

Cultural Enterprise Factsheet

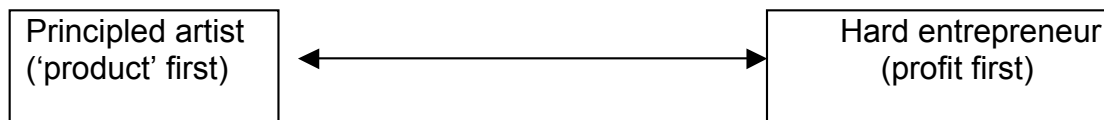
Setting up an Arts Business

Introduction

Setting up an arts business or becoming a self-employed practitioner is like setting up any type of business and requires a great deal of planning and thought. The following information outlines six points to consider before starting your own business.

1. Why are you doing it?

- Establish a personal philosophy – what do you want to achieve from your business?
- Set an adaptable time-table of aims – where would you like your business to be in 5 years time?
- What kind of business would you like to run? Where do you want to be on this sliding scale?



The entrepreneurial business person is purely profit led and not so concerned with product type. Making individual pieces of expensive furniture would be a possible means of making money, but, if this activity did not fulfil the financial objectives of the business, it would be discontinued in favour of a product or service which generated greater profit margins.

In contrast, for the principled artist, making beautiful furniture will be of prime importance and they will be prepared to modify their economic objectives rather than compromise their creative practice.

2. Making the Leap

- Don't be daunted - there is a lot of assistance available for those who want to set up their own business.

- Make use of the specialist and generic organisations e.g. Business Eye, the Potentia partners, or Small Business advisors at your local bank, who can all help you develop your business idea

There is a perception that artists make bad business people, however, there is nothing magical about being a competent business person. Sound common sense, solid research, and good organisation are imperative. Other skills, such as creative thinking, problem solving, working collaboratively and communicating ideas effectively are already part of the creative process. Finally, business skills, such as book keeping, can be learnt or brought in from other individuals who have acquired specialist knowledge in such areas.

3. Research

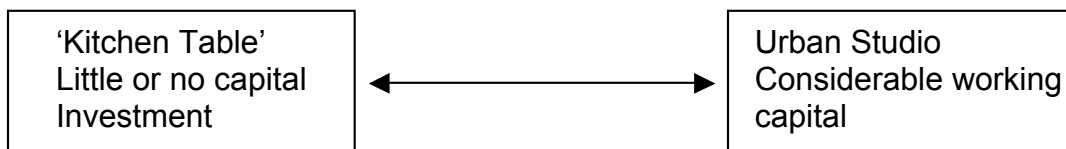
Market research is the gathering of information and advice on your chosen field. This will help you to determine factors such as how to price your work, which customers you would like to target, where your business should be based, etc. There are many excellent publications (ACW's *Boost Your Performance*) and websites (www.a-n.co.uk) that will help you with your research.

Talk to practitioners who have experience in the field you are about to enter, and if you are going to be selling products, talk to the agencies likely to be helping you sell your work.

Remember to promote, your business. Advertising is expensive, so master the art of the press release!

4. Be realistic about money

You may find the thought of raising/borrowing money frightening; however a new business may get bogged down by lack of capital investment.



The left side of the scale may initially seem quite attractive but is it appropriate for the aims of your business? Can you cover your overheads? Will it be profitable enough to provide you with a monthly salary?

5. Location / Premises

In the modern world, technology has made the geographical location of businesses less important, but it is still statistically true that the majority of applied arts studios, for example, are centred in major conurbations.

There are a number of factors to consider:

- Ease of access to supplies and services
- Ease of access to outlets and markets
- Shipping costs
- Overhead costs against travel costs; it's cheaper to run a studio in a rural location, but how often will you need to visit towns and cities to sell your work or find suppliers?
- Business style and image
- Lifestyle
- Planning Regulations

6. Flexibility

It is unusual for creative practitioners to be supported by one business or career; the ability to adapt to demand can add stability to an enterprise – when one area is slow another can take over. What other skills do you have that can create alternative streams of income? For example;

- Could you selling your product directly to private individuals, agencies, through your own outlet, trade fairs, in galleries, working on commissions, or a mixture of the above?
- Do you have technical or administrative skills that could be hired by other artists, institutions or companies?
- Could you teach in schools/universities or run workshops in community/arts centres?

Finally, being your own boss in the arts can be a demanding, challenging, extremely satisfying and rewarding career. If you decided that you have the time, skills and dedication to devote to developing your own business or practice, you will need to have;

- A good, innovative idea, or series of ideas
- A belief in, and the ability to enthuse about your ideas
- Quality research and forward planning
- Good networking and contacts
- Ability to react to changing circumstances
- Determination, positive thinking / balanced with objective self criticism

Further sources of information

<http://www.businesslink.gov.uk> – general business advice and publications such as the No Nonsense Guide to Government rules and regulations

<http://www.bytestart.co.uk/> - a small business portal with advice on starting up and running a business

<http://www.business-plans.co.uk/> - advice on how to write a business plan and links to templates

<http://businessplanhelp.co.uk> - advice on how to write a business plan and links to templates

<http://www.companieshouse.gov.uk/about/pdf/gbf1.pdf> - information on forming a company

<http://www.hmrc.gov.uk/businesses/tmastarting-up-in-business.shtml> - information on starting a business

<http://www.wda.co.uk>

<http://www.busesseye.org.uk>

<http://www.potentiacymru.co.uk>

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