

How Do I Make Money? By Joe Bunn for Disc Jockey News

Do you get to the end of the year and say, “Where did all of my money go?”. I used to do that too, but over the years of owning a multi-op company, I figured it out, sort of. At the end of the day, there is no “manual” on how to run a DJ business like there is for say a Taco Bell. Yes, there are excellent resources (DJ shows, DJ consultants like Mike Walter, and world-class seminars like The PhDJ Workshop coming to Raleigh, NC on November 4th & 5th www.phdjworkshop.com (wow, that was so shameless, even for me), but it is still such a “new” way to make money that we are really are learning together. In this article, I am going to share a few things that I’ve done over the past few years that have helped make us profitable.

First, you MUST get your margins right. What I mean by this is figure out a percentage that you are comfortable paying your staff and stick to it. I really hope that it’s less than 50% of the total booking, or else you’re in trouble already. Don’t get me wrong, I pay my guys a lot of money, and they deserve every penny of it. Our company would not exist or be successful without them, but for the longest time, I was just throwing out a random number for each gig that I booked. Now it is very clear what they are going to make on each show. If they don’t like the number, I’ll send the lead to the next guy in line.

I’m sure this next section is going to be controversial for the multi-op owners out there, but I just can’t see why DJ company owners are still providing gear for some of their DJs. As some of you know, I have only hired experienced DJs for my team. When I put an ad on my website or on Craig’s List, I specifically say, “You must have experience, your own gear and music, and reliable transportation.” And yes, you can teach an old dog new tricks (meaning I can train a DJ that has worked for another company or himself to be a Bunn DJ Company superstar. But back to the gear, the only thing I can figure out is that you can theoretically pay your DJ less if you provide the gear? I can understand doing this back when equipment was stupid expensive and everyone needed a van or trailer to haul around a system, but now with powered speakers, laptops and controllers, you can fit an entire rig into a Prius, plus it’s affordable. I can assure you that a DJ will take much better care of their stuff if they own it vs. if you do. My point is that if they own it, that’s one less expense for you, and more money in the bank come the end of the year.

We all want the “deluxe office in the sky”, but sometimes it’s just a dumb idea. I am sure there are many DJs reading this that have booked thousands of dollars of business sitting in a Barnes & Noble (remember those?) or Starbucks. So did I back in the day, but over the past 10+ years, we have been in a professional office. We are actually on our third one. The first one was on the second floor of an office building, the rent wasn’t bad, but being on the second floor and humping gear was pretty much awful. Our second office was incredible, a little 1960’s era house zoned commercial in the middle of the hipster area of Raleigh with signage out front, hardwoods inside, and a garage out back to store our stuff. The problem with that

was that it was a money pit. The rent was high for one thing. If the yard needed pinestraw, we had to pay for it. If the deck needed pressure washing, we paid for it. AC went out, we paid for it. Our lease was terrible and for three years, it drained cash. I finally was able to sublease it to a local florist...she probably hates me now. The smartest move I made was to where I currently sit...in an executive suites building. I'm sure you hear ads for companies like Regus on Sirius XM. Basically, several different business occupy a building or floor of a building. They split the copy room, break room, and conference rooms. There is usually a receptionist up front that greets guests and answers the phone as "your company name here". For us, it was a no-brainer, and it was very affordable. My guys all love it, and our clients are very impressed when they come in. The other advantage is that we never have issues signing up for a conference room since almost all of our consultations are in the evening when the majority of the other businesses have gone home.

Finally, learn to distinguish between WANT and NEED! Is that new Pioneer controller with all the buttons that looks like the inside of a space shuttle cockpit awesome? Heck yes it is! But do I NEED it to make me more money? The answer is Heck NO! The Pioneer controller I've had for years still works like a champ, and it would take me two months to get used to the new one, plus, I'm a wedding DJ, why in the world would I want all those buttons, filters, and effects? OVERKILL! You don't have to get the newest, shiniest, hottest gear at every DJ trade show. It will kill your bottom line! Trust me!

I know this article should have come out at the beginning of the year, but hopefully, you can make some mid-year changes right now and then look back on this next summer and go "Joe Bunn was right!". Keep it rockin'

Joe Bunn & Mike Walter host The PhDJ Workshop in Raleigh, NC on November 4th & 5th, 2014. Visit www.phdjworkshop.com for more information