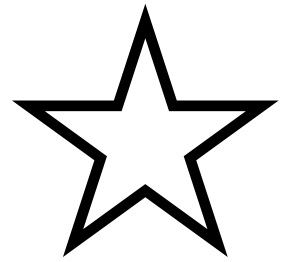


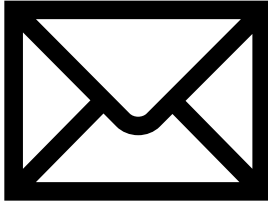
Artist as Entrepreneur

Lower Manhattan Cultural Council – Panel Discussion
Amy Whitaker, Moderator
October 27, 2011



letter vs. envelope

There are two kinds of creativity: writing the letter and designing the envelope.



Making a painting is like writing a letter. Designing the envelope is building the structure of your working life, creating the ecosystem in which your artistic practice can thrive. Economics is an important tool of the envelope-builder. This workshop is about applying business principles creatively to make the economic structures that help your life and art.

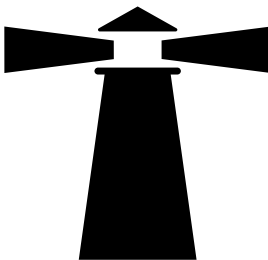
the brick

You can think of classical economics as being built around the concept of a “brick”—an object that is produced and used for a purpose. In economic theory, all the bricks are exactly the same and completely interchangeable. They are not original objects. How many uses can you think of for a brick?



In entrepreneurship, you often have to think of something *else* you can do with a brick after you have made it for one reason and that reason has failed. Google’s “brick” was its search algorithm. Everyone told them search was dead. They couldn’t sell it. So they started their own company. In this way, they took a brick that no one else would take and built a house that everyone wanted. You have to ask, how *else* is this of value? Ultimately, you will be able to build a house with those bricks, an entire structure of your life.

your lighthouse

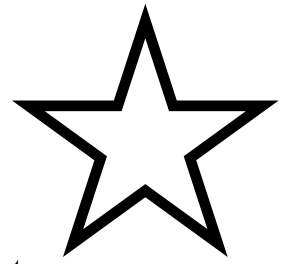


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As you move forward with your art, you are trying not just to accomplish known outcomes, but to discover new ones. How do you plan for this? You focus on what your lighthouse is, your guiding principle. This may be your mission, as in a nonprofit, or your defining question or idea, as in a start-up business. That purpose—that “lighthouse” goal—is an important part of your story. It is the “major dramatic question” (the MDQ) that compels you forward.

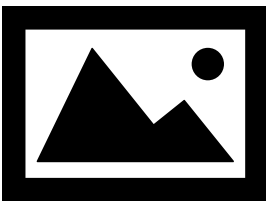
A business plan is a story-telling device

More than anything else, a business plan is a format for telling that story. It is also a living, breathing, changing planning document for you.



The plan is a basic structure to communicate: what, when, how, whom, where, why. The “what” is what you are offering. The “when” is why now? The “how” is your business model. The “whom” describes you and your partners. The “where” describes your market. The “why” explains your mission or purpose, your statement of the need being filled.

Don’t worry about jargon: tell your story, explain why it is important, and show how it will sustain itself, whether by finding a market or securing donations. Also remember that the business plan is an evolving document, a snapshot of a moment in time, a storyboard you constantly update. It is also a prop, a vehicle for a discussion and a means of meeting people who can support your work.



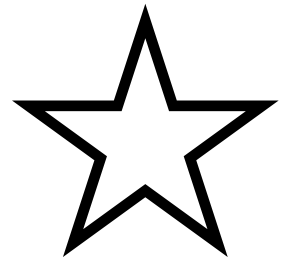
You can think of a business plan as being like a painting from before the advent of photography. It must document your business, but it can also express your viewpoint as an artist. The business plan has structure—the same way that a portrait has anatomy or the landscape has perspectival space. But you can also let the business plan show and not just tell what your approach is. The structure of a business plan is the “business model” and the “strategy.” To clarify these, you can apply some frameworks to assess the landscape in which you are operating. These tools are called “industry analysis” or “market analysis.” They help assess the bigger picture. And, like academic conventions of the French Academy, you can use them to understand the situation well enough to reinvent the rules.

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writing your business plan

A business plan is a storytelling device, and the format can be open to interpretation. If you would like to know the traditional sections, they are outlined below. (These are taken from the U.S. government's Small Business Administration, <http://www.sba.gov/>.) The format and sections of a business plan can vary significantly depending on your purposes. In any business plan, you will generally need to provide a summary, describe the business and the market, give financials, and describe the management team.

I. Executive Summary

This is an abstract or short summary of the purpose of the business. Consider that it may be the only thing someone reads.

II. The Marketplace

This will summarize some of your research on the industry and the marketplace. You will want to cover: the size of the market (how many people), the competitive landscape (who is already doing this), and the demonstrated need (why what you are doing is important).

III. Description of Business

What will you do and how will you do it? You will likely have subsections on: marketing (how you will reach people), operations (the mechanism of your business—e.g., mail order or physical store), personnel (how many people, an organizational chart). Paint a picture of what the day-to-day operations of your business will look like.

IV. Financials

This is often an intimidating part of the business plan. This is where you write a very detailed, thoughtful, careful plan that is, at the point you are writing it, usually a total fiction. This is okay and an important part of the process. You will need to provide the following: an operating budget for the first three years, a break-even analysis, and an assessment of cash flow. If you are especially unsure of these projections, you can create more than one “scenario”: one optimistic, one pessimistic, and one in the middle.

V. Management Team

Provide bios of you and your partners. Most people who are supporting your business will find this one of the most important sections of your plan. People tend to take bets on people, more than anything else.

VI. Supporting Materials

You might attach any of the following: letters of intent from suppliers or customers, more information on you and your partners, further back-up on the financials, and any kind of prototype of what you are making—sketches, photographs, or anything else that will help complete the picture of your plan.

Business Plans often take the form of Word documents (saved as a PDF) or PowerPoint “pitch decks.” They can also be: short videos, interactive pictures (prezi.com), or anything else that you feel lends itself to the content you need to provide. As part of the summary or otherwise, continually try to write a 1-2 page summary of your plan, and practice how you would describe it if you only had 2-3 sentences (“the elevator pitch”).