

The Massachusetts Small Business Development Center Network

**The Business of Art
“Planning for Success”**






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MSBDC Mission

The Massachusetts Small Business Development Center Network provides high quality, in-depth counseling, training and capital access which contributes to the entrepreneurial growth of small businesses throughout Massachusetts.



MSBDC Services

MSBDC offers business assistance for three integrated lines of commerce:

- Business advisory services
- Government contracting
- International trade and export

MSBDC provides FREE one-on-one, confidential support services focusing on:

- Business growth and success
- Financing and loan assistance
- Strategic, marketing and operational planning



MSBDC Results

- Last year over 3950 clients served
- Clients secured over \$40MM in new capital
- Clients increased export sales over \$190MM
- Clients received over \$150MM in new government contracts
- Over 1000 jobs created or retained as a result of this financing



Can your art provide you with a sustainable income?

YES!!!

If you have the vision and the stamina!





What's Different About Artists?

- Creative entrepreneurs want to make the product, not run the business.





Art vs. Business

- It's a choice, "Build the business or be the business".
- The business of business is planning and implementation." Peter Drucker





The Basics

- Corporate Structure
- Tax ID #'s
- Sales Tax
- Insurance
- Employees / Contractors



You Need a Narrow Focus

- Artists need to choose a niche, a specific target market (customer group)
- Bill Cosby quote: "I don't know the key to success, but the key to failure is trying to please everybody"





Identify the RIGHT Customer

- Who are they?
- Where are they?
- Why do they buy?
- The only thing a business can't do without is a customer!





Become the Expert

- Be known for one thing – Build your reputation
- Teach
- Review others' work
- Know the competition





Learn to say "No"

- Must keep the narrow focus
 - Must follow your "plan"
 - Always ask "Am I the only one who can do this? If the answer is yes, that is part of your job – if no – refer it to someone else."



Tools: Artist's Statement

- You are building a "Brand"!
- Artists need to clearly and succinctly present exactly what they do.





Tools: Resume & Biography

- Education
- Awards
- Showings
- Galleries
- Grants
- Website





Set Goals

- SMART Goals
 - Specific
 - Measurable
 - Attainable, Aligned
 - Realistic
 - Timely



Develop Tactics to Meet Goals

- Research
- Planning
- Write it down





The Market

- The right customer
- The right venue(s)
- The right product
- The right message
- The right outreach



Competition

- Who are they?
- Where are they?
- What do they charge?
- What do they do well?
Poorly?
- What is your Unique Selling Proposition?



Pricing

- Clearly one of the hardest challenges for any artist
- Charging enough vs. too much
- Display with or without price (get the customer talking) (absolute must)
- How do you do it?
- Fine art vs. décor art
- Negotiating



Leverage Your Time

- Can you do the work once and sell it again and again?
- Can any of your tasks be delegated or outsourced?
- Multiple income streams
- Bookkeeping



The Basics

- Corporate Structure
- Tax ID Number
- Sales Tax
- Insurance
- Employee vs. Contractor
- Copyrighting
- Business Bank Account



Develop a Budget

- Start with a personal budget
- Then build a business budget
- Sample P & L





Financing

- Grants
- Loans
- Credit cards
- Business plan requirement
- Caution – personal credit issues



Business Plan

Essential elements:

- Executive Summary = Artist's Statement
- Market = Market
- Competition = Competition
- Management = Resume
- Location / Equipment
- Personnel = Outsourcing
- Financials = Budget plus historical



Business Plan

- Financial Schedules
 - Historical tax returns
 - Current P & L (Income Statement and Balance Sheet)
 - Projected monthly P & L for twelve months and annually for years 2 and 3
- Assumptions by line for every schedule
- Projected monthly Cash Flow for twelve months and annually for years 2 and 3
- Specific purpose of the loan



Contact Information

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