

2013

# Borealis center: a self-sustainable center culture, education and spiritual development

Georgiou, George

Business Administration Program, School of Economic Sciences and Business, Neapolis  
University Pafos

---

<http://hdl.handle.net/11728/8725>

*Downloaded from HEPHAESTUS Repository, Neapolis University institutional repository*



**BOREALIS CENTER: A SELF – SUSTAINABLE CENTER  
FOR CULTURE, EDUCATION AND SPIRITUAL  
DEVELOPMENT**

By

**GEORGE GEORGIU**

**Master in BUSINESS ADMINISTRATION**

**Neapolis University Pafos**

**Pafos, Cyprus**

**2013**

**Submitted to the Faculty of SCHOOL OF BUSINESS**

**in partial fulfillment of**

**the requirements for**

**the Degree of**

**MBA**

BOREALIS CENTER: A SELF – SUSTAINABLE CENTER  
FOR CULTURE, EDUCATION AND SPIRITUAL  
DEVELOPMENT

MBA Dissertation

*Advisor*

Dr Andreas Masouras

*Committee Member*

*Program Director*

Dr John Politis

## Acknowledgements

This dissertation is dedicated to my wife Artemis Aifotiti for her patience, understanding and support through this whole course.

I would like to express my gratitude to my supervisor Dr. Andreas Masouras for his trust and understanding regarding this project. I would also like to thank my spiritual mentor Mrs. Elspeth Kerr who introduced me to the Spiritual World and helped me to understand the Divine Plan.

Lastly, I would like to give many thanks to my sister Polymnia Georgiou for providing me with all necessary access to online resources and various other journals for this project

## Abstract

During the last 20 years there has been a very big movement towards Culture, Education and very recently towards Spiritual Training and Practice. Although everybody understands and agrees about their essence and importance in modern society, they are not taken seriously enough. Culture has been underfunded and neglected to the point that everybody does not invest in it but rather move towards more commercial and popular areas which are usually very low quality and sometimes are even organized by political parties which could undermine the quality in order to achieve their political goals. Education has been given its fair amount of importance but unfortunately, it is not presented as correctly as it should be and it creates people that cannot think rather than increasing their intuition and way of thinking. Spiritual Training and Practice is a fairly new concept that it is in danger of being commercialized thus manipulating all potential clients.

This dissertation will analyze and demonstrate how to create a center that will accommodate all the pre mentioned disciplines in a correct way and be able to fund its own events into a performance space. We will not be focusing on a single area but we will approach the center as a whole and check if it can be sustainable and self funded.

# Table of Contents

<b>ACKNOWLEDGMENTS</b> .....	<b>2</b>
<b>ABSTRACT</b> .....	<b>3</b>
<b>TABLE OF CONTENTS</b> .....	<b>4</b>
<b>LIST OF FIGURES</b> .....	<b>7</b>
<b>LIST OF TABLES</b> .....	<b>8</b>
<b>1. INTRODUCTION</b> .....	<b>9</b>
1.1. Background .....	9
1.2. Statement of Problem .....	9
1.3. Research Objectives .....	9
1.4. Structure of Study .....	10
<b>2. METHODOLOGY</b> .....	<b>11</b>
2.1. Research Method .....	11
2.1.1. Participant Observation .....	11
2.1.2. Non – Participant Observation .....	11
2.1.3. Unstructured Observation .....	11
2.1.4. Structured Observation .....	11
2.2. Data Collection and Analysis .....	11
2.2.1. Section 1 .....	12
2.2.2. Section 2 .....	12
2.3. Limitations .....	13
<b>3. LITERATURE REVIEW</b> .....	<b>14</b>
3.1. Culture .....	14
3.1.1. Music .....	14
3.1.2. Theater .....	14
3.1.3. Painting .....	15
3.2. Education.....	15
3.3. Spirituality.....	15
3.3.1. Yoga .....	16
3.3.2. Tai Chi .....	16
3.3.3. Reiki .....	16
3.3.4. Meditation.....	16

<b>4. DEFINING THE PROJECT .....</b>	<b>17</b>
4.1. Company Description .....	17
4.1.1. Center for Cultural Development .....	17
4.1.2. Center for Educational Development .....	17
4.1.3. Center for Spiritual Development .....	17
4.2. Mission Statement .....	17
4.3. Goals and Objectives .....	18
4.4. Market Research .....	19
4.4.1. Location .....	19
4.4.2. Industry Analysis .....	20
4.4.3. Customer Analysis .....	21
4.4.4. Competitive Analysis .....	22
<b>5. OPERATION PLAN .....</b>	<b>24</b>
5.1. The Building .....	24
5.1.1. Ground Floor .....	24
5.1.2. First Floor .....	25
5.1.3. Second Floor .....	26
5.2. Management Structure .....	26
5.2.1. General / Artistic Director .....	27
5.2.2. General Administrator .....	27
5.2.3. General Secretary .....	28
5.2.4. Accountant .....	28
5.2.5. Other Personnel .....	29
5.2.6. Artistic Committee .....	29
5.2.7. Faculty .....	30
5.3. Choosing Faculty and Services .....	30
5.4. Key Personnel .....	32
5.4.1. General / Artistic Director – George Georgiou .....	32
5.4.2. Head of Culture Department – Wolfgang Schroeder .....	32
5.4.3. Head of Theater – Egli Spyridaki .....	33
5.4.4. Head of Education – Lily Michaelides .....	33
5.4.4. Head of Spiritual Department – Elspeth Kerr .....	33

<b>6. QUALITY MANAGEMENT .....</b>	<b>34</b>
6.1. Introduction to Quality .....	34
6.2. Quality in Services .....	35
6.3. Kaizen Philosophy.....	36
6.4. Implementing Kaizen in Borealis Center .....	37
<b>7. FINANCIAL INFORMATION .....</b>	<b>38</b>
7.1. Building the Project .....	38
7.2. Funding the Project .....	38
7.3. Income and Expenditure .....	39
7.4. Pro forma Income Statement .....	40
<b>8. CONCLUSION .....</b>	<b>44</b>
<b>BIBLIOGRAPHY .....</b>	<b>46</b>
<b>APPENDIX .....</b>	<b>50</b>



## List of Figures

Figure 1: Ground Floor Plan .....	25
Figure 2: First Floor Plan .....	25
Figure 3: Second Floor Plan .....	26
Figure 4: Artistic Committee .....	29
Figure 5: Five Year Income and Expenditure .....	42
Figure 6: Management Structure .....	50

## List of Tables

Table 1: Subject Preferences According to Age .....	31
Table 2: Building Project Expenses .....	38
Table 3: Funding Categories .....	38
Table 4: Yearly Expenditure .....	39
Table 5: Pro Forma Income and Expenditure for the First Five Years .....	41
Table 6: Maximum Performance Income .....	43

# 1. Introduction

## ***1.1. Background***

Currently in Cyprus there is not a place that could host many forms of afternoon activities. The private afternoon schools or institutions focus on only one area which on one hand is good because they create a specialized school but on the other hand they do not provide a rounded education to the student. Cyprus is a very young country (a bit more than 50 years old) and people are not very familiar with more contemporary practices regarding the modern society's needs. Music, Theater, Education and other subjects are being approached individually and never as a whole. This raises the question: could a system be created that will actually be able to accommodate all these subjects? Can it be sustainable and self – funded?

## ***1.2. Statement of Problem***

There is not currently in Cyprus a place that can accommodate more than one subject so we usually come across several private schools that only offer one service. Moreover, because they do not have enough income the director of the school has to teach as well in order to make a decent income. This however has a negative result in the school because the director neglects its managing duties and he becomes a liability to the school. Apart from that, cultural events are currently supported by private organizations and the respective governmental authorities. But this is by far not ideal because the organizer has to follow their artistic guidelines which are usually against his artistic beliefs. All these lead us to a constant compromise which has negative results to our own personal development, to the schools development but also to the people that we are serving (students and audience)

...

## ***1.3. Research Objectives***

- Create a center that will be designed to accommodate all needs for education, music, theater, art and spiritual training
- To examine if the center could become a highlight of the area that it will be built in

- To examine if this center can be self – supported if it would be able to meet its financial obligations
- To examine if it can fund an event series to its premises
- To examine what is the average income it will receive and what is the maximum revenue it will be able to produce

#### ***1.4. Structure of Study***

This project is divided in eight (8) sections, each one according to a specific area of the study. The literature review is focusing on some terminology that involves all subjects that the center will host and I believe it is important to briefly present them so everyone can understand why the specific decisions have been made. Chapter four (4) gives a detail description of the center and its competitive advantage while chapter five (5) deals with all the operational needs of the center as well as the key personnel (the personnel that also define its quality and its level). Chapter six (6) is a short description about the center's quality management and chapter seven (7) gives a clear view on the center's financial information. Lastly, all information will be summarized in chapter eight (8).

## 2. Methodology

### **2.1. Research Method**

For this research it has been decided that it will be more productive and accurate to follow the *Observational Research Method* (or Field Research); a research technique that focuses on directly observing the subject in its natural place (Douglas, 1976). It is a very flexible method that can collect a lot of valid information. However, when using this method one has to be very careful because the researcher is in direct contact with the sample and might not be impartial.

We can divide this method in four (4) different categories, each one according to the level of interaction (Holly. Anubhav. Patrick, 2000):

#### **2.1.1. Participant Observation**

The observer has an active participation in the group that is being observed. Also it requires the observer to be involved in a lot of ways in the group in order to get a better understanding of all background information as well.

#### **2.1.2. Non – Participant Observation**

The observer has a very passive participation with the group and he always keeps a distance when it comes to socializing and interaction. Moreover, the observer avoids being noticed.

#### **2.1.3. Unstructured Observation**

It is an early research observation type where the observer does not have any specific guidelines for what he should be really looking for. He keeps an open mind while taking notes about everything he might think is relevant for the research.

#### **2.1.4. Structured Observation**

The Structure Observation Method focuses on specific areas that the observer would like to take a sample. However, there is not any survey or questionnaire but the observer keeps an eye for certain reactions according to the specific areas he would like to focus.

### **2.2. Data Collection and Analysis**

The data collection and analysis for this project was divided into two sections. Each one was following a specific observation strategy and once the needed information

was gathered they were analyzed and all relevant results came out. The two sections are as follows:

### **2.2.1. Section 1**

It involves gathering general information by using a combination from the *Non – Participant* and the *Unstructured Observation*. The main observation areas were afternoon schools (music, academic, dance and theater), various workshops that are around Cyprus (painting workshops, creative writing workshops) and several venues (theater, concert venues, dance houses, cinemas). Also, at this stage we have been looking in general about building materials and construction techniques so a general idea could be formed about what is available in the market. Lastly, driving around the Nicosia district helped me have a look at what areas are suitable for a project like this.

Once all the general information was gathered we analyzed them in order to find all necessary parameters regarding the healthy performance of these companies. The parameters that we reached were accessibility, quality of service (teaching or performance), facilities, cleanliness, local competition, prices (tuition fees or event tickets) and overall customer satisfaction.

### **2.2.2. Section 2**

Once all parameters have been found, it became much easier to move into a more detail research by combining the *Participant and Structured Observation*. In order to get all these information several meetings have taken place with big cultural organizations and with organized parents associations. Moreover, we had several try – out lessons and we kept a good record of the whole procedure.

After putting all the information gathered from this section we found out what the strong points and weaknesses are of the current system. We have found ways to eliminate all problems and we came out with a structure that will serve our goal without neglecting quality (in terms of the service offered and of the premises). We also came up with the structure that the building will have and of all the facilities that it will need. Lastly, a good check about the area took place and the specific area has been decided for the reasons that we will analyze later on.

### ***2.3. Limitations***

For this specific research method we had a few limitations and disadvantages that we needed to be careful through the whole process:

1. While interacting with parents and students in order to learn their views and worries about the schools, you need to be extremely cautious and filter all information twice before processing them. The reason is that their opinion is not always objective because of the different perception and the difference in characters. Moreover, people tend to understand things according to their own perception and very often they unconsciously refuse to acknowledge a mistake. Also, parents can be very difficult to manage because in most cases they overestimate their children's abilities. A good example is that if you mention to a parent that his son / daughter is not talented enough to play an instrument they automatically pick up a defensive state.
2. Ethics has been a very important aspect in this research. While taking a sample, we have been very careful not to cross the line and reach the point of stealing information from. When talking to schools and cultural organizations, we tried out only what they would offer for free and to anyone (open theater sessions for everyone to try out, lunch time recitals etc). In that case we did not violate any ethical laws by signing into a school and then getting the entire orientation package they offer with their rules and regulations.

## 3. Literature Review

Before continuing further on this project, I believe it will be very important to explain some of the terms that will be discussed during this project.

### **3.1. Culture**

The term *culture* has been given many definitions by various experts who have been trying to express its meaning according to their own perception. The term was first introduced by the Roman philosopher Cicero with the term *Cultura Animi* (*cultivation of the soul*) (Kroeber and Kluckhohn, 1952). The term was originally used to describe the true meaning of philosophy but since then its meaning went through many transformations before reaching today's definition. Nowadays, culture is considered to be a part of Anthropology and according to Hoebel (Hoebel 1966): 'culture as an integrated system of learned behavior patterns which are characteristic of the members of a society and which are not a result of biological inheritance'. The term culture in our project will refer to 'The Arts' which is a vast sector within culture. *The Arts* are usually referring to visual arts, literary arts and performing arts (music, theater and dance). In our project, as a part of the cultural department, we will be focusing only in performing arts (music and theater) and visual arts (painting).

#### **3.1.1. Music**

The term music originates from the Greek word μουσική which refers to the art of the ancient Muses (Liddell and Scott, 1940). It can also be defined as 'an art of sound in time that expresses ideas and emotions in significant forms through the elements of rhythm, melody, harmony, and color ... the tones or sounds employed, occurring in single line (melody) or multiple lines (harmony), and sounded or to be sounded by one or more voices or instruments, or both' (Anderson, 2010). Music has many genres such as folklore, classical, jazz, and ethnic and it always varies according to the specific location or tradition of each area.

#### **3.1.2. Theater**

Having its roots from the ancient Greek word θέατρον (the area of seeing), theater can be viewed as the joint form of fine art that through the use of live performers it presents an event (real or imaginary) to an audience by using a



combination of gesture, speech, song, music, and dance (Carlson, 2011). The performance takes place in a specific area which we usually refer to as ‘The Theater’ and it involves several elements of design and stagecraft in order to increase the level of experience and understanding of the play. Theater has many subcategories which are usually defined by the play that it will be presented. Most common ones are: Drama, Comedy, Tragedy, Thriller, Fiction, Musical Theater and Improvisation Theater.

### ***3.1.3. Painting***

Painting is a part of visual arts and although many people have been trying to define it, I believe that the French painter Maurice Denis (1870 – 1943) has given the most successful definition. According to him, Painting is nothing more than ‘a flat surface covered with colors assembled in a certain order’ (Buoillon, 1993). There are many kinds and styles when it comes to painting usually depending on the material and technique the artist is using.

## ***3.2. Education (Academic and Skill Development)***

Education is considered to have learning as its starting point in which the certain people / group of people / national / regional characteristics (Knowledge, skills, habits) pass down through time and generations (physically and mentally) by teaching, training and research (Dewey, 1916). The traditional form of educational structure is usually structured and divided into 3 sections; Primary, Secondary (usually a subdivision of Middle School and High School) and Higher Education (College, University etc). In the System we follow in Cyprus the term Middle School is substituted by Gymnasium and High School by Lyceum. The ages of the students in these three sections are usually: 6 – 12 for Primary education, 12 – 18 for Secondary Education and 18+ for Higher education. In recent years there has been a big improvement in the *Lifelong Learning* educational section which usually involves educating older people for their personal use; this can be for gaining an extra skill, learning something for pleasure or just because they always wanted to gain certain knowledge.

## ***3.3. Spirituality***

Nobody so far has been able to find a proper definition of spirituality (Koenig, 2012) partly because there was an ongoing debate about what spirituality was (Waaajman,

2002) but nowadays we usually refer to spirituality as ‘a blend of humanistic psychology with mystical and esoteric traditions and eastern religions aimed at personal well-being and personal development’ (Houtman, 2007). Many forms of understanding and achieving spirituality (also called Spiritual practices) have been emerged in which some of the most famous are:

### ***3.3.1. Yoga***

An Indian technique that aims to achieve a state of permanent peace (Bryant, 2009) through a series of dance – like movements. It is a philosophy that has been adopted by many other disciplines such as music and dance and is being used to relax the body and mind in order to achieve maximum performance benefit.

### ***3.3.2. Tai Chi***

Tai Chi is a Chinese martial art that focuses on defending training and internal growth (Cheng, 1993). Nowadays, there is a lot of emphasis in the health advantages that Tai Chi offers rather than the martial arts.

### ***3.3.3. Reiki***

As an official spiritual practice, Reiki has been formed in 1922 by the Japanese Monk Mikao Usui. It is considered as a form of alternative medicine which is using the healer’s palms to transfer universal energy into the patient’s body and thus allow the patient to self heal himself (Baginski, 1994).

### ***3.3.4. Meditation***

The term meditation refers to a series of techniques that aim to promote relaxation, self awareness and other internal feelings (compassion, happiness etc) (Austin, 1999). People started using meditation on a series of occasions such as clear the mind and relieve from many illnesses. It is perhaps the most famous spiritual practice today and is being used widely throughout the world.

....

## 4. Defining the project

According to Oxford British Dictionary ‘Project is defined as a collaborative enterprise, frequently involving research or design, that is carefully planned to achieve a particular aim’. In the case of our project there has been a very detailed research on all aspects that are mentioned above and are clearly analyzed below in each specific section.

### ***4.1. Company description***

*Borealis Center* is a local cultural, educational and spiritual center located at the newly founded Tseri Municipality which is located in the greater area of Nicosia (Appendix 1). The center will serve residents of the local municipality but also residents of the nearby municipalities or villages.

#### ***4.1.1. Center for Cultural Development and Training***

The center will host on its premises a music school, a theater workshop, a dance academy and a painting workshop. Everybody will be allowed to take part in them without having a previous experience in the subject. Moreover, it will work as a concert venue with frequent music performances (classical, jazz, folk, rock and ethnic), theatrical performances and art galleries.

#### ***4.1.2. Center for Educational Development***

Several group classes will be offered in the center and will be designed to meet the needs for each academic year. It will not try to take the place of a private institution but rather offer a place for people to expand their skills without necessarily aim for an examination or a final certificate (more details can be found in chapter 5)

#### ***4.1.3. Center for Spiritual Development***

Something that has been neglected nowadays is our spiritual development. Meditation, Yoga and other spiritual practices will be offered while it will work as a Reiki Clinic for everyone that is interested in some energy healing.

### ***4.2. Mission Statement***

*Borealis Center* offers high quality training in all the mental practices that a person needs for its personal development in an affordable price.

### ***4.3. Goals and Objectives***

The specific project is complicated and very sensitive because it does not only deal with people as costumers but with their skills, abilities and emotions. Goals and objectives should be very carefully designed in order to achieve maximum performance in our specific project.

To begin with, our goals need to be SMART; Specific, Measurable, Attainable, Relevant and Time Bound (Doran, 1981). This way will help us design our goals in a way that would be realistic and easier to achieve.

*Specific* refers to the goal to be clear and to let you know what is expected (Graham, 2013). Usually the goal will answer to the questions what, why, who, where and which. *Measurable* will let us know how to measure our progress and being able to understand if we are reaching our goal (Poilster, 2008). Most often we can use the questions: ‘How Much?’ and ‘How Many?’ *Attainable* goals are the realistic goals that we can achieve (Shahin and Mahbod, 2004). Having no realistic / attainable goals will automatically bring your project in a difficult position. *Relevant* goal is a goal that has a use for the project and is relevant with it (Graham, 2013). A good question to ask about relevant goal is: ‘Does this have something to do with our efforts?’ *Time Bound* sets a time frame in which a goal needs to be achieved (Frey and Osterloh, 2002). It usually answers to questions that have to do with time boundaries such as ‘Can I do it in a year?’

Taking everything into consideration we have reached five goals that we would like to achieve by the end of the fifth working year of our center:

1. Have all departments working by the beginning of the first working year
2. Having at least one event per month in our center by the beginning of the third working year
3. Steadily increasing our costumers by at least 10% every year
4. Reach a breakeven point by the end of the fifth working year
5. By the end of the fifth year we would like our center to be considered as an indispensable part of the local community

Objectives can be considered as the route that the company needs to follow in order to achieve the goals that the managers set. So as a result the following list of objectives has been created:

1. We will approach and form collaboration with the islands most established professionals in order to work with us in the center and as a result attract more customers (musicians, actors, painters, spiritual healers etc)
2. All the events that are organized will have to go through an artistic committee so only the best artists will be presented
3. Form collaborations with all local municipalities about allowing them to use the center's facilities with a better price
4. Approach all freelancers in the area and try to attract them in working in collaboration with our center
5. Find what lessons people in the area are interested in and try to establish them as the subjects we offer as part of our school
6. Approach all local Sports Gym and Health Centers and form collaborations with them in terms of our Spiritual Department

#### ***4.4. Market Research***

While choosing the right place to build the center, a few parameters have been taken into consideration: location, number of students in area, competition, average age of local residents, number of local schools (private, public, afternoon) and potential competitors.

##### ***4.4.1. Location***

The specific location has been chosen due to the vast development of the area in the last 10 years. It was officially formed as a municipality very recently and thus all the local authority's structure will gradually be developed in the next couple of years. This gives us an advantage because currently there is nothing else in the area which is similar to what we are trying to do therefore having the monopoly. Moreover, the municipality's geographical position is very important; on one hand it is attached to other smaller communities that their residences come to our municipality for their needs; shopping, entertainment etc, so we believe that once the center is established it would not take much effort to attract potential customer. On the other hand, the municipality is connected to the main highway that comes out of Nicosia and one can reach the center from the capital's center in less than 20 minutes.

The center's location within the municipality is very important thus while deciding upon the place we took under consideration a few basic

parameters like surrounding area, accessibility, difficulty level for costumers to find it and distance from municipality's center and town hall. The place that we found and suited us the most is located in a quiet residential zone. Although this would have been a very big disadvantage for a project like ours due to the lack of proper image and would be difficult for the costumer's to find it however the specific place is next to the local primary school (which also works as an afternoon adult school) and the area is not as heavily built as the rest of the area. This will provide for a lot of free advertisement to all primary school children and to adults that invest in long – life education. Moreover, future area plans reveals that next to our suggested location there will be several small parks and green areas which will work in our advantage since it will keep the area quiet and nicely decorated which is what we need for our center. Also, after discussing with the local authorities, they explained to us that the road outside the center will be eventually connected with the highway and will become one of the main roads that connect the municipality with the highway. As a result, access to the center will become even more easier and the center, since it will now be situated in a main road, it will be viewed by more people Finally, the town's center is within a walking distance from the center so if we plan our advertising campaign correctly we can manage to attract not only locals but also tourists and short term residences to our center.

#### ***4.4.2. Industry Analysis***

***Cultural Analysis:*** The cultural scene in Cyprus has been drastically improving especially since the country's entrance in the European Union. There has been an increase in the funding that Cypriot Cultural Organizations receive, thus increasing the amount of music and other cultural events that they promote. Another strong point are the several 'talent shows' broadcasted and result to a mass advertisement of the arts that gradually push people unconsciously to take part in it. However, if this is not dealt with caution might end up with many negative results. Lastly, EU has been promoting a lot of intercultural exchange programs which have given a different perspective in the cultural life of our country.

***Education Analysis:*** Education is something that the residents in Cyprus invest a lot. Parents usually sent their children in private afternoon institutions

in order to support and improve their school's overall markings. Also, many students attend other lessons that are needed for studying abroad (GCE and IELTS for UK, SAT for USA) and go through other countries education system (on a specific subject) in order to achieve it. Most popular subjects are English Language, French Language, Mathematics, Accounting and Modern Greek. However, since our entrance in the EU, we have come across a new education program called *Lifelong Learning*. This is a program that enables adult students to go back in the classrooms and attend classes that they always wanted but never managed to. Several collaborations with the Cyprus Ministry of Education and Culture have been formed and now our adults have started taking lessons not only in government schools but also in private institutions.

***Spiritual Analysis:*** Spirituality is a very modern term in Cyprus' traditional way of thinking and it is still an area that is has been widely neglected. However, in the last 10 years there has been a dramatic increase regarding Spirituality leading some of its elements to start becoming very popular. These elements include Yoga, Tai Chi, Reiki and Meditation.

#### ***4.4.3. Customer Analysis***

The center will be open for all people without age limit but we believe that each section of the center will attract people of a specific age; cultural department is expected that it will mainly attract children between 5 – 18 years old, education department is believed that it will attract people of all ages and the spiritual department will attract adults. Regarding music, statistically children of 5 – 8 years old, mainly start with instruments like piano and guitar and gradually moving to other instruments like winds and percussion. Voice and traditional / folk instruments attract people over 12 and more popular instruments (electric guitar, popular piano etc) usually attract people over 15. Most of the times, customers are influenced by what the TV competitions show and the trends tend to change from year to year. An example for this is during the '2008 Eurovision Song Contest' were the winner was on stage singing and playing violin. After the competition, there was a trend for violin. Moreover, after the first Greek 'X-factor', people got influenced by the runner up who was playing guitar while singing and created a trend for guitar and singing. This is also an aspect that the center will be trying to use to its advantage by trying to transform a trend to an aspect that the student will be

interested. This can also be done with the various ensembles that s/he will be asked to take part in. Taking also in consideration the social aspect of music, the center will be able to cover this need with the various ensembles that will be formed involving 5 up to 50 members. From our experience, students who do not take part in ensembles, are not as motivated as they should be but once they take part into an ensemble, they immediately change to a highly motivated, organized and studious student. Once they are removed, they turn back to their old selves.

In the case of education, knowing that everybody is investing in knowledge we assume that everybody will be interested in our classes. Student under 18 will be focusing mostly on academic subjects such as Mathematics and Accounting which will help them improve their school marks or prepare them for their university's entry examination. On the other hand adults will be focusing on different subjects such as creative writing, literature and poetry which are subjects that they can use in their leisure time or to get distracted from their everyday's work. English Language is a subject that usually interests all ages; each one for their own reasons (a more detailed description about the subjects that will be taught is given in Chapter 5: Operation).

When it comes to Spiritual practices, it tends to attract adult people and most often it applies to female adults. Mostly, people attend these classes to get away from their ongoing problems and help them regain their trust in themselves and calm their mind and soul. Society today has been characterized as a very unfriendly society which if you combine it with all the recession that is affecting the world it can cause stress and mental exhaustion to everybody. Our customers are people that would like to change that but do not necessarily want to take any kind of medication or visit a physiologist because they do not want to depend on anyone or they just find it too expensive.

#### ***4.4.4. Competitive Analysis***

In Tseri Municipality, there are several private institutions that can be considered as competitors but they do not offer a complete package in the same way we do. In more detail, there are a couple of music schools that are mainly focused on only a few areas. All of them offer piano, theory and vocal studies but none of them have professional staff for all of their areas. The owner is usually the director as well as the only teacher in the school. This



does not imply a professional approach to the school and to the quality of education that the students receive. Moreover none of these schools offers any other kind of music apart from classical and pop. However, these schools, although they are very small, they have been around for quite some time and are already established in the municipality. Currently there is not any theater or painting workshop. However the citizens of the area are quite proud for their amateur theater productions and their amateur painting skills. This is something that we could build on in the future. Lastly, spiritual development in the area does not exist since there are not any places that offer this kind of service. There is a couple of local martial arts schools but they do not seem to deal with the spiritual or mental practices but rather with the physical training. Although we will be leading this whole movement by being the first entry in the market, it will require a lot of effort to attract people in since as we previously said, people might be very cautious towards this new practice that they do not fully understand yet. It is a fast developing area though that it now hosts young families from all around the island and thus people will eventually become more open minded.

## 5. Operation Plan

### *5.1. The building*

The center is a 3 floor building that has each department into one floor. The ground floor is dedicated to music and the basement (orchestra seating) is the concert hall. The first floor is the education department and the balcony of the concert hall and a small coffee shop and the second floor is the spiritual department, the theater workshop, the painting workshop and the offices of the general / artistic director, accountant and administration.

#### *5.1.1. Ground Floor*

The ground floor (as shown in figure 1) has six (6) Practice Rooms (P1 – 6) in which all music lessons will take place. The dimensions of these rooms will be 3m x 3m and they will have a complete sound installation for inside noise reduction and outside maximum noise reduction. In this way it will not disturb any activities that might take place in the concert hall (lectures, events, recordings). The Practice Rooms will be equipped with upright pianos and facilities to accommodate up to 5 student theory lessons. There are also two (2) Dressing Rooms (D1 – 2) or Green rooms as some will say, that will be connected to the theater room and will be used by artists during performances. These rooms will be slightly bigger than the practice rooms and they will be equipped with upright pianos. The rooms will be used as practice rooms during the days that no performance is taking place but they won't be used for group lessons. They can also be used as a storage place for the grand piano that will be in the theater. Moreover, in the ground floor we will have the main entrance to the theater; an 11m x 7m room in which there is a stage that takes almost 50% of the room (5m x 7m). The audience capacity will be 100 people and there will be facilities for disabled people. The theater will have a high quality grand piano that will only be used by professional musicians and a less quality grand piano that will be used by students. Lastly, the reception will be located in this floor and the General Secretary and will be accommodated there.

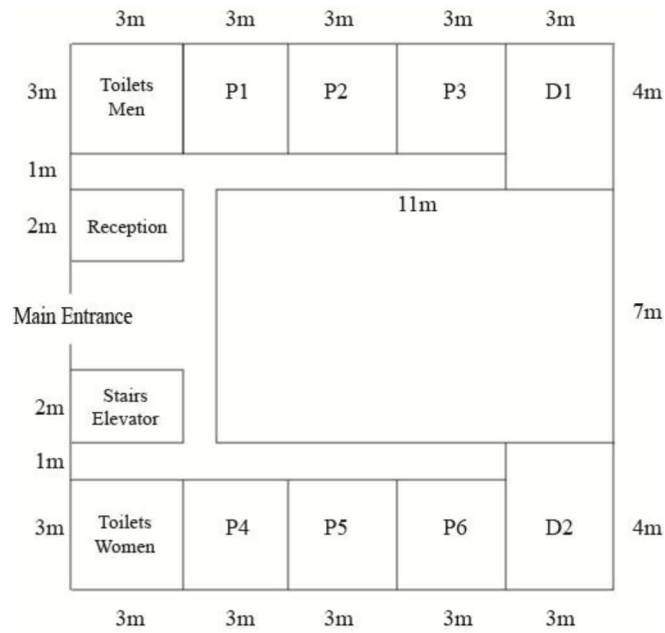


Figure 1: Ground Floor Plan

### 5.1.2. First Floor

The first floor (figure 2) consists of four (4) teaching rooms with dimensions 3m x 6m in order to accommodate all teaching needs of the center. The rooms will be able to fit up to 15 students and they will be equipped with interactive whiteboard. All rooms will have a wall isolation system to keep the noise levels down. Moreover in this floor, we will have the balcony of the theater that will be able to accommodate up to 50 people. Lastly, there will be a small café that will be open in the afternoons and during performances.

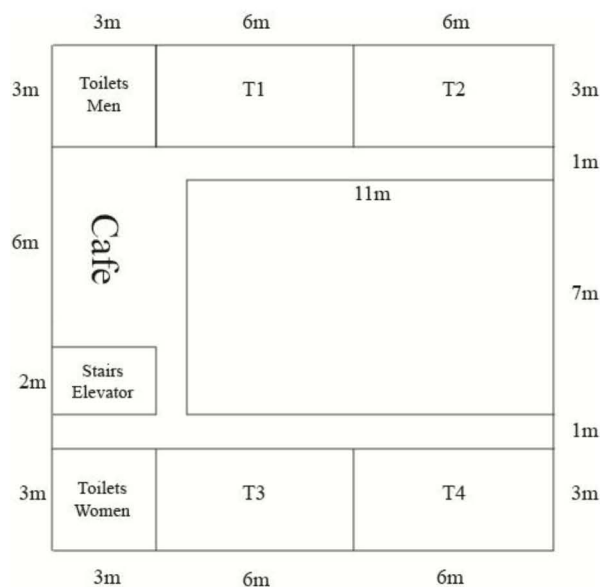


Figure 2: First Floor Plan

### 5.1.3. Second Floor

The higher floor of the center (Figure ???) will have three (3) big rooms with 6m x 5m that would be used for the Theater workshop (Theater Room), the Yoga / Tai Chi / Meditation (Spiritual Room) and the room that will be focused completely for the painting workshop (Painting Room). All rooms will be supplied with everything that each subject needs in order to work efficiently. There will be also another four (4) rooms (Reiki Rooms) that can be used for Reiki Treatments or as extra spare rooms. Lastly, the office of the General / Artistic Director is located here as well as an office that will accommodate the General Administrator and the Accountant.

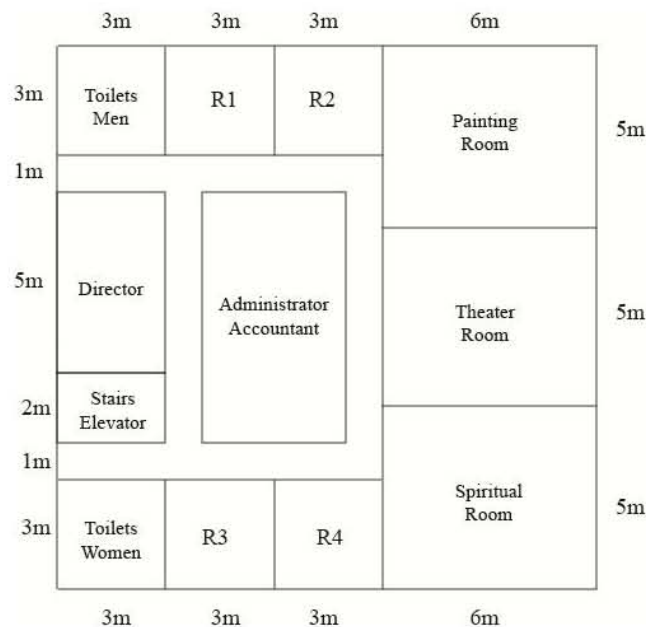


Figure 3: Second Floor Plan

### 5.2. Management Structure

*Borealis Center* will be managed by one Director (General / Artistic Director) that will have the general and artistic supervision of the Center. The center will be divided into three (3) departments, each one focusing on the pre mentioned areas. Each department will then be divided into its respective sections i.e. the Music Department will be divided into seven (7) sections according to each certain music area / specialization. There will also be an artistic committee that will be created by the head of each department as well as the General / Artistic Director. The rest of the full – time personnel of the center will include a general secretary, a general administrator, an accountant and several part time personnel who will be employed according to the

seasonal needs of the center. The graphic representation of Management Structure can be found in Appendix at the end of the project.

### ***5.2.1. General / Artistic Director***

This person's responsibilities will be divided into two categories. As the General Director, its role is to supervise and coordinate the various aspects of the school. He will be responsible for the center's future development by finding other organizations or individuals that are willing to collaborate or invest to the center (Cyprus Symphony Orchestra's outreach programs, EU cultural collaboration program, Cyprus Theater Organization or other theater companies' outreach theater productions etc). Moreover, he will be responsible for the marketing and promotion of the school (in order to attract more customers) and for all legal engagements that the center will have to follow.

As the Artistic Director, he will be responsible for the quality of services that the center provides through its teachers that are working in the center as well as the students / costumers' progress and attendance throughout the year. This person will be also responsible to organize and supervise the several examinations (in music and education) that will be taking place several times in the center. Lastly, the artistic director will be the president of the Artistic Committee of the center.

### ***5.2.2. General Administrator***

The General Administrator's position in the center is a key position towards the expansion and promotion of the center. It is a full time position with flexible working hours due to the activities of the center. Usually the administrator will work during mornings but sometimes he will have to make appointments in the afternoon and also he will have to be there for all events that will take place in the center. The positions' main activities include:

- Create a promotional package for the center
- Book and manage concerts and events
- Prepare all material for concerts and events
- Attend all concerts and events
- Find and contact future customers and faculty in order to expand the center

- Keep an up to date information database about all the people that are employed by the center (regarding concerts, activities, competitions etc)
- Make sure to collect feedback and suggestions from all people that are involved with the center (good way to keep the level of the faculty in the center)
- Book all part time personnel and inform them about what needs to be done
- In collaboration with the artistic committee have a monthly grounds check to check what facilities need to be repaired and make necessary arrangements

### ***5.2.3. General Secretary***

The General Secretary's position in the center is of great importance towards the proper and correct everyday function of the center. It is a full time job with afternoon working hours and it is the one who directly interacts with all the people that are involved with the center. The main responsibilities of this position are:

- Supervise and coordinate the center's afternoon's function
- Provide all necessary information to all the afternoon people that are involved in the center
- Provide information to all other people that visit the center (either for curiosity or for seeing and deciding about attending in the future)
- Collect all necessary tuition fees and supply them with receipts. The fees will be eventually given to the accountant
- Provide all management announcements to the center's attendants and vice – versa
- Attend all concerts and events
- Sell tickets for the events

### ***5.2.4. Accountant***

Regarding the financial information of the center, this will be undertaken by a full - time accountant who will be responsible for everything that has to do with the center's fiscal information and will report directly and only to the General Director. Responsibilities of the accountant include:

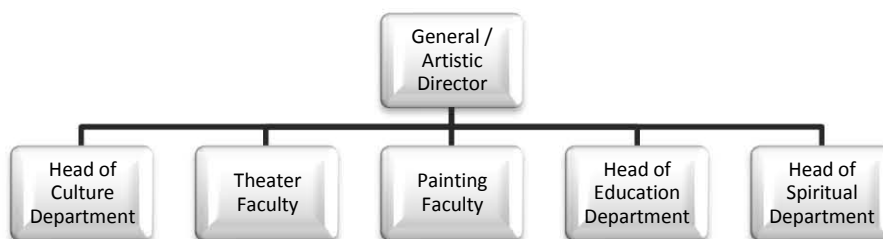
- Prepare all financial accounts
- Make all necessary payments
- Make sure the center collects all money that needs to be received.
- Find and contact all future sponsors / investors in order to start collaborations
- Prepare budgets and make sure they are strictly followed
- Have a constant revision of the company's expenditure and find more productive ways to do things that are faster, easier and cheaper
- Attend all concerts and events

### 5.2.5. *Other Personnel*

The center will be commissioning several part time employees of freelancers in order to be able to achieve its maximum performance. These employees will be working and pay on an hourly basis according to the work that needs to be done. The reason for hiring them on this basis is because we need their skills and experience in the company but there is not enough work for them to be considered as full timers. Also it is much cheaper for us not to have them full time but rather commission their work. Usually this category includes: graphic designers, piano tuners, cleaning personnel, electrician etc.

### 5.2.6. *Artistic Committee*

The Artistic Committee's main role is to decide about concerts, workshops, master classes, theater productions and other relevant events that will be organized and promoted by the center. This committee will be formed by the Head of each department of the center and the Faculty from theater and painting. The committee will meet once every month. At the end of each academic year the committee will review all information about current staff members and decide who will continue in the center and who will not.



**Figure 4: Artistic Committee**

### ***5.2.7. Faculty***

Each member of faculty will be professionally trained in their respective teaching area. Moreover, all of them will be active in their area and will have to show an ongoing commitment to their subject. For example musicians have to show an ongoing concert schedule, composers have new pieces performed, poets having new poems ready, painters having their art in galleries etc. In case of the education and spiritual department, the faculty members will be decided upon their students' performance as well as the feedback they receive from their students.

### ***5.3. Choosing Faculty and Services***

The center will be very strict regarding who is using its facilities. It has been decided that there won't be any full time faculty working in the center but they will all be on a freelance basis with yearly based contracts. The way that we will collaborate with faculty will work in two different ways according to its own needs and to the market needs:

1. The first way is to approach faculty to cover the needs that appear in the center. For example, if we are approached by a group of adults that would like to attend a painting class then we can form the group and ask a teacher to undertake the teaching. The center will keep a small percentage of the total income and the teacher will be receiving the rest. The center will be collecting all fees on behalf of all faculty and will make all necessary payments at the end of each month. This will take some time to establish so in the first few years we will be using the second method below.
2. In this method, the center will approach already established professionals and will ask them to come and teach at our center rather than renting their own space. The center will provide all the teaching rooms and will take care of all other expenses and in return it will keep a small fee per student per month that will take part in the classes. In this case both parties have something to gain; the center receives students and starts setting its system and the professional saves money by not having to pay a fixed rent and all other relevant expenses (cleaning, electricity etc.) and by being able to pay according to the number of students. He will not be paying anything for the summer months which most schools are closed. The problem that might appear is that there are a lot of



students and it comes cheaper for the teacher to rent his own space but this is not really the issue in our local municipality since most private schools only work for a couple of days per week. This system can be easily and quickly established and the center will still be able to keep a high quality (we work with schools and teachers that have a good name and good results). However, it cannot be a permanent solution because if an individual teacher that collaborates with us in this method becomes too famous, then he can take his school privately and causing us a big problem.

The head of each section and the head of each department are excluded from the above system. Each head will be still employed according to the number of student but they will be receiving a small fee for all the administration work they have to do. In cases that there will not be any students, the head will be still employed as head and will have to find ways to increase the numbers of his sections or department.

Regarding the quality level, the center does not offer and sell products but it offers services. In order to keep the quality as high as possible, it has been decided to use the Kaizen method. More information about this can be found in Chapter 6.

After having a look around Cyprus and talking with people about what are the general preferences right now, we have come to the conclusion that the subject preferences are usually according to the person's age. The most popular results are shown to the table 1 below:

**Table 1: Subject Preferences According to Age**

	<b>Subject</b>	<b>Age</b>
1.	Music (Modern)	14 - 26
2.	Music (Classical)	6 – retirement
3.	Music (Jazz)	16 – 40
4.	Theater	6 – 18
5.	Painting	6 – retirement
6.	Creative Writing	30 - 50
7.	Poetry and Literature	30 – retirement
8.	English Language	7 – 50
9.	French Language	10 – 18
10.	Mathematics	12 – 18
11.	Accounting	15 – 25
12.	Modern Greek	15 – 18
13.	Meditation	25 – retirement
14.	Tai Chi	12 – retirement
15.	Reiki	30 – retirement
16.	Yoga	30 – retirement

According to this information we have decided that we will try to accommodate all these needs but also bare in mind to structure it in a way that we will have similar ages together and avoid blending them together.

#### **5.4. Key Personnel**

##### **5.4.1. General / Artistic Director – George Georgiou**

George Georgiou was born in Nicosia, Cyprus, where he began his first clarinet lessons. He moved to London where he studied at City University (Bmus and MA in music performance studies) under the supervision of Professor Rhian Samuel. He studied clarinet with Julian Farrell and Joy Farral at GSMD. As soloist he appeared with CUSO and Moscow Virtuosi and he performed many recitals at Cyprus, UK, Ireland, Greece, Malta, Italy and USA. He collaborated with several musicians around the globe like cellist Rohan de Saram, Movses Pogossian, Vladimir Spivakov, *Apple Hill String Quartet*, *Semplice String Quartet* and *Chillingirian String Quartet*. As an organiser, he organised so far more than 5 international festivals in UK and Cyprus, and he is the artistic director of the *Friends of ARTE Society* and *Cyprus Clarinet Studio*. For more information please visit [www.georgeclarinet.com](http://www.georgeclarinet.com)

##### **5.4.2. Head of Cultural Department – Wolfgang Schröder**

As a pupil of Ana Chumachenko and the holder of a scholarship from the International Menuhin Music Academy, Wolfgang Schröder played as a soloist next to Yehudi Menuhin at an early age. He continued his studies under Prof. Sandor Vegh at the Salzburg “Mozarteum” and under Prof. Aaron Rosand in New York. Wolfgang Schröder’s solo and chamber music career has taken him around the world to the most important musical centers and festivals. As an active chamber musician, in 1992 he founded the *Belcanto String Trio* and from 1996 to 2005 has regularly performed as the violinist of the Trio Parnassus. In September 2001 the Trio Parnassus received the prestigious ‘Echo Classic Award’ for their complete recording of the Schumann piano trios. He was artistic director of the European Union Chamber orchestra and the Camerata Stuttgart for several years. Wolfgang Schröder has made recordings for MDG, Divox, Ars Production, Thorofon, Symicon and CPO labels. Since 2005 he is the Concertmaster of the Cyprus

Symphony Orchestra. He plays on a violin by Jean Baptist Vuillaume from 1857.

#### **5.4.3. Head of Theater – Eglı Spyridaki**

Eglı Spyridaki has linked her name with some of the most successful children’s theatrical plays in Cyprus. She has written and directed several best selling plays and has worked with many theater organizations such as the Cyprus Theater Organization. She holds degrees from Essex University (MA in Theater Directing) and an actor’s diploma from Themelio acting School. She is currently based in Cyprus where she enjoys a freelance career and running her own semi – professional theater company entitled ISTOS with whom she won several prizes in national theater competitions.

#### **5.4.4. Head of Education - Lily Michaelides**

Lily Michaelides was born in Nicosia where she currently lives and works. Her poems have been published in newspapers and literary magazines in Cyprus and abroad and have been translated into English, French, Turkish, Italian, Serbian, Swedish and Bulgarian. She has participated in various poetry readings and events in Cyprus and abroad. She has published four collections of poetry: *The Alchemy of Time* (Govostis, 2001) *Shapes and Roads in Relief...* (Govostis, 2003) and *Remembrance of a Dawn* (Govostis, 2004 - bilingual edition) *Innuendos* (Ypenigmoi) (Melani 2007) and the prose *The city needs no recommendations* (Melani 2011).

#### **5.4.5. Head of Spiritual Department – Elspeth Kerr**

Originally from Scotland, Elspeth dedicated her whole life in spiritual development and holistic therapies. She has worked intensively as a healer and spiritual mentor and since her arrival in Cyprus; she began her own meditation classes and Reiki tuitions. Her areas of expertise are Holistic Therapy, Podiatrist, Meditation and Reiki Practitioner / Mentor.

## 6. Quality Management

### 6.1. Introduction to Quality

Quality is a term that has been used by various economists but nobody has clearly defined the term. The most important definitions that influenced the development of the term 'Quality' are:

- Armand Feigenbaum: *'Total quality control is an effective system for integrating the quality development, quality maintenance, and quality improvement efforts of the various groups in an organization so as to enable production and service at the most economical levels which allow full customer satisfaction.'*
- Philip Crosby: *'doing it right the first time'* a theory that is based on the principles: conformance to requirements (product's and customer's), prevention, zero defects and the prize of non-conformance.
- Genichi Taguchi: created the ideas of: keeping the range of outcomes as close to the target as possible and the loss that society has by the creation of a product or service.
- Edwards Deming: believed that quality is based by the satisfaction of customer's needs
- Joseph Juran: defined quality as fitness for use and later on built up to present *The Quality Trilogy*; a management tool about quality.

Taking the above into consideration, Garvin (1984) created a five perspective model describing quality:

1. *Transcendental view*: We can identify quality rather than define it
2. *User view*: Quality is suited for something
3. *Manufacturing view*: The quality needs to have the specifications that appear
4. *Product view*: The product's characteristics specify its quality
5. *Value-based view*: How much the buyer would like to pay for the product

Nowadays, there is still not a universal model that companies use but they adapt according to their own needs; Different areas of expertise or different products use different approaches. Sometimes, quality approaches are influenced by external factors such as the cultural and political characteristic of a certain country. However,

there are some business areas that use a common approach and that is the *User View* or *Customer View* approach that is used by Services.

## **6.2. Quality in Services**

Comments and feedback by customers are the most accurate way to get a reading about a Service's quality performance thus making the *User View* performance the most suitable approach for this area. But, there are a few points that a manager needs to address in order to improve his teams quality: customer quality understanding, level of quality demand, receiving accurate and realistic feedback, spot problems in the service, the interaction between customer and service etc. The main role of a manager or quality management's in general is to find a common ground between the external (customer interaction with the service) and internal (service process) quality (Gummesson, 1991).

The points discussed above are often called 'Quality Dimensions' and have been summarized below in 5 dimensions (Parasuraman, 1985):

1. *Assurance*: 'the employees' knowledge and courtesy and the service provider's ability to inspire trust and confidence'
2. *Empathy*: 'caring, individualized attention the firm provides its customers'
3. *Reliability*: 'the ability to perform the promised service dependably and accurately'
4. *Responsiveness*: 'is the willingness to help customers and provide prompt service'
5. *Tangibles*. This dimension, which is defined as the physical appearance of facilities, equipment, staff, and written materials.

A model has been created by these dimensions that aims to measure the difference (or gap) between the customer's expectation (before visiting the service) and the customer's experience (after the interaction with the service). The model is called 'GAP model' and it identifies five gaps (Parasuraman, 1985):

1. Gap between consumer expectation and management perception
2. Gap between management perception and service quality specification
3. Gap between service quality specification and service delivery
4. Gap between service delivery and external communication
5. Gap between expected service and experienced service

There are several opinions about the actual use of this or other similar models but they all seem to reach the point that ‘the relationship between customer satisfaction and service quality is strong and vital to the overall success of any organisation, either private or public’ (Kakouris, 2012).

### **6.3. Kaizen Philosophy**

The term Kaizen comes from Japan and refers to the philosophy of ongoing and continual improvement (Colenzo, 2000). The term was generated after World War 2 when American experts came to Japan in order to help them rebuild their country (Masaaki, 1986). One of them was Deming who strongly influenced Japanese towards Total Quality Management and to the Kaizen Philosophy with only one of his famous 14 Points (Cohen, 2011): ‘Improve constantly and forever the system of production and service, to improve quality and productivity, and thus constantly decrease costs’.

There are five elements that need to be followed in order for Kaizen to work and they are as follows (Edwards, 2001):

1. Teamwork: in any environment there needs to be a team effort directed to the specific goal on achieving improvement
2. Discipline: for employees and managers that is characterized by managing your time effectively, making sure the quality is good and true to the company’s profile
3. Morale: increase the motivation of the employees in order to make them happier and work more effectively
4. Quality circle: make sure employees share all their mental and physical resources in order to get ideas and improve their own production
5. Suggestion for improvement: everyone can help improve a product or service and especially the people that are in everyday contact with it. Most of the times the best suggestions come from the people that are closer to the product because they know it and understand it more. In Kaizen, everybody should be able to make suggestions and everybody should be encouraged to make suggestions if we need an improvement to the product.

#### ***6.4. Implementing Kaizen in Borealis Center***

If the center is going to work properly, there has to be a group effort towards a constant improvement. Taking into consideration the five elements that we described above, we have formed a system that will help the center perform better.

To begin with, as we said in chapter 5 above, all artistic decisions will be taken by the artistic committee in order to get an inside view from all departments. The committee will meet every two weeks to discuss and give feedback about the current situation with their students and other faculty. At this meeting, ideas will be exchanged and solutions will be provided about problems that appear in the center. The rest of the faculty are encouraged to discuss their problems along with their department and if they feel they reach a dead – end they can always ask the advice of any other department head or even the general director. There are also going to be three general staff meetings throughout the year.

Cleanliness and facility maintenance will be a very important issue in the center not only for health and safety issues but also for the morale of everyone attending the center. If we continuously keep the center in that state, we assume that people will be more motivated and will also encourage themselves to achieve a maximum performance. Moreover, we believe our faculty hiring system is very fair and helps the individual collaborator to increase its salary.

Lastly, through the evaluation and suggestion forms that will be given out and collected by the General Secretary will show us what we might need to reconsider or change in the future. Moreover, it will show us what everyday functions need to be changed since the people that will be submitting them are the people who use the center the most. There suggestions are perhaps the most valuable ones because they come from outsiders who are not involved with any kind of internal affairs so they provide us with a pure view, a pure suggestion and most importantly, the best and most practical solution that exists.

## 7. Financial Information

### 7.1. Building the Project

It has been estimated that the project investments will come up to €850.000. The table below demonstrates a very detailed cost overview:

**Table 2: Building Project Expenses**

Description	Amount
Land Value	250.000
Building Costs*	450.000
Inside Equipment **	150.000
Starting Promotional Material Expenses	50.000
Cash Flow First 3 years	100.000
<b>TOTAL</b>	<b>1.000.000</b>

\* *Building costs include Architectural Plans, all relevant permissions, all relevant isolations as explained above in Chapter 5 and all theater related costs such as the stage, light design and sound design. All research has already been undertaken but it is not included in this research.*

\*\* *Inside Equipment costs include all furniture (office desks, student desks, and interactive whiteboards), musical instruments (grand piano, upright pianos), audiovisual systems and Reiki beds. All research has already been undertaken but it is not included in this research.*

### 7.2. Funding the Project

In order to fund the project, we have divided it into several categories:

**Table 3: Funding Categories**

Description	Amount (€)
Initial Investment	300.000
Young Entrepreneur Program	100.000
Jessica Program (EU)	500.000
Long term Loan	100.000
<b>TOTAL</b>	<b>1.000.000</b>



The personal funding that will be put for starting the project will be €300.000. The personal funding will be used to purchase the land and start doing some preparation work so by the time the rest of the funding arrives we will be ready from all bureaucratic procedures which can take a lot of time. Young Entrepreneur Program is a program that is controlled by the Republic of Cyprus Ministry of Commerce and aims to give opportunities to people under the age of 40 to start their own business. The program can cover expenses up to €100.000 and our project fulfills all requirements to get all funding. From the European Union we are aiming to receive the Jessica Program which is a program that runs in collaboration with the European Investment Bank and aims to provide financial support to SMEs to help them expand or actually start working. The rest of the money will be borrowed from local banks.

### **7.3. Income and Expenditure**

The Tuition Fees are the center’s main source of income and so we created the following rules on how the system will work:

1. For all one to one lessons the center will receive €15 per month per student
2. For each group lesson, the center will receive €5 per person per month. For example if the accounting class has 15 students the center will receive €75 per month
3. From Reiki Treatments the center will receive €5 per treatment
4. The Center will not officially offer lessons for July and August.

Regarding the expenditure, these are the main expenses that the center will have:

**Table 4: Yearly Expenditure**

<b>Description</b>	<b>Amount (€) – per year</b>
General / Artistic Director	25.000
General Administrator	15.000
General Secretary	12.000
Accountant	15.000
Head of Department’s fee (3 people x 12 Months x €200)	7.200
Electricity and Other Expenses	5.000
Advertising	15.000
Loan Installment	10.000

#### **7.4. Pro forma Income Statement**

In order to construct our Income statement we have followed our goals and objectives (See chapter 4) and assumed that for the first year we would be able to attract:

1. 10 individual professionals (education) that each one will bring 4 classes into the center, each one consisting of 15 students (total of 600 students)
2. The center itself will be able to create another 6 adult classes of 15 students each (90 Students)
3. The music school will be accommodating freelance professionals and the students that would be accommodated will be about 50
4. Theater workshop will have 6 full classes per week (120 students)
5. Painting workshop will host all local freelancers with each one bringing their class. They are currently 3 freelancers, and each one has 2 classes of 15 students (90 students)
6. We expect to have at least 30 Reiki Treatments per month
7. The attendance for spiritual group classes will be 100 students

For the first years we have followed the following formulas:

- Individual Music Lessons (50 students x €15 x 10 months) = €7.500
- Group lessons (600 students x €5 x 10 months) = €30.000
- Theater workshop (120 students x €5 x 10 months) = €6.000
- Painting workshop (90 students x €5 x 10 months) = €4.500
- Reiki Treatments (30 x €5 x 10 months) = €1.500
- Spiritual Group classes (100 students x €5 x 10 months) = €5.000
- Hall Renting for other activities = 10.000
- Each year then will be increasing for 10% in each department

**Table 5: Pro Forma Income and Expenditure for the First Five Statements**

Description	Year 1		Year 2		Year 3		Year 4		Year 5	
	Expenses (€)	Revenue (€)	Expenses (€)	Revenue (€)	Expenses (€)	Revenue (€)	Expenses (€)	Revenue (€)	Expenses (€)	Revenue (€)
<b>Revenue</b>										
Individual Music Lessons		7.500		8.250		9.075		10.000		11.000
Group lessons		30.000		33.000		36.300		40.000		44.000
Theater workshop		6.600		7.260		8.000		8.800		9.700
Painting workshop		4.500		5.000		5.500		6.000		6.600
Reiki Treatments		1.500		1.650		1.815		2.000		2.200
Spiritual Group classes		5.000		5.500		6.000		6600		7.260
Hall Renting for other activities		10.000		11.000		12.100		13.300		14.640
		<b>64500</b>		<b>71.660</b>		<b>78.790</b>		<b>86.700</b>		<b>95.400</b>
<b>Expenses</b>										
General / Artistic Director	25.000		25.000		25.000		25.000		25.000	
General Administrator	15.000		15.000		15.000		15.000		15.000	
General Secretary	12.000		12.000		12.000		12.000		12.000	
Accountant	15.000		15.000		15.000		15.000		15.000	
Head of Department's fee	7.200		7.200		7.200		7.200		7.200	
Advertising	15.000		15.000		15.000		15.000		15.000	
Loan Installment	10.000		10.000		10.000		10.000		10.000	
Electricity and Other Expenses	5.000		5.000		5.000		5.000		5.000	
	<b>104.200</b>		<b>104.200</b>		<b>104.200</b>		<b>104.200</b>		<b>104.200</b>	
<b>TOTAL</b>	<b>LOSS (39.700)</b>		<b>LOSS (32.540)</b>		<b>LOSS (25.410)</b>		<b>LOSS (17.500)</b>		<b>LOSS (8.800)</b>	

## Five Year Income and Expenditure

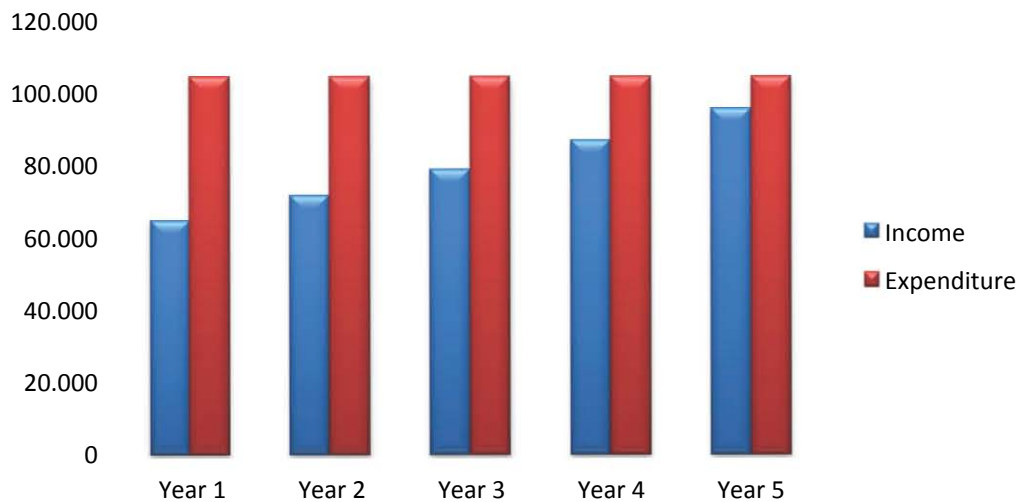


Figure 5: Five Year Income and Expenditure

The Maximum capacity and performance that the center can have is as follows:

1. Each P – Rooms in the Music Department can accommodate 6 people during the day. In total the center will be working for 6 days so each room can accommodate up to 36 people. Moreover, the Dressing rooms can accommodate people for 4 hours for 6 working days so in total they can accommodate 24 people each. The total for this will be  $264 \text{ people} \times \text{€}15 = \text{€}3.960$  per month
2. Each T – Room can hold a maximum of 15 people and can work for 6 sessions during a day. Lessons are usually held twice per week so for each room we have 15 sessions per week which gives us 270 people per room per week. So in total we have  $1080 \text{ people per week} \times \text{€}5 = \text{€}5.400$  per month
3. The theater room, spiritual room and the painting room work in the exact same way as the T – Rooms so 15 sessions per week gives us 225 people.  $675 \text{ people} \times \text{€}5 = \text{€}3.375$  per month.
4. We can have 5 Reiki Treatments per room per day. In total we can have 30 treatments per room per week so in total is 120 treatments per week in the center. Since Reiki Treatment is usually a one per month visit we could be able to treat 480 people per month which gives a total of  $\text{€}2.400$ .
5. Regarding the concert hall, we assume that with ticket selling and renting we will be able to produce  $\text{€}15.000$  income per year.

**Table 6: Maximum Performance Income per year**

<b>Description</b>	<b>Total Amount (€)</b>
Music Department (10 months x €3.960)	39.960
Education Department (10 months x €4.500)	54.000
Theater, Spiritual, Painting Rooms (10 months x €3.375)	33.750
Reiki Treatments (10 months x €2.400)	24.000
Hall Renting	15.000
<b>TOTAL</b>	<b>166.710</b>

## 8. Conclusion

*Borealis Center* is a unique center that combines all several genres that we mentioned in this project. From everything that we saw above, it can be sustainable and self-funded and it can start working and producing results comparably easier than other companies. However, one must be careful because the center's performance is strictly based on quality and a slight fluctuation could bring the center into an unpleasant situation. To sum everything up:

### ***Advantages:***

1. *Borealis Center* is unique and there is nothing similar in Cyprus
2. It starts in a newly founded municipality that does not have anything similar
3. It will collaborate with the small freelance teachers thus eliminating all competition
4. It is quality based and it can be controlled quite easily
5. It offers a very attractive collaboration proposal which is a win – win situation to all interested parties
6. The faculty that will be employed are some of the most famous and capable that are based in the island
7. As a performance venue, it can be rented for various productions and host international artists but also work with local organizations and municipalities for various occasions
8. The investment needed is not as big as other business, and it is much easier to be funded and start
9. It will focus on becoming a local business that will be absorbed by the local community

### ***Disadvantages:***

1. As a quality based business, we must be very careful because a small fluctuation might be disastrous
2. If the center works in its full capacity it becomes very profitable. However in order to achieve this, it requires a lot of effort and time

3. Some of the departments might face troubles with the faculty members. If the contract is not clear then it might create misunderstandings and some key faculty members might decide to resign from the center taking all students with them
4. There is always the risk that the local freelancers will reject our offer and get organized among themselves resulting to a competition increase
5. It might not be considered as a benefit to the community and so the locals might be hostile towards it

## Bibliography

Anderson, Sarah (2010). *Collins English Dictionary - Complete & Unabridged 10th Edition*. Collins Publication

Austin, James H. (1999) *Zen and the Brain: Toward an Understanding of Meditation and Consciousness*. Cambridge: MIT Press

Baginski, Bodo; et al. (1994). *Reiki: Universal Life Energy: Holistic Method Suitable for Self-Treatment and the Home Professional Practice, Teletherapeutics/Spiritual Healing*. Lithia Springs, Georgia: New Leaf Distribution Company

Bryant, Edwin (2009). *The Yoga Sutras of Patañjali: A New Edition, Translation, and Commentary*. New York, USA: North Point Press

Carlson, Marvin (1993). *Theories of the Theatre: A Historical and Critical Survey from the Greeks to the Present*. Ithaca and London: Cornell UP.

Cheng Man-ch'ing (1993). *Cheng-Tzu's Thirteen Treatises on T'ai Chi Ch'uan*. North Atlantic Books

Cohen, Phil (2011). *Deming's 14 Points*. Available from: <http://www.hci.com.au/hcisite2/articles/deming.htm> [Accessed on 5 September 2013]

Creech, Bill (1994). "11: A TQM Path to Tomorrow: New Ways for New Days". *The Five Pillars of TQM: How to Make Total Quality Management Work for You*. New York: Truman Talley Books. p. 478.

Deming, E. W. (1986). *Out of the Crisis*. Cambridge, Mass.: Massachusetts Institute of Technology, Center for Advanced Engineering Study.

Dewey, John (1944). *Democracy and Education*. The Free Press.



Doran, G. T. (1981). 'There's a S.M.A.R.T. way to write management's goals and objectives'. *Management Review*, Volume 70, Issue 11(AMA FORUM), pp. 35–36.

Douglas, J. D. (1976) *Investigative Social Research*. Beverly Hills, CA: Sage Publications.

Edwards, James B. (2001). *Kaizen: The leading edge in cost management strategy*. *Journal of Corporate Accounting & Finance*. Volume 12, Issue 3, 1–4. [Online] Available from: <http://onlinelibrary.wiley.com/doi/10.1002/jcaf.1/abstract> [Accessed on 5 September 2013]

Europe Japan Centre and Colenso, Michael (ed.) (2000). *Kaizen Strategies for Improving Team Performance*. London: Pearson Education Limited, 2000

Frey, Bruno S. and Osterloh, Margit (2002). *Successful Management by Motivation: Balancing Intrinsic and Extrinsic Incentives*. Springer.

Garvin, David (1984). "What does 'product quality' really mean?" *Sloan Management Review*, Fall, pp. 25–45.

Gummesson, E. (1991). *Qualitative Methods in Management Research*, Newbury Park, CA: Sage

Henry George Liddell and Robert Scott (2013). *Perseus: A Greek-English Lexicon*. [Online] Available from: <http://www.perseus.tufts.edu/hopper/searchresults?q=music> [Accessed on 15 September 2013]

Hoebel, Adamson (1966). *Anthropology: Study of Man*. McGill and Hill

Holly. Anubhav and Patrick (2000). *Observation*. [Online] Available from: <http://www.public.asu.edu/~kroel/www500/Observation.pdf> [Accessed on 5 September 2013]

Houtman, Dick; Aupers, Stef (2007), "The Spiritual Turn and the Decline of Tradition: The Spread of Post-Christian Spirituality in 14 Western Countries, 1981-2000", *Journal for the Scientific Study of Religion* (2007) 46 (3): 305-320

Imai, Masaaki (1986). *Kaizen: The Key to Japan's Competitive Success*. New York: Random House.

Jean Paul Bouillon (1993) *Maurice Denis*. Geneve Publications

Juran, J. M. (2012). A Quality of Life. [Online]. Available: <http://www.skymark.com/resources/leaders/juran.asp>. [3 September 2013]

Kakouris, A. P. (2012). Service Quality in New Public Management. *University of Aegean*

Koenig, Harold; King, Dana; Carson, Verna B. (2012), *Handbook of Religion and Health*. Oxford University Press

Kroeber, A. L. and C. Kluckhohn, 1952. *Culture: A Critical Review of Concepts and Definitions*. Cambridge, MA: Peabody Museum

Oxford English Dictionary. *Project*. [Online] Available from: <http://oxforddictionaries.com/definition/english/project> [Accessed on 10 September 2013]

Padhi, N. (2010). The Eight Elements of TQM. [Online]. Available: <http://www.isixsigma.com/library/content/c021230a.asp>. [3 September 2013]

Parasuraman, A., Berry, L. L., & Zeithaml, V. A. (1985). A Conceptual Model of Service Quality and Its Implications for Future Research. *Journal of Marketing*, 49(4), 41-50.

Poister, Theodore H. (2008). *Measuring Performance in Public and Nonprofit Organizations*. John Wiley & Sons.

Shahin, Arash; Mahbod, M. Ali (2004). "Prioritization of key performance indicators: An integration of analytical hierarchy process and goal setting", *International Journal of Productivity and Performance Management*, [Online] Vol. 56 Iss: 3, pp.226 – 240 Available from: <http://www.emeraldinsight.com/journals.htm?articleid=1593639> [Accessed 1 September 2013].

Waaijman, Kees (2002), *Spirituality: Forms, Foundations, Methods*. Peeters Publishers

Yemm, Graham (2013). *Essential Guide to Leading Your Team: How to Set Goals, Measure Performance and Reward Talent*. Pearson Education

Appendix

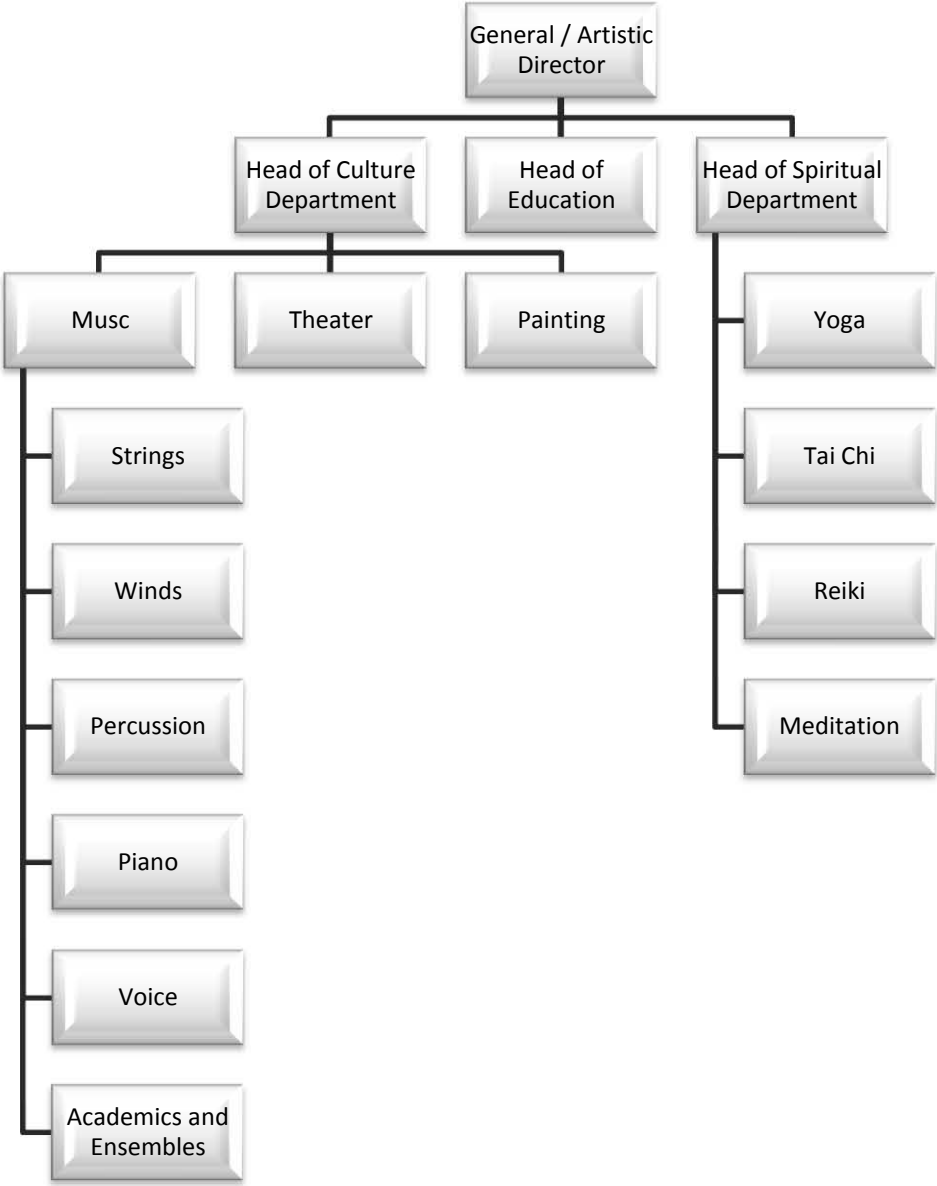


Figure 6: Management Structure