



# **ARTISTS AS ENTREPRENEURS: STARTING YOUR BUSINESS**

**AN ADINKRAFARM PRESENTATION**  
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## WHAT IS ENTREPRENEURSHIP?

Entrepreneurship is the art of creating opportunities for financial and cultural growth by:

- conducting environmental assessments (observing and researching)
- envisioning possibilities
- Identifying opportunities and setting goals and objectives
- Attracting, harnessing and managing financial and human resources
- Employing creativity and strategic thinking to fulfill a market demand
- Creatively responding to ongoing change (remain flexible)
- Creating profit and opportunities for others to grow
- Prioritizing opportunities and managing risk

## ARTISTS HAVE SEVERAL ADVANTAGES AND DISADVANTAGES AS ENTREPRENEURS:

- Creatives are able to think outside of the existing paradigms
- Artists are often accustomed to creating value in an environment of limitations
- Many artists are used to working in teams (bands)
- May have already developed strong brands that can be leveraged

- May have to overcome stigmas associated with arts careers
- Are encouraged to think of themselves as non-business folks
- Often denied full support of family and community members
- May be perceived by loan institutions as **unemployed**

#### IDENTIFYING OPPORTUNITIES

- Consider opportunities within and without the music industry
- Artists have many transferrable skills that may be the basis of success in other industries
- Engage society through all of its channels – be open and communicate
- Network! Network! Network!
- Be prepared to research
- Engage and study other entrepreneurs
- Opportunities exist where demand is in excess of the available supply
- The rate of return on the labor and money invested is reasonable given the risk
- Opportunities for first mover position are extremely valuable
- Do you have access to the resources and the market to make the business happen

#### RESEARCH

##### **Industry Research**

- What is the size of the industry in dollars
- Profile of the industry – who are the players and what size of market share do they possess?
- Success factors for key players

##### **Market Research**

- market profile, channels to reach market, pricing, packaging,
- Catchment area, characteristics of target market

#### BUSINESS REGISTRATION

- NUANS search to ensure that the company name is not already in use

- Register : Provincial - Central Production and Verification Services Branch, Ministry of Government and Consumer Services. Federal - Companies Branch, Ministry of Consumer and Business Services
- Cost \$80 -
- Sole Proprietorship – single individual owned business
- General Partnership – agreement between partners
- Limited Partnership – must have at least one limited partner (liability limited to investment)
- Corporation – incorporated for profit and legally separates shareholders and owners from the business entity
- Non-profit Corporation – an organization incorporated and operated for a collective, public or social benefit (members can be paid as long as conflict of interest guidelines are observed)
- Charitable status – allows non-profits to give official tax receipts to donors
- Corporation’s Directors are usually elected or appointed and oversee the corporation’s business
- Corporation’s Officers work on the day to day operations

#### STRATEGIC PLAN (BUSINESS PLAN)

- Vision, Mission and Objectives
- Strengths Weaknesses Opportunities Threats – Analysis
- Strategic analysis, Create strategies, Prepare strategic plan
- Strategic Plan a living document, changes as environmental factors change
- Articulates the development of structures and systems
- Systems important as means of normalizing success, especially when scaling up
- Strategic Plan identifies opportunities and articulates goals, objectives, methodology, measurement and evaluation.
- Implement Strategic Plan putting “thought out” strategies into practice
- Managing behavioural and functional implementation
- Strategic Measurement and Evaluation
- Exercising control and responding to change

## YOUR BRAND

- The way in which you create your product or approach your work
- The content, form, choice of media,
- Your signature style
- Your audience and the nature of your engagement with them
- Most artists have the advantage of leveraging somewhat strong brands
- Determine what you want to say and who needs to hear it
- Define the common goal that your combined business dealings are supposed to achieve
- What will your positioning be in relation to your competitors
- Define Your Identity – Name And Logo Design (Icon)
- Icon - Your unique sensibility, image, celebrity status, represented graphically

## MARKETING

**Marketing** is a set of strategies, principles and actions that when successful, increase engagement or maximize the revenue to be gained from the selling of your products and services.

### **Foundations:**

1. the Product,
2. the People and businesses that will be a fit for your product, it cannot be everyone or anyone
3. the promotion needed to make your product attractive and desirable to them,
4. the price that you will charge for your product,
5. the places that your product will be accessed by the people who desire it.

### **Digital Marketing:**

- Digital a shifting paradigm driven by technology
- Global village with new and changing channels to market
- Create a unique brand that will be noticed
- Reach your loyal following and attract new customers (algorithms)
- Interactivity is key, personalization, digital storytelling, virtual reality
- Digital media is a powerful tool
- Interactive website

## ADMINISTRATION

### Communication

- Answering and transferring phone calls, emailing, Handling client concerns and complaints, Business correspondence, customer service, Communicating with other employees

### Scheduling

- Coordinating events, scheduling appointments, Planning team or company-wide meetings, team-building activities, Booking travel itineraries for management, employees, Scheduling conferences or meetings

### Record Keeping & Tax Filing

- Recording daily incoming and outgoing transactions, Updating office accounts via online programs such as QuickBooks, Processing payments from clients, Reconciling financial reports, Composing financial reports on a weekly or monthly basis, Keeping track of receipts of expenses, Creating invoices for customers, Completing payroll tasks

### Organization

- Maintaining calendars, Sorting, Organizing office files, filing, Managing Computer/technology, Maintaining office equipment including scanners, fax machines, printers, and telephones, utilizing publishing software, Create the company's website or blog, Performing research online, using video conference software, Maintaining social media accounts,

Filing taxes is a significant function of an administrative individual or team working on behalf of your business. It is often important that business engage a tax reduction strategy whenever possible. This often means expensing every item possible under the CRA rules. The following are some common items that should be expensed when filing taxes.

**Advertising:** Anything you spend money on promoting your work. Advertising expenses include print ads, business cards, fliers, sponsorships, Facebook and digital ads, as well as your website hosting and creation costs.

**Business Insurance:** Just what it sounds like. If you pay for business insurance, keep track of your payments and write them off come tax time.

**Commission & Fees:** Paying an agent to bring in clients and giving them a percentage of sales? Expense that. Also track any fees related to, applications, legal advice, outsourced bookkeeping, business consulting as well as model or contractor fees.

**Online payments** through platforms like Paypal, Square, Stripe or Intuit you can expense the processing fees.

**Office supplies:** Any supplies for your home office. Paper, pens, staplers, paper clips, folders, art for the walls, a mouse for your computer, you get the point. Online services such as your web hosting, Artwork

**Archive subscription**, and anything else necessary to keep your online presence and career running can also be recorded.

**Legal & professional service:** Get a professional to help you with your tax preparation—you can write off their fee!

**Supplies:** Anything you use to create your product should be recorded as an expense. Large Equipment counts as a depreciable asset and is anything that you will use for your business or studio for more than one year. Computers and items that are used over multiple years. You can write this off all in one or over many years.

These are substantial expenses. For these larger items, you can report the asset's depreciation as a deductible expense or you can claim a larger deduction in the first year.

## SOURCES OF FINANCING

- Financial institutions
- Family
- Friends
- Grants
- Small Business Loans
- Leveraging Assets
- Partnership
- Investors

## GRANTS (BUDGET)

- access funds from diverse revenue streams if possible, research a range of funders that will support your project
- showing local support extremely important,
- do not show surpluses, revenues must equal expenditures,
- budget is an integral part of the project plan,
- research and get the actual cost of fees, materials, equipment, services and activities (don't make it up), don't inflate costs
- Categorize budget areas, ensure each line item is an eligible expense
- Report changes in revenues & expenditures on final reports, include notes that will clarify
- Include in-kind, donated

## IMPROVING YOUR GRANT WRITING

- Read successful grant applications
- Offer to sit on juries
- Work on your skills at detailing budgets
- Practice being succinct (word limitations are now common)
- Ensure the story in the narrative is reflected in the budget
- Develop a clear statement on your competency in the area you are applying for (why should you be considered?)
- Learn to express your creativity in the application process
- Proof read your application for grammar, spelling errors, mistakes and ask other to read it as well

## MANAGING EMPLOYEES

- Treat employees and volunteers the way you would like to be treated
- Provide opportunities for their growth
- Pay fair wages
- Encourage excellence