoing innovation in creative design and materials science and developing more direct channel connections with potential end-customers in wealthy offshore markets.
- The prime need is to drive cluster development driven by local commercial players alongside joint public - private sector initiatives to leverage greater value from the existing T&T based fashion design and production sector by taking a more innovative approach built around unique local resources and

differentiators. However, these components are of little value unless all the other value chain components are aligned in the same direction towards a common medium to long-term goal.

**Figure 11: The 'Twin Islands Fashion Cluster' value chain**

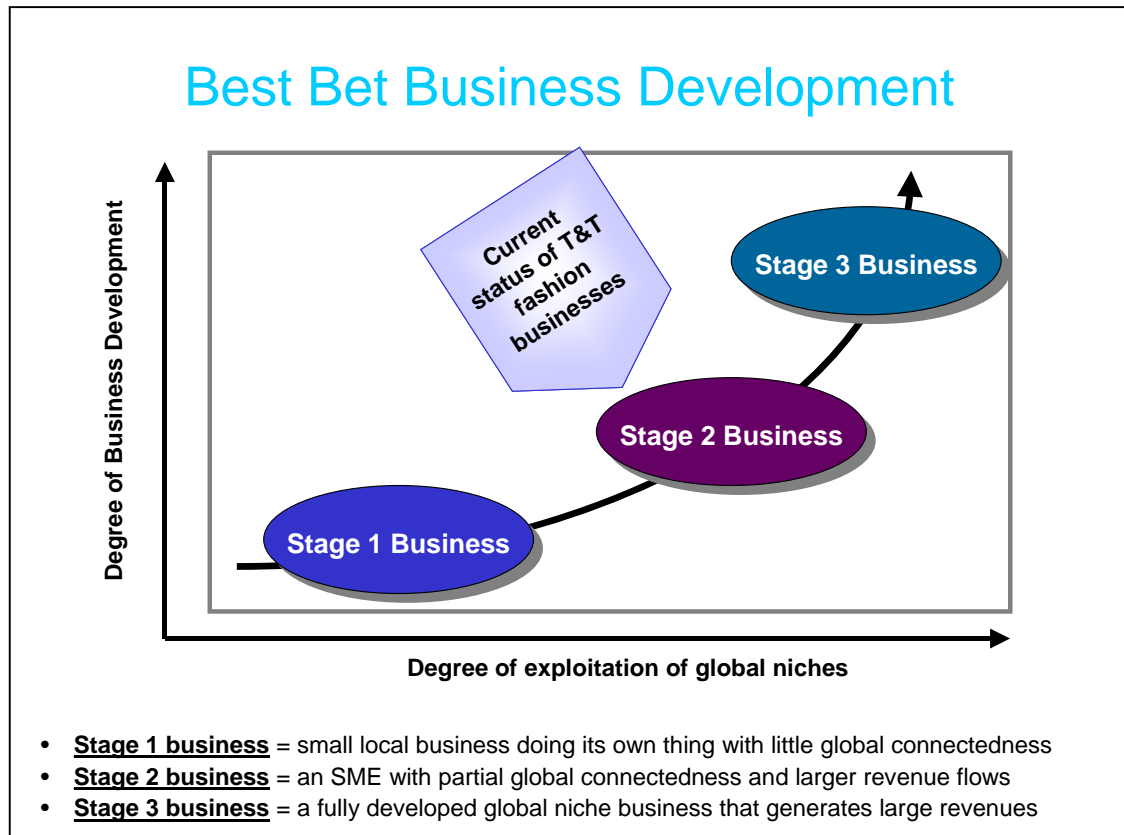


### Key Local Players, Entrepreneurs and Offshore Examples

- There are many highly creative people in the fashion sector in T&T who have high levels of expertise relevant to this 'Best Bet'. In addition, there are numerous existing businesses already set up and being operated, largely small and run by local entrepreneurs, that could contribute to leveraging the potential value of a T&T 'Best Bet' investment built around this opportunity. There are also several larger players who have developed more significant businesses that include a significant international marketing component.
- At present the level of commercial development of high-value opportunities associated with this 'Best Bet' still offers considerable potential as shown in Figure 12.
- There is an excellent opportunity to achieve relatively fast business growth in this 'Best Bet' niche if the way forward is built upon more fully exploiting existing commercial and public-private initiatives and a business model is developed that leverages the largely internalised value associated with the T&T creative sector in fast growth global niche markets and caters to the unique and often highly independent 'creative character' – a person who likes to have his or her own space. This is where the cluster concept plays a

crucial role. It is a model that has worked very successfully in many countries, particularly Italy and New Zealand.

**Figure 12: The stage of development of businesses in T&T associated with the 'Twin Islands Fashion Cluster' investment opportunity**



### **Local players and entrepreneurs**

In the process of developing this 'Best Bet', the following people made a significant contribution:

**Robert Young, The Cloth Ltd.** <http://www.thecloth.net>

Robert Young is a self-taught entrepreneurial fashion designer who has been in the sector for over twenty years. He has achieved a great deal of success during that time and learnt a great deal about the need for the sector to develop clusters of designers, manufacturers, and marketers if it is to leverage value and be able to become economically significant as a sector

**Dominique Rostant, Janouras Custom Design Ltd. <http://www.janouras.com/>**

Her group has specialised in customised corporate fashion and is based in Port of Spain.



**Lynette Atherley, Tehilla's Designs, San Fernando.**

Lynette Atherley has been in the fashion design and manufacturing sector for over twenty years and has won a number of awards for her innovation. She has now established a presence in Canada after her successful debut at the Winnipeg Fashion Show in 2006 in Canada. NEDCO assisted her enter this show. She will also be playing a lead role in the development of the T&T fashion sector cluster for SMEs during 2007.

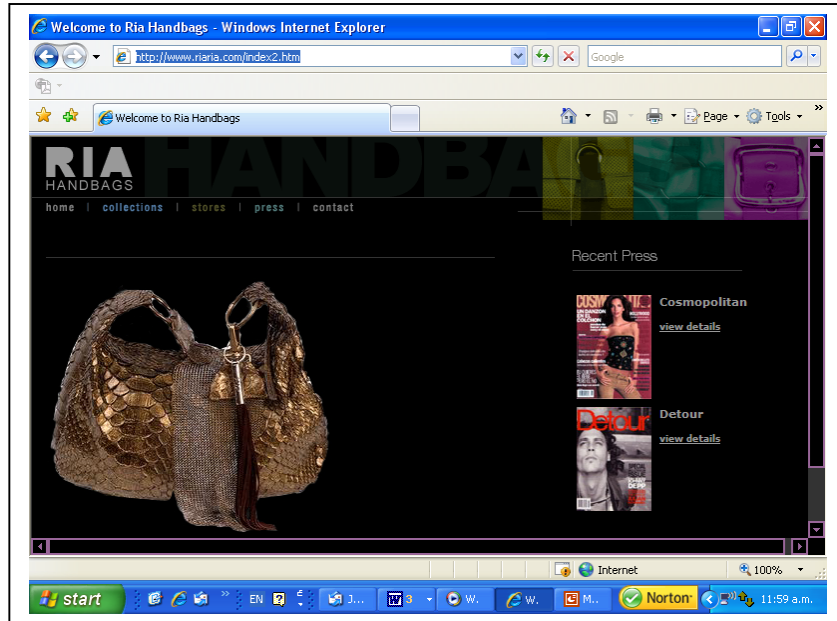


**Lynette Atherley  
Tehilla's Designs**



**Ria Ramkissoon, Ria Handbags** <http://www.riaria.com/index2.htm>

We include this example because T&T's Ria Ramkissoon has established a highly successful fashion accessory business in the USA. She has her own outlets e.g. in New York, and also markets her products through a network of elite specialist retail outlets throughout the country.



**Offshore examples**

We include one highly relevant example of a cluster approach that has been followed by the New Zealand fashion sector.

**Fashionz, New Zealand.** <http://www.fashionz.co.nz/how-it-happen/>

This is the overarching New Zealand fashion cluster website. This is complemented by a number of regional fashion clusters that are designed to promote the successful development of existing and up and coming fashion designers and manufacturers across the whole range of fashion focuses.





## The Best Bet Roadmap

An indicative roadmap of targets set, how they will be reached, and who is involved, in order to achieve the desired outcomes of this investment opportunity is shown in Table 5.

**Table 5: Indicative road map for implementing the ‘Twin Islands Fashion Cluster’ investment opportunity**

Timing	What?	How?	Who?
<b>Initial</b>	<ul style="list-style-type: none"> <li>Identify who can form the cooperative (ideally 5 designers, 2 or 3 pattern-makers, 3 small manufacturers)</li> <li>Approach Sea Island Cotton Association in Jamaica to gain access to sea island cotton</li> <li>Determine investment needs and sourcing</li> </ul>	<ul style="list-style-type: none"> <li>Consensus</li> <li>Dialogue with SICA-enter into an arrangement</li> <li>Accessing loans through EU funding or funding through private investors</li> </ul>	<ul style="list-style-type: none"> <li>Project group of 12 key people – locals/Caribbean-wide - to form cooperative</li> <li>Manager of cooperative &amp; SICA</li> <li>Commercial/govt</li> </ul>
<b>1<sup>st</sup> 6 months</b>	<ul style="list-style-type: none"> <li>Choose target markets and the offers to be made by contacting potential retailers and end-clients</li> <li>Identify space to work and accessing/pooling of machinery</li> <li>Develop a marketing strategy</li> <li>Finalise a virtual portal and e-commerce function</li> <li>Finalise the best value chain options for the cluster to deliver to end customers</li> <li>Define IP protection and authentication needs among the members of the cooperative</li> </ul>	<ul style="list-style-type: none"> <li>Research and assessment</li> <li>Consensus</li> <li>Market research</li> <li>Website design</li> <li>Market research</li> <li>International agreements review process</li> </ul>	<ul style="list-style-type: none"> <li>Market researcher / commercial</li> <li>Cooperative, arrangement with Radical Designs Ltd, T&amp;T Export Centres</li> <li>Market researcher</li> <li>Website designer</li> <li>Market researcher</li> <li>Legal</li> </ul>
<b>2<sup>nd</sup> 6 months</b>	<ul style="list-style-type: none"> <li>E-networks set up to connect regularly with niche customer groups offshore</li> <li>Have agreements to sell lines in specialised stores throughout the Caribbean</li> </ul>	<ul style="list-style-type: none"> <li>Database and output development</li> </ul>	<ul style="list-style-type: none"> <li>e-Marketer</li> <li>Cave Sheppard in Barbados, exclusive hotels and higher-end boutiques in</li> </ul>

	<ul style="list-style-type: none"> <li>• First sales made – US\$100,000</li> </ul>		<p>airports and other tourist shopping centres in Martinique, Antigua, etc</p> <ul style="list-style-type: none"> <li>• Commercial</li> </ul>
<b>Year 2</b>	<ul style="list-style-type: none"> <li>• Present lines at regional fashion shows-Caribbean Fashion Week in Jamaica, Barbados Fashion Week, Makin' Style in Trinidad, Caribbean Gift and Craft Show in St. Kitts and French Caribbean Fashion Week plus décor show presentations</li> <li>• R&amp;D into new designs, materials and marketing channels</li> <li>• Extend network marketing and PR campaign</li> <li>• Sales rise to US\$1 million</li> </ul>	<ul style="list-style-type: none"> <li>• Sales and market development, trade development support</li> <li>• Research and development / market research</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial / marketing / government</li> <li>• S&amp;T / commercial</li> </ul>
<b>Year 3</b>	<ul style="list-style-type: none"> <li>• Two international fashion shows plus two décor show presentations</li> <li>• R&amp;D into new designs, materials and marketing channels</li> <li>• Extend network marketing and PR campaign</li> <li>• Sales rise to US\$5 million</li> </ul>	<ul style="list-style-type: none"> <li>• Sales and market development, trade development support</li> <li>• Research and development / market research</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial / marketing / government</li> <li>• S&amp;T / commercial</li> </ul>
<b>Year 4</b>	<ul style="list-style-type: none"> <li>• Two international fashion shows plus two décor show presentations</li> <li>• R&amp;D into new designs, materials and marketing channels</li> <li>• Extend network marketing and PR campaign</li> <li>• Sales rise to US\$10 million</li> </ul>	<ul style="list-style-type: none"> <li>• Sales and market development, trade development support</li> <li>• Research and development / market research</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial / marketing / government</li> <li>• S&amp;T / commercial</li> </ul>
<b>Year 5</b>	<ul style="list-style-type: none"> <li>• Two international fashion shows plus two décor show presentations</li> </ul>	<ul style="list-style-type: none"> <li>• Sales and market development, trade development</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial / marketing / government</li> </ul>

	<ul style="list-style-type: none"> <li>• R&amp;D into new designs, materials and marketing channels</li> <li>• Extend network marketing and PR campaign</li> <li>• Sales rise to US\$20 million</li> </ul>	<ul style="list-style-type: none"> <li>• Research and development / market research</li> </ul>	<ul style="list-style-type: none"> <li>• S&amp;T / commercial</li> </ul>
--	--	--	--

## Financial Summary

- The summary in Table 6 provides a ‘best-guess’ estimate of the potential revenues, expenses, and EBIT figures that could be achieved over a ten-year period based upon a business that is built around deriving greater value from T&T’s fashion design, manufacturing and marketing sector through the application of innovation and entrepreneurship.
- These estimates are based on an optimistic scenario focussed on achieving an outcome in the top 20% of the range of potential outcomes.

**Table 6: Indicative financial projections for the ‘Twin Islands Fashion Cluster’ investment opportunity**

	By year 3	By year 6	By year 10
Revenue from commissions	US \$ 800,000	US\$ 2,450,000	US\$ 3,950,000
Basis of revenue figure	8 lines of fashion products represented @ US\$ 50,000 commission p.a. 20 lines of custom products represented @ US\$15,000 commission p.a. 10 lines of décor products represented @ US\$10,000 commission p.a.	18 lines of fashion products represented @ US\$ 50,000 commission p.a. 40 lines of custom products represented @ US\$15,000 commission p.a. 50 lines of décor products represented @ US\$10,000 commission p.a.	20 lines of fashion products represented @ US\$ 50,000 commission p.a. 90 lines of custom products represented @ US\$15,000 commission p.a. 160 lines of décor products represented @ US\$10,000 commission p.a.
Capital expenditure	US\$ 250,000	US\$75,000	US\$ 100,000
Operating expenditure	US\$ 733,500	US\$ 1,752,000	US\$ 2,746,000
Earnings before interest and tax (EBIT)	US\$ 41,500	US\$ 698,000	US\$ 1,204,000

**Note:** This financial overview has not been subjected to detailed scrutiny. It is intended to be an example of what could be achieved in an optimistic scenario. Before making an investment commitment, it would need further development and to be subjected to due diligence.

## The NEXT Star Rating for This 'Best Bet' Investment Opportunity



- T&T has a naturally high level of creativity within its population.
- There are already a number of T&T fashion sector players who are achieving international success.
- There is a great deal of innovation and entrepreneurship in the sector.
- However, as is typical in most creative sector industries, there has been a great deal of fragmentation and a hesitancy by sector players to work cooperatively to exploit the growing opportunities for unique product designs, concepts, and materials in wealthy global niche markets.
- Fashion clusters have worked successfully in a number of countries, e.g. Italy and New Zealand.
- There are moves towards a cluster-based approach underway in T&T.
- What it needs is an entrepreneur who can pull it all together!

## **Best Bet 4: 'The Pan Tree' – Steelpan Innovation Clusters**

### **The Investment Opportunity**

- The primary investment opportunity associated with this best bet is **a business that acts as an 'aggregator' that builds and leverages the untapped potential the lies within the T&T steelpan sector**. The 'Pan Tree' business is an innovation, production, and marketing space that provides, on a commercial basis:
  - Additional specialist tools and expertise not available in small and medium sized pan yards.
  - Dedicated facilities for high fixed-cost processes such as chroming and after sales service and for design and developmental work.
  - An international Internet portal that links through to individual T&T steelpan sector players and which generates revenue for the 'Pan Tree' from e-commerce transaction commissions.
  - A 'Pan Store.com' where pan products and tools can be viewed and purchased (both 'bricks' and 'clicks').
  - An order matching service between customers and the pool of suppliers in T&T who are associated with the 'Pan Tree' – which includes a personalised online tracking systems so customers can see the progress being made with their particular set of products.
- Secondary investment opportunities include:
  - **'Pan Tree' tours** – an immersion tourism experience that covers all aspects of the steelpan business – from old drums through to finished instruments – and a chance to meet some of the characters and creative people.
  - **Specialised 'Pan-theme' credit and / or debit cards**
  - **A franchise model** for establishing other 'Pan Tree' enterprises in offshore markets and building an integrated international production and marketing network that supplies specialist niche markets around the world.

### **The Customer Offer**

- The "Pan Tree" aggregation business expands the capacity of the T&T based industry to produce steelpan products – currently the demand exceeds the supply internationally.
- On the one hand:
  - It connects potential buyer customers with the best supplier of their customised needs through a 'one-stop-shop' interface.
  - It will arrange package deals to provide customers with a complete package deal.
  - It also facilitates improvements in product quality and backs higher standards of quality control to give customers greater confidence in the products being made in association with the 'Pan Tree'.
  - It provides an experiential component to tourists and steelpan fans.
  - It aims to provide fully backed franchise opportunities to offshore partners and establish a number of high quality 'Pan Tree'



## The Foresight Context For This Best Bet

- There are five major global foresight trends that are driving growth in this niche:
  - The trend towards spending and increasingly greater proportion of disposable income on leisure and entertainment activities – spending has doubled in this area over the past decade in wealthy economies compared to spending on basics such as food – which has essentially remained static.
  - The trend towards greater individualism and small group related lifestyles and activities – the end of the ‘mass market’.
  - The growth in the high wealth ‘Baby Boomer’ segment – they are far more active and adventurous than previous generations of the same age and are becoming the wealthiest cohort in developed countries. They also have the time and resources to go on ‘global adventures’.
  - The growth in the high wealth ‘global nomad’ and ‘cultural creative’ consumer groups – who are also often ‘adventurers’.
  - The growth in interest in ethnic, exotic, and cultural activities – reflected in the growing ‘world music’ market sector.

## Target Markets

- **Youth Educational Segment**: This niche market requires consistent, attractive, durable, and scaled products. The recognition of the ‘intelligent design’ of the Spider-Web steelpan has led to an explosion of interest.
- **World Music Enthusiasts**: The fast growing group of more mature (35 years plus) fans of ‘world music’ styles – traditional and modern music styles that have a strong ethnic influence and would be attracted by links between the Pan Tree and influential Trinidadian musicians/artists.
- **Women, particularly aged 20-35, travelled, well-educated**: This group has been particularly responsive to the instrument in the European market, and may prefer the instrument’s relative novelty and the freedom of movement it permits.
- **The Caribbean Diaspora**: Traditionally attracted to the instrument, this market also has a growing presence in performance and teaching professions in major and secondary global cities.
- **Culture and Heritage Tourists**: This niche includes adventure-oriented eco-tourists, especially young adults.
- **Amateur and Professional Percussionists**.
- **Conference Participants**: Trinidad and Tobago’s position as a business and festival tourism centre means that a large and growing number of participants at business, academic, festival and religious events can be drawn into the ‘Pan Tree Tour’.

## What We Have

- T&T is the largest producer of pan products and music with the largest brand value and a large number of recognised tuners and builders.
- Strong community identification with pan production spaces in close proximity to existing industrial estates (e.g. Laventille & Fernandes Industrial Estate; Arima & O’Meara Industrial Estate) provides a natural source of a committed

labour force. Industrial sites may be organised according to existing zoning model (North/South-Central/East/Tobago).

- Emerging business-oriented steelpan research and development via the University of Trinidad and Tobago, University of the West Indies, and several related private sector concerns. These R&D programmes offer custom software design capability and nascent fabrication and product engineering talent.
- A team of researchers/engineers led by Chanzo Greenidge working specifically to monitor tuner experiences and develop process innovations for tooling, transport, lighting, communications, sourcing, waste-management and occupational health and safety.
- A large and growing number of business, academic, festival and religious events whose participants can be drawn into a 'Pan Tree' immersion tourist experience.
- Information architecture, materials science, marketing, brand management, accounting and project management skills are available locally and in the Diaspora.
- Strong growth potential in niche markets, especially youth/educational segments.
- Intellectual property protection is available through the Ministry of Legal Affairs.
- A developing e-commerce infrastructure for information, client matching, product sale, and booking functions e.g. the Business Development Company's SMEXchange.
- Several training programmes relating to the steelpan production sectors have been undertaken over the past five (5) to improve the quality of specialised labour for the industry.

## **What We Need**

To take this 'Best Bet' from where it is today – a relatively fragmented production and marketing sector with a range of smaller to larger players that is struggling to supply growing global demand for steelpan products and services - to a point where it makes a significant and valuable economic and social contribution to T&T, a number of areas need to be addressed.

### **From the Private Sector**

- An entrepreneur with project and network management skills to develop and market the concept.
- Securing buy-in from expert tuners and artisans will require a new business model for the steelpan production sector, which will involve airtight contractual arrangements with artists to be able to offer their products/services securely through the facility.
- While the necessary skills and personnel exist in Trinidad and Tobago and the Diaspora, entrepreneurs in the area will need to develop a recruitment/HR strategy to source and retain a motivated and reliable skilled workforce.
- Strategic alliances with the energy-based sector as source of market access and skilled personnel.
- Strategic alliances with creative firms in aviation/telecommunications (e.g. Virgin) and with Caribbean-based content industries/firms (e.g. MTV Tempo)
- Closer linkages with the tourism sector in both Tobago and Trinidad.



- A business-oriented and professional team of managers capable of driving the executive aspect of the Pan Tree concept, while respecting the artists' need for space/time for innovation.
- The development of the most effective value chains for products and services offered 'on the Pan Tree' require relevant infrastructure for sourcing quality materials from multiple suppliers, as well as the development of a comprehensive database of suppliers at each level of the value chain. This database development is already being done successfully by individual producers in specific sectors of the industry.
- Key components of the value chain in need of attention, global distribution, A&R for performance, and global retailing. These current limitations will be addressed through strategic alliances.
- Trinidad and Tobago's capabilities in market research and development need to be mobilised in support of the concept.
- While the local advertising agencies provide little in terms of global branding and marketing strategies, mobile-marketing and e-marketing initiatives may be facilitated by expertise from the research community and professionals in the Diaspora.
- World class cost competitive e-commerce capabilities through the country's major banking groups.

### **From the Public Sector**

- Recognition that T&T's cultural and creative resources, in particular steelpan, and the associated accumulated knowledge and expertise are valuable assets that can contribute significantly to T&T's future economically and socially.
- A new strategic focus in the way the T&T creative sector offer is presented to the world through government agencies built around foresight-based growth opportunities.
- An integrated approach within a national growth and innovation framework that provides a long-term direction for the creative sector and which has a clear, harmonised strategy of development with the dedicated resources of manpower, finance, institutional supports, private sector involvement, and community involvement.
- Identifying opportunities for IP protection in areas related to internationally marketable concepts, product, and branding opportunities, and securing the rights as an intellectual capital asset for the country.
- In addition to current IP-related legal support for patenting, support is needed in obtaining geographical indications, international industrial design protection and enforcement of artist rights.
- Funding new areas of research that have a strong foresight focus and break away from the traditional 'academic' focus.
- Accelerating the commercialisation of IP that currently exists in many private sector player enterprises, state and regional research institutions, as well as the commercialisation of innovative creative offers that have potential through the use of public/private partnerships.
- Improved 'old' and 'new' infrastructure, particularly the latter. New infrastructure is built around facilitation growth in human capabilities and global communications. High quality broadband Internet at an internationally competitive cost is a vital new infrastructure component urgently needed to realise 'Best Bets' of this type.

- Speeding up and improving the effectiveness of the cross-border authorities, both at home and abroad, and encouraging the exchange of creative people between countries
- Increased capacity and investment in training specialist people for the creative sector along with an offer of higher-level degree and diploma qualifications.
- Better collection and speedier processing of statistical data.
- An 'investor friendly' tax regime for reducing initial (3-year) input costs to entrepreneurs using the 'Pan Tree' facility.

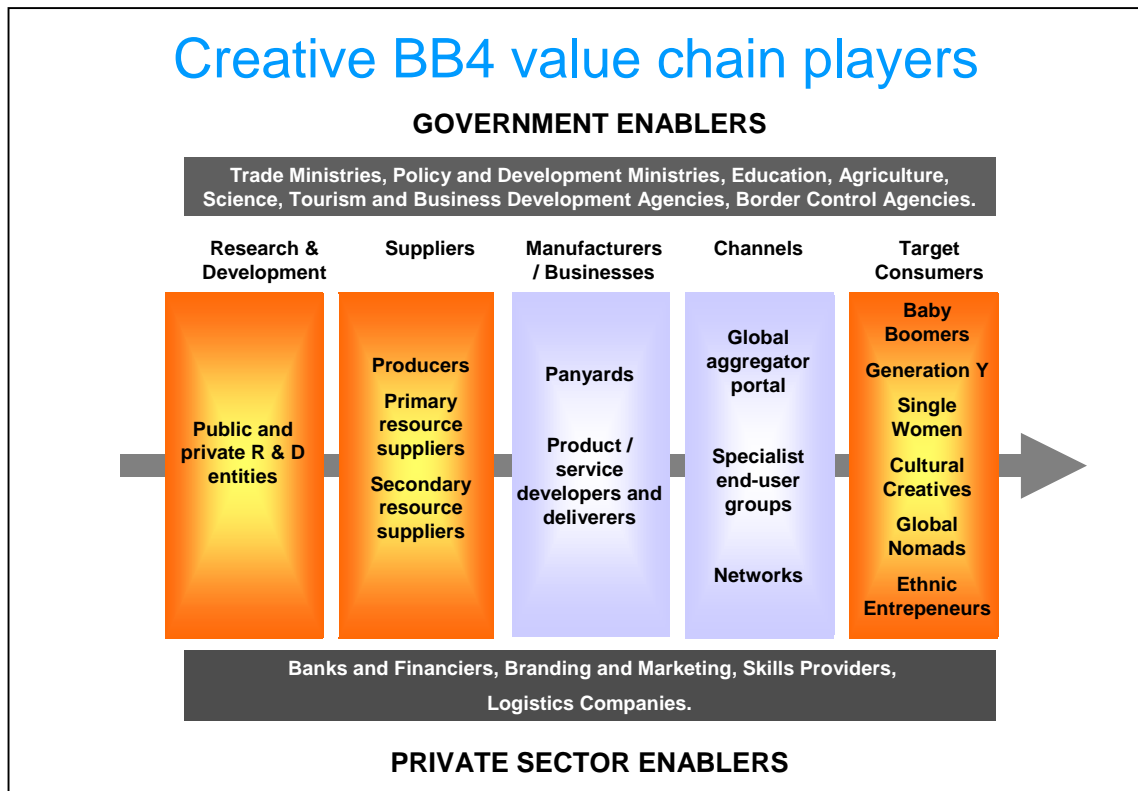
### **From R&D**

- A more innovative approach to developing new and unique product and service concepts that enable differentiation of the country's steelpan sector offer in global markets.
- A priority focus on securing IP as it relates to products and processes as they relate to this sector.
- More involvement in consortia and public-private partnerships/alliances to hasten the commercialisation of research.
- Market research to establish the best ways of networking and connecting with increasingly individualistic global customers.
- Improved linkages between research and technology institutions, and the commercial sector.
- The development of environmentally friendly products and processes for the steelpan production sector. This includes new technologies, such as eco-friendly chroming via nanotechnology, as well as facilities for securing and housing appropriate materials and equipment.
- Research is needed in terms of the complete analysis of the 'hidden' production processes involved in steelpan production and ways of improving the sound quality of the instrument.

### **Best Bet Value Chain**

- As shown in Figure 13, this 'Best Bet' centres largely on both the 'Manufacturer / Business' and 'Channels' components of the value chain. The 'Research & Development' component is also important to the success of this 'Best Bet'.
- The prime need is to drive better-based and focussed joint public - private sector initiatives to leverage greater value from the existing T&T based steelpan sector by taking a more innovative approach built around local resources and differentiators and connecting these with global niche markets.
- However, these components are of little value unless all the other value chain components are aligned in the same direction towards a common medium to long-term goal.

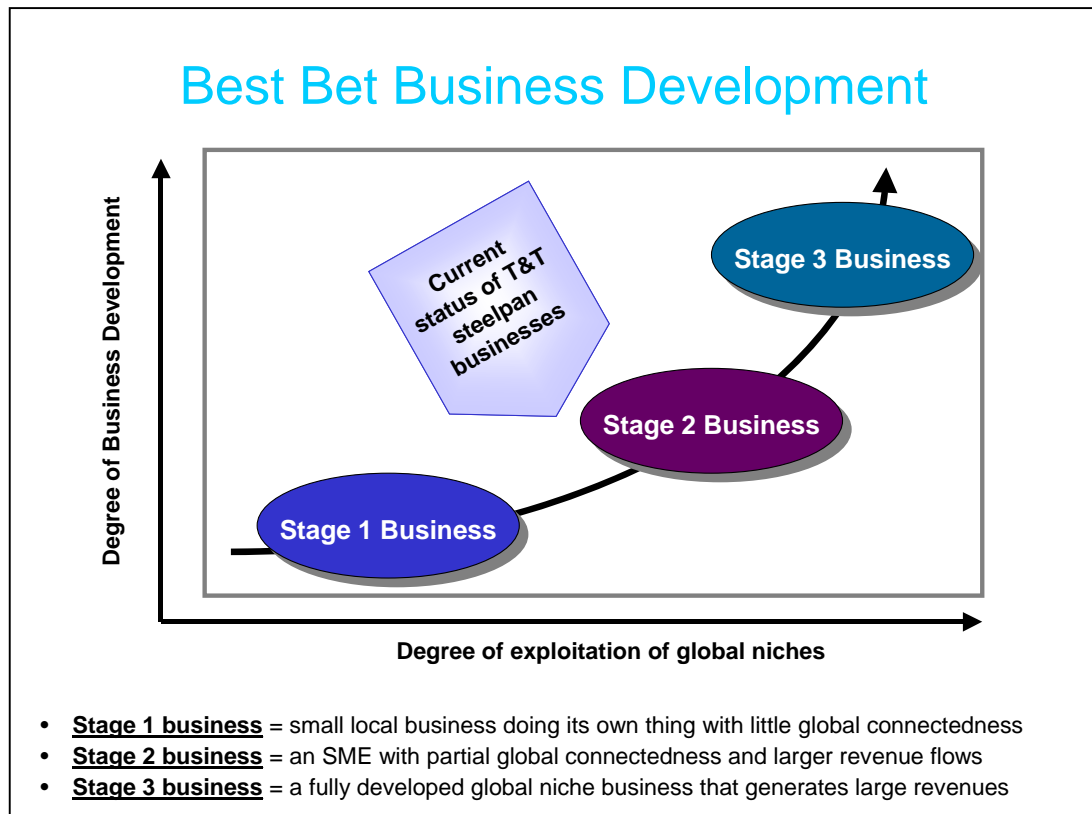
Figure 13: The 'Pan Tree' value chain



## Key Local Players, Entrepreneurs and Offshore Examples

- There are many highly creative people in the T&T steelpan sector who have high levels of expertise relevant to this 'Best Bet'. In addition, there are numerous existing businesses already set up and being operated, largely small and run by local entrepreneurs, that could contribute to leveraging the potential value of a T&T 'Best Bet' investment built around this opportunity.
- At present, after a considerable amount of investment, the level of commercial development of high-value opportunities associated with this 'Best Bet' is still largely locally oriented. Our assessment of its current level of development is shown in Figure 14.
- There is huge potential for achieving relatively fast business growth in this iconic T&T cultural and creative area if the way forward is built upon more fully exploiting existing commercial and public-private initiatives and a business model is developed that leverages the largely internalised value associated with the T&T creative sector in fast growth global niche markets and caters to the unique and often highly independent 'creative character' – a person who likes to have his or her own space.

**Figure 14: The stage of development of businesses in T&T associated with the 'Pan Tree' investment opportunity**



### **Local players and entrepreneurs**

Entrepreneurial people who contributed to the development of this 'Best Bet' include the following:

#### ***Dwight Alfred - Builder, Tuner (PanCraft, Laventille)***

Mr Dwight Alfred, a steelpan builder and tuner with fifteen years of experience, identified major challenges and opportunities in developing an operation that focuses on tuning/building services. He was also central to identifying individuals that might be prime targets for early adoption of the concept.

#### ***Anthony Duncan - Tuner (Sforzata Pan Factory, Curepe)***

Mr Anthony Duncan is an experienced tuner and a member of the small guild of tuners and builders that make up the Sforzata Pan Factory. Based on his experience with the Sforzata Factory and the general tuning community, Duncan noted that the success of the 'Best Bet' would require a creative approach to recruiting and retaining quality members. He currently exports products to a number of offshore markets

**Stefan Fraser - Management Lecturer and Researcher (University of the West Indies, St. Augustine)**

Dr. Fraser's enthusiastic response to the combination of e-commerce and cultural exports was appreciated. While approached for his work on e-commerce, his major contributions actually were along the lines of quality and value-chain management. He pointed to the preparation of artists/artistes for the international stage, the use of engineering concepts to reduce shipping and distribution costs, and the need to reduce overall production costs as key success factors. His feedback also pointed to the possibility of linking the concept with Trinidadian/Caribbean artistes who are already penetrating target markets for the Pan Tree concept.

**Jeevan Persad - Engineer/Entrepreneur (Entrepreneurial Concepts Group)**

A founding member of ECG, a group of engineers dedicated to improving the design and implementation of engineering-related products and services developed in Trinidad and Tobago, the ECG's current project involve market research for steelpan-related products and feasibility studies on the introduction of customised automation services in Trinidad and Tobago. Mr. Persad noted that the most critical success factor for this Best Bet would be the involvement of a 'very special entrepreneur'. ECG feedback also pointed to the difficulty of clear segmentation in steelpan 'Best Bets' and the value of 'experiential marketing' such as 'build-it-yourself/learn to play' tourism as a means of generating interest in the instrument and its culture.

**Merlin Gill – Manager, Gill's Steelpan Shop <http://www.gillspanshop.com>**

This panyard is a good first stage example of this 'Best Bet. Gill's already outsource production and supply customers in a range of markets around the world. They are also involved in the manufacture of specialised steelpan products for the tourism market. In addition, they have a well presented and informative website.



**Camille Pierre – Chairman and CEO, Elli Mac Production Ltd**

We have included Ms Camille Pierre as a local entrepreneur because she is involved in some highly entrepreneurial and innovative business development areas that are built upon the steelpan sector. These include:

- The production and marketing of downloadable steelpan ring tones.
- Joint development of the ‘Pan in Education’ delivery model.
- A new computer linked steelpan ‘synthesiser’ that teaches people the skills of steelpan playing.

(See photo in ‘Best Bet’ 1)

**Offshore examples**

There are a number of examples of online businesses that supply components of the offer that this ‘Best Bet’ amalgamates. Following are a couple of examples:

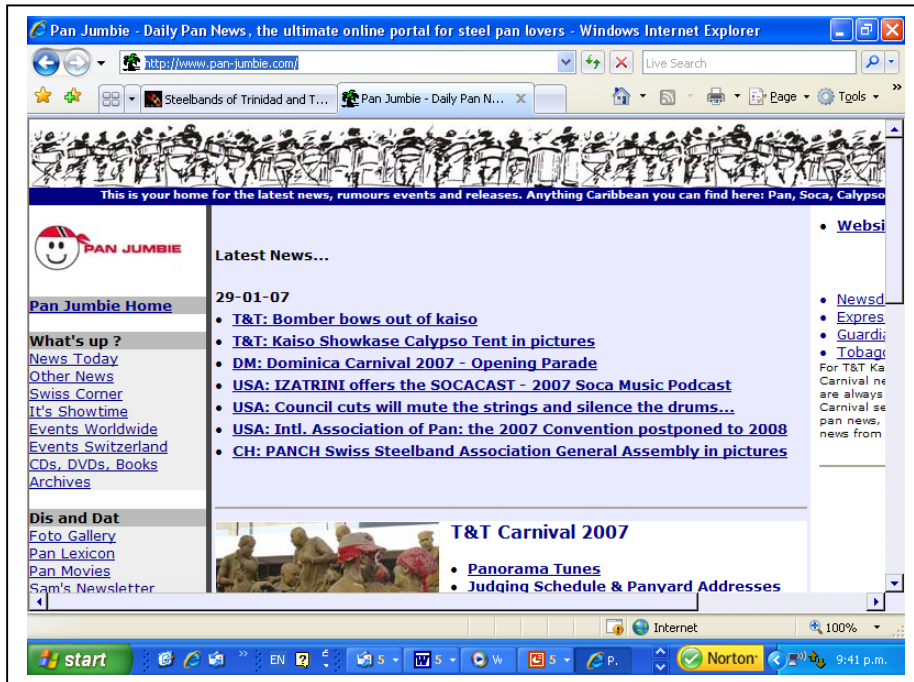
**Alpha Rhythm Roots - <http://www.alpharhythmroots.com/Main.html>**

This is an interesting example of a site for a business in Canada that is essentially a specialist aggregator in the area of West African musical instruments. It has an on-line ordering facility and provides potential customers with an extensive range of in-depth information.



**Pan-Jumbie, Germany - <http://www.pan-jumbie.com/linksDE.htm>**

This is a fascinating site that is highly relevant to this 'Best Bet' concept because it is essentially a network that connects a whole range of steelpan bands and players through one portal. It represents one (of many) existing networks that could easily be used to help leverage the 'Pan Tree' business on a global basis.



## The Best Bet Roadmap

An indicative roadmap of targets set, how they will be reached, and who is involved, in order to achieve the desired outcomes of this investment opportunity is shown in Table 7.

**Table 7: Indicative road map for implementing the 'Pan Tree' investment opportunity**

Timing	What?	How?	Who?
<b>Initial</b>	<ul style="list-style-type: none"> <li>• Gather alpha group</li> <li>• Identify and fill requisite service providers (design etc.)</li> <li>• Complete initial market research.</li> <li>• Source funding and possible spaces</li> <li>• Complete alpha user profiles and process analysis</li> <li>• Decide and consult</li> </ul>	<ul style="list-style-type: none"> <li>• Entrepreneur takes a lead role</li> <li>• Desktop research, request brief proposals and interviews</li> <li>• Source existing statistics/ survey group</li> <li>• Negotiations with key institutional investors, corporates, ETeck</li> <li>• Consensus / consultation with user group</li> <li>• Consensus /</li> </ul>	<ul style="list-style-type: none"> <li>• A group of 8-10</li> <li>• Above group</li> <li>• Above group</li> <li>• Above group</li> <li>• Above group</li> </ul>



	alpha group on architecture and design of physical and virtual spaces.	consultation with user group	<ul style="list-style-type: none"> <li>• Above group</li> </ul>
<b>1<sup>st</sup> 6 months</b>	<ul style="list-style-type: none"> <li>• Appoint project manager</li> <li>• Arrange equipping of initial phase and test e-commerce function</li> <li>• Sign up first 25 builders/tuners; assist group with registration/incorporation ; develop initial promotional material for website(s)</li> <li>• Establish scaleable export promotion and distribution strategy</li> <li>• Production launch</li> <li>• First 500 sales (each factory)</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive search</li> <li>• Site construction</li> <li>• Initial group + Lottery among eligible candidates</li> <li>• Network development</li> </ul>	<ul style="list-style-type: none"> <li>• Above group</li> <li>• Above group + Civil/Industrial/Knowledge Engineering/IT Group</li> <li>• Project manager</li> <li>• Legal Team</li> <li>• Research Team</li> <li>• Website Developer</li> <li>• Networking specialist</li> <li>• Legal/IP team</li> <li>• Media and Communications</li> <li>• Engineering Team</li> </ul>
<b>2<sup>nd</sup> 6 months</b>	<ul style="list-style-type: none"> <li>• Sales reach 375 (25 X 15) per month.</li> <li>• Review of customer and user response.</li> <li>• Rollout of chroming facility and related integration services</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic business development</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing/Product Engineering Team</li> <li>• Project Manager/Marketing</li> <li>• Research and Engineering Team</li> </ul>
<b>Year 2</b>	<ul style="list-style-type: none"> <li>• Instrument Production and Sales reach 1800 per month- US \$30.5 million p.a. (@1400 USD each)</li> <li>• Accessories, souvenirs and other IP-related products are introduced</li> <li>• Expand infrastructure, improve training facilities and sign more producers</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic business development</li> </ul>	<ul style="list-style-type: none"> <li>• Consultancy Teams + Local firms</li> </ul>
<b>Year 3</b>	<ul style="list-style-type: none"> <li>• Instrument Production and Sales reach 2500 per month – US \$36 million p.a.</li> <li>• Additional products sales reach</li> <li>• Four chroming facilities with 1500 instruments per month begin external service (to producers outside of the factory).</li> <li>• Training for producers in business, accounting, HR management, waste management, OSH, time management and engineering begins.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic business development</li> </ul>	<ul style="list-style-type: none"> <li>• Training Consultant</li> </ul>



	<ul style="list-style-type: none"> <li>• Research study on franchising begins.</li> </ul>		
<b>Year 4</b>	<ul style="list-style-type: none"> <li>• Instrument Sales reach 3000 per month average- US \$42 million p.a.</li> <li>• Visitors' Services and Merchandise Sales reach US \$12 million p.a.</li> <li>• Chroming-related sales reach US \$6.75 million</li> <li>• Tool Sales reach US \$ 4.5 million.</li> <li>• Prospectus for new tranche, sign more producers from outside</li> <li>• Training facilities for new franchisees established.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic business development</li> </ul>	<ul style="list-style-type: none"> <li>• Training Consultant</li> </ul>
<b>Year 5</b>	<ul style="list-style-type: none"> <li>• Instrument sales level at 3400 per month average- US \$57.1 million p.a.</li> <li>• Visitors' services grow, merchandising and tools sales reach US \$25 million.</li> <li>• Chroming sales reach US \$10.4 million.</li> <li>• Tool sales reach US \$10.75 million.</li> <li>• Higher returns to investments due to volume savings and efficiency.</li> <li>• Graduation planning process begins.</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic business development</li> </ul>	<ul style="list-style-type: none"> <li>• Project/Group Manager + Consultancy Teams</li> </ul>

## Financial Summary

- The summary in Table 8 provides a 'best-guess' estimate of the potential revenues, expenses, and EBIT figures that could be achieved over a ten-year period based upon a business that is built around deriving greater value from T&T's steel pan cultural and creative resource through the application of innovation and entrepreneurship.
- These estimates are based on an optimistic scenario focussed on achieving an outcome in the top 20% of the range of potential outcomes.

**Table 8: Indicative financial projections for the 'Pan Tree' investment opportunity**

	<b>By year 3</b>	<b>By year 6</b>	<b>By year 10</b>
Revenue from sales and commissions	US \$ 2,185,000	US\$ 13,845,300	US\$ 72,800,000
Basis of revenue figure	167,000 sales units @ US\$ 5.00 each 50 bookings @ US\$15,000.00 each 1,500 factory tours @ US\$200.00 each 3 global franchises @ US\$ 100,000 each	1,915,100 sales units @ US\$ 3.00 each 400 bookings @ US\$15,000.00 each 2,500 factory tours @ US\$200.00 each 16 global franchises @ US\$ 100,000 each	17,000,000 sales units @ US\$ 5.00 each 1200 bookings @ US\$15,000.00 each 4000 factory tours @ US\$200.00 each 30 global franchises @ US\$ 100,000 each
Capital expenditure	US\$ 1,350,000	US\$150,000	US\$ 200,000
Operating expenditure	US\$ 1,639,200	US\$ 7,888,056	US\$ 38,808,500
Earnings before interest and tax (EBIT)	US\$ 545,800	US\$ 5,957,244	US\$ 33,991,500

**Note:** This financial overview has not been subjected to detailed scrutiny. It is intended to be an example of what could be achieved in an optimistic scenario. Before making an investment commitment, it would need further development and to be subjected to due diligence.

### The NEXT Star Rating for This 'Best Bet' Investment Opportunity



- T&T is the home of steelpan and there is a vast amount of expertise in the country
- The world demand for steelpan products exceeds supply.
- It could easily set up the world's leading edge Web 2.0 portal to connect with steelpan enthusiasts and potentially interested parties around the world.
- There are excellent networks of steelpan enthusiasts around the world and steel bands are popular in places like Germany, Switzerland, Finland, and Australia.
- The 'Pan Tree' is essentially a local / global aggregator and facilitator of growth in the steelpan sector and so does not require vast capital investments.
- The key need is for an entrepreneur who can pull all the pieces together and develop a model that allows the individual SME pan operations to retain their creative independence but leverage a whole lot more value from what they are doing.
- That will be the biggest challenge.

## 6. What Comes Next?

There have been many people involved in these Sector Foresight 'Best Bet' Projects since they commenced in early 2006. They came from a wide range of public, private, and institutional organisations. The level of enthusiasm and the quality of input from participants has been outstanding.

There are a number of highly positive outcomes that have already been achieved as a result of these projects including:

- Building a network of people who have a passion for foresight and innovation in both the public and private sectors that, we hope, will continue to grow and help T&T attain its Vision 2020 economic and social objectives.
- At least four of the sixteen 'Best Bet' Investment Cases are now in the process of being developed into commercial businesses. There is strong commercial interest in at least several of the others.
- A number of participants in various project workshops and processes have indicated that they are looking to move into new business ventures that they have been thinking about for some time. Involvement with the sector foresight process has given them the impetus to make bold go-forward decisions
- Discovering that T&T has a lot more entrepreneurial business people than most who live and work in the country recognised. The lesson here is that entrepreneurs tend to be low profile and just get on and do things. They are not publicity seekers.
- Realising that T&T has a large pool of relatively unexploited talent and resources that has a great deal of potential in tomorrow's evolving consumer markets.
- Awakening interest from at least one T&T based financial institution with regard to the potential benefits their business and shareholders would gain if they began to take a small but highly focussed interest in investing in particular 'Best Bet' projects which have high growth and earnings potential.

The challenge now is not only to see how many of these Sector 'Best Bet' Investment Cases become a commercial reality but also for Trinidad and Tobago to develop a National Growth and Innovation Framework and Strategy. This will be essential if the foresighting approach is to take a hold and stimulate the development of new entrepreneurial businesses that have medium to long-term high growth prospects and can deliver the outcomes the country desires.

Such a framework and strategy would align all the country's key agencies, stakeholders, and resources in one go-forward direction. Once this is achieved, then the country will make real progress towards achieving its goal of becoming a fully developed nation by the year 2020.

Initial indications are that such an approach is likely to happen and the Sector Foresight 'Best Bet' Projects will have played a significant part in moves towards establishing a National Growth and Innovation Framework and Strategy.

## **7. Acknowledgements**

Many people have invested a great deal of time and effort to ensure that the Sector Foresight Project makes a meaningful contribution to the future economic and social success of Trinidad and Tobago. We would like to acknowledge some particular contributions:

- NIHERST, in particular Ms Maureen Manchouck, President of NIHERST; Ms Joycelyn Lee Young, Registrar of NIHERST – for funding and leading these projects. They have been staunch supporters of the whole foresighting process.
- The NIHERST staff for the first class support they have provided us at all times.
- Larry Placide, Andre Vincent Henry, Keith Nurse, ColinDale Marcelle, Steve Maximay, Jacqueline Morris, Michele Reis, Chanzo Greenidge, Maurice Moniquette and Laura Superville – the T&T based researchers who contributed greatly to the ‘Best Bet’ project work.
- All the private sector, public sector, and institutional sector people who contributed their valuable time and expertise to help build the final sixteen ‘Best Bet’ Investment Cases – and who have done so with such great enthusiasm!

## 8. Appendix 1: Detailed Best Bets Research Feedback

This Appendix includes more detailed research input undertaken by the T&T researchers to further develop and test the Chapter 3 'Best Bet' overviews as well as financial models.

### **Best Bet 1: Caribbean Music Portal – 'All the Music You Can Eat – Now'**

- The name – Caribbean Music Portal – is certainly descriptive – it says exactly what it is. Unfortunately it isn't catchy, it doesn't reflect any of the major selling points of the Caribbean or of our music. The sub-title – 'All the music you can eat – now' received a response of major puzzlement.
- Alternative suggestions included – Caribmusic, WeTing, sun, sea and soca – but nothing was agreed.

#### **Description**

- Caribbean music is known internationally for its unique styles ranging from traditional steel pan through to calypso and modern styles that have evolved such as reggae, rapso, soca, reggaeton and chutney – and T&T has played a key role in the style evolution process.
- The region is a melting pot of cultures and influences and drives the creative and fusion influences behind the continuous evolution of styles.
- Individual performers and bands have achieved major international success.
- This 'Best Bet' focuses on developing a future-focused model for delivering the unique music and talent of the Caribbean direct to the end consumer using an online downloadable sales model.

#### **Rationale**

- Bob Marley and the Wailers became internationally famous because the founder of Island Records in Jamaica connected the sound with consumers around the world who wanted to identify themselves with something different – and it became a cult movement that still exists in many parts of the world built around the music and Rastafarianism.
- New Zealand is a good example of how the impact has endured long-term – there are many Rastas in the country – particularly amongst the Maori and Pacific Island populations. There is also a Rasta Member of Parliament – Nandor Tanczos.
- The Caribbean is the centre for the steel bands, in particular T&T.
- There are numerous established and up and coming musicians in T&T and the Caribbean who are currently working at becoming known on the global stage.
- The problem is that the traditional global music business model makes it extremely difficult to connect such performers with niche audiences that are likely to be attracted to their creative efforts.

- Online models that deliver music to end-users are growing at an incredible pace.
- These models not only enable the downloading of music for instant gratification but also facilitate video functions, product sales, and gig booking on a global scale.
- There are already numerous niche fan groups for a wide range of Caribbean and T&T based styles and artists e.g. in Germany and the Czech Republic (type 'Soca Musik' or 'Chutney Musik' into Google and see how many sites come up).
- These sites have been put together by enthusiasts for no commercial gain – but because they have a passion and interest in the style and offers of Caribbean musicians.
- There is a need for someone in the Caribbean to develop THE portal for presenting the region's talent to the world – and making it into a business.

## Target Markets

- The Caribbean Diaspora.
- The fast growing group of more mature (35 years plus) fans of 'world music' styles – traditional and modern music styles that have a strong ethnic influence.
- Young people who are looking for an ethnic theme to which they can connect in almost any country in the world – especially in ethnic Diasporas from various countries.
- Savvy online users.
- 'Underground' niche fan groups and networks (online).
- Ethnic or fringe societal groups with a penchant for Afro/Indo/Caribbean cultural themes.

## The Market Offer

- A 'one stop shop' Caribbean music portal that:
  - Provides sample music and videos of the whole range of Caribbean music styles from traditional steel pan right through to modern versions of Soca, Rapso, Chutney and new emerging styles.
  - Enables immediate downloads available for purchase of a single item for US\$ 1.00 basis.
  - A free download zone sponsored by major Caribbean corporate groups to promote new artists and talents.
  - Background about the artists.
  - Gig calendar that shows the who, where, etc of local artists.
  - Associated product catalogues and online purchasing options.
  - Free links to fan sites in offshore markets to build one vast network of niche fan/interest groups.

## What We Have

- T&T is the fourth largest music producer regionally with the most diverse offer of world ethnic music mixes.
- It has a history of innovation in a wide range of fields – calypso, soca, rapso, chutney, steel pan, and fusion styles.
- It has the music, videos, and production talent.

- It has Internet development capabilities, marketing and management skills.
- It has a number of key people who have a passion about connecting T&T and Caribbean talent to the world including Keith Nurse, Jacqueline Morris, Chanzo Greenidge, Rubadiri Victor, Wendell Manwarren and many others.
- There are some small online portals selling a limited range of music out of the Caribbean – but not electronic downloads at this time. The one company that did downloadable sales failed in early 2005.
- We have international interest from growth niche groups who are keen on the Caribbean culture and music scene.

### **IP protection**

- Intellectual Property Protection at the local level is available through the Ministry of Legal Affairs.
- The music industry has a history of being ripped off by unscrupulous foreign and local entrepreneurs, and as such many of the musicians are very awry of entering into contracts to sell their material.
- Piracy is rampant in the industry, both here and in the North American market. This makes the musicians very wary of digital media, which is extremely easy to copy.

### **Infrastructure**

- In the Internet world, the telecoms infrastructure is international. The local telecoms structure has little impact on the feasibility of this project.
- The credit and banking infrastructure is a problem in that it is very difficult and expensive to set up local e-commerce. The Internet Merchant Account is difficult to get for non-US companies, owing to the major frauds that VISA and Mastercard have experienced as well as a result of the anti-terrorism activities of the US government. Local systems are expensive. This may make the suggested price point far too low for profitable operation.

### **Research and development**

- This is a known technology at this time. No R&D is needed.

### **Education and training**

- There are many people in Trinidad and Tobago who have the skills and ability to implement e-commerce.
- The UWI and many other training organisations are currently offering courses in e-commerce, website development, Internet marketing etc. Therefore the training exists to develop additional trained staff. In general however, most people who work in this field are self-taught.

### **Incentives and assistance**

- This is conceived as a private sector project –we cannot see any need for government incentives, other than tax breaks for companies that invest in the entertainment sector.

## **Resources and Materials**

- All resources needed currently exist either in Trinidad and Tobago or externally.

## **Investment and Entrepreneurship**

- The online music field is already getting quite crowded. Allpe Co is the largest with its iTunes product, but almost all large retailers are also in the business, Walgreens, Tower, Virgin, Sony, etc.
- In Trinidad and Tobago, the larger individual artists are almost all already selling their music online – either directly or through large retailers.

## **Business capabilities and alliances**

- All the current music production houses have capabilities relevant to this project.
- There are several existing alliances in the Trinidad and Tobago and Caribbean music sector. The most important would be with the owner of the rights to a vast catalogue of Caribbean music – Eddie Grant.

## **What We Need**

- A 'one stop shop' Caribbean music portal that has a wide range of functionalities including instant online downloads of individual songs and videos plus information.
- There are niche groups of potential consumers in many parts of the world who have already demonstrated an interest and passion in Caribbean music and culture – but they are relatively 'disconnected' and so need connecting through smart network development and management techniques.
- An IP regime that protects artist's rights.
- Network development, management, and marketing skills.
- E-commerce development and management skills.
- Customer connectivity development through network development and search engine optimisation.
- Linking existing niche fan online groups into the Caribbean portal as 'elite' members. A possible incentive plan may be one free with 10 purchases, but if the product isn't a compelling purchase, then no amount of discounting (even to free!!!) will get it sold. We need to have good product on the site and get people to it.
- Entering the 'blogosphere' to connect people with the site.
- High-speed broadband (consistent 2 MB/sec plus speeds – preferably 10MB/sec).
- Contractual arrangements with artists to be able to sell their products through the site.
- Developing innovative marketing and connectivity maintenance strategies that create self-growth of the whole portal concept.

## **IP protection**

- DRM is necessary.
- Education of the consumer. Piracy needs to be reduced.



- Consideration of the price point to reduce to the point at which online piracy will cost more in time and effort than purchasing.

### **Infrastructure**

- Banking infrastructure so that payments can easily be processed and managed locally.

### **Business capabilities and alliances**

- Offshore parties we know who could be of value for realising this 'Best Bet' commercially through alliances include Eddie Grant.

### **Branding and marketing**

- Music and Internet marketing expertise - Jacqueline Morris, Keith Nurse, Joseanne Leonard, Tony Chow Lin On, Jean Michel Gibert, Gregory Hernandez, among others.

### **Best Bet Roadmap**

- Site development is a fast process. The long and arduous part will be signing up the artists and digitising the product. Those should start first with at least a 1 month lead time. Site development can be purchased and implemented in a period of weeks.

## Financial Model & Assumptions

- A realistic price for individual song downloads lies between USD 0.60 and USD 1.50.

**Note:** This financial overview has not been subjected to detailed scrutiny. It is intended to be an example of what could be achieved in an optimistic scenario. Before making an investment commitment, it would need further development and to be subjected to due diligence.

BEST BET SECTOR: Creative		BEST BET 1: Caribbean Music Portal											
		File date:		20/09/06									
		Last review:		30/01/07									
10 Year Financial Projection Model (US\$)													
		YEAR											
		1	2	3	4	5	6	7	8	9	10		
<b>GOVT INVESTMENT</b>	<b>Description</b>												
S&T research	R&D market & tech	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000		
Education		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000		
Trade development		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000		
<b>Total Govt investment</b>		<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>		
<b>COMMERCIAL INVESTMENT</b>													
		YEAR											
		1	2	3	4	5	6	7	8	9	10		
<b>REVENUE</b>	<b>Description</b>												
<b>Product/Service Line 1</b>	MP3 songs (1)												
Volume	Individual downloads	180,000	1,800,000	3,600,000	7,200,000	14,400,000	29,000,000	58,000,000	100,000,000	150,000,000	200,000,000		
Value/unit	US\$1.00	1	1	1	1	1	1	1	1	1	1		
<b>Gross line revenue</b>		<b>180,000</b>	<b>1,800,000</b>	<b>3,600,000</b>	<b>7,200,000</b>	<b>14,400,000</b>	<b>29,000,000</b>	<b>58,000,000</b>	<b>100,000,000</b>	<b>150,000,000</b>	<b>200,000,000</b>		
<b>Product/Service Line 4</b>	Accessories (2)												
Volume	No of accessories	1,000	50,000	250,000	500,000	1,000,000	1,500,000	2,000,000	2,500,000	3,000,000	3,500,000		
Value/unit	10% commission	1	1	1	1	1	1	1	1	1	1		
<b>Gross line revenue</b>		<b>1,000</b>	<b>50,000</b>	<b>250,000</b>	<b>500,000</b>	<b>1,000,000</b>	<b>1,500,000</b>	<b>2,000,000</b>	<b>2,500,000</b>	<b>3,000,000</b>	<b>3,500,000</b>		
<b>Total Revenue</b>		<b>181,000</b>	<b>1,850,000</b>	<b>3,850,000</b>	<b>7,700,000</b>	<b>15,400,000</b>	<b>30,500,000</b>	<b>60,000,000</b>	<b>102,500,000</b>	<b>153,000,000</b>	<b>203,500,000</b>		
<b>EXPENSES</b>													
<b>Capex</b>	<b>Description</b>												
Item 1	Online portal (3)	200,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000		
Item 2	Equipment (4)	50,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000		
<b>Total Capex</b>		<b>250,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>		
<b>Opex</b>	<b>Description</b>												
Salary and wages	(5)	300,000	300,000	400,000	500,000	600,000	700,000	800,000	1,000,000	1,200,000	1,400,000		
Marketing	20% of revenue	100,000	370,000	770,000	1,540,000	3,080,000	6,100,000	12,000,000	20,500,000	30,600,000	40,700,000		
Travel	30% of marketing	30,000	111,000	231,000	462,000	924,000	1,830,000	3,600,000	6,150,000	9,180,000	12,210,000		
Communications	10% of marketing	10,000	37,000	77,000	154,000	308,000	610,000	1,200,000	2,050,000	3,060,000	4,070,000		
E-commerce	10% of marketing	10,000	37,000	77,000	154,000	308,000	610,000	1,200,000	2,050,000	3,060,000	4,070,000		
Rental	Offices etc	50,000	100,000	200,000	250,000	300,000	350,000	400,000	450,000	500,000	550,000		
Consumables	5% of S&W	15,000	15,000	20,000	25,000	30,000	35,000	40,000	50,000	60,000	70,000		
Administration	5% of S&W	15,000	15,000	20,000	25,000	30,000	35,000	40,000	50,000	60,000	70,000		
Other	Royalties - 33%	59,400	594,000	1,188,000	2,376,000	4,752,000	9,570,000	19,140,000	33,000,000	49,500,000	66,000,000		
<b>Total Opex</b>		<b>589,400</b>	<b>1,579,000</b>	<b>2,983,000</b>	<b>5,486,000</b>	<b>10,332,000</b>	<b>19,840,000</b>	<b>38,420,000</b>	<b>65,300,000</b>	<b>97,220,000</b>	<b>129,140,000</b>		
<b>Total Expenses</b>		<b>839,400</b>	<b>1,614,000</b>	<b>3,018,000</b>	<b>5,521,000</b>	<b>10,367,000</b>	<b>19,875,000</b>	<b>38,455,000</b>	<b>65,335,000</b>	<b>97,250,000</b>	<b>129,175,000</b>		
<b>EBIT</b>		<b>-408,400</b>	<b>271,000</b>	<b>867,000</b>	<b>2,214,000</b>	<b>5,068,000</b>	<b>10,660,000</b>	<b>21,580,000</b>	<b>37,200,000</b>	<b>55,780,000</b>	<b>74,360,000</b>		
<b>EBIT - Capital</b>		<b>-658,400</b>	<b>236,000</b>	<b>832,000</b>	<b>2,179,000</b>	<b>5,033,000</b>	<b>10,625,000</b>	<b>21,545,000</b>	<b>37,165,000</b>	<b>55,745,000</b>	<b>74,325,000</b>		
<b>EBIT - Capital - Govt</b>		<b>-958,400</b>	<b>-64,000</b>	<b>532,000</b>	<b>1,879,000</b>	<b>4,733,000</b>	<b>10,325,000</b>	<b>21,245,000</b>	<b>36,865,000</b>	<b>55,445,000</b>	<b>74,025,000</b>		
NOTES:													
	1 Electronic song files for downloading - assumes they are supplied to the portal in file form by performers												
	2 Accessories - T-shirts, poster, memorabilia - assumes an average commission of \$1 per item - delivery costs born by supplier												
	3 Online Portal - envisages a staged process to upgrade the portal over the years to keep pace with technology advances												
	4 Equipment - needed for staff and support												
	5 Work on an average cost of US\$100,000 per person per annum - need good people.												

## **Best Bet 2: Carnival in a Box – ‘Trini Themes Go Global**

### **Description**

- This ‘Best Bet’ focuses on connecting T&T’s highly developed capabilities in theming, organising, managing, and promoting carnival type events. This includes all aspects such as:
  - The overall theme and programme.
  - Costume design, manufacture, and accessory design and production – the whole ‘mas’ scene.
  - Musicians and bands – in particular steel bands and Caribbean style artists.
  - Carnival managers - total event organisers.
  - Promotional aspects – pre and post event – including saleable products.

### **Rationale**

- T&T is a world leader in organising and delivering high-class carnivals.
- There are at least 400 cities around the world that already run such events?? ‘Trinistyle’ carnivals – I only found 123. Who are the others?
- Individual T&T artists or talents are often involved on an ad hoc basis in overseas carnivals.
- Many cities also run cultural and arts festivals which feature specialist overseas artists and themes.
- Event managers are always on the look out for new and interesting offers to attract visitors to their events.

### **Target Markets**

- City tourism officials.
- Corporate sponsors – particularly food & beverage, and tourism/travel
- Mardi Gras organisers.

### **The Market Offer**

- A full ‘Carnival in a Box’ offer – a complete Carnival package in containers that can be delivered along with performers and event management to any venue in the world.

### **What We Have**

- We have all the components – but few entrepreneurs have had the international contacts to do a project of this type to date.
- We have the passion.
- We have the experience in all aspects including organising, managing and delivering Carnival.

- We have the mas and mas building expertise (for a wide variety of genres - fantasy mas, historical themes, 'traditional' mas, character mas, etc.).
- We have the costume designers and makers who have a broad range of experience in designing and producing costumes for a variety of regional and international carnival events (e.g. Tribe, Legacy and Genesis, Callaloo Company, etc.).
- We have the music – the whole range of genres from steel pan through to soca and chutney.
- We have the culture associated with Carnival – especially steel pan and mas.
- We already have individuals and groups involved in carnivals overseas.

### **Regulatory issues**

- With regard to cross border issues, in general, visa and other travel documentation is not difficult to obtain, even for the USA, but one needs to organise with sufficient time. Depending on venue, there may be union agreements and contracts to be navigated, but given the clientele, this would be for them to deal with. Customs arrangements in Trinidad and Tobago are supportive of this business.

### **IP protection**

- IP protection is necessary for the music, the designs, broadcast etc. The events need to be trademarked and all creative product protected.

### **Infrastructure**

- New ports both in POS and South Trinidad should support this 'Best Bet'.

### **Education and training**

- There are many people available in Trinidad and Tobago and the Diaspora who are skilled in the various arts and crafts that will be needed.
- UWI, UTT, GORTT, and other institutions are focusing more and more on the creative sector.

### **Incentives and assistance**

- GORTT has announced plans to support the creative and craft industries.
- We can target the Caribbean Export Development Agency, based in Barbados.

### **Resources and Materials**

- A lot of the material for costumes is imported, especially from China. But if we design here and build at the client (especially if a training component is attached to the proposal) then the resources would have to be available there.

## **Investment and Entrepreneurship**

- Entrepreneurs who are currently active in areas in T&T and that are relevant to this 'Best Bet' include Island People, Ian Wiltshire, Spektakula Promotions.

## **Business capabilities and alliances**

- Businesses in T&T that have capabilities relevant to this Best Bet include almost all the existing large promotion groups – Island People, Tribe, etc.

## **Branding and marketing**

- There are several promoters with experience in branding and marketing as well as many entrepreneurs who are experienced in exporting Carnival events (Crop Over, Jamaica Carnival etc).

## **What We Need**

- Motivation to do more with what we have got and expand the business opportunities.
- An entrepreneur who pulls it all together.
- A network developer, marketer, and manager who connects with potential end-users and develops opportunities.
- Recognition that this is a globally marketable package and not just a Diasporic product.
- Investment.
- A marketing strategy.
- Alliance building.

## **Best Bet Roadmap**

See main text.

## **Financial Model & Assumptions**

- Income streams are:
  - Consulting/service fee charged to the town/city for implementing the carnival.
  - Merchandising revenue.
  - Broadcast and other royalty-based revenue.
- Costs will be:
  - Direct costs – travel, artists, costume inputs, staff (craftsmen, consultants, trainers, etc), stage, lights, sound, fees and licenses, marketing and promotion, insurances.

**Note:** This financial overview has not been subjected to detailed scrutiny. It is intended to be an example of what could be achieved in an optimistic scenario. Before making an investment commitment, it would need further development and to be subjected to due diligence.

**BEST BET SECTOR: Creative** **BEST BET 2 : Carnival in a Box**

File date: 22/09/06

Last review: 30/01/07

**10 Year Financial Projection Model (US\$)**  
**Note: This model is built around the idea of an agency that does bookings and arranges contracts - not doing the actual delivery**

		YEAR									
		1	2	3	4	5	6	7	8	9	10
<b>GOVT INVESTMENT</b>	<b>Description</b>										
S&T research	Themes and concepts	250000	250000	250000	250000	250000	250000	250000	250000	250000	250000
Education	Skilled people	250000	250000	250000	250000	250000	250000	250000	250000	250000	250000
Trade development		250000	250000	250000	250000	250000	250000	250000	250000	250000	250000
<b>Total Govt investment</b>		<b>750000</b>	<b>750000</b>	<b>750000</b>	<b>750000</b>	<b>750000</b>	<b>750000</b>	<b>750000</b>	<b>750000</b>	<b>750000</b>	<b>750000</b>

		YEAR									
		1	2	3	4	5	6	7	8	9	10
<b>REVENUE</b>	<b>Description</b>										
<b>Product/Service Line 1</b>	Carnival in a box										
Volume	Contracts	1	4	8	12	15	18	20	20	20	20
Value/Unit	Fee + commission (1)	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000
<b>Gross line revenue</b>		<b>50000</b>	<b>200000</b>	<b>400000</b>	<b>600000</b>	<b>750000</b>	<b>900000</b>	<b>1000000</b>	<b>1000000</b>	<b>1000000</b>	<b>1000000</b>
<b>Product/Service Line 2</b>	Theming services (2)										
Volume	Contracts	1	10	20	30	40	50	60	70	80	90
Value/Unit	Fee US\$15000	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000
<b>Gross line revenue</b>		<b>15000</b>	<b>150000</b>	<b>300000</b>	<b>450000</b>	<b>600000</b>	<b>750000</b>	<b>900000</b>	<b>1050000</b>	<b>1200000</b>	<b>1350000</b>
<b>Product/Service Line 3</b>	Artist bookings (3)										
Volume	Agency fee	1	5	10	20	50	80	100	120	140	160
Value/Unit	\$3,000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000
<b>Gross line revenue</b>		<b>3000</b>	<b>15000</b>	<b>30000</b>	<b>60000</b>	<b>150000</b>	<b>240000</b>	<b>300000</b>	<b>360000</b>	<b>420000</b>	<b>480000</b>
<b>Product/Service Line 4</b>	Accessories (4)										
Volume	No of accessories	100	1000	3000	5000	10000	15000	20000	25000	30000	35000
Value/Unit	10% commission	50	50	50	50	50	50	50	50	50	50
<b>Gross line revenue</b>		<b>5000</b>	<b>50000</b>	<b>150000</b>	<b>250000</b>	<b>500000</b>	<b>750000</b>	<b>1000000</b>	<b>1250000</b>	<b>1500000</b>	<b>1750000</b>
<b>Total Revenue</b>		<b>73000</b>	<b>415000</b>	<b>880000</b>	<b>1360000</b>	<b>2000000</b>	<b>2640000</b>	<b>3200000</b>	<b>3660000</b>	<b>4120000</b>	<b>4580000</b>

<b>EXPENSES</b>											
<b>Capex</b>											
<b>Description</b>											
Item 1	Online portal (5)	100000	10000	10000	10000	10000	10000	10000	10000	10000	10000
Item 2	Equipment (6)	250000	50000	50000	50000	50000	50000	50000	50000	50000	50000
<b>Total Capex</b>		<b>350000</b>	<b>60000</b>	<b>60000</b>	<b>60000</b>	<b>60000</b>	<b>60000</b>	<b>60000</b>	<b>60000</b>	<b>60000</b>	<b>60000</b>

<b>Opex</b>											
<b>Description</b>											
Salary and wages	(7)	200000	200000	300000	300000	350000	350000	400000	400000	450000	450000
Freight	Part of contracts	0	0	0	0	0	0	0	0	0	0
Marketing	30% of revenue	21900	124500	264000	408000	600000	792000	960000	1098000	1236000	1374000
Distribution	Part of deals	0	0	0	0	0	0	0	0	0	0
Travel	10% of rev	7300	41500	88000	136000	200000	264000	320000	366000	412000	458000
Communications	2% of revenue	1460	8300	17600	27200	40000	52800	64000	73200	82400	91600
E-commerce	10% of revenue	7300	41500	88000	136000	200000	264000	320000	366000	412000	458000
Rental	Offices etc	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000
Consumables	2% of rev	4000	4000	6000	6000	7000	7000	8000	8000	9000	9000
Administration	5% of rev	10000	10000	15000	15000	17500	17500	20000	20000	22500	22500
Other											
<b>Total Opex</b>		<b>301960</b>	<b>479800</b>	<b>828600</b>	<b>1078200</b>	<b>1464500</b>	<b>1797300</b>	<b>2142000</b>	<b>2381200</b>	<b>2673900</b>	<b>2913100</b>
<b>Total Expenses</b>		<b>651960</b>	<b>539800</b>	<b>888600</b>	<b>1138200</b>	<b>1524500</b>	<b>1857300</b>	<b>2202000</b>	<b>2441200</b>	<b>2733900</b>	<b>2973100</b>
<b>EBIT</b>		<b>-228960</b>	<b>-64800</b>	<b>51400</b>	<b>281800</b>	<b>535500</b>	<b>842700</b>	<b>1058000</b>	<b>1278800</b>	<b>1446100</b>	<b>1666900</b>
<b>EBIT - Capital</b>		<b>-578960</b>	<b>-124800</b>	<b>-8600</b>	<b>221800</b>	<b>475500</b>	<b>782700</b>	<b>998000</b>	<b>1218800</b>	<b>1386100</b>	<b>1606900</b>
<b>EBIT - Capital - Govt</b>		<b>-1328960</b>	<b>-874800</b>	<b>-758600</b>	<b>-528200</b>	<b>-274500</b>	<b>32700</b>	<b>248000</b>	<b>468800</b>	<b>636100</b>	<b>856900</b>

NOTES:

- Carnival in a Box - Assumes about 20% of the gross carnival in a box package goes to the central management entity.
- Theming - Central management entity's share of theming contracts for offshore clients
- Artist bookings - assumes we are talking about top artists and bands - a 'agent's' fee
- Accessories - costumes and carnival accessories - average value per item US\$500
- The virtual interface for the central management entity
- Equipment needed for the carnival in a box
- Salary and wages for the central management entity only

## **Best Bet 3: Trini Fashion – ‘Twin Islands Fashion Cluster’**

### **Introduction**

- Phase 4 of the foresighting study builds on the outcomes of the interactive workshop conducted with industry practitioners in June 2006. Chapter 4 builds a business case to be put forward to attract both public and private sector support.
- **The public support** focus would be mainly in areas such as:
  - Regulatory issues.
  - IP protection.
  - Infrastructure.
  - Research and development.
  - Education and training.
  - Incentives and assistance.
- **The private sector support** focus would be mainly in areas such as:
  - Resources and materials.
  - Investment and entrepreneurship.
  - Employment.
  - Business capabilities and alliances.
  - Value chain development and management.
  - Branding and marketing.
- The most crucial part of the Chapter 4 work is engaging key stakeholders and incorporating their views, expertise, experience, and opinions into the final ‘Best Bet’ proposition.

### **Description**

- Trinidad has a highly creative culture and this flows into innovative and stylish fashion wear, accessories, and décor items.
- Many of the people working in this field are sole operators or in very small businesses that design and manufacture. Trinidad is fortunate to have many good pattern-makers/designers, some of whom are FIT-trained.
- The idea for this fashion ‘Best Bet’ came from one of Trinidad and Tobago’s most gifted designers, Robert Young of the Cloth Ltd. Young’s creative genius is reflected in his unique approach to making high-quality, personalised, statement clothing. For instance, in creating wedding gowns for his clients, Young first asks them a series of questions. He then composes a poem on the basis of their responses. The words of the poem are then stitched into the gown, thereby personalising the dress. This original technique is an idea that would have international appeal. This is only one example of his fashion innovation and genius.
- This ‘Best Bet’ has significant potential and feasible for a variety of reasons beyond, the creativity, great market potential, and established contacts between WISICA and the designer behind the idea for the ‘Best Bet’. In addition, there are a number of elements that make the commercial viability of this best-bet option even more favourable in the area of training and educational opportunities, initiatives undertaken by NEDCO, etc.



## Rationale

- Trinidad and Tobago already has some well-known fashion brands e.g. Westport and Meiling. It also has some well-known individual designers such as Claudia Pegus, Heather Jones and accessories designer Ria Ramkissoon (in the USA).
- There are also many up and coming fashion designers and manufacturers who have limited prospects in the T&T market because of its small size and the low numbers of tourists that visit the country.
- There are groups of consumers in wealthy global markets who are interested in exotic fashions from smart new designers anywhere around the world.
- By promoting the diversity offered by a cluster of small designer and manufacturing groups to global niche audiences, a range of styles and interpretations can be offered through a single 'portal' so that highly individualistic customers can pick and choose from what is essentially a mixed portfolio.

## Target Markets

- Predominantly the higher end male and female fashion market – apparel and accessories - in selected global niches e.g. London, Paris, Berlin, New York, Shanghai, Singapore, Los Angeles, Sydney, Hong Kong, Rio de Janeiro, etc.
- Areas with a strong T&T/ Caribbean Diaspora.
- Costume design and manufacture – including accessories.
- Fashion décor retail outlets – in particular around the Caribbean rim.
- Fashion décor buyers for institutions and the accommodations sector.

## Sea Island Cotton Line

- Sea Island Cotton is grown only in the West Indies and is a unique strain of cottonseed. It is the most valuable and pricey of cotton varieties. It does not grow easily in other environments. It is as strong as silk, as soft as cashmere, as durable as wool and has great breathability. The raw material retails for \$10 US a pound, making it an extremely exclusive commodity. The Sea Island Cotton clothing clientele would therefore be extra-regional.
- Target markets would include North America, Europe (particularly England and Italy) and Japan, possibly through Internet sales, or through its direct availability in specially targeted boutiques strategically placed throughout the region, which are frequented by tourists. Airport stores in Barbados and Martinique-major transit hubs with a developed tourism industry could also be targeted, although the flow of business would not depend solely on tourism. Trade shows would also be considered in an effort to penetrate international markets.
- The target market chosen is the best starting choice for this best bet. Sea Island Cotton is an extremely sought-after commodity. One North American manufacturer made huge profits from Sea Island Cotton clothing as the wholesale price for a polo was \$125 US and retailed in his store for \$250 US. The sales potential is good as it covers a number of markets that are practical. Extreme quality control would be implemented from the beginning to ensure that the quality of workmanship, timeliness, and other quality issues are addressed early.



## The Market Offer

- Highly individualised and customised offers.
- The use of local and regional materials such as highly valued 'Sea Island Cotton'. Unique local and regional materials, designers, and design processes.
- Worldwide delivery to individual customers either through strategic high-end market alliances or through virtual portals.
- The twin islands have excellent designers and manufacturers with a range of focuses from traditional carnival styles to leading edge fashion and décor design.
- There is a wealth of local talent – established and up and coming - in both fashion and accessories design and manufacturing.
- There are extremely high levels of creativity.
- An industry base to work from (e.g. extremely good pattern-makers, small manufacturers who have worked with established designers and who are good task people, as well as people who are good at making prototypes).
- The West Indian Sea Island Cotton Association (WISICA) must be approached in order to gain access to the raw material. Given the fact that it is not available in Trinidad, there must be dialogue with the Association to have access to it, as it is only grown in certain countries in the Caribbean. There have already been preliminary discussions between the designer (Young) and the association.
- If Trinidad is able to have access to Sea Island Cotton, then it is only fair that other designers from other islands also benefit from such an arrangement. The Association would not sell the cotton but give the designers access to it with the understanding that a percentage of the sales be given back to the association in exchange for having access to the raw materials. The arrangement would be negotiated with WISICA.
- With the CSME coming into existence, it should help with collaboration in the region. The CSME should help make it somewhat easier to conduct business within the region but outside the region there is little assistance in facilitating international business at present.
- In terms of the Bureau of Standards, their involvement would be at the level of registration for a TTBS Number, correct labelling and certification of a line/garment to ensure that any trade issues that may arise out of a foreign market would be dealt with in relation to specific regulations/standards.
- With regard to regulatory support that T&T needs to develop, it must be noted that apart from the TDC, the establishment of the CSME will hopefully assist with the development of the best bet within the region.
- There are some **regulatory issues** with regards to e-commerce that are currently being examined by the Ministry of Public Administration and being rectified in order to help facilitate e-commerce in T&T. The Ministry of Trade and Industry and the TTBS can provide information on requirements for labelling. The CSME could facilitate cross-border activities. E-commerce capabilities need to be further developed.
- The coming on-stream of the proposed Institute of Fashion Technology of Trinidad and Tobago (IFT) at the University of Trinidad and Tobago (UTT) in 2007-8 will address the **training** needs. The IFT will ensure that there is a constant pool of trained local designers, fashion merchandisers, etc. Production Management, Pattern Grading & Mass Manufacturing Technology, Mentorship Programme. FIT, NC State, other International Universities can be used as support.

- Education in this field is very basic. Currently, training programmes will need to be provided by the existing skilled people in the industry. Perhaps there is a need to establish a mentorship programme or something similar to help train the new and aspiring fashion people.
- There are many courses available for the skill of sewing, but the art of proper garment construction is a problem, particularly in ensuring that a person can construct an item quickly, correctly and that it is well finished. There also needs to be training in quality control, fabric expertise, merchandising, construction, pattern development, etc. The experience of the TTBS can be relevant.
- Technical Design Training and an Institution for Fashion Arts are important. In terms of Technology- Equipment and Internet/E-commerce capabilities, greater efficiency at the ports and more government involvement are needed.
- With regard to this Best Bet, more in-depth research into equipment would be needed for this type of activity. Some research into the status of idle equipment is required, in addition to finding out about the status of the many community-based projects that start and just become obsolete.
- The possibility of outsourcing manufacturing in the Far East and Latin America also needs to be investigated. **R & D** also needs to be addressed. This is not only needed in term of styles and fashion trends, but also of the reality of fibre and fabric trends, process trends, etc.
- The R&D required to facilitate the short and long-term development of this Best Bet include Equipment, Training programmes and Market research. Institutions such as the TTBS can be a guide. The involvement of the Bureau of Standards as a consultant on IP can ensure **IP protection**.
- The National Entrepreneurship Development Company Limited (NEDCO), which is an initiative of the Ministry of Labour & Small & Micro Enterprise Development plays an extremely important role in promoting entrepreneurship and providing financing, training, marketing and business advice to young designers.
- Their efforts have resulted in the creation of an association of young and upcoming fashion designers (FETT). Over the last four years, NEDCO must be credited with creating and stimulating business in the entrepreneurial sector, lending money to small, medium and micro-sized entities. For many entrepreneurs, NEDCO is the last resort or only option for obtaining loans to do business, as banks are reluctant to do business with entrepreneurs in the creative industries.
- There are many excellent advertising agencies to contribute to promoting this venture. Advertising should also be done in overseas markets. This requires a budget. All the big designers have the experience and exposure in the field of branding and marketing expertise for their products.
- Government can provide assistance to support the commercialisation of this 'Best Bet' through tax breaks on raw materials and assistance in collaborating with other island fashion industries. The assistance needed to support market development offshore can be provided through contracts for Trade Associations in related markets.

## People Interviewed and Websites Consulted

Robert Young  
The Cloth Ltd.  
Tel: 1 (868) 721-7616/ 787-5824  
E-mail: [anything@thecloth.net](mailto:anything@thecloth.net)

Dominique Rostant  
Janouras Custom Design Ltd.-  
42-46 Sackville St.  
Port of Spain  
Tel: 1 (868) 625-2525  
E-mail: [drostant@janouras.com](mailto:drostant@janouras.com)

Tricia-Marie Rousseau  
Trinidad and Tobago Bureau of Standards (TTBS)  
Trincity Industrial Estate  
Macoya  
Tel: 1 (868) 662-8827  
Fax: 1 (868) 663-4335

Jerome Poon-Tip  
Research, Planning & Development Officer  
National Entrepreneurship Development Company (NEDCO)  
Tel: (868)-675-1132  
Fax: (868)-675-4613

[www.thecloth.net](http://www.thecloth.net)

[www.riaria.com](http://www.riaria.com)

[www.meilinginc.com](http://www.meilinginc.com)

[www.shabeaumagazine.com](http://www.shabeaumagazine.com)

[www.donnadove.com](http://www.donnadove.com)

[www.shecaribbean.com](http://www.shecaribbean.com)

[http://www.partners.net/Images/partners/What\\_We\\_Do/FTF/Success\\_Stories/Jamaica%20Sea%20Island%20Cotton%20Project.pdf](http://www.partners.net/Images/partners/What_We_Do/FTF/Success_Stories/Jamaica%20Sea%20Island%20Cotton%20Project.pdf)

<http://www.caribbeancotton.com/aboutus.html>

## Best Bet Roadmap

See main text

## Financial Model & Assumptions

**Note:** This financial overview has not been subjected to detailed scrutiny. It is intended to be an example of what could be achieved in an optimistic scenario. Before making an investment commitment, it would need further development and to be subjected to due diligence.

BEST BET SECTOR: Creative		BEST BET 3 : Twin Island Fashion Cluster									
		File date:	22/09/06								
		Last review:	30/01/07								
<b>10 Year Financial Projection Model (US\$)</b>											
<b>Note: This model is built around the idea of an entity that connects customers with a range of boutique suppliers</b>											
		YEAR									
		1	2	3	4	5	6	7	8	9	10
<b>GOVT INVESTMENT</b>	<b>Description</b>										
S&T research	Design research	250000	250000	250000	250000	250000	250000	250000	250000	250000	250000
Education	Skilled people	250000	250000	250000	250000	250000	250000	250000	250000	250000	250000
Trade development	Market dev	250000	250000	250000	250000	250000	250000	250000	250000	250000	250000
<b>Total Govt investment</b>		<b>750000</b>	<b>750000</b>	<b>750000</b>	<b>750000</b>	<b>750000</b>	<b>750000</b>	<b>750000</b>	<b>750000</b>	<b>750000</b>	<b>750000</b>
		YEAR									
		1	2	3	4	5	6	7	8	9	10
<b>REVENUE</b>	<b>Description</b>										
<b>Product/Service Line 1</b>	Fashion products (1)										
Volume	Lines represented	1	4	8	12	15	18	20	20	20	20
Value/unit	20% commission	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000
<b>Gross line revenue</b>		<b>50000</b>	<b>200000</b>	<b>400000</b>	<b>600000</b>	<b>750000</b>	<b>900000</b>	<b>1000000</b>	<b>1000000</b>	<b>1000000</b>	<b>1000000</b>
<b>Product/Service Line 2</b>	Custom products (2)										
Volume	Units of product	1	10	20	30	40	50	60	70	80	90
Value/unit	20% commission	15000	15000	15000	15000	15000	15000	15000	15000	15000	15000
<b>Gross line revenue</b>		<b>15000</b>	<b>150000</b>	<b>300000</b>	<b>450000</b>	<b>600000</b>	<b>750000</b>	<b>900000</b>	<b>1050000</b>	<b>1200000</b>	<b>1350000</b>
<b>Product/Service Line 3</b>	Décor products (3)										
Volume	No of contracts	1	5	10	20	50	80	100	120	140	160
Value/unit	Contract commissions	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000
<b>Gross line revenue</b>		<b>10000</b>	<b>50000</b>	<b>100000</b>	<b>200000</b>	<b>500000</b>	<b>800000</b>	<b>1000000</b>	<b>1200000</b>	<b>1400000</b>	<b>1600000</b>
<b>Total Revenue</b>		<b>75000</b>	<b>400000</b>	<b>800000</b>	<b>1250000</b>	<b>1850000</b>	<b>2450000</b>	<b>2900000</b>	<b>3250000</b>	<b>3600000</b>	<b>3950000</b>
<b>EXPENSES</b>											
<b>Capex</b>	<b>Description</b>										
Item 1	Online portal (4)	150000	25000	25000	25000	25000	25000	25000	25000	25000	25000
Item 2	Equipment (5)	50000									
<b>Total Capex</b>		<b>200000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>	<b>25000</b>
<b>Opex</b>	<b>Description</b>										
Salary and wages	(6)	150000	200000	250000	300000	350000	400000	450000	500000	550000	600000
Freight	Part of contracts	0	0	0	0	0	0	0	0	0	0
Marketing	30% of revenue	22500	120000	240000	375000	555000	735000	870000	975000	1080000	1185000
Distribution	Part of deals	0	0	0	0	0	0	0	0	0	0
Travel	10% of rev	7500	40000	80000	125000	185000	245000	290000	325000	360000	395000
Communications	2% of revenue	1500	8000	16000	25000	37000	49000	58000	65000	72000	79000
E-commerce	10% of revenue	7500	40000	80000	125000	185000	245000	290000	325000	360000	395000
Rental	Offices etc	50000	50000	50000	50000	50000	50000	50000	50000	50000	50000
Consumables	2% of rev	3000	4000	5000	6000	7000	8000	9000	10000	11000	12000
Administration	5% of rev	7500	10000	12500	15000	17500	20000	22500	25000	27500	30000
Other											
<b>Total Opex</b>		<b>249500</b>	<b>472000</b>	<b>733500</b>	<b>1021000</b>	<b>1386500</b>	<b>1752000</b>	<b>2039500</b>	<b>2275000</b>	<b>2510500</b>	<b>2746000</b>
<b>Total Expenses</b>		<b>449500</b>	<b>497000</b>	<b>758500</b>	<b>1046000</b>	<b>1411500</b>	<b>1777000</b>	<b>2064500</b>	<b>2300000</b>	<b>2535500</b>	<b>2771000</b>
<b>EBIT</b>		<b>-174500</b>	<b>-72000</b>	<b>66500</b>	<b>229000</b>	<b>463500</b>	<b>698000</b>	<b>860500</b>	<b>975000</b>	<b>1089500</b>	<b>1204000</b>
<b>EBIT - Capital</b>		<b>-374500</b>	<b>-97000</b>	<b>41500</b>	<b>204000</b>	<b>438500</b>	<b>673000</b>	<b>835500</b>	<b>950000</b>	<b>1064500</b>	<b>1179000</b>
<b>EBIT - Capital - Govt</b>		<b>-1124500</b>	<b>-847000</b>	<b>-708500</b>	<b>-546000</b>	<b>-311500</b>	<b>-77000</b>	<b>85500</b>	<b>200000</b>	<b>314500</b>	<b>429000</b>
NOTES:											
1 Fashion products - represents number of lines represented and commission on gross sales per line per annum. 20% commission because of marketing role this business entity plays											
2 Custom products such as masquerade costumes, Sea Island Cotton, and special client commissions - again 20% commission for marketing activity											
3 Décor products - specialist lines made on a contract basis for hotels, institutions or the high end home décor market											
4 The virtual interface for the central management entity											
5 Set up equipment											
6 Salary and wages for the central management entity only											

## **Best Bet 4: ‘The Pan Tree’ – Steelpan Innovation Clusters**

### **Description**

- The steelpan industry will bring Trinidad and Tobago’s niche manufacturing, tourism, creative and biotechnology sectors into the realm of world competitiveness over the next decade.
- While other major sectors such as energy, aviation and telecommunications already benefit significantly from the notoriety of the instrument, the steelpan production sector seems poised to outweigh and outlast all of these major concerns in terms of ensuring Trinidad and Tobago’s sustainable penetration of the global market, human resource development and overall profitability.
- At the centre of this potential in the Pan Tree, an ‘idea factory’ which combines the allure of high-quality craftsmanship with the power of cutting-edge technologies to maintain and build on Trinidad and Tobago’s leadership in the global market.

### **Rationale**

- Over 60% of the global demand for steelpan instruments goes unfulfilled due to a lack of production capacity. The upward pressure of this scarcity is a key element in justifying investment in the rapidly expanding market for steelpan-related products and services, including accessories, recordings and performance.
- Trinidad and Tobago is home to more than ten industrial estates, testament to the importance of clustering and external economies of scale in promoting creative fusion and efficiency.
- Made in Trinidad and Tobago is recognised globally as a guarantee of quality. Bands, builders, tuners and soloists control the vast majority of valuable brands in both the performance and production sector.
- This best bet focuses on developing an integrated product-engineering model for delivering superior and customised musical products and services to the end consumer.
- Bob Marley and the Wailers became internationally famous DESPITE the unavailability of proper recording facilities in Jamaica and upon their success immediately set about establishing a state-of-the-art music production facility for talented local artists unable to record via traditional recording studios.
- These efforts provided for the expansion of reggae music and the Tuff Gong brand. The Pan Tree offers similar potential for branding Trinidad and Tobago and the wider Caribbean, but as a centre for environmentally-friendly technology, creativity and high quality.
- Both established and up-and-coming small-scale pan makers and tuners struggle with the pressure to satisfy demand and maintain instrument quality in order to maintain their individual reputations and T&T’s image as the key source for instruments on the global stage.
- Producers in the industry need suitable materials, tighter value chain management and specialised tools for quality and efficiency improvement (e.g. strobes, pneumatic hammers). The Pan Tree’s economies of scale will reduce these costs.

- Current technology is noisy. This impacts on production time because community goodwill is compromised by producers working in residential areas.

## Target Markets

- Youth Educational Segment: This niche market requires consistent, attractive, durable, and scaled products. The recognition of the 'intelligent design' of the Spider-Web steelpan has led to an explosion of interest.
- World Music Enthusiasts: The fast growing group of more mature (35 years plus) fans of 'world music' styles – traditional and modern music styles that have a strong ethnic influence and would be attracted by links between the Pan Tree and influential Trinidadian musicians/artists.
- Women, aged 20-35, travelled, well educated: This group has been particularly responsive to the instrument in the European market, and may prefer the instrument's relative novelty and the freedom of movement it permits.
- The Caribbean Diaspora: Traditionally attracted to the instrument, this market also has a growing presence in performance and teaching professions in major and secondary global cities.
- Culture and Heritage Tourists: This niche includes adventure-oriented eco-tourists, especially young adults.
- Amateur and Professional Percussionists.
- Conference Participants: Trinidad and Tobago's position as a business and festival tourism centre means that a large and growing number of participants at business, academic, festival and religious events can be drawn into the Pan Tree Tour.

## The Market Offer

- A long-term medium-range risk non-traded equity investment opportunity for individuals, institutional and corporate concerns in Caribbean and other key target countries. ROI based on 150% tax deductions (for local firms), residuals on profits on virtually guaranteed instrument sales and high volume, high return production processes such as chroming, merchandise and tourism sales, as well as image capital of promoting new artists and talents.
- The Pan Tree is an innovation and production space that:
  - Provides access to and training in state-of-the-art steelpan production tools (e.g. pneumatic hammers, custom-made mallets) that would otherwise be inaccessible to individual builders and fine-tuners.
  - Provides dedicated facilities for high-fixed cost processes such as sinking, tempering, chroming, and after-sales servicing of instruments to increase throughput of instruments and allowing builders/tuners to experiment with alternative designs, materials and processes.
  - Acts as an incubator for pan-producing SMEs by allowing five (5) years of support and up to two (2) additional years of entrepreneurial planning support independent launch.
- A zone website which provides profiles of resident artists/builders/tuners and links to their own websites (backstopped by shared e-commerce infrastructure).
- Factory tours - multilingual guides take visitors on a voyage through the history of the instruments development, spiced with contact with builders at different stages of the production process and performance.

- The Pan Store.com - A unique physical space offering the opportunity to personalise, experience and purchase instruments, tools, accessories, recordings and other merchandise. Also featuring product catalogues and e-commerce options.
- Enables immediate matching of orders with supplier availability, allowing for the additional experience of tracking the progress of 'your' instrument.
- Specialised Pan-theme credit cards available for purchase of Pan Tree items.
- Potential for the development of franchise factories in offshore markets with the aim of building an integrated production network with access to dispersed niche markets.

## **What We Have**

### **IP protection**

- T&T is the largest producer of pan products and music with the largest brand value and a large number of recognised tuners and builders.
- Intellectual Property Protection at the local level is available through the Ministry of Legal Affairs and will be necessary for Pan Tree products and services as well as the individual producers involved.

### **Infrastructure**

- Strong community identification with pan production spaces in close proximity to existing industrial estate (e.g. Laventille & Fernandes Industrial Estate; Arima & O'Meara Industrial Estate) provides a natural source of a committed labour force.
- T&T's Pan Tree factories can be organised according to existing zonal model (Tobago/North/South-Central/East).
- The emergence of new industrial estates with a focus on high-end technology (e.g. Tamana InTech Park) also represents an opportunity for private/public investment.
- E-commerce infrastructure for information, client matching, product sale and booking functions (e.g. Business Development Company's SMEXchange, an emerging virtual portal with e-commerce functions).

### **Research and development**

- Research and Development into the steelpan has been conducted in Trinidad for over two decades.
- The UWI Engineering Institute has established a Steelpan Development Centre (1999), which combines civil, acoustic and mechanical engineering disciplines in high-level steelpan-related R&D.
- There are several emerging business-oriented R&D programmes at the UWI and UTT that will provide insight into processes for mechanisation/automation of the production process.

### **Education and training**

- Researchers and engineers in Trinidad and Tobago are capable of transferring energy-oriented skills and experience to monitor production in the sector and develop process innovations for tooling, transport, lighting,

communications, sourcing, waste-management and occupational health and safety.

- Information architecture, materials science, marketing, brand management, accounting and project management skills are also available locally and in the Diaspora.
- Several training programmes relating to the steelpan production sectors have been undertaken over the past five (5) to improve the quality of specialised labour for the industry.

## **What We Need**

### **IP protection**

- In addition to current IP-related legal support for patenting, support is needed in obtaining geographical indications, international industrial design protection and enforcement of artist rights.
- Securing buy-in from expert tuners and artisans will require a new business model for the steelpan production sector, which will involve airtight contractual arrangements with artists to be able to offer their products/services securely through the facility.

### **Infrastructure**

- New technologies, such as eco-friendly chroming via nanotechnology, as well as facilities for securing and housing appropriate materials and equipment would be required.

### **Research and development**

- Research is needed in terms of the complete analysis of the 'hidden' production processes involved in steelpan production and ways of improving the sound quality of the instrument.

### **Education and training**

- While the necessary skills and personnel exist in Trinidad and Tobago and the Diaspora, entrepreneurs in the area will need to develop a recruitment/HR strategy to source and retain a motivated and reliable skilled workforce.

### **Incentives and assistance**

- Tax regime for reducing initial (3-year) input costs to entrepreneurs using the Pan Tree facility.

### **Business capabilities and alliances**

- Strategic alliances with the energy-based sector as source of market access and skilled personnel.
- Strategic alliances with creative firms in aviation/telecommunications (e.g. Virgin) and with Caribbean-based content industries/firms (e.g. MTV Tempo)
- Closer linkages with the tourism sector in both Tobago and Trinidad.



## **Investment and Entrepreneurship**

- An entrepreneur with project and network management skills to develop and market the concept.
- A business-oriented and professional team of managers capable of driving the executive aspect of the Pan Tree concept, while respecting the artists' need for space/time for innovation.

## **Value chain development and management**

- The development of the most effective value chains for products and services offered 'on the Pan Tree' require relevant infrastructure for sourcing quality materials from multiple suppliers, as well as the development of a comprehensive database of suppliers at each level of the value chain. This database development is already being done successfully by individual producers in specific sectors of the industry.
- Key components of the value chain in need of attention, global distribution, A&R for performance, and global retailing. These current limitations will be addressed through strategic alliances.

## **Branding and marketing**

- Trinidad and Tobago's formidable capabilities in market research and development need to be mobilised in support of the concept.
- While the local advertising agencies provide little in terms of global branding and marketing strategies, mobile-marketing and e-marketing initiatives may be facilitated by expertise from the research community and professionals in the Diaspora.

## **Best Bet Roadmap**

See main text

## **Financial Model & Assumptions**

**Note:** This financial overview has not been subjected to detailed scrutiny. It is intended to be an example of what could be achieved in an optimistic scenario. Before making an investment commitment, it would need further development and to be subjected to due diligence.

BEST BET SECTOR: Creative		BEST BET 4 : The Pan Tree									
		File date:		22/09/06							
		Last review:		29/01/07							
10 Year Financial Projection Model (US\$)											
		YEAR									
		1	2	3	4	5	6	7	8	9	10
<b>GOVT INVESTMENT</b>	<b>Description</b>										
	180000										
S&T research	Design/nano/biotech	500000	250000	250000	250000	250000	250000	250000	250000	250000	250000
Education	Skilled people	250000	250000	250000	250000	250000	300000	300000	400000	400000	400000
Trade development	Market dev	320000	320000	320000	400000	220000	220000	220000	220000	220000	100000
Incentives		400000	400000	400000	400000	400000	250000	250000	250000	250000	250000
<b>Total Govt investment</b>		<b>1470000</b>	<b>1220000</b>	<b>1220000</b>	<b>1300000</b>	<b>1120000</b>	<b>1020000</b>	<b>1020000</b>	<b>1120000</b>	<b>1120000</b>	<b>1000000</b>
<b>COMMERCIAL INVESTMENT</b>											
		YEAR									
		1	2	3	4	5	6	7	8	9	10
<b>REVENUE</b>	<b>Description</b>										
<b>Product/Service Line 1</b>	Pan portal (1)										
Volume	No of sales	2,750	21,600	167,000	304500	766000	1915100	3500000	4000000	1500000	17000000
Value/unit	Commission/sale	5	5	5	5	3	3	3	3	3	3
<b>Gross line revenue</b>		<b>13750</b>	<b>108000</b>	<b>835000</b>	<b>1522500</b>	<b>2298000</b>	<b>5745300</b>	<b>10500000</b>	<b>12000000</b>	<b>4500000</b>	<b>51000000</b>
<b>Product/Service Line 2</b>	Booking agency (2)										
Volume	Bookings	10	20	50	100	200	400	600	800	1000	1200
Value/unit	20% commission	1500	15000	15000	15000	15000	15000	15000	15000	15000	15000
<b>Gross line revenue</b>		<b>15000</b>	<b>300000</b>	<b>750000</b>	<b>1500000</b>	<b>3000000</b>	<b>6000000</b>	<b>9000000</b>	<b>12000000</b>	<b>15000000</b>	<b>18000000</b>
<b>Product/Service Line 3</b>	Factory tours (3)										
Volume	Tours	100	500	1500	2000	2300	2500	3000	3500	3800	4000
Value/unit	Commission/tour	200	200	200	200	200	200	200	200	200	200
<b>Gross line revenue</b>		<b>20000</b>	<b>100000</b>	<b>300000</b>	<b>400000</b>	<b>460000</b>	<b>500000</b>	<b>600000</b>	<b>700000</b>	<b>760000</b>	<b>800000</b>
<b>Product/Service Line 4</b>	Franchises (4)										
Volume	No	0	1	3	5	9	16	20	25	30	30
Value/unit	Fee 33% of gross	100000	100000	100000	100000	100000	100000	100000	100000	100000	100000
<b>Gross line revenue</b>		<b>0</b>	<b>100000</b>	<b>300000</b>	<b>500000</b>	<b>900000</b>	<b>1600000</b>	<b>2000000</b>	<b>2500000</b>	<b>3000000</b>	<b>3000000</b>
<b>Total Revenue</b>		<b>48750</b>	<b>608000</b>	<b>2185000</b>	<b>3922500</b>	<b>6658000</b>	<b>13845300</b>	<b>22100000</b>	<b>27200000</b>	<b>23260000</b>	<b>72800000</b>
<b>EXPENSES</b>											
<b>Capex</b>	<b>Description</b>										
Item 1	Online portal (5)	250000	50000	50000	50000	50000	50000	50000	50000	50000	50000
Item 2	Equipment (6)	750000									
Item 3	Franchise set up (7)	250000									
<b>Total Capex</b>		<b>1250000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>	<b>50000</b>
<b>Opex</b>	<b>Description</b>										
Salary and wages	(8)	300000	350000	400000	450000	500000	550000	600000	650000	700000	750000
Freight	Part of contracts	0	0	0	0	0	0	0	0	0	0
Marketing	30% of revenue	100000	182400	655500	1176750	1997400	4153590	6630000	8160000	6978000	21840000
Distribution	Part of deals	0	0	0	0	0	0	0	0	0	0
Travel	10% of rev	10000	60800	218500	392250	665800	1384530	2210000	2720000	2326000	7280000
Communications	2% of revenue	10000	12160	43700	78450	133160	276906	442000	544000	465200	1456000
E-commerce	10% of revenue	4875	60800	218500	392250	665800	1384530	2210000	2720000	2326000	7280000
Rental	Offices etc	50000	50000	75000	75000	100000	100000	125000	125000	150000	150000
Consumables	2% of rev	6000	7000	8000	9000	10000	11000	12000	13000	14000	15000
Administration	5% of rev	15000	17500	20000	22500	25000	27500	30000	32500	35000	37500
<b>Total Opex</b>		<b>495875</b>	<b>740660</b>	<b>1639200</b>	<b>2596200</b>	<b>4097160</b>	<b>7888056</b>	<b>12259000</b>	<b>14964500</b>	<b>12994200</b>	<b>38808500</b>
<b>Total Expenses</b>		<b>1745875</b>	<b>790660</b>	<b>1689200</b>	<b>2646200</b>	<b>4147160</b>	<b>7938056</b>	<b>12309000</b>	<b>15014500</b>	<b>13044200</b>	<b>38858500</b>
<b>EBIT</b>		<b>-447125</b>	<b>-132660</b>	<b>545800</b>	<b>1326300</b>	<b>2560840</b>	<b>5957244</b>	<b>9841000</b>	<b>12235500</b>	<b>10265800</b>	<b>33991500</b>
<b>EBIT - Capital</b>		<b>-1697125</b>	<b>-182660</b>	<b>495800</b>	<b>1276300</b>	<b>2510840</b>	<b>5907244</b>	<b>9791000</b>	<b>12185500</b>	<b>10215800</b>	<b>33941500</b>
<b>EBIT - Capital - Govt</b>		<b>-3167125</b>	<b>-1402660</b>	<b>-724200</b>	<b>-23700</b>	<b>1390840</b>	<b>4887244</b>	<b>8771000</b>	<b>11065500</b>	<b>9095800</b>	<b>32941500</b>
NOTES:											
	1 Pan portal is essentially an e-commerce site that facilitates the sale of music, videos, instruments, pan books, memorabilia, accessories etc from a range of pan suppliers and takes a commission on sales through the site. Includes sales from eco-chroming operations.										
	2 Booking agency - for steelpan packages - online and real agency associated with the Pan portal										
	3 Factory tours - booked through the Pan portal who take a booking fee of 10% - assumes 10 people per tour at US\$20 each										
	4 Franchises - such as Eco-Chroming Factory/Steelpan Times Restaurant. Have worked on a franchise being worth US\$200,000 up front (probably also ongoing royalties should be built in - say 5% of revenue. Not shown in this model)										
	5 Portal as interface between suppliers and customers										
	6 Equipment for set up										
	7 Franchise set up - costs of developing the concept and license model.										
	8 Wages and salaries for managing the portal, booking agency, and franchise sales.										

## References

### **Dwight Alfred**

**Builder, Tuner** (PanCraft, Laventille)

Mr. Alfred, a steelpan builder and tuner with fifteen years of experience, identified major challenges and opportunities in developing an operation that focuses on tuning/building services. He was also central to identifying individuals that might be prime targets for early adoption of the concept.

### **Anthony Duncan**

**Tuner** (Sforzata Pan Factory, Curepe)

Anthony Duncan is an experienced tuner and a member of the small guild of tuners and builders that make up the Sforzata Pan Factory. Based on his experience with the Sforzata Factory and the general tuning community, Duncan noted that the success of the 'Best Bet' would require a creative approach to recruiting and retaining quality members. His contribution also led to the suppression of the 'Idea Factory' name, as he noted the fact that the name would have a possibly negative connotation to tuners.

### **Stefan Fraser**

**Management Lecturer and Researcher** (University of the West Indies, St. Augustine)

Dr. Fraser's enthusiastic response to the combination of e-commerce and cultural exports was appreciated. While approached for his work on e-commerce, his major contributions actually were along the lines of quality and value-chain management. He pointed to the preparation of artists/artistes for the international stage, the use of engineering concepts to reduce shipping and distribution costs, and the need to reduce overall production costs as key success factors. His feedback also pointed to the possibility of linking the concept with Trinidadian/Caribbean artistes who are already penetrating target markets for the Pan Tree concept.

### **Jeevan Persad**

**Engineer/Entrepreneur** (Entrepreneurial Concepts Group)

A founding member of ECG, a group of engineers dedicated to improving the design and implementation of engineering-related products and services developed in Trinidad and Tobago, the ECG's current project involve market research for steelpan-related products and feasibility studies on the introduction of customised automation services in Trinidad and Tobago. Mr. Persad noted that the most critical success factor for this 'Best Bet' would be the involvement of a 'very special entrepreneur'. ECG feedback also pointed to the difficulty of clear segmentation in steelpan 'Best Bets' and the value of 'experiential marketing' such as 'build-it-yourself/learn to play' tourism as a means of generating interest in the instrument and its culture.

### **Alpha Rhythm Roots**

<http://www.alpharhythmroots.com>

While its web presence is less than impressive, AlphaRhythmRoots has impressed by its presence within the local drumming community in Toronto. Using participative marketing strategies, the company targets the various music festivals that occur in Toronto each summer, inviting participants to sample its products and learn more about the production process. Alpha's organic approach was an early inspiration for the Pan Tree concept.

### **Coroflot**

<http://www.coroflot.com/>

Example of possible infrastructure for building tuner/producer profiles, Coroflot caters largely to design specialists, allowing for portfolio development and display, posting of profiles, sourcing of jobs and networking among community members.

### **The Diego Martin Pan Institute**

<http://www.paninstitute.com/news.php>

While dedicated primarily to pan education, the DMPI's attractive and successful format, community orientation, and information strategy are integral to the Pan Tree concept. The DMPI also uses e-mailing lists and commemorative events to add continuity and a sense of membership to visitors.

### **Mandinga em Manhattan (2005)**

Direction: Lazaro Faria; Script: Lucia de Souza

Produced in Brazil, the documentary *Mandinga em Manhattan* highlights the global spread of Capoeira, a multifaceted artform which, much like steelpan, was once demonized and outlawed by conservative government in its homeland. Parts of the film introduce the viewer to the lives and aspirations of those who produce the instruments used in the Capoeira tradition, in particular the *Berimbau*, and notes the massive expansion of exports of the *berimbau*, *atabaque*, *pandeiro* and other instruments and accessories through the influx of foreign students interested in learning Capoeira in its birthplace.

The similarities between the history of the steelpan movement and Capoeira's culture are significant and the success of the film since its release in 2005 indicates the importance of an audio-visual chronicling of steelpan culture as a powerful marketing tool for the Pan Tree.

### **Mannette Steel Drums (MSD)**

<http://www.mannettesteeldrums.com>

Based on the brand strength of Dr. Ellie Mannette, master tuner and steelpan pioneer, the MSD shows the e-commerce potential of the instrument, and points the way in which the 'Idea Factory' can orient educational, research and tourism programmes around its production activities. Also key is the symbiotic relationship between Dr. Mannette and MSD and the research and business arms of West Virginia University (<http://www.wvu.edu/~incubator/mannette.htm>).

## **Pan Jumbie**

<http://www.pan-jumbie.com>

One of the definitive sites of Internet pan enthusiasts, Pan Jumbie is the tip of the iceberg in terms of the vast network of online pan spaces that can be used to market the products and services of the Pan Tree franchise. Its 'Links' page alone is evidence of the potential (<http://www.pan-jumbie.com/links.htm>).

## **Panmax Studios**

<http://www.panmaxstudios.com/>

An example of the potential for quality web content by emerging tuners, Panmax Studios is the official website for Andy Neils, tuner and participant in the foresighting study. As a member of the 'young guard' of master tuners, Andy may also be a prime target for the group of pioneers of the Pan Tree concept.

**Panyard Inc.** (<http://www.panyard.com>)

**Trinidad & Tobago Instruments Limited (TTIL)** (<http://www.steelpanstil.com>)

These websites of more established steelpan production concerns demonstrate fairly high level of e-commerce infrastructure and global marketing sophistication. The monolingual format of the sites betray the fact that though some companies such as TTIL have sought joint-ventures in Latin America, access to the South and Central American markets, especially Brazil are somewhat limited. This expanding market represents another possible niche for the Pan Tree.

## **Wicked Sticks (Authentic Aboriginal Instruments Since 1986)**

<http://www.didjeridu.com>

Wicked Sticks offers the visitor the opportunity to embrace Aboriginal Australian culture, in particular, the world-famous Didjeridu instrument, through instrument purchases, on-site master classes and workshops, artist profiles, and full cultural immersion through participation in the annual Garma Festival of Traditional Culture. Wicked Sticks is an excellent example of the possibilities for the steelpan instrument and pan culture, which already enjoys a full roster of events, especially during the winter period.

## **World Music Institute (WMI)**

[www.heartheworld.org](http://www.heartheworld.org)

In its own words, the WMI '**Encourages** cultural exchange between nations and ethnic groups; **Supports** traditional music by providing opportunities for visiting and for local artists; **Presents** to the American public the finest in traditional and contemporary music and dance from around the world; and **Collaborates** with community organizations and academic institutions in fostering greater understanding of the world's music and dance traditions.' The WMI exemplifies a group of world music/alternative e-spaces (other examples include [www.pambazuka.org](http://www.pambazuka.org) and [www.afropop.org](http://www.afropop.org)) which are natural 'allies'/portals for publicising Pan Tree services and gaining access to potential visitors and customers (see <http://www.heartheworld.org/ShoppingCart/Members/INDEX.ASP>).

## **Zildjian**

<http://www.zildjian.com>

Building on historical advantages from the invention of modern cymbals, the Zildjian family 'empire' has become synonymous with quality in a percussion-based niche market. According to the Zildjian Company site, in 1623, an alchemist named Avedis Zildjian first discovered a method of fusing copper, tin and silver to create unique musical instruments. Zildjian also capitalizes on its oriental mystique, boasting of a 'secret method for blending metals survives to carry the celebrated "Zildjian Sound" into the present day and beyond.' Combining quality and exoticism, the Zildjian brand is wildly successful in musical genres that would have been far from the instruments original use and remains the industry standard for professional drum sets.