

# *Business Plan*

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Date: 07/05/06

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*Mission Statement*

***CREATIVITY IS KING!***

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# 1 BUSINESS OVERVIEW.

## 1.1 Business Name

Christopher Howlett Enterprise

## 1.2 Brief description of business

A design and multi-media studio called "*Post-Studio ARTS*".

## 1.3 Business Location

Physical Address: xxxxxxxxx Street Melbourne VIC 3057

Postal Address: xxxxxxxx The City Melbourne VIC 3001

Online Address: <http://www.poststudioarts.com> (*currently in development*)

Email: [chrishowlett@poststudioarts.com](mailto:chrishowlett@poststudioarts.com)

## 1.4 Relevant background / experience

2001 Extended Studies - Otis School for Art & Design, Los Angeles, U.S.A. (*incomplete*)

2000 Master of Fine Arts - California Institute of the Arts, CalArts, Los Angeles, U.S.A.

1996 Bachelor of Visual Arts (First Class Honors) - QUT, Brisbane, QLD, Australia.

1991 Brisbane Grammar School - Brisbane, Australia.

## 1.5 Market evidence / research undertaken

- Personal interviews
- Questionnaires
- Friends / Peers / Relatives
- Secondary Information
- Statistics
- Product & Market Testing
- Professional Sources

## 1.6 Target Market

The target markets are broken into three main areas:

- **TM1:** *Direct customers and sole traders within the Creative Industries*
- **TM2:** *Direct customers, businesses and companies in the Creative Industries*
- **TM3:** *Museums and Arts Organizations*

## **1.7 Competitive advantage**

As a small independent/freelance multi-media designer my competitive edge is my own unique graphic and multi-media design sensibilities. My low overheads give me license to freely experiment and offer services of unique creative design.

By purchasing one of my services the customer will be purchasing a service that has:

- 10 years background knowledge and experience in the creative industry
- High quality customer service on a one to one basis
- Experience working cross-collaboratively
- Educated in Australia and in the United States

## **1.8 Marketing Strategy to be employed**

- To dress appropriately when visiting clients, and to always have some form of personal design example on call to show client (e.g. business card sample, various kinds depending on type of client).
- Careful selection of customers and future clients. Work with those who respect your advice and are willing to take calculated risks.
- To ensure that all promotional material reflects the sensibilities of the design and multi-media studio and does not sacrifice quality over quantity.
- To ensure that I offer exclusive discounts and bonuses, so that my Target Market 1 and 2 (Direct customers and sole traders within the creative industries) feel special that they have been invited to take advantage of new offers / bonuses.
- For the first 2 years I intend to concentrate on penetrating and growing my existing markets of TM2 and TM3.

## **1.9 Pricing method and Breakeven**

I will be adopting demand based pricing.

In coming up with prices I have utilized psychological pricing strategies, will quote my clients the price before GST to suggest that prices are 'not that high' and my higher than average prices will suggest exclusivity.

I have adopted a going rate tactic in setting my prices, prices will be in line with my direct competitors who are offering a similar product. To break even I need to produce the following:

In the first year I will apply the following prices: (\$66.00 / hour )

- a) Web design: \$86.30 / hr
- b) Advertising/identity: \$91.88 / hr
- c) Invitations: \$25.62 / hr
- d) Promotion: \$77.73 / hr

In the second year I will apply the following prices: (\$75.00 / hour)

- a) Web design: \$66.20 / hr
- b) Advertising/identity: \$86.69.88 / hr
- c) Invitations: \$14.73 / hr
- d) Promotion: \$178.23 / hr

The **Breakeven calculations** are provided at 6.12.4. The Breakeven point in **Year 1** is **1.60 hours per week** or 73.61 hours per year. The breakeven point in **Year 2** is **1.38 hours per week** or 63.31 hours per year.

### 1.10 Industry pricing policy

There is no set industry pricing policy, policies vary depending on the size of businesses and the markets they are targeting.

### 1.11 Financial Plan

| <b>PROJECTED CASH FLOWS</b>    | <b>YEAR 1<br/>See Appendix S</b> | <b>YEAR 2<br/>See Appendix T</b> |
|--------------------------------|----------------------------------|----------------------------------|
| Total Receipts                 | \$20,640.00                      | \$27,983.00                      |
| Cost of Goods Sold             | \$0.00                           | \$0.00                           |
| Total Payments                 | \$6,554.00                       | \$18,028.00                      |
| Total (Receipts less Payments) | \$14,086.00                      | \$9,955.00                       |
| Estimated Tax Savings          | \$1,647.00                       | \$3,724.00                       |
| Opening Bank Balance           | \$200.00                         | \$12,439.00                      |
| Closing Bank Balance           | \$12,439.00                      | \$18,669.00                      |

| <b>BUDGETED PROFIT &amp; LOSS</b> | <b>YEAR 1</b> | <b>YEAR 2</b> |
|-----------------------------------|---------------|---------------|
| Total Receipts                    | \$18,582.00   | \$25,439.00   |
| Cost of Goods Sold                | \$0.00        | \$0.00        |
| Total Expenses                    | \$4,858.00    | \$4,748.00    |
| Net Profit before Tax             | \$13,725.00   | \$20,691.00   |
| Less Tax                          | \$1,647.00    | \$3,724.00    |
| Net Profit after Tax              | \$12,078.00   | \$16,967.00   |

## **1.12 Strengths**

- Friendly customer service
- A love for the process of creativity
- A passion for design
- Well organized and ambitious
- A balanced lifestyle
- Low overheads
- Time management
- Good communicator and negotiation skills
- Overseas contacts
- Young
- Well educated

## **Weaknesses**

- A small new business in competition with large companies and other more established design studios
- No established client base
- No long term understanding of manufacturing, distribution and marketing costs
- No adequate IP protection of designs and trademarks



## 2 PERSONAL BACKGROUND STATEMENT

Since my early childhood and school career I have always been fascinated with the complicated processes of art and design making. This interest had mainly to do with using the freedom of visual forms to communicate, rather than using the strict processes of writing to convey a message. But as I gradually developed, I became aware of the intrinsic value that both of these forms share with one-another and how as a creative practitioner you must become skilled at using them both together in order to convey a message.

From 1996 to 2006 I have been actively involved in the “*Creative Industries*” where I have operated on both an educational and professional level. During 1998 to 2001 I traveled to Los Angeles on a scholarship to undergo a Master in Fine Arts degree (M.F.A.) at the Californian Institute of the Arts. This is a unique school in America since it has all of the art disciplines represented under one roof. There is no other school quite like it across America or in the world. It was originally established by Walt Disney and his brother in the 70’s to provide a unique creative environment for the creative community in Los Angeles.

It was during this life changing period that I came into contact with inspiring art teachers, artists, designers, film makers, animators, dancers, writers and critical theorists who opened my eyes to the processes of cross-collaboration and who taught me that this innovative space can be used as a tool for critical thought. This intense and productive time in my life continually influences my decision making in how I approach concepts, work with people and push myself and my craft to open up new and exciting spaces of thought. These experiences are the basis for my decision to create a business model that will both support my art practice and establish an influential design and multimedia studio that I can build upon and develop into the future.

My passion in life is to use *creativity* as a tool to challenge, question and provoke discussion in the mind of the consumer. This lies at the base of my art and design studio. My vision for the future of *Post Studio Arts* is to create a safe, cross-collaborative environment that will influence and have a lasting impact on the direction that art and design takes in Australia.

Please see **Appendix A** including my current **Resume**.

Please see **Appendix B** including my **Relevant Qualifications**.

### 3 GOALS & OBJECTIVES

#### 3.1 Business Goals & Objectives For The Next 12 Months

| PRODUCT                       | UNIT RATE |                      | Jun | Jul  | Aug  | Sep  | Oct  | Nov  | Dec | Jan | Feb  | Mar  | Apr  | May  | PRODUCT TOTALS \$ |
|-------------------------------|-----------|----------------------|-----|------|------|------|------|------|-----|-----|------|------|------|------|-------------------|
| Web design                    | \$ -      | UNITS SOLD Per Month |     | 1    | 1    | 1    |      | 1    |     |     | 1    |      | 1    | 1    | 7                 |
|                               |           | MONTH TOTAL \$       | 0   | 960  | 721  | 786  | 0    | 655  | 0   | 0   | 960  | 0    | 655  | 960  | 5697              |
| Identity                      | \$ -      | UNITS SOLD Per Month |     | 1    | 2    |      |      | 1    |     |     |      |      |      | 1    | 5                 |
|                               |           | MONTH TOTAL \$       |     | 753  | 1080 | 0    | 0    | 753  | 0   | 0   | 0    | 0    | 0    | 753  | 3339              |
| Advertising                   | \$ -      | UNITS SOLD Per Month | 2   | 6    |      | 10   | 10   |      |     | 5   |      | 8    |      |      | 41                |
|                               |           | MONTH TOTAL \$       | 171 | 393  | 0    | 655  | 655  | 0    | 0   | 327 | 0    | 524  | 0    | 0    | 2725              |
| Invitations                   | \$ -      | UNITS SOLD Per Month |     |      |      |      | 2    |      |     | 1   | 1    |      |      |      | 4                 |
|                               |           | MONTH TOTAL \$       | 0   | 0    | 0    | 0    | 709  | 0    | 0   | 273 | 273  | 0    | 436  | 0    | 1691              |
| Promotion                     | \$ -      | UNITS SOLD Per Month | 1   |      | 1    | 1    | 3    | 2    | 1   |     |      | 1    |      |      | 10                |
|                               |           | MONTH TOTAL \$       | 273 | 0    | 273  | 273  | 819  | 546  | 546 | 0   | 0    | 2400 | 0    | 0    | 5130              |
|                               | Per Month | MONTH TOTAL \$       |     |      |      |      |      |      |     |     |      |      |      |      | 0                 |
| <b>TOTAL MONTH REVENUE \$</b> |           |                      | 444 | 2106 | 2074 | 1714 | 2183 | 1954 | 546 | 600 | 1233 | 2924 | 1091 | 1713 | 18582             |

- To obtain a minimum of 7 clients for design and multi-media work by the end of the first year of business.
- To obtain regular billable work hours for freelance graphic design work of no less than 7 months in the first year of business.
- To work a minimum of 234 days on my business building it up during the first financial year of operation.

#### 3.2 Business Goals & Objectives For The Next 2 Years

| PRODUCT                       | UNIT RATE |                      | Jun  | Jul  | Aug  | Sep  | Oct  | Nov  | Dec | Jan | Feb  | Mar  | Apr  | May  | PRODUCT TOTALS \$ |
|-------------------------------|-----------|----------------------|------|------|------|------|------|------|-----|-----|------|------|------|------|-------------------|
| Web design                    | \$ -      | UNITS SOLD Per Month |      | 1    | 1    |      |      | 1    |     |     | 1    | 1    | 1    | 1    |                   |
|                               |           | MONTH TOTAL \$       | 0    | 1087 | 466  | 0    | 0    | 1087 | 0   | 0   | 1087 | 466  | 307  | 466  | 4966              |
| Identity                      | \$ -      | UNITS SOLD Per Month |      |      |      |      |      |      |     |     |      | 1    | 2    |      |                   |
|                               |           | MONTH TOTAL \$       | 0    | 0    | 0    | 0    | 0    | 0    | 0   | 0   | 0    | 847  | 2446 | 0    | 3293              |
| Advertising                   | \$ -      | UNITS SOLD Per Month | 1    | 5    | 5    | 6    |      | 1    |     | 5   | 5    |      |      | 5    |                   |
|                               |           | MONTH TOTAL \$       | 338  | 368  | 368  | 589  | 0    | 442  | 0   | 368 | 368  | 0    | 0    | 368  | 3209              |
| Invitations                   | \$ -      | UNITS SOLD Per Month | 1    |      |      |      | 60   |      | 1   |     |      |      |      |      |                   |
|                               |           | MONTH TOTAL \$       | 307  | 0    | 0    | 0    | 491  | 0    | 307 | 0   | 0    | 0    | 0    | 0    | 1105              |
| Promotion                     | \$ -      | UNITS SOLD Per Month | 1    |      | 1    | 1    | 1    | 3    |     |     | 1    | 1    |      | 1    |                   |
|                               |           | MONTH TOTAL \$       | 563  | 0    | 307  | 2700 | 4999 | 1484 | 0   | 0   | 2700 | 307  | 0    | 307  | 13367             |
|                               | Per Month | MONTH TOTAL \$       |      |      |      |      |      |      |     |     |      |      |      |      | 0                 |
| <b>TOTAL MONTH REVENUE \$</b> |           |                      | 1208 | 1455 | 1141 | 3289 | 5490 | 3013 | 307 | 368 | 4155 | 1620 | 2753 | 1141 | 25940             |

- To obtain a minimum of 10 clients for design and multi-media work by the end of the first year of business.
- To obtain regular billable work hours for freelance graphic design work of no less than 10 months in the first year of business.

- To work a minimum of 200 days on my business building it up during the first financial year of operation.
- To concentrate on my TM1 and TM2 in order to specialize in the Advertising and Branding niche markets.

### **3.3 Financial Goals & Objectives for the Next 12 Months.**

- To achieve a minimum turnover after Tax of \$12,000
- To achieve a minimum Net Profit Before Tax of \$13,000
- To have a yearly revenue at the end of 12 months over \$15,000

### **3.4 Financial Goals & Objectives For The Next 2 Years**

- To achieve a minimum turnover after Tax of \$16,000
- To achieve a minimum Net Profit Before Tax of \$20,000
- To achieve a yearly revenue above \$20,000

## **4 MARKETING PLAN**

### **4.1 Market Analysis**

The main objectives of the market research is to identify my target markets and satisfy my customer needs at a profit.

#### **4.1.1 Statement of Research Undertaken**

Analyze & document the results of your research.

State the recommendations and conclusions drawn from your research.

**(At least half to one page)**

#### **Target Market One**

Throughout the research undertaken I have identified three main target markets which used both primary and secondary research methods.

These are firstly, **Direct customers, sole traders within the Creative Industries** – these may be sole traders or creative individuals from Dance, Fashion, theatre or the Visual Art industries with disposable income (e.g. earning over 20,000 – 50,000 p.a.) These businesses are defined as non-employing businesses - sole proprietorships and partnerships without employees. This also includes small artist run spaces who rely on small art grants and work within tight budgets below \$20,000. These sole traders are more likely to live close to city centres, use public transport and travel no more than 40 minutes to city and back to home.

## **Target Market Two**

The second of these target markets are **Direct customers, small business and companies in the Creative Industries** – these are small business operators with a high disposable income (e.g. between \$22,500 - \$400,000 p.a.) and companies (e.g. above \$400,000 p.a.) in the CBD or who run their small business from home or office and who are more likely to live in the southern or north-eastern parts of Melbourne. These businesses are also referred to as Advertising and Public Relation companies or businesses that spend other businesses marketing budgets. Geographically, Sydney has the largest concentration of these creative industry businesses measuring 44.6% of a total Australian revenue of \$1,506 Million. In Victoria, the advertising industry captures 28% of this total revenue figure.

The Major Players are the top 5 -10 companies in the industry based on total revenue. Companies must account for at least 5% of industry revenue to qualify:

- Clemenger Communications Limited
- Adcorp Australia Limited
- Singleton Ogilvy & Mather (Holdings) Pty Limited
- Communications Group Holdings Pty Limited
- DDB Worldwide Pty Limited

The *Downstream Industries* that are linked to this target market are industries listed below which are the major supplier industries of Advertising Services:

- Newspaper Printing or Publishing
- Other Periodical Publishing
- Radio Services
- Free to Air Television Services
- Pay Television

In this TM2 there are also businesses that are defined as micro businesses - businesses employing less than 5 people, including non-employing businesses; other small businesses - businesses employing 5 or more people, but less than 20 people.

### **Target Market Three**

Lastly, the third target market are **Museums and Arts Organizations** – these are local and federally funded organizations which also rely on private and company donations to support their ongoing viability within the creative industry. Their budgets that they work with over the financial year can be as little as \$200,000 to as much as 1-5 million. Within Victoria there are a total of 286 Museums with a total combined revenue of approximately \$300 Million. This TM3 is usually concentrated in the city centres of major cities within Australia or are located regionally in strategic areas where population density is at its most greatest.

#### **4.1.2 Statement Of Product /Service Testing In The Market Place.**

##### **Past Market Testing**

| Date | Details                                       | Value         |
|------|---|---------------|
| 05   | Christopher Howlett - Personal Artist Website | <b>\$0.00</b> |
| 05   | Ali Baker - Baby Shower Invites               | <b>\$0.00</b> |
| 05   | Peter Alwast - Website consultation           | <b>\$0.00</b> |

##### **Future Market Testing**

| Date   | Details  | Value           |
|--------|--|-----------------|
| May 06 | Alexandra Sanderson - DVD promotional grant kit        | <b>\$350.00</b> |
| May 06 | Sarah Lewis - Homepage                                 | <b>\$273.00</b> |
| May 06 | David Howlett - 3D model for " <i>Victoria Roads</i> " | <b>\$273.00</b> |
| May 06 | Pip Hayden - Artist Website                            | <b>\$960.00</b> |

#### 4.1.3 Description of Your Product/Service and how it benefits the customer

|   | SERVICE                 | STRATEGIES  |
|---|-------------------------|---|
| 1 | Web Design              | <ul style="list-style-type: none"> <li>• Delivery of projects on time, within budgets and as per client's specifications</li> <li>• Fast loading website</li> <li>• Efficiently designed to look corporate</li> <li>• Affordable</li> <li>• Innovative use of Flash animation</li> </ul>  |
| 2 | Identity                | <ul style="list-style-type: none"> <li>• Enable clients to have a brand that stands out from their competitors</li> <li>• Cohesive look to business image</li> <li>• Creatively analyzed based on their business philosophy and target market</li> <li>• Exploit art background knowledge in creative conceptualizing not only design</li> </ul>  |
| 3 | Advertising             | <ul style="list-style-type: none"> <li>• Stylistic under pinning and strong cohesive concept to campaign</li> <li>• Affordable service</li> <li>• Provide high standard of across all processes</li> <li>• Contribute to the achievement of their business objectives through quality of advertising image</li> <li>• Deliver a cohesive message across many different media.</li> <li>• Ability to conceptualize and utilize a variety of cross-media applications.</li> </ul> |
| 4 | Invitations / Brochures | <ul style="list-style-type: none"> <li>• Affordable service</li> <li>• Beautiful and appropriate designs</li> <li>• Tailor made to customer needs</li> <li>• Small runs</li> <li>• Elegant</li> </ul>   |

#### 4.1.4 SWOT Analysis – Business and Personal

|          |   | <b>STRATEGIES</b>   |
|----------|---|---|
| <b>S</b> | <ul style="list-style-type: none"> <li>• Passionate &amp; Qualified designer with highly developed skills &amp; experience.</li> <li>• Good network of contacts within the creative industries sector.</li> <li>• 10 years of networking experience.</li> <li>• Freelance designer with multi-media &amp; 3D skills.</li> <li>• Friendly customer service.</li> <li>• Sense of humor.</li> <li>• Low overheads.</li> <li>• Recent market research.</li> <li>• Confidence in my ability to provide a quality service</li> <li>• Excellent oral and written skills.</li> <li>• Passion for what I am doing in life.</li> <li>• Masters in Fine Art</li> <li>• People skills</li> <li>• Diverse design skills</li> <br/> <li>• Specialist Designer</li> <br/> <li>• Freelance</li> </ul> | <ul style="list-style-type: none"> <li>• Continue to learn and develop new software and build up 3D skills.</li> <li>• maintain networks, go to art openings and give out business cards.</li> <li>• Stay healthy, regularly exercise.</li> <li>• Purchase DVD collection of video tutorials (“<i>Work for the doll</i>” money).</li> <li>• Reward myself physically and mentally, so that I can continue to work hard and be motivated.</li> <li>• Keep up research potential markets.</li> <li>• Use examples of recent work in updating website to promote quality.</li> <li>• Continue to enhance communications and people skills by practicing them.</li> <li>• Make known my qualifications and experience to potential clients.</li> <li>• Ability to work across all types of media.</li> <li>• Able to deliver a unified message across or campaign across many mediums in both traditional and new media areas.</li> <li>• Can operate on a flexible timetable within a project-by-project basis.</li> </ul> |
| <b>W</b> | <ul style="list-style-type: none"> <li>• No established client base.</li> <li>• Lack of experience in the design industry.</li> <li>• No suitable design portfolio.</li> <li>• No website online.</li> <li>• Lack of capital.</li> <li>• Time Management.</li> <li>• No experience in e-commerce for web design or cold fusion, CSS etc.</li> </ul>   | <ul style="list-style-type: none"> <li>• Design promotional DVD kit.</li> <li>• Become a member at AGDA and continue to go to <i>Lab3000</i> meetings.</li> <li>• Collate design projects and place on website as past work.</li> <li>• Maintain \$1000 overdraft on debit card.</li> <li>• Buy a white board to with large calendar to keep up with dates and work.</li> <li>• Finalize the Certificate IV in business management at RMIT University.</li> <li>• Study materials and case studies in business management.</li> <li>• Attend networking events organized by my professional associations.</li> <li>• Talk with business professionals.</li> </ul>   |
|          | <ul style="list-style-type: none"> <li>• Internet.</li> </ul>   | <ul style="list-style-type: none"> <li>• Search Engine Optimization (SEO’S):</li> </ul>   |

|                 |   |  |
|-----------------|---|--|
| <p><b>O</b></p> | <ul style="list-style-type: none"> <li>• High % of women in the Creative Industries.</li> <li>• Sub-contracting.</li> <li>• Attend Professional Business events and meetings organized by the Graphic Design Associations.</li> <li>• Art Blogging sites</li> </ul> | <p>make sure website has a high ranking on Google, Yahoo and MSN. Advertise website on popular art blog.</p> <ul style="list-style-type: none"> <li>• Target those who go to art openings, immediate contacts and those whose studios are in the same building.</li> <li>• For small advertising budgets that require photography</li> <li>• Hand them your business card and tell them about the new website and your educational background.</li> <li>• Advertise on their blogging site with a link to your website.</li> </ul> |
| <p><b>T</b></p> | <ul style="list-style-type: none"> <li>• Large established design agencies.</li> <li>• Home loan interest rates.</li> <li>• Low exposure.</li> <li>• Adverse economic factors may create a down turn in the revenue of my business.</li> </ul>                      | <ul style="list-style-type: none"> <li>• Offer a cost-effective alternative with a high quality service.</li> <li>• Maintain part-time work as a part-time tutor.</li> <li>• Every 4 months advertise on an art blog site with high traffic ratings.</li> <li>• Introduce new products/services that will bring revenue to my business in case of downturn of economy.</li> <li>• Maintain a balance between the income streams of my business in such a way to counteract a downturn in the economy.</li> </ul>                   |

## 4.2 Market segmentation

### 4.2.1 Marketing Environment

#### ECONOMIC FACTORS

If the economy has a downturn, people and small businesses will generally spend less on design and multi-media services. The prices of petrol are also a factor in this trend as well as any increases in interest rates across Australia. However, small businesses, corporations, festivals and arts organizations always have a marketing and advertising budget which must be used if they are to grow and succeed in the market place. This is a vital market niche of any business which must be exploited and continually researched. Therefore, my services will always be needed in some manner within the economy.



## SOCIAL

There are somewhere between 2 to 5 billion web pages online at any given time across the digi-mediascape. Every year new software and hardware is developed to enable people to communicate on a visual or written level. Design and Multi-media services are an integral part to this developing global market and provide exciting innovative possibilities for the future.

## TECHNICAL

Advances in new technology, hardware and software will attract the need for Advertising, Branding and Promotional services if they are going to reach a potential market of consumers. These companies and small businesses will need creative individuals (designers) with original ideas to market and introduce their new products to an un-educated audience. This audience will then inturn need to be persuaded to test and feel that the product in question is vital to their comfortable, pleasurable lives.

## POLITICAL

Political decisions may affect positively or negatively the Australian Economy. Please refer to the Economic Factors as I have shown above they apply here as well.

## LEGAL

Legal factors may influence positively or negatively my business. However, at the present time I have identified no legal factors and regulations that may influence my start up business which is a Design and Multi-media business. In the future, if I am working for small businesses who want a small advertising campaign where I am hiring models in front of camera. Therefore, I will need model release forms and be aware of any copyright infringements if any promotional material is aired on public, commercial radio or television.

## SEASONAL / CLIMATIC

There will be seasonal fluctuations in my business like any other business in Australia. I have calculated these fluctuations in my Design market by using the *Australia Council's* grant funding cycle as a guide to determine when key seasonal changes in my market niche may fall off or increase in demand. For example, during January and February there are no grant openings but there is the St.Kilda Festival, Valentines Day, Chinese New Year, The Falls Festival and the Australian Open that may provide additional income through either catalogue or brochure design for those months when no customer needs design work in preparation for their art grants.

#### 4.2.2 BROAD POTENTIAL MARKET

Sources: (*Australian Government, Dept. Communications - IT & Arts. Nov 2005*), (*IBIS World website 2005*)

My broad potential market is mainly defined by two main markets which are known as the ***Digital Content Industry*** and the ***Creative Industries***:

The "***Digital Content Industry***" encompasses high value digital products and services which are being developed across film, games, broadband, mobile content, broadcasting and ICT sectors.

Its worth in Australia is estimated at \$21 billion, almost 3.5 per cent of Australia's GDP, and it employs about 300,000 people.<sup>i</sup> On a global scale, the total value of the media and entertainment sectors is estimated at \$1.8 trillion.<sup>ii</sup> Many of these sectors are driven by digital content already, such as the Internet, games, or business information. Others such as recorded music and television are moving to this phase rapidly. Australia has an estimated 1.2 per cent share of the global market. Australia had an annual trade deficit in this sector of about \$1 billion in 2002–03, the year for which most recent data is available.

The Digital Content Industry is complex and its range extends across the economy. While the core production of the industry is the creation of digital content by firms and individuals in the creative industries, the industry reaches far beyond this. The industry also includes the creation of digital content, using creative skills, within the wider professional service industries, for example the creation of web pages and advertising material in-house by a law firm or an educational institution, production of training programs using games technology in Defense or use of visualization data in mining or architecture.

The Industry "***Creative Arts***" is in a growth phase of its life cycle, which means that the industry is generally growing faster than the economy. Capital/labor intensity is low and the uptake of new technology is low. The industry's globalization level is low and the trend is faster than the economy. The industry has a low level of exports, which means exports generate less than 5% of the industry's revenue. The industry has a low level of imports, which means imports generate less than 5% of the industry's domestic demand. Exports are steady and imports are steady. The level of regulation is unknown and steady and government assistance is high and steady.

#### 4.2.3 Description of Market Segments - The monetary figure is calculated from Year 1 of the *Revenue Statement* at 3.1 in the business plan.

My first market segment will be *Web Design and Invitations* (\$7388), as I have experience, contacts and technical support in this field. My second market segment will be *Advertising & Promotion* (\$7855), for medium and long term, as I have experience, contacts and technical support in this field. My third market segment will be *Identity & Branding* (\$3339), as I have experience, contacts and technical support in this field.

**4.24 Target Markets - I will target the following markets:**

**TM1: Direct customers and sole traders within the Creative Industries**

The Creative Industry Service spread in Victoria was as follows:

| Tot.Enterprises | Creative Industry Service         | Units/VIC | Total Revenue Aust. |
|-----------------|-----------------------------------|-----------|---------------------|
| 971             | Writers (excluding artists etc..) | 144       | 791 Million         |
| 1,540           | Film & Video Production           | 596       | 1,660 Million       |
| 692             | Music&theatre Production          | 179       | 532 Million         |

*Note: The statistics concerning number of individuals in the Creative Arts was limited to those actually employed in the industry which did not take into account Artists who support themselves on a second income. The number provided by "IBIS World: Industry Sector Overview" for this sector was misleading because it used a "Proportion of Writers Activity Employment by State" which was 21.9%.*

**Total:** Creative Industry Enterprises in Australia - 4,990 Businesses

**Total:** Creative Industry Enterprises in Victoria - 1,233 Businesses

**TM2: Direct customers, businesses and companies in the Creative Industries**

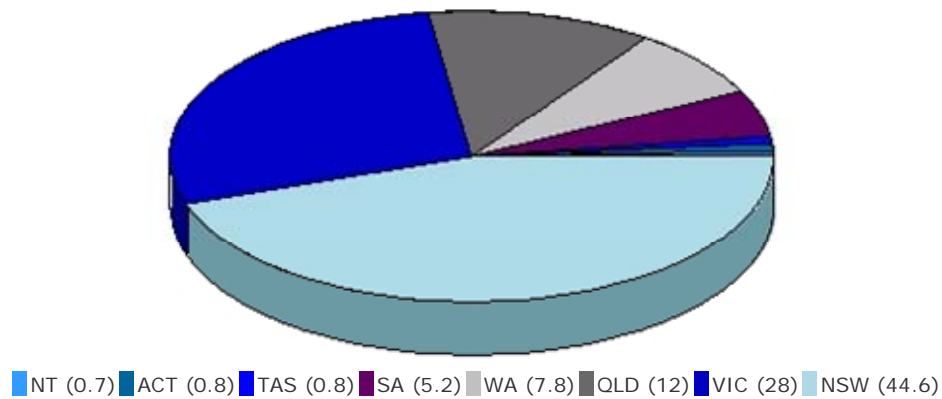
These are direct customers and small businesses not directly involved in the Creative Arts but who outsource graphic design and multi-media work for their ongoing businesses. This target market works closely with Advertising or Public Relation businesses who help them spend their marketing budgets.

They do this by recommending design businesses that they feel can deliver on time, create a quality controlled service and who they have already established a professional relationship with over time. The Advertising Industry according to the 2004-05 "IBIS World: Industry Sector Overview" estimated that the total Australian revenue for that year was \$1,506 Million with 28% of those companies located in Victoria with approximately \$46.34 Million.

| Tot.Enterprises | Creative Industry Service | %/VIC | Total Revenue Aust. |
|-----------------|---------------------------|-------|---------------------|
| 910             | Advertising Services      | 28%   | \$1,506 Million     |

*Resource: 2004-05, IBIS World: Industry Sector Overview. The industry relates to agencies that assist clients in creating and placing advertising on TV, pay-TV, newspapers, magazines, outdoors/billboards and increasingly in areas such as the internet. Many larger agencies also offer "below the line" services which include direct mail, PR and other sales promotion activities. The total revenue for Victorian Enterprises involved in Advertising Services used for purposes of this business shell was calculated using this approximate equation  $(\$1,506 / 910 = 1.65 \times 28 = \$46.34M)$ . The IBIS statistics only provided a percentage of number of Advertising Services operating in the state of Victoria.*

**GEOGRAPHIC SPREAD** - The Geographic Spread graph gives an indication of the relative importance of this Industry in each state. **Share of Establishments by State:**



The Industry "Advertising Services" is in a mature phase of its life cycle, which means that the industry is generally growing at the same rate as the economy. Capital/labour intensity is low and the uptake of new technology is high. The industry's globalisation level is high and the trend is faster than the economy. The industry has a low level of exports, which means exports generate less than 5% of the industry's revenue.

The industry has a medium level of imports, which means imports generate between 5% and 25% of the industry's domestic demand. Exports are steady and imports are increasing. The level of regulation is medium and increasing and government assistance is none and steady. For the basis of this market segment we are defining "small" business as: A small business is defined as a business employing less than 20 people and has an annual turnover between \$22,500 and \$400,000. Categories of small businesses include:

- i) non-employing businesses - sole proprietorships and partnerships without employees;
- ii) micro businesses - businesses employing less than 5 people, including non-employing businesses;
- iii) other small businesses - businesses employing 5 or more people, but less than 20 people.

**TM3: Museums, arts organizations and large companies**

The Creative Industry Service spread in Victoria was as follows:

| Tot.Enterprises | Creative Industry Service | Units/VIC | Total Revenue Aust. |
|-----------------|---------------------------|-----------|---------------------|
| 877             | Museums/(Arts Organiz.)   | 286       | 919 Million         |

*This information provided by "IBIS World: Industry Sector Overview"*

**Total:** Museums in Victoria - 286 Museums

**Total Revenue:** Approx \$300 Million

### 4.3 Market Details

Support your earlier descriptions using facts & figures obtained from your market research. These are figures which have been taken and calculated from the Year 1 revenue statement which comes to a total figure of \$18,582.00.

| <b>Indicator</b>  | <b>Target Market 1</b><br>Direct Customers, sole traders in Creative Industries  | <b>Target Market 2</b><br>Direct Customers, businesses in Creative   | <b>Target Market 3</b><br>Museums,Arts Organizations and large  |
|---|--|--|---|
| <b>Market Size</b>  | 919 potential business clients in Victoria with total revenue \$896 Mil.   | 28 Advertising business with a total of \$46.34 Million in Victoria.   | 286 potential business clients in Victoria with revenue of \$300 Million  |
| <b>Market Share - <i>What I want to capture!</i></b>        | TM1: Web design & Invitations = 0.000000012%<br>TM2: Advertising and Promotion = 0.000000014%<br>TM3: Identity and Branding = 0.000000045%   | TM1: Web design & Invitations = 0.00%<br>TM2: Advertising and Promotion = 0.000000029%<br>TM3: Identity and Branding = 0.000000035%  | TM1: Web design & Invitations = 0.00%<br>TM2: Advertising and Promotion = 0.00%<br>TM3: Identity and Branding = 0.00%   |
| <b>Market Trends</b>  | From my 10 years of experience the Australian job market is producing more artists than it can support. This is one of the greatest challenges facing the Creative Industries. It is in some way oxymoronic to use the term " <i>Industry</i> ". | The industry's globalisation level is high and the trend is faster than the economy. The industry has a low level of exports, which means exports generate less than 5% of the industry's revenue. | The trends in this target market is steadily growing fuelled by the tourism industry and a boom in inner city realestate development. Queensland is the fastest growing state and in 2007-8 will posses a new museum of contempoaray art called |
| <b>Sales Prediction - <i>What I want to earn \$\$\$</i></b> | TM1: Web design & Invitations = \$7,388.00<br>TM2: Advertising and Promotion = \$6,284.00<br>TM3: Identity and Branding = \$2,003.40   | TM1: Web design & Invitations = \$0.00<br>TM2: Advertising and Promotion = \$1,571.00<br>TM3: Identity and Branding = \$1,335.60   | TM1: Web design & Invitations = \$0.00<br>TM2: Advertising and Promotion = \$0.00<br>TM3: Identity and Branding = \$0.00  |

#### 4.4 Customer Details

| Target Market 1               | Direct customers, sole traders in the Creative Industries  |
|-------------------------------|--|
| Demographic                   | <ul style="list-style-type: none"> <li>• F 30 – 50 age</li> <li>• Single/married/ defacto/divorced</li> <li>• 1-2 children</li> <li>• Good Health</li> <li>• Work Part-time</li> <li>• disposable income</li> <li>• Graduate/ Post-grad</li> <li>• Straight/bi/gay/ lesbian/trans</li> <li>• More likely to be female</li> <li>• Caucasian</li> <li>• Earning over 20,000 – 50,000 p.a.)</li> </ul>  |
| Geographic                    | <ul style="list-style-type: none"> <li>• Commute either by small car or public transport.</li> <li>• Live 20 to 30 mins outside of CBD.</li> <li>• 70% rent, 10% mortgage, 5% own house</li> </ul>   |
| Psychographic                 | <ul style="list-style-type: none"> <li>• Not religious but spiritual</li> <li>• Proud of their independent</li> <li>• Non-represented by a commercial art gallery</li> <li>• Usually Leftist, or environmentally aware</li> <li>• Art 1<sup>st</sup>, job 2<sup>nd</sup>, themselves 3<sup>rd</sup></li> <li>• Don't like technology or computers</li> <li>• Get frustrated easily with technology</li> <li>• Prefer not to learn new software but just make art with hands</li> <li>• Dis-organized</li> <li>• Ambitious, yet realistic about their professional career</li> <li>• Prefer to work with younger men.</li> <li>• Feel more at ease among men in a working environment.</li> </ul> |
| Buy Motives                   | <ul style="list-style-type: none"> <li>• Unskilled/uneducated in software</li> <li>• Affordable</li> <li>• Referred by colleague</li> <li>• Aware of my art practice</li> <li>• Researched my artist website</li> </ul>  |
| Buyer Decision Making Process | <ul style="list-style-type: none"> <li>• Based on quality of design</li> <li>• Based on high level of customer service</li> </ul>  |

|                 |   |
|-----------------|---|
| Target Market 2 | Direct Customers, businesses in Creative Industries |
|-----------------|---|

|                               |  |
|-------------------------------|--|
| Demographic                   | <ul style="list-style-type: none"> <li>• Aged between 27 and retiring age</li> <li>• Single, de-facto or have a family up to 3 children</li> <li>• Are a good mix of men to women</li> <li>• Earning over \$50,000 per year</li> <li>• Caucasian</li> <li>• Graduate / Post-graduate degree</li> <li>• High school educated</li> </ul>   |
| Geographic                    | <ul style="list-style-type: none"> <li>• Concentrated more heavily in Sydney than Melbourne (28%)</li> <li>• Located close to CBD or creative clusters</li> <li>• Either own apartment or have mortgage on house</li> </ul>  |
| Psychographic                 | <ul style="list-style-type: none"> <li>• Strategic in alliances both on geographic and personal level</li> <li>• Always interested in innovation</li> <li>• Want to work with studios or individuals who they can trust</li> <li>• Only work with sole traders / studios who are registered for GST and who have already established themselves</li> <li>• Highly competitive and ambitious</li> <li>• Keep a look out for the "New"</li> <li>• Interested in making lots of money</li> <li>• Charge and quote high fees because of perceived quality</li> </ul> |
| Buy Motives                   | <ul style="list-style-type: none"> <li>• Based on a tendering process</li> <li>• Must be innovative, catchy, risky - but depends on client</li> <li>• Interested in cohesive, conceptual strategies that re-inforce customer marketing wishes</li> </ul>   |
| Buyer Decision Making Process | <ul style="list-style-type: none"> <li>• Based on personality and image of design aesthetic</li> <li>• Based on qualifications</li> <li>• Based on quality exhibited on portfolio or online website</li> </ul>   |

|                        |  |
|------------------------|--|
| <b>Target Market 3</b> | <b>Museums, Arts Organizations and large companies</b>   |
| Demographic            | <ul style="list-style-type: none"> <li>• 286 museums in Victoria with a Approx Revenue of \$300 Million per annum.</li> <li>• Museums cater to all Age groups since they are government funded and subsidized.</li> <li>• A small army of individuals run these organizations, which including art administrators, art history students who are eventually employed to write and interpret artifacts, historians, researches, tour guides, cleaners, and security guards etc.</li> </ul> |
| Geographic             | <ul style="list-style-type: none"> <li>• Located mainly in Central Business of District or no less than 15 - 30 min outside CBD</li> <li>• Regionally, they are located where the highest density of people live.</li> </ul>   |
| Psychographic          | <ul style="list-style-type: none"> <li>• Geared towards developing education and self-awareness across all age groups of the community including an international audience.</li> </ul>   |

|                               |   |
|-------------------------------|---|
|                               | <ul style="list-style-type: none"> <li>• Interested in re-creating history through display and interface</li> <li>• Use the role of the Institution as a form of <i>Authority</i></li> <li>• Secretly make money off deaccessioning public works (i.e Art)</li> <li>• Obligated to use private donations from large corporate interests and in turn are influenced by these entities in what is eventually purchased and how history is re-created (eg gallery name is named after a corporate sponsor).</li> <li>• Must look as though they are appealing to all sectors of the community</li> </ul> |
| Buyer Motives                 | <ul style="list-style-type: none"> <li>• Only work with established designers or studios</li> <li>• Most design is performed in-house</li> <li>• Outsource design construction for exhibition design</li> <li>• Curator usually recommends designer to PR department</li> <li>• Based on quality and professional integrity</li> <li>• However, will outsource design work on a more risky, innovative level if it is for a young audience.</li> </ul>  |
| Buyer Decision Making Process | <ul style="list-style-type: none"> <li>• Based on quality of design</li> <li>• Based on high level of customer service</li> </ul>   |

## 4.5 Competitor Analysis

### 4.5.1 Major Competitors

- Creative clusters located in Dock Lands, Victoria, Melbourne
- Independent Graphic Design businesses that may be located in Victoria or Sydney
- Large companies that specialize in corporate advertising and web design



#### 4.5.2 Competitor SWOT Analysis

Give an overview of your Competitors' major Strengths & Weaknesses

|          |  | STRATEGIES  |
|----------|--|---|
| <b>S</b> | <ul style="list-style-type: none"> <li>• Far more capital at their disposal</li> <li>• Established market share</li> <li>• Understand their market</li> <li>• Provide professional quality designs</li> <li>• Experienced</li> </ul>             | <ul style="list-style-type: none"> <li>• Be strategic with advertising on web</li> <li>• Build upon established networks</li> <li>• Research changing trends in design</li> <li>• Create innovative designs</li> <li>• Build upon experience you have acquired</li> </ul>                         |
| <b>W</b> | <ul style="list-style-type: none"> <li>• Come from design background not art</li> <li>• Don't provide 3D services</li> <li>• Video and motion graphics departments don't exist</li> <li>• More concerned with print than moving image</li> </ul> | <ul style="list-style-type: none"> <li>• Emphasize this difference in design</li> <li>• Advertise this inadequacy</li> <li>• Emphasize this by promoting your services in this area of expertise</li> <li>• Capitalize on this by equally promoting both sides of this in your service</li> </ul> |

#### 4.5.3 Area of Differentiation/Market Niche

- Offer both graphic design and multi-media capabilities
- Direct customer service with unique service
- Free-lancing
- Low overheads
- 10 year experience in creative industry

#### 4.5.4 Positioning Implementation Plan

|   | Strategy  | Target Date         |
|---|---|---------------------|
| 1 | Develop web design and multi-media packages   | 30/06/06            |
| 2 | Monitor the web design packages offered by competitors and develop more competitive packages. This also includes graphic design packages. | Permanent           |
| 3 | Investigate the possibility of strategic alliances for Year 2/3. Rent an office in Year 3 in a creative cluster in the city.              | 30/06/08            |
| 4 | Survey the market continuously in order to determine the clients' needs in real time.   | Permanent           |
| 5 | Allocate at least 4 hours a week to e-commerce tutorials and marketing research.  | Weekly              |
| 6 | Once portfolio is completed target the main PR and advertising agencies in Victoria.  | Permanent<br>Year 1 |

## **4.6 Marketing Strategy**

My general Marketing Strategy will include the following actions:

1. I will aim to increase the number of services areas I offer from 4 to 5 in Year 2.
2. I will aim to extend my design business by including discounts through client to client recommendations of 10%.
3. I will aim to get clients from my competitors by providing special packages including bonus services for free.
4. I will aim to extend my design business to other states.
5. I will aim to extend my design business internationally by focusing on my networks in Los Angeles.

## **4.7 Marketing Mix**

### **4.7.1 Description of the product(s) / service(s) lifecycle**

#### **Introduction**

Although I plan to start having clients in the first month of June 06, I believe that there will be a slow start in the first quarter of my business in 2006. Therefore my startup costs might be high with small returns. There is no consumer awareness apart from the pre-existing networks. In this period of time there is a need to promote my business in the target markets.

#### **Growth**

The number of clients will increase following the introduction phase. Word of mouth will occur, and networking will start to work providing referrals to my business. The ratio between revenue and costs will improve because of increased sales. This growth phase will also see a consolidation process introduced in order to work less, but get paid at a higher rate. This process will gradually aim to target a niche market in the advertising industry in order to become more specialized.

#### **Maturity**

My business will be known in the markets, my reputation will increase, and there will be an increased number of clients. I do plan to have this phase for a long period of time.

#### **Decline**

Sales may decline because of new and better services offered by my competition. Now there is a strong need to come up with new products and services that will maintain my number of clients and will attract new clients from my competition

### **4.7.2 Pricing Strategy**

Show the actual \$ price of your product/service(s)

*Please see attached Pricing Appendix - Excel Document*

### **Description of Pricing Strategy & Pricing tactics**

#### **Competition based Pricing**

This method relates the price of the product/service to the prices charged by design competitors, which is the general market price (e.g. \$60 - \$100/hr).

#### **Perceived-value Pricing**

This price was determined by responses to the questionnaires for DVD promotional kits. It showed that the preferred or expected price to pay for a DVD promotional kit for an art practitioner was \$250/DVD.

#### **Psychological Pricing**

I will set my prices in numbers without decimals, i.e. \$249.99. These numbers will be better understood by clients. I will also verbally quote them the price before GST, rather than including the GST upfront in the conversation.

#### **Discount Pricing**

I will apply discounted or bonus pricing periods of time when my sales may go down. However, I will advertise them as Special Prices or Promotional Prices.

### **4.7.3 Place/Location**

Please see *Appendix E*

#### **Description of the location selected for your business.**

The business is located 8 km from the CBD and is on a main road, in an inner city suburb making it accessible for customers who may visit me directly from the city. It is a warehouse living and working space, and the overall ambiance of the warehouse reflects the small design and multi-media studio image.

- Warehouse, located on first floor Advantage of being able to live/ work from home.
- Has good natural light and the exit is marked.

- Stairs leading to premises have handrails.
- There are fire hoses and extinguishers centrally located on the premises.

*Distribution/sales channels*

- One on one, direct to customers
- Internet
- Yellow pages
- Promotional DVD kit
- Word of mouth

*Distribution/sales means*

- Customers will pick up from my office or hand delivered to place of residence.
- 3D models and Logos will be sent electronically over internet with hardcopy sent by mail or hand delivered.
- Websites will be uploaded to internet via my computer and maintained onsite.
- Invitations will be printed both onsite and offsite depending on quality (price

**4.7.4 Product/Service Mix**

## Product/service marketing features

| Target Market   | Actual Product/Service Features  | Core/Benefits  | Augmented  |
|---|--|--|--|
| <b>Target market 1</b><br>Direct customers, sole traders in creative industries                 | <ul style="list-style-type: none"> <li>• Artist website</li> <li>• Business cards</li> <li>• Invitations (wedding, art exhibition, baby showers, look books for fashion...)</li> <li>• DVD show reel</li> <li>• 3D model design</li> <li>• Branding</li> <li>• Search Engine Optimization</li> </ul> | <ul style="list-style-type: none"> <li>• not corporate looking, looks unique to their art practice</li> <li>• Affordable design</li> <li>• Uniquely designed</li> <li>• Specifically designed to meet artistic practice</li> <li>• Unique and affordable</li> <li>• Professional design</li> <li>• High ranking on Google search engine</li> </ul> | <ul style="list-style-type: none"> <li>• 1 month free site maintenance for first year of business plus front extra html page.</li> <li>• Back/front designed</li> <li>• Bonus logo advice and environmentally friendly paper</li> <li>• Includes motion graphics and 3D effects</li> <li>• 10% discount on business cards</li> <li>• 10% discount Yr:1</li> <li>• Included for free in year 1 of web design</li> </ul> |
| <b>Target Market 2</b><br>Direct customers, businesses and companies in the Creative Industries | <ul style="list-style-type: none"> <li>• Logo</li> <li>• 3D model design</li> <li>• Website</li> <li>• Business cards</li> </ul>   | <ul style="list-style-type: none"> <li>• Affordable and strategically designed</li> <li>• Uniquely designed</li> <li>• Unique creative design</li> <li>• Affordable design</li> </ul>  | <ul style="list-style-type: none"> <li>• Excellent customer service</li> <li>• 10% discount on business cards</li> <li>• 1 month free site maintenance for first year of my business</li> <li>• Back/front designed</li> </ul>   |
| <b>Target market 3</b><br>Museums, Arts organizations and corporations                          | <ul style="list-style-type: none"> <li>• Branding</li> <li>• 3D model</li> <li>• Website</li> </ul>  | <ul style="list-style-type: none"> <li>• Enhanced product and corporate image</li> <li>• Highly realistic</li> </ul>   | <ul style="list-style-type: none"> <li>• Excellent customer service</li> <li>• Extra design model</li> <li>• 1 month free site</li> </ul>  |

|     |  |              |   |
|-----|--|--------------|---|
|     |  | • E-commerce | maintenance for first year of my business |
| etc |  |              |   |

**Product/Service Mix: Year 1**

| Product/Service        | Price                  |
|------------------------|------------------------|
| Web design             | <b>\$5691 (25.57%)</b> |
| Advertising & Identity | <b>\$6064 (29.38%)</b> |
| Invitations            | <b>\$1691 (8.19%)</b>  |
| Promotion              | <b>\$5130 (24.85%)</b> |
| <b>Total</b>           | <b>\$20640</b>         |

**Product/Service Mix: Year 2**

| Product/Service        | Price                  |
|------------------------|------------------------|
| Web design             | <b>\$4966 (19.1%)</b>  |
| Advertising & Identity | <b>\$4903 (18.7%)</b>  |
| Invitations            | <b>\$1105 (0.042%)</b> |
| Promotion              | <b>\$12867 (49.1%)</b> |
| <b>Total</b>           | <b>\$26224</b>         |

#### 4.7.5 Promotion And Advertising

**Image**

- Slightly mysterious (make them wonder)
- Professional manner and courteous
- Personal appearance - don't wear business suits, but dress slick, cool and artistic
- Contemporary and Abstract - Reductive crisp clean lines means perfection
- Cutting Edge & Innovative
- Corporate but don't look too conservative or boring
- Business cards use gold or silver metallic card signifying elegance, quality and expensive service (make sure you have three diff types, white, silver, gold)

**Methods of Promotion**

1) **Direct Contact**

This is one of the most effective strategies for building up the business. This means that I will talk to prospective customers at gallery openings, organized business lunches and breakfasts, art festival openings and gallery board meetings and tell them who I am and what I do. I will give them a business card and tell them about past work and my business website.

This will also include sending them brief information about my new business with any special offers followed by a phone call.

From direct contact I already have 3 responses for graphic design and multi-media work. 1 email for freelance graphic design work, 1 email for developing an artist website and 1 letter from a peer who I have market tested a promotional DVD.

*Cost: Free*

## 2) **Create a database**

Compile a list of potential Target Market 1 Customers. Compiled and added from past exhibition history, NEIS training and overseas contacts in the Los Angeles art scene.

*Cost: Free*

## 3) **Referrals**

This is another important source for acquiring business. It represents a recommendation of my business service by a third party who usually has no vested interest. I will provide an incentive for such referrals. For example, for each recommended new client who needs either graphic design or multi-media work I will give the referee a 10% discount on any of the services provided by the business.

*Cost: 10% discount*

## 4) **Entry into Competitions**

In year 2, I will produce design or multi-media work to be entered into competitions and awards to raise my profile as a designer maker.

*Cost: Free*

## 5) **Business Cards**

The business cards and stationary letterheads have already been designed that will be sent out to small businesses and clients that I wish to work with or who I think would be interested in hiring my services. These will accompany the DVD promotional kit.

*Cost - \$70.00*

## 6) **Networking**

Networking implies systematically building (maintaining) a network of contacts that will generate clients, leads, prospects or other opportunities to build my business.

I will start attending professional networking events organized by Professional Associations including Australian Graphic Design Association (AGDA), Lab3000 and any exhibitions they may offer. This will also include attending any events organized by National gallery of Victoria International (NGVI), The Ian Potter Centre (NGV), Australian Centre for Contemporary Arts (ACCA), Multimedia Victoria, Gertrude Space, and any of the Artist run spaces throughout Melbourne.

*Cost - Free events*

7) **Testimonials**

Testimonials will be a powerful and effective tool in my promotion strategy. They will be included in all of my promotional material.

From the beginning of my business I will ask for testimonials from every satisfied customer.

*Cost - Free*

8) **Writing**

Writing letters, articles and newsletters is another effective promotional strategy for my business. In this way I establish more credibility, and I'll be able to educate a large number of potential clients.

*Cost - \$100.00*

9) **Website**

I'll build a website that will act as a virtual exhibition space that will showcase a 1-3min show reel of past video work as well as build an interactive menu that will give examples and offers of present and upcoming projects, testimonials and before and after examples of branding work. It is also that I make sure that the website is ranked highly on Google, Yahoo, and MSN search engines. This will be achieved through past experience using Search Engine Optimization techniques that have been developed in the past year.

*Cost - \$6.00p/m (web hosting)*

10) **Advertising Website Link**

The website will be advertised every 3 times a year on a popular art blogging site that has a high traffic rate among the Australian art scene. It will also be advertised on the National Association for Visual Art website.

*Cost - \$70.00 (3 times a year which will be hosted for a 1 month each time on site)*

11) **DVD Promotional Kit - show reel**

A DVD will document past design work which will range from web design, music clips, business cards, logo and branding design into a 30 second advertisement.

*Cost - \$5 per DVD promotional Kit (20 units): \$100.00*

**Strategies For Keeping Up With Trends:**

- The main strategy I have used with keeping up with marketing trends within the Art and Design market is to use the opening and closing dates of grant applications



offered by the *Australia Council*. I am also looking at various timetables for festivals and events that would need promotion or graphic design work. I am using these dates as a rough guide for keeping up with trends that will affect all of my Target markets each year.

|               | ITEM   | STRATEGY  |
|---------------|--|---|
| <i>June06</i> | <p><b><u>AUSTRALIAN COUNCIL GRANT APPLICATIONS (OPENING/CLOSING)</u></b></p> <p><b><u>MUSIC</u></b></p> <p><b>NEW WORK</b><br/>01 JUN, 06, OPEN</p> <p><b>SKILLS &amp; ARTS DEVELOPMENT</b><br/>01 JUN, 06, OPEN</p> <p><b>PRESENTATION &amp; PROMOTION</b><br/>01 JUN, 06, OPEN</p> <p><b>PROJECT FELLOWSHIPS</b><br/>01 JUN, 06 OPEN</p> <p><b>RESIDENCY</b><br/>01 JUN, 06 OPEN</p> <p><b>FELLOWSHIPS</b><br/>01 JUN, 06 OPEN</p> <p><b>INTERNATIONAL PROGRAM</b><br/>30 JUN, 06 OPEN</p> <p><b>AWARD</b><br/>01 JUN, 06 OPEN</p> <p><b><u>VISUAL ARTS</u></b></p> <p><b>NEW WORK</b><br/>01 JUN, 06, OPEN - 15 APRIL, 06<br/>CLOSED</p> <p><b>MID YEAR SALES</b><br/><b>TAX TIME</b></p> <p><b><u>THEATRE</u></b></p> <p><b>NEW WORK</b><br/>01 JUN, 06, OPEN</p> <p><b>SKILLS &amp; ARTS DEVELOPMENT</b><br/>01 JUN, 06, OPEN</p> <p><b>PROJECT FELLOWSHIPS</b><br/>01 JUN, 06 OPEN</p> <p><b>RESIDENCY</b><br/>01 JUN, 06 OPEN</p> <p><b>KEY ORGANIZATIONS</b><br/><b>TRIENNIAL</b><br/>01 JUN, 06 OPEN</p> <p><b>SCHOOL HOLIDAYS</b><br/><b>END OF FINANCIAL YEAR</b></p> | <p><b><u>BUSINESS START UP</u></b></p> <ul style="list-style-type: none"> <li>• Build Interactive Website for business - <i>Post Studio Arts</i></li> <li>• Alpha testing of website</li> <li>• Beta testing of website</li> <li>• Upload website to server</li> <li>• Edit 1-3min show reel for site</li> <li>• Data base presentation and Updates</li> <li>• <i>Cold Calling Weekly</i></li> <li>• Promotion Research</li> <li>• Prepare printed promotion: brochures and letters</li> <li>• <i>Print promotion materials</i></li> <li>• Prepare and Edit DVD business show reel for prospective clients</li> <li>• Alpha test DVD</li> <li>• Collate Q.A. information</li> <li>• Re-design DVD</li> <li>• Burn DVD's</li> <li>• Beta Test DVD's</li> <li>• <i>Send DVD to 20 business</i></li> </ul> |

|                      |  |   |
|----------------------|--|---|
| <p><i>July06</i></p> | <p><b><u>AUSTRALIAN COUNCIL GRANT APPLICATIONS (OPENING/CLOSING)</u></b></p> <p><b><u>ABORIGINAL &amp; TORRES STRAIT ISLANDERS ARTS - ATSLA</u></b></p> <p>NEW WORK<br/>15 JUL, 06, OPEN<br/>SKILLS &amp; ARTS DEVELOPMENT<br/>15 JUL, 06, OPEN<br/>PRESENTATION &amp; PROMOTION<br/>15 JUL, 06, OPEN<br/>FELLOWSHIPS<br/>15 JUL, 06, OPEN<br/>RED OCHRE AWARD<br/>15 JUL, 06, OPEN</p> <p>FILM FESTIVALS - SYDNEY<br/>START OF FINANCIAL YEAR<br/>WINTER COLD<br/>DECORATION + DESIGN -<br/>VICTORIA CONFERENCE</p> | <ul style="list-style-type: none"> <li>• <i>Advertise on artblogging website</i></li> <li>• Data Base Preparation and Updates</li> <li>• <i>Cold Calling Weekly</i></li> <li>• Client survey Monthly</li> <li>• Check Competition</li> <li>• Review market SWOT</li> <li>• Review Procedures</li> <li>• Promotion research</li> <li>• Prepare printed promotion: brochures and letters</li> <li>• <i>Print promotional materials</i></li> <li>• WEB site maintenance</li> <li>• E-commerce skills tutorials</li> <li>• Networking events - attendance</li> </ul> <p>Renew any memberships</p> |
| <p><i>Aug06</i></p>  | <p><b><u>AUSTRALIAN COUNCIL GRANT APPLICATIONS (OPENING/CLOSING)</u></b></p> <p><b><u>VISUAL ARTS</u></b></p> <p>SKILLS &amp; ARTS DEVELOPMENT<br/>01 AUG, 06 OPEN</p> <p>GARDEN SHOW</p> <p>MELBOURNE FILM FESTIVAL</p>   | <ul style="list-style-type: none"> <li>• Data Base Preparation and Updates</li> <li>• <i>Cold Calling Weekly</i></li> <li>• Client survey Monthly</li> <li>• Check Competition</li> <li>• Review market SWOT</li> <li>• Review Procedures</li> <li>• Promotion research</li> <li>• Prepare printed promotion: brochures and letters</li> <li>• <i>Print promotional materials</i></li> <li>• WEB site maintenance</li> <li>• E-commerce skills tutorials</li> <li>• Networking events - attendance</li> </ul> <p>Renew any memberships</p>  |
| <p><i>Sept06</i></p> | <p><b><u>AUSTRALIAN COUNCIL GRANT APPLICATIONS</u></b></p>   |   |

|       |   |  |
|-------|---|--|
|       | <p><b><u>(OPENING/CLOSING)</u></b></p> <p><b><u>MUSIC</u></b></p> <p><b>INTERNATIONAL PROGRAM</b><br/>01 SEP, 06 OPEN</p> <p><b>GRAND FINAL</b><br/><b>FRINGE FESTIVAL</b><br/><b>MELBOURNE SHOW</b><br/><b>SPRING FASHION</b></p>  | <ul style="list-style-type: none"> <li>• <i>Advertise on artblogging website</i></li> <li>• Data Base Preparation and Updates</li> <li>• <i>Cold Calling Weekly</i></li> <li>• Client survey Monthly</li> <li>• Check Competition</li> <li>• Review market SWOT</li> <li>• Review Procedures</li> <li>• Promotion research</li> <li>• Prepare printed promotion:<br/>brochures and letters</li> <li>• <i>Print promotional materials</i></li> <li>• WEB site maintenance</li> <li>• E-commerce skills tutorials</li> <li>• Networking events - attendance</li> </ul> <p>Renew any memberships</p> <ul style="list-style-type: none"> <li>• <i>Send DVD to 20 business</i></li> </ul> |
| Oct06 | <p><b><u>AUSTRALIAN COUNCIL GRANT</u></b><br/><b><u>APPLICATIONS</u></b><br/><b><u>(OPENING/CLOSING)</u></b></p> <p><b><u>NEW MEDIA ARTS</u></b></p> <p><b>HYBRID ART: RESIDENCY</b><br/>15 OCT, 06 OPEN - 01 NOV, 07<br/>CLOSED</p> <p><b>SPRING CARNIVAL</b><br/><b>INTERNATIONAL ARTS</b><br/><b>FESTIVAL</b><br/><b>ELECTRONIC FRINGE FESTIVAL</b><br/><b>FASHION WEEK</b><br/><b>XMAS PREPARATIONS</b></p> | <ul style="list-style-type: none"> <li>• Data Base Preparation and Updates</li> <li>• <i>Cold Calling Weekly</i></li> <li>• Client survey Monthly</li> <li>• Check Competition</li> <li>• Review market SWOT</li> <li>• Review Procedures</li> <li>• Promotion research</li> <li>• Prepare printed promotion:<br/>brochures and letters</li> <li>• <i>Print promotional materials</i></li> <li>• WEB site maintenance</li> <li>• E-commerce skills tutorials</li> </ul>  |

|              |  |   |
|--------------|--|---|
| <p>Nov06</p> | <p><b><u>AUSTRALIAN COUNCIL GRANT APPLICATIONS (OPENING/CLOSING)</u></b></p> <p><b><u>MUSIC</u></b></p> <p><b>NEW WORK</b><br/>15 NOV, 06 OPEN</p> <p><b>SKILLS &amp; ARTS DEVELOPMENT</b><br/>15 NOV, 06 OPEN</p> <p><b>PRESENTATION &amp; PROMOTION</b><br/>15 NOV, 06 OPEN</p> <p><b><u>THEATRE</u></b></p> <p><b>NEW WORK</b><br/>15 NOV, 06 OPEN</p> <p><b>SKILLS &amp; ARTS DEVELOPMENT</b><br/>15 NOV, 06 OPEN</p> <p><b>FELLOWSHIPS</b><br/>15 NOV, 06 OPEN</p> <p><b><u>MAJOR PERFORMING ARTS</u></b></p> <p><b>PARTNERSHIPS</b><br/>15 NOV OPEN 01 JUN, 05 CLOSED</p> <p><b><u>ABORIGINAL &amp; TORRES STRAIT ISLANDERS ARTS - ATSIA</u></b></p> <p><b>NEW WORK</b><br/>15 NOV, 06 OPEN</p> <p><b>SKILLS &amp; ARTS DEVELOPMENT</b><br/>15 NOV, 06 OPEN</p> <p><b>PRESENTATION &amp; PROMOTION</b><br/>15 NOV, 06 OPEN</p> <p><b>FELLOWSHIPS</b><br/>15 NOV, 06 OPEN</p> <p><b>RED OCHRE AWARD</b><br/>15 NOV, 06 OPEN</p> <p><b>MELBOURNE CUP<br/>SPRING RACING<br/>XMAS PREPARATIONS</b></p> <p><b><u>DANCE</u></b></p> <p><b>NEW WORK</b><br/>01 NOV, 06 OPEN</p> <p><b>SKILLS &amp; ARTS DEVELOPMENT</b><br/>01 NOV, 06 OPEN</p> <p><b>FELLOWSHIPS</b><br/>01 NOV, 06 OPEN</p> | <ul style="list-style-type: none"> <li>• <i>Advertise on artblogging website</i></li> <li>• Data Base Preparation and Updates</li> <li>• <i>Cold Calling Weekly</i></li> <li>• Client survey Monthly</li> <li>• Check Competition</li> <li>• Review market SWOT</li> <li>• Review Procedures</li> <li>• Promotion research</li> <li>• Prepare printed promotion: brochures and letters</li> <li>• <i>Print promotional materials</i></li> <li>• WEB site maintenance</li> <li>• E-commerce skills tutorials</li> <li>• Make sure not to exceed your limits</li> <li>• Sub-contract out work if feel that the business is ready to do this</li> <li>• Re-design DVD promotional kits and add any new jobs to existing promotional 1-3min edit</li> </ul> |
|--------------|--|---|

|              |   |  |
|--------------|---|--|
| <i>Dec06</i> | <p><b><u>AUSTRALIAN COUNCIL GRANT APPLICATIONS (OPENING/CLOSING)</u></b></p> <p><b><u>THEATRE</u></b></p> <p>INIATIVES<br/>31 DEC, OPEN</p> <p>CHRISTMAS<br/>SCHOOLIES WEEK</p> <p>PARTY SEASON<br/>HANUKAH</p>   | <ul style="list-style-type: none"> <li>• Research St.Kilda Festival local grants - Local councils (Port Philip)</li> <li>• Review market SWOT</li> <li>• Review Procedures</li> <li>• Promotion research</li> <li>• Prepare printed promotion: brochures and letters</li> <li>• WEB site maintenance</li> <li>• E-commerce skills tutorials</li> </ul>   |
| <i>Jan07</i> | <p><b>HOLIDAYS - SCHOOLS &amp; UNIVERSITIES</b></p> <p><b>FALLS FEST</b></p> <p><b>BIG DAY OUT</b></p> <p><b>AUSTRALIAN OPEN</b></p> <p><b>PUBLIC HOLIDAYS</b></p> <p><b>MUSIC FESTIVALS</b></p> <p><b>SUMMER</b></p> <p><b>MEDIA INDUSTRY CLOSED</b></p> | <ul style="list-style-type: none"> <li>• Data Base Preparation and Updates</li> <li>• Cold Calling Weekly</li> <li>• Client survey Monthly</li> <li>• Check Competition</li> <li>• Review market SWOT</li> <li>• Review Procedures</li> <li>• Promotion research</li> <li>• Prepare printed promotion: brochures and letters</li> <li>• Print promotional materials</li> <li>• WEB site maintenance</li> <li>• E-commerce skills review</li> </ul> |
| <i>Feb07</i> | <b>HOLIDAYS - UNIVERSITIES</b>  |  |

|         |  |  |
|---------|--|--|
|         | <p>SCHOOLS START BACK<br/>ST KILDA FESTIVAL<br/>VALENTINES DAY<br/>HOT<br/>BACK TO WORK<br/>CHEAPER AIR TRAVEL</p>   | <ul style="list-style-type: none"> <li>• Data Base Preparation and Updates</li> <li>• Cold Calling Weekly</li> <li>• Client survey Monthly</li> <li>• Check Competition</li> <li>• Review market SWOT</li> <li>• Review Procedures</li> <li>• Promotion research</li> <li>• Prepare printed promotion: brochures and letters</li> <li>• Print promotional materials</li> <li>• WEB site maintenance</li> <li>• E-commerce skills review</li> <li>• Networking events - attendance</li> <li>• Renew any memberships</li> </ul>  |
| Mar07   | <p><u>AUSTRALIAN COUNCIL GRANT APPLICATIONS (OPENING/CLOSING)</u></p> <p><u>DANCE</u></p> <p>INIATIVE - TAKE YOUR PARTNER<br/>24 MAR, 06</p> <p><b>Universities Back</b></p> | <ul style="list-style-type: none"> <li>• Data Base Preparation and Updates</li> <li>• Cold Calling Weekly</li> <li>• Client survey Monthly</li> <li>• Check Competition</li> <li>• Review market SWOT</li> <li>• Review Procedures</li> <li>• Promotion research</li> <li>• Prepare printed promotion: brochures and letters</li> <li>• Print promotional materials</li> <li>• WEB site maintenance</li> <li>• E-commerce skills review</li> <li>• Networking events - attendance</li> <li>• Renew any memberships</li> <li>• <i>Advertise on artblogging website</i></li> </ul> |
| April06 | <p><u>AUSTRALIAN COUNCIL GRANT APPLICATIONS</u></p>  |  |

|       |   |   |
|-------|---|---|
|       | <p><b><u>(OPENING/CLOSING)</u></b></p> <p><b><u>COMMUNITY &amp; CULTURAL DEVELOPMENT</u></b></p> <p><b>NEW WORK</b><br/>15 APR, 06 OPEN</p> <p><b>SKILLS &amp; ARTS DEVELOPMENT</b><br/>15 APR, 06 - CLOSING 01 AUG, 06</p> <p><b>PRESENTATION &amp; PROMOTION</b><br/>01 AUG, 06 OPEN</p> <p><b>FELLOWSHIPS</b><br/>15 APR, 06</p> <p><b>RESIDENCY</b><br/>15 APR, 06 - CLOSING 01 AUG, 06</p> <p><b>AWARD - YOUNG LEADERS</b><br/>01 APR, 06</p> <p><b>AWARD - ROS BOWER AWARD</b><br/>01 APR, 06</p> | <ul style="list-style-type: none"> <li>• Cold Calling Weekly</li> <li>• Data Base Preparation and Updates</li> <li>• Client survey Monthly</li> <li>• Check Competition</li> <li>• Review market SWOT</li> <li>• Review Procedures</li> <li>• Promotion research</li> <li>• Prepare printed promotion: brochures and letters</li> <li>• <b><i>Print promotional materials</i></b></li> <li>• WEB site maintenance</li> <li>• E-commerce skills review</li> <li>• Networking events - attendance</li> <li>• Renew any memberships</li> </ul> |
| May06 | <p><b><u>AUSTRALIAN COUNCIL GRANT APPLICATIONS</u></b><br/><b><u>(OPENING/CLOSING)</u></b></p> <p><b><u>THEATRE</u></b></p> <p><b>INITIATIVES</b><br/>31 MAY, OPEN</p> <p><b><u>DANCE</u></b></p> <p><b>NEW WORK</b><br/>15 MAY, 06, OPEN</p> <p><b>SKILLS &amp; ARTS DEVELOPMENT</b><br/>15 MAY, 06, OPEN</p> <p><b><u>NEW MEDIA ARTS</u></b></p> <p><b>HYBRIDART: PROGRAM</b><br/>01 MAY, 06 OPEN</p> <p><b>HYBRIDART: FELLOWSHIP</b><br/>01 MAY, 06 OPEN</p>   | <ul style="list-style-type: none"> <li>• Data Base Preparation and Updates</li> <li>• Cold Calling Weekly</li> <li>• Client survey Monthly</li> <li>• Check Competition</li> <li>• Review market SWOT</li> <li>• Review Procedures</li> <li>• Promotion research</li> <li>• Prepare printed promotion: brochures and letters</li> <li>• <b><i>Print promotional materials</i></b></li> <li>• WEB site maintenance</li> <li>• E-commerce skills review</li> <li>• Networking events - attendance</li> <li>• Renew any memberships</li> </ul> |

**Explain how you will incorporate the product/service features and benefits in your promotional / advertising activities.**

- Promotional DVD kit advertising benefits from variety of services offered - 3min advertisement or 30 second past market testing promo's
- Testimonials from existing clients
- Promotional brochure insert with DVD
- Appeal to all clients needs and senses

## Specialist Sources of Advice

- Arts law
- IP Australia

## Legal Aspects of Advertising

According to the Small Business and the Trade Practices Act the following must be avoided:

| <b>Provision of the Trade Practices Act</b>                           | <b>How I manage this?</b>   |
|---|---|
| Misleading representation in advertising and product decryption       | Use only factual representations  |
| Advertise price - not genuine. Be very clear with this type of design | State how the reduced prices or bonuses are calculated (selling prices, discounts, competitor's prices)       |
| Bait advertising  | Do not use bait advertising. Any service I advertise will be available to my clients at the advertised price. |
| Comparative advertising   | Compare only like with like   |
| Fine print qualifications   | The qualifying statements are clear and prominent so my clients know what the real offer is.                  |

## Samples Of Promotional Materials

Please see *Appendix F*.

*Appendix F* includes Letterhead and business cards.



## **4.8 Customer Service/Customer Relations Policy**

### **4.8.1 Customer Service Areas**

- Contactable by phone, personal email and website email
- Follow up calls after service has ended to find out Q.A.
- One-to-one collaborative process

### **4.8.2 Customer Service Provision**

- Confirm appointment a day in advance of the next appointment
- Follow up phone calls and emails
- Client feedback surveys

### **4.8.3 Customer Payment Provision: Terms of Payment**

For any design or multi-media work the payment will be made fortnightly based on my invoice or as agreed in the contract.

#### **Methods of payment accepted e.g. EFTPOS, credit card etc**

The methods of payment will include: direct payment in my account electronically, cash, money order or bank cheque.

#### **Warranties**

There are no warranties for the design or multi-media services I provide the customer. The only warranties I give are based on my honesty and integrity for finishing the job on time and in good faith.

#### **Follow-up**

I always call my clients after the job is finished to check if they need any support or any website maintenance, or to supply other helping materials by e-mail or mail.

#### **Refunds/Returns**

There are no refunds for the services I provide. This is written into the contract. The clients sign up and agree with this clause before my service start.

### **4.8.4 Customer Complaints**

I encourage my clients to complain to me during or at the end of the completed design work so that I can take immediate action in order to satisfy their needs.

## **5 LEGAL ASPECTS**

### **5.1 Structure**

#### **Business Name Registration And Number**

Form 2  
No. B1823368C  
Christopher Howlett Enterprise (17<sup>th</sup> March 2005)

#### **Business Structure**

Sole Trader

#### **Rationale For Business Structure**

My chosen business structure is Sole Trader. I prefer to work on my own and without having any employees. This suits me because there is less compliance. There are no compliance costs except the day to day running costs associated with the business. It is also easy to establish and maintain on this level. With this business structure there is only one tax file number that is already in place under my name.

The compliance process for the sole trade includes the establishment, registration of an ABN number, GST number and a separate banking account under that registered business name.

A sole trader carries on business in his/her own right, as a proprietor either in his/her name or under a business name. The Legal Requirements are subject to general laws requirements such as contract law of torts, the trade practices act, etc. The risk is very high. The owner may lose all his/her personal assets in certain situations.

The sole trader owns the assets and is responsible for the liabilities of the business. Liability is unlimited and will extend to the personal assets including his/her share of these assets jointly owned with another person. The owner is personally liable for torts, breaches of contracts and debts of the business. If he/she dies the business dies with them unless there is a partner involved who can carry on the business.

## 5.2 Insurances

Please see insurance quotations in *Appendix I*.

a) ABBI Business@Home Insurance Quotation

## 5.3 Government Regulations/Licenses

There are no government regulations and licenses for my business.

## 5.4 Contracts

Please see **Appendix I** for design briefs

## 6 FINANCIAL PLAN

### 6.1 Statement of Personal & Financial Position

#### 6.1.1 Income & Expenditure

See Appendix N

*See Appendix N*

Total income: \$890.00 per/fortnight

Total monthly commitments: \$810.00 per/month

Surplus: \$80.00 per/month

#### 6.1.2 Assets & Liabilities

See Appendix O

*See Appendix O*

Total Assets: \$2,600.00

Total Liabilities: \$0.00

### 6.2 Value of Business Assets Currently Owned

| ITEM                              | \$             |
|-----------------------------------|----------------|
| Computer Mac + PC                 | 1500           |
| Printer/Copier/Scanner All in One | 200            |
| Audio Speakers                    | 300            |
| Furniture                         | 100            |
| Superannuation                    | 100            |
| Cash at Bank                      | 200            |
|                                   |                |
|                                   |                |
| <b>TOTAL</b>                      | <b>2400.00</b> |

### 6.3 Resource Requirements

#### 6.3.1 List Of Equipment, Fittings And Tools Required.

| ITEM                            | \$        | Date * |
|---------------------------------|-----------|--------|
| Tools of the trade              |           |        |
| Office Furniture & Equipment -: |           |        |
| - Desks                         |           |        |
| - Chairs                        |           |        |
| - Computers                     |           |        |
| - Fax, telephone                |           |        |
| Motor Vehicle/s                 |           |        |
| Plant & Equipment               |           |        |
| Fixtures & Fittings             |           |        |
| - Counters                      |           |        |
| - Racks, shelving               |           |        |
| - Storage                       |           |        |
| <b>TOTAL</b>                    | <b>\$</b> |        |

#### 6.3.2 Start Up Expense Items For Business Operations

| ITEM                       | \$               | Date *          |
|----------------------------|------------------|-----------------|
| Business Name Registration |                  |                 |
| Insurance                  | \$57.00          | 30/06/06        |
| Initial Stock              |                  |                 |
| Licenses & Permits         |                  |                 |
| Advertising & Promotion    | \$100.00         | 30/06/06        |
| Printing & Stationary      |                  |                 |
| Lease/bond                 | \$185.00         | 30/06/06        |
| <b>TOTAL</b>               | <b>\$ 342.00</b> | <b>30/06/06</b> |

\* **Note** - Highlight items where purchase/payment may be delayed until a later time  
- Show in Cash flow

## 6.4 Business Start Up Costs

### Capital (Equipment)

| ITEM                         | \$        | Date * |
|------------------------------|-----------|--------|
| Tools of Trade               | 0         |        |
| Office Furniture & Equipment | 0         |        |
| Motor vehicle/s              | 0         |        |
| Licenses & Permits           | 0         |        |
| Fixtures & fittings          | 0         |        |
| <b>TOTAL</b>                 | <b>\$</b> |        |

### Initial (Expenses)

| ITEM                       | \$              | Date *        |
|----------------------------|-----------------|---------------|
| Business Name registration | 0               | Paid already  |
| Insurance                  | 57.00           | 01/06/06      |
| Initial stock              | 0               |               |
| Licenses & Permits         | 0               |               |
| Advertising & Promotion    | 182.00          | 30/06/06      |
| Printing & Stationary      | 0               |               |
| Lease/Bond                 | 185.00          | 20/06/06      |
| <b>TOTAL</b>               | <b>\$424.00</b> | <b>424.00</b> |

### Shortfalls of Cash

| ITEM                             | \$              | Date *    |
|----------------------------------|-----------------|-----------|
| Accounting                       | 130.00          | 01/07/06  |
| Insurance                        |                 |           |
| Initial stock                    |                 |           |
| Licenses & Permits               |                 |           |
| Advertising & Promotion          |                 |           |
| Printing & Stationary            |                 |           |
| Lease/Bond                       |                 |           |
| Bank Charges                     | 6.25            | Per/month |
| Furniture & Equipment            |                 |           |
| Interest                         |                 |           |
| Legal costs                      |                 |           |
| Light & Power                    |                 |           |
| Transport                        | 13.30           | Per/month |
| Printing, stationary and postage |                 |           |
| Professional development         |                 |           |
| Consumables                      |                 |           |
| Rates                            |                 |           |
| Salaries & Wages                 |                 |           |
| Superannuation                   |                 |           |
| Telephone                        | 35.00           | Per/month |
| Work cover                       |                 |           |
| <b>TOTAL</b>                     | <b>\$184.55</b> |           |

**TOTAL \$ 184.55.**

## 6.5 Sources Of Finance

My source of finance will come from my Queensland Teachers Credit Union overdraft savings account and any revenue made from market testing my new business in the period before I start on 01/06/06. I have already registered for GST and it will take affect on 1st May as well as securing a business account at Westpac Bank under my business name - *Christopher Howlett Enterprise*.

## 6.6 Pricing Policy & Rationale

APPENDIX M, pg.4

### 6.6.1 Calculation Of An Hourly Rate For A Service Provider:

|   |   |                        |
|---|---|------------------------|
| Total Income per year (first year)            | = | \$18,582.00            |
| Total Number days /year                       | = | 365 days               |
| Number of non-working days                    | = | 131 days               |
| <b><u>Number of Working Days per year</u></b> | = | <b><u>234 days</u></b> |

**Total non-chargeable hours:** = **468 hours**  
**(2hrs per day unpaid work)** (for research, admin, marketing, promotion and self-education)

#### Calculation

Number of working days = 234 days / year

Number of hours = 234 x 8 = 1872 hours / year

Less non-chargeable hours = 1872 - 468 = 1404 available hours to charge work

**Hourly rate is:** \$18,582.00 / year : 1404 hours = **\$13.24 / hour** minimum charge, if working a number of 1404 chargeable hours per year.

*Please Note:* This equation is an unrealistic pricing guideline for the Multi-media Graphic Design Industry that I am working within. As a service provider in this industry I will charge a minimum of **\$66.00 per/hour** for any future freelance design work. This service hourly rate is what I used to calculate my Cash flows in Year 1. In Year 2 this rate increased by 8% to **\$75.00 per/hour**. Usually for design work you do not charge per/hour, but by project. This is how I calculated Year 1 & 2 pricing structures.

### 6.6.2 Calculation Of A Mark Up For A Retailer:

Not applicable for my business.

### 6.6.3 Calculation Of A Sale Price For A Manufacturer

Not applicable for my business.

## 6.7 Sales/Fees Projections

In the first year of activity I suggest that the maximum number of chargeable days per year would be about 51 days. The total projected revenue \$18,582.00. Therefore, to obtain the revenue of minimum of \$18,582.00/year I need to charge \$364.00/day.

## 6.8 Cash Flows

### 6.8.1 Cashflow Statements

| <b>PROJECTED CASH FLOWS</b>    | <b>YEAR 1<br/>See Appendix</b> | <b>YEAR 2<br/>See Appendix</b> |
|--------------------------------|--------------------------------|--------------------------------|
| Total Receipts                 | \$20,640.00                    | \$27,983.00                    |
| Cost of Goods Sold             | \$0.00                         | \$0.00                         |
| Total Payments                 | \$6,554.00                     | \$18,028.00                    |
| Total (Receipts less Payments) | \$14,086.00                    | \$9,955.00                     |
| Estimated Tax Savings          | \$1,647.00                     | \$3,724.00                     |
| Opening Bank Balance           | \$200.00                       | \$12,439.00                    |
| Closing Bank Balance           | \$12,439.00                    | \$18,669.00                    |

### 6.8.2 Explanatory Notes For Cashflow Statements

In the first year of my projected cash flows the business gained more work in TM1 creating websites for sole traders and occasionally creating Logos, Invitations and DVD's for small businesses. In year 2, the business obtained less work, but earned more for the services charged. This was attributed to an 8% increase in the services charged and that the business focussed more on the Promotional service department of *Post-studioARTS* since this guaranteed more revenue in a shorter period of time.

## 6.9 Profit And Loss

### 6.9.1 Profit & Loss Statements

### Appendix V

| <b>BUDGETED PROFIT &amp; LOSS</b> | <b>YEAR 1</b> | <b>YEAR 2</b> |
|-----------------------------------|---------------|---------------|
| Total Receipts                    | \$18,582.00   | \$25,439.00   |
| Cost of Goods Sold                | \$0.00        | \$0.00        |
| Total Expenses                    | \$4,858.00    | \$4,748.00    |
| Net Profit before Tax             | \$13,725.00   | \$20,691.00   |
| Less Tax                          | \$1,647.00    | \$3,724.00    |
| Net Profit after Tax              | \$12,078.00   | \$16,967.00   |



## 6.9.2 Gross Profit & Net Profit For Business

|                              | Yr1         | Yr2         |
|------------------------------|-------------|-------------|
| Gross Profit                 | \$18,582.00 | \$25,439.00 |
| Net Profit Before Tax (NPBT) | \$13,725.00 | \$20,691.00 |
| Net Profit After Tax (NPAT)  | \$12,078.00 | \$16,967.00 |

## 6.10 Balance Sheets

## Appendix W

### 6.10.1 Initial Balance Sheet

|                   |   |             |
|-------------------|---|-------------|
| Proprietorship    | = | \$ 2,600.00 |
| Total Assets      | = | \$ 2,600.00 |
| Total Liabilities | = | \$ 0.00     |

### 6.10.2 Balance Sheet For Year 1

|                   |   |              |
|-------------------|---|--------------|
| Proprietorship    | = | \$ 14,678.00 |
| Total Assets      | = | \$ 16,486.00 |
| Total Liabilities | = | \$ 1,808.00  |

### 6.10.3 Balance Sheet For Year 2

|                   |   |              |
|-------------------|---|--------------|
| Proprietorship    | = | \$ 20,964.00 |
| Total Assets      | = | \$ 26,441.00 |
| Total Liabilities | = | \$ 5,476.00  |

### 6.10.4 Working Capital

|  | <u>Year 1</u>             | <u>Year 2</u>             |
|--|---------------------------|---------------------------|
| Total Current Assets                   | \$14,086.00               | \$24,041.00               |
| <i>Minus</i> Total Current Liabilities | <u>\$1,808.00</u>         | <u>\$5,476.00</u>         |
|  | <b><u>\$14,678.00</u></b> | <b><u>\$20,965.00</u></b> |

Working Capital is positive. This indicates that the business can meet its most urgent debts as they fall due. Working Capital will be monitored on a regular monthly and quarterly basis.

## 6.11 Taxation

### Taxation Obligations

Taxation Obligations include:

- Pay tax as an individual at a marginal rate according to your total taxable income
- Account for income tax
- Account for business expenses claimed as deductions
- Withhold 48.5% from payments to other businesses that don't quote their ABN
- Keep business records and report any pay tax (business books, invoices, receipts, motor vehicle uses).
- If registered for GST, charge and account for GST
- If having employees: withhold amounts from your employees' wages or salaries using PAYG withholding, contribute a minimum level of superannuation support for your employees, pay fringe benefit tax (FBT) on non-cash benefits provided to employees
- If the business has received a PAYG installment rate, pay PAYG installments towards your expected income tax liability
- Declare any income earned by the business
- Lodge an income tax return
- Lodge BAS statements electronically on a 1/4 basis
- Keep records for capital gains tax

### Taxation records

The relevant records are:

- Business books
- Evidence of transactions (invoices, receipts, etc.)
- Evidence of usage (motor vehicle, log book)
- Keep taxation records for a minimum of 5 years

### Tax file details

TFN : (do not need to show evidence of this)

### ABN / GST

See **Appendix G** including Business Name Registration, Australian Business Number, Westpac Bank Account, and a Statutory Declaration.

### Payments

|        |            |          |                              |
|--------|------------|----------|------------------------------|
| Year 1 | \$1,647.00 | \$137.00 | per month has been provided. |
| Year 2 | \$3,724.00 | \$310.00 | per month has been provided. |

## Ratio Analysis And Breakeven

### 6.11.1 Profitability Ratios

*Note: Not applicable to service providers.*

|   | Yr 1 | Yr 2 |
|---|------|------|
| a) Gross Profit Ratio (Not applicable to Service providers) |      |      |
| $\frac{\text{Gross Profit}}{\text{Sales}} \times 100 =$     | %    | %    |

*This ratio indicates the amount of gross profit made for every dollar of goods sold i.e. The percentage of sales revenue available for meeting "other" expenses.*

#### b) Net profit ratio

|  |         |        |
|--|---------|--------|
| $\frac{\text{Net Profit after Tax}}{\text{Total Receipts}} \times 100 =$ | 64.99 % | 66.69% |
|--|---------|--------|

*This ratio calculates the percentage of sales revenue which is profit available for distribution to the Owner.*

#### c) Return on Investment Ratio

|  |         |        |
|--|---------|--------|
| $\frac{\text{Net Profit after Tax}}{\text{Proprietorship}} \times 100 =$ | 82.29 % | 80.93% |
|--|---------|--------|

*This ratio indicates the earning power of the funds invested in the business by the owner/s. This percentage should be compared with the return the proprietor could get elsewhere taking into account time and effort and risk.*

### 6.11.2 Liquidity Ratios

*Note: Not applicable to service providers*

|                                | Yr 1 | Yr 2 |
|--------------------------------|------|------|
| a) Quick Asset or Liquid Ratio |      |      |

$$\frac{\text{Total Current Assets} - (\text{Stock \& Prepayments})}{\text{Total Current Liabilities} - \text{Overdraft}} =$$

*This ratio measures the ability of the business to meet its most urgent and immediate debts.*

#### b) Working Capital Ratio

$$\frac{\text{Total Current Assets}}{\text{Total Current Liabilities}} = \begin{matrix} 7.79 \\ 4.39 \end{matrix}$$

*This ratio indicates the ability of the business to meet its short term debts (i.e. less than 12 mths)*

|  |             |             |
|--|-------------|-------------|
| c) Proprietary Ratio   | <b>Yr 1</b> | <b>Yr 2</b> |
| $\frac{\text{Proprietorship}}{\text{Total Assets}} \times 100 =$ | 89.03%      | 79.29%      |

*This ratio measures the extent to which the business relies on borrowed funds compared with owner/s funds to finance operations.*

### 6.11.3 Analysis

#### **Comparison of Ratios to industry benchmarks/standard**

The most helpful information regarding benchmarks and standards in the Graphic design and Multi-media industries came from a written article on the AGDA (Australian Graphic Design Association) website called "*Costing Formulas*". For example 234 days x 8hrs/day = 1872 billable hrs per person per year, therefore my yearly hourly rate is calculated:

\$144,000 annual turnover / 1872 billable yearly hrs = \$77perhr/year, but he was charging for his design services at \$100.00/hr.

In the first year I have charged \$66per / hr for my regular service rate with an 8% increase for Year 2 up to \$75per/hr.

#### **Previous Period Ratios (Monthly, Quarterly, Annually)**

These do not exist yet as my business is new.

### 6.11.4 Breakeven

#### **Year 1**

- a) Operating Expenses Year 1: **\$4,858.00**
- b) Rate per hour: **\$66/hr**
- c) The number of hours I need to cover the Operating Expenses:

$$\$4,858/\text{year} : \$66/\text{hr} = \mathbf{73.61 \text{ hours/year}}$$

- d) (73.61hr/year) : (46 weeks/year) = **1.60 hours per week**

#### **Year 2**

- a) Operating Expenses Year 1: **\$4,748.00**  
 b) Rate per hour: **\$75/hr**  
 c) The number of hours I need to cover the Operating Expenses:

$$\$4,748/\text{year} : \$75/\text{hr} = \mathbf{63.31 \text{ hours/year}}$$

d)  $(63.31\text{hr/year}) : (46 \text{ weeks/year}) = \mathbf{1.38 \text{ hours per week}}$

## 7 MANAGEMENT PLAN

### 7.1.1 Time Control

| Time  | Mon                                 | Tues                     | Wed                      | Thurs                                      | Fri  | Sat                      | Sun |
|-------|-------------------------------------|--------------------------|--------------------------|--|--|--------------------------|-----|
| 8:00  | Check emails & breakfast            | Check emails & breakfast | Check emails & breakfast | Check emails & breakfast                   | Check emails & breakfast                   | Check emails & breakfast |     |
| 9:00  |                                     |                          |                          |  |  |                          |     |
| 10:00 | Web Design Tutorials                | design work              | design work              | design work                                | Research at State Library                  | design work              |     |
| 11:00 |                                     |                          |                          |  |  |                          |     |
| 12:00 | Lunch                               | Lunch                    | Lunch                    | Lunch                                      | Lunch                                      | Lunch                    |     |
| 1:00  | Design Business Website             | design work              | design work              | design work                                | Research at State Library                  | E-commerce Research      |     |
| 2:00  |                                     |                          |                          |  |  |                          |     |
| 3:00  | Meet with client                    | design work              | design work              | design work                                | design work                                | Analyze Costing strategy |     |
| 4:00  |                                     |                          |                          |  |  |                          |     |
| 5:00  | Design DVD Promotional Kit and menu | E-commerce Research      | E-commerce Research      | Once a Month Go to Gallery Opening Network | Once a Month Go to Gallery Opening Network |                          |     |
| 6:00  |                                     |                          |                          |  |  |                          |     |
| 7:00  | Burn and Build DVD menu             |                          |                          | Network                                    | Network                                    |                          |     |
| 8:00  |                                     |                          |                          |  |  |                          |     |
| 9:00  |                                     |                          |                          | Network                                    | Network                                    |                          |     |
| 10:00 |                                     |                          |                          |  |  |                          |     |
| 11:00 |                                     |                          |                          |  |  |                          |     |

### 7.1.2 Quality Control

It is essential to set, maintain and monitor the quality of my services.

A sample of the quality measures are as follows:

Achieve the project objectives as agreed with the client

Achieve The project deliverables as per client's specification

Deliver project on time, within budget and as per contractual specifications

I will also introduce a feedback questionnaire and take into account the comments and observations made by my clients. Other forms of monitoring quality control are:

- Keep office and work area clean
- Look at what design competitors are doing in the business environment
- Continue to collect and analyse feedback from customers
- Measure the criticism received from clients
- Design industry benchmarks
- Attend business meetings/breakfasts organized by *Lab3000*

### **7.1.3 Efforts And Results**

It is very important to meet the customers demands. In this way I insure that the existing clients stay with me and other clients get my services. Word of Mouth advertisement, my business website and promotion play a very important role in maintaining a healthy client base. The clients will recommend my services to other people if they are fully satisfied of my design and multi-media services. This means that I will have to build a high standard of excellence into the overall business services that I will be providing customers. I will also introduce a rewards system for my clients who recommend and introduce new clients to my service. The results will also include:

- Increase distribution (DVD promotional kits)
- Testimonials
- Evaluation of effectiveness of advertising and promotion
- Increase client base
- Increase networking opportunities
- Multiple suppliers/printers (shop around)
- Look at costs (cheapest service possible)

All of these efforts will pay great dividends. These results will be seen in the increase of my profitability in year 2.

### **7.1.4 Cost Controls**

In my case as a service provider I do not have a high level of costs. However, controlling and managing any future costs is a matter of survival. One of the best ways to control costs is to put together a Cost plan. Therefore monitoring costs will be easier. The cost that I plan

will bring me the desired levels of profits. Hence, it is important to follow up these costs and analyse them weekly. Then taking corrective measures will ensure that my planned profits will be achieved.

Applying and maintaining the prices I plan will also create an image of professional behaviour. Changing prices from client to client and negotiating prices will not create a professional image. Other strategies that I will apply in controlling costs are:

- Ask for discount on purchasing bulk stock (if needed in future)
- Don't just use car or transport for the sake of using it - make sure it is appropriate
- Ensure jobs get finished on time

### 7.1.5 Debt Control Strategy

I will not sell on credit. Therefore there is no need for a Debt Control Strategy. But in the event of any un-foreseeable consequences I will make sure I implement these practices:

- Ask for cash up front or negotiate a payment plan
- Source for cheapest and reliable printers and DVD duplication services
- If client does not pay for service after work has been done you have three choices:
  1. Business to business - VCAT
  2. Business to individual - Solicitor advice
  3. Or forget it if under \$100 and be more careful

### 7.1.6 Budget Lines

(Copy & paste tables from 6.8.1 & 6.9.1 and then comment)

| <b>PROJECTED CASH FLOWS</b>    | <b>YEAR 1<br/>See Appendix S</b> | <b>YEAR 2<br/>See Appendix T</b> |
|--------------------------------|----------------------------------|----------------------------------|
| Total Receipts                 | \$20,640.00                      | \$27,983.00                      |
| Cost of Goods Sold             | \$0.00                           | \$0.00                           |
| Total Payments                 | \$6,554.00                       | \$18,028.00                      |
| Total (Receipts less Payments) | \$14,086.00                      | \$9,955.00                       |
| Estimated Tax Savings          | \$1,647.00                       | \$3,724.00                       |
| Opening Bank Balance           | \$200.00                         | \$12,439.00                      |
| Closing Bank Balance           | \$12,439.00                      | \$18,669.00                      |

| <b>BUDGETED PROFIT &amp; LOSS</b> | <b>YEAR 1</b> | <b>YEAR 2</b> |
|-----------------------------------|---------------|---------------|
| Total Receipts                    | \$18,582.00   | \$25,439.00   |
| Cost of Goods Sold                | \$0.00        | \$0.00        |
| Total Expenses                    | \$4,858.00    | \$4,748.00    |

|                       |             |             |
|-----------------------|-------------|-------------|
| Net Profit before Tax | \$13,725.00 | \$20,691.00 |
| Less Tax              | \$1,647.00  | \$3,724.00  |
| Net Profit after Tax  | \$12,078.00 | \$16,967.00 |

It is essential that my projected figures are achieved. Through appropriate and regularly book/record keeping I will be able to monitor my financial position. Therefore, Cash flows and P&L's will be monitored Monthly and Quarterly. Budgets will be compared to Actuals. Strategies will be implemented to ensure goals and objectives are met. I am going to use the E-Record software package supplied by the ATO. It is a non-expensive way to monitor and control my financial position.

My strategies will include the following:

- Apply and monitor the prices taken into account when determining the financial indicators figures.
- Ensure that the levels of planned services are achieved and exceeded
- Enter records of payments and receipts into the E-Records daily if possible
- Plan a monthly level of payments and revenues
- Analyze the level of payments on monthly basis
- Take quick corrective measures when the planned levels of payments and revenue are not achieved.
- Cash flows and P&L's will be monitored Monthly and Quarterly. Budgets will be compared to Actuals.

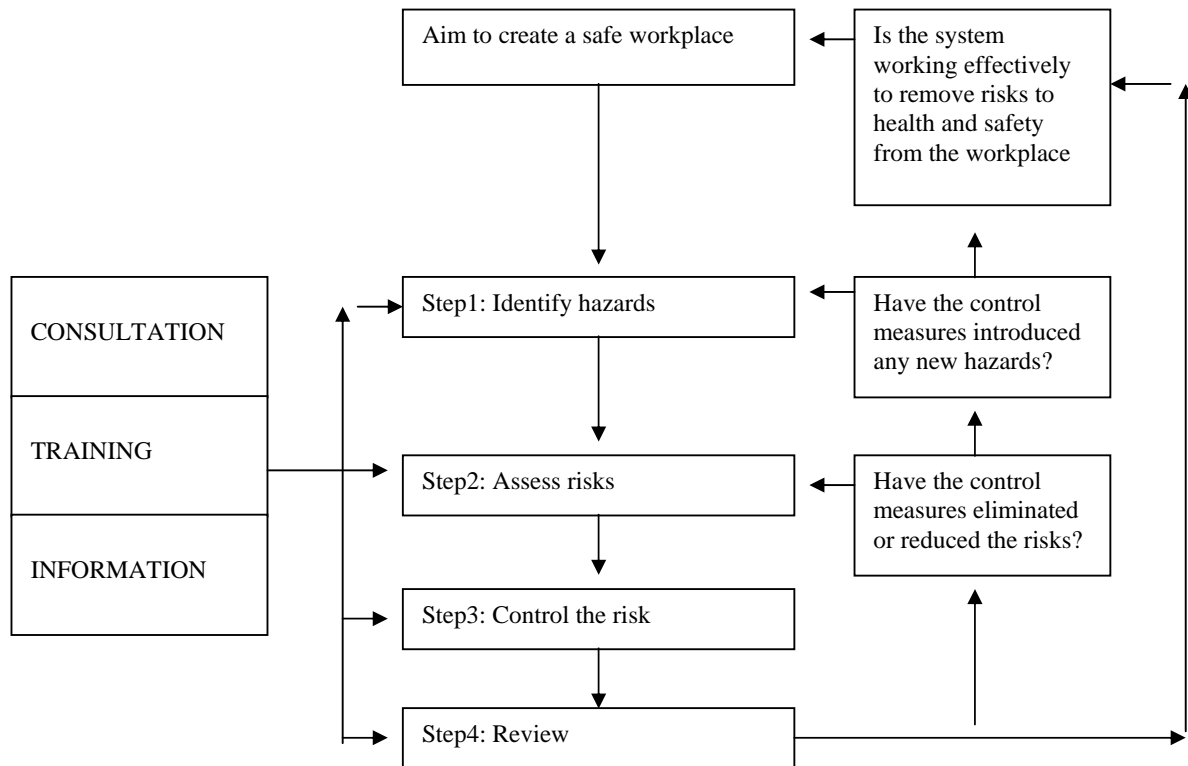
## **8 OPERATIONS PLAN**

### **8.1 Occupational Health And Safety**

#### **8.1.1 Aims of O H & S in the workplace**



The process that I will apply in my business as a guideline to OH&S is shown below:



Source: *M.LaScaleia*

I have a home based business without employees and I am very rarely visited by my clients. For project management assignments I will meet with the client in the city, their home or studio to discuss design brief or this will be performed either through email or by phone.

### 8.1.2 O.H. & S. Responsibilities

As the owner of the business I am responsible for providing a safe working environment for myself, staff and clients. My responsibilities are to take out private health insurance for myself and insure that the premises that I work in is properly insured. The following responsibilities apply to my business:

- Maintaining the studio under my management and control in a condition that is safe and without health risks (control noise and lighting levels)

- Ensure that the health and safety of members of the public is not adversely affected by my business activities
- Ensure that entering and exiting my place of work is safe and without risk to health
- Ensure the office furniture used by my clients is safe and without risk

### **8.1.3 O.H. & S. Procedures**

To identify any potential risks and imply strategies to eliminate and minimize their risk. This will be achieved through systematically applying the processes shown at 8.1.1 to determine hazards, assess, manage and control them. I will also take care to apply the actions shown under my responsibility at 8.1.2 above.

### **8.1.4 O. H. & S. Monitoring/Staffing**

I do not have staff and don't intend to have staff in the near future. I Christopher Howlett will be the one monitoring the OH&S.

### **8.1.5 Financial Allocations for O. H. & S.**

There is no need to allocate funds for OH&S.  
My studio/warehouse has already the following in place:

- Fire extinguisher
- First Aid

## **8.2 Human Resource Management**

### **8.2.1 Key functions**

The key functions of my business include:

- Achieve and exceed the profits planned/projected in my financial statements
- Keep the actual costs equal or under the planned/projected costs in my financial statements
- Advertise and update website on a regular basis in order to generate business.
- Design quality products and maintain quality control on premises.
- Distribute to retailers in month 3-4 of 1<sup>st</sup> year of business.
- Maintain personal health and continue to develop design skill training.
- Research and develop in marketing strategies
- Satisfy my clients demands and requirements

### **8.2.2 Tasks**

- Graphic design of packaging and promotions.
- Develop good customer service relations with potential retailers and manufacturers

- Develop overseas research into export market and viability for 3<sup>rd</sup> year business development strategies.
- Develop templates for web design and business card packages.
- Bookkeeping
- Maintain upkeep of business equipment with regular cleaning (once every 3 weeks).

### 8.2.3 Resumes of personnel

Sole trader resume – myself only at this stage (see attachment).

### 8.2.4 Identify the Skills & Competencies required for the successful running of your Business

| Skills & Competencies   | Strategies   |
|---|--|
| <ul style="list-style-type: none"> <li>• Graphic Design skills</li> <li>• Multi-media skills</li> <li>• Bookkeeping skills</li> </ul> | <ul style="list-style-type: none"> <li>• Maintain and improve consistently by reviewing past tutorials and collecting new tutorials online.</li> <li>• Maintain and improve consistently by reviewing past tutorials and collecting new tutorials online.</li> <li>• Keep on track with managing receipts, cash flow and contact deadlines.</li> </ul> |

Other skills and competencies will be developed for new developments in the second year of business.

## 8.3 Monitoring & Planning

### 8.3.1 Operational Benchmarks

Industry benchmarks include:

- Tertiary qualifications in Fine Arts
- Member of the Australian Graphic Design Association
- ABBI Business & Home Insurance

### **8.3.2 Operational Requirements For Performance**

- Having a business name, ABN and registered for GST
- Separate business bank Account
- Member of professional associations, *AGDA, Lab3000*
- Public liability insurance
- Suppliers and alternative suppliers
- Pricing structure
- Office/studio area
- Computer and software
- Printer, scanner and copier
- Website
- Broadband internet access
- Having a current business plan
- Promotion materials
- Analyse financial achievements regularly
- Customers
- Admin/invoicing/quotes

### **8.3.3 Production/Service Scheduling**

Design Management (e.g. Web design)

- Client contacts me / I contact the client
- We meet to talk / Contractual arrangements / Agreement
- The client provides me with a Project Brief / Terms of Reference
- I produce the project management documentation, including the Project Plan, Project Schedule, Implementation Plan & schedule for Alpha and Beta testing of website
- Design website
- Alpha Testing - Pre testing
- Q.A. - Quality assessment with client - choose hosting plan
- Beta Testing - upload site to server and look at how it runs cross platform with other operating systems
- User Acceptance Testing - re-design any problems - re-upload
- Project Post Implementation Analysis
- Project Closure
- Payments as per contractual arrangement

### **8.3.4 I) Strategies For Increased Demand**

- Work additional hours whenever possible
- Recommend clients to other designers or service websites
- Increase prices
- Outsource work

#### **ii) Strategies to Reverse Falling Business Activity**

Don't lose sight of original goals in objectives for starting the design studio. Learn to roll with the punches and don't lose sight of the key competitors and their marketing strategies. Re-evaluate networks and build upon those you have neglected. As well as:

- Work additional hours whenever possible
- Re-evaluate industry trends to check if drops are because of personal reasons
- Increase prices
- Re-advertise
- Go to design trade fairs
- Build onto the design studio brand
- Examine what other businesses or forces are affecting your profit
- Include new services or products
- Improve client's service
- Get feedback from clients
- Selective marketing to niche markets

### 8.3.5 Rationale For Scheduling Methods

The Design Management Scheduling Method shown at 8.3.3 above is applied consistently across the industry. I applied it during my market testing and it worked quite effectively. It always satisfied my clients.

### 8.3.6 Maintenance Plan

- Computer system breaks down - Call personal "*Technology consultant & Technician*" for immediate advice on action plan.
- Ensure hard drives are backed up - every week burn CD's to back information
- Keep office and work station clean and free of dust
- Keep healthy and exercise regularly

### 8.3.7 Systems for Monitoring and Recording of Key Performance Areas

| Financial   |                   | Non-financial    |                   |
|-------------|-------------------|------------------|-------------------|
| KPA         | Measure           | KPA              | Measure           |
| Profit      | P/L, B/sheet      | Client Base      | Clients increase  |
| Cashflow    | Actuals/projected | Returns          | Number            |
| Stock       | (Cogs) - turnover | Amount of work   | Cashflow estimate |
| Sales       | Cashflow          | Cust. complaints | Number            |
| Expenditure | Cashflow, P/L     | Q.A.             | Client feedback   |

|         |                     |                |           |
|---------|---------------------|----------------|-----------|
| Margins | P/L, ability to pay | Timemanagement | Projected |
|---------|---------------------|----------------|-----------|

### **8.3.8 Monitoring External Business Environment**

- Victorian Enterprise Chamber of Commerce and Industry (VECCI website)
- Local government website
- ATO website
- Local council website - Moreland City
- DEWR website
- Australian and overseas Design magazines
- The Economist magazine
- Local inner city incubators and organizations - Lab3000, AGDA

## **9 BUSINESS DEVELOPMENT**

### **9.1 Government Support And Assistance Programs**

- Information Victoria - [www.information.vic.gov.au](http://www.information.vic.gov.au)
- Small business Victoria - [www.sbv.vic.gov.au](http://www.sbv.vic.gov.au)
- Consumer & Business Affairs Victoria - [www.consumer.vic.gov.au](http://www.consumer.vic.gov.au)
- BLIS - [www.businesschannel.vic.gov.au](http://www.businesschannel.vic.gov.au)
- Business Entry Point - [www.business.gov.au](http://www.business.gov.au)
- Business Victoria - [www.business.vic.gov.au](http://www.business.vic.gov.au)
- Australian Taxation Office - [www.ato.gov.au](http://www.ato.gov.au)
- Small business Support Network- [www.ozsmallbiz.net](http://www.ozsmallbiz.net)
- National O.H.&S. Commission - [www.nohsc.gov.au](http://www.nohsc.gov.au)
- Australian Industrial Relations Comm. - [www.auc.gov.au](http://www.auc.gov.au)
- Legal Information - [www.aussielegal.com.au](http://www.aussielegal.com.au)
- Federal Government - [www.fed.gov.au](http://www.fed.gov.au)
- Work Safe Victoria - [www.workcover.vic.gov.au](http://www.workcover.vic.gov.au)

- Victorian Health - [www.vichealth.com.au](http://www.vichealth.com.au)

## **9.2 Networks And Industry Information**

- AGDA - Australian Graphic Design Association
- Lab3000 - Inner city Design & multi-media incubator
- Small business incubators
- Blindsight gallery
- NEIS network
- NGVI and NGV Ian Potter
- ACCA - Australian Centre for Contemporary Arts

## **9.3 Personal And Professional Contacts**

- Renai Grace - Positive Solutions
- Brian Tucker Accounting - (contact: Vicki)
- Mathew Fletcher - Technological consultant
- Mark Webb - Lecturer at QUT (Queensland University of Technology)
- Daniel Mafe - Lecturer at QUT (Queensland University of Technology)
- Mathew Davis - Musician

## “TO DO” Diary

| <b>TASK</b>  | <b>By When</b> | <b>By Whom</b>      | <b>Priority</b> |
|--|----------------|---------------------|-----------------|
| Update SWOT list   | Monthly        | Christopher Howlett | 3               |
| Monitor the achievement of Business and Financial Goals and Objectives | Monthly        | CH                  | 1               |
| Cold Calling   | Weekly         | CH                  | 1               |
| Attend gallery openings and networking group meetings                  | Monthly        | CH                  | 1               |
| Perform Client surveys   | Quarterly      | CH                  | 1               |
| Develop web design and multi-media packages                            | 30/06/06       | CH                  | 1               |
| Review market SWOT   |                | CH                  | 2               |
| Produce DVD Promotional kit  | 30/06/06       | CH                  | 1               |
| Design Business Website  | 15/06/06       | CH                  | 1               |
| Upload Business Website  | 30/06/06       | CH                  | 1               |
| Continue Market Research   | Quarterly      | CH                  | 1               |
| Monitor packages and discounts offered by competitors                  | Quarterly      | CH                  | 1               |
| Start developing e-commerce capabilities for Year 2 of business        | weekly         | CH                  | 1               |
| Enter records in E-record package                                      | Daily          | CH                  | 1               |
| Develop clients complaints policy                                      | 01/08/06       | CH                  | 2               |



## ***APPENDICES (suggested)***

### **Section 2: Personal Background Statement**

- A) Resume – current
- B) Qualifications – relevant to your business, copies

### **Section 4: Marketing Plan**

- C) Marketing Research Questionnaires (4.1)
- D) Marketing Action Plan Year 1 and Year 2 (4.7.5)
- E) Physical Layout of Business Premises (4.7.3)
- F) Promotional materials eg Business cards, samples, flyers (4.7.5)

### **Section 5: Legal Aspects**

- G) Business Name Registration – copy or evidence (5.1)
- H) Partnership agreement, Certif. of Incorporate and Share Registry (5.1)
- I) Insurance quote – copy of all pages (5.2)
- J) Extra requirements required eg police checks (5.3)
- K) Licenses - relevant to your business, copies (5.3)
- L) Permits - relevant to your business, copies (5.3)
- M) Contracts or Leases – copies relevant to your business (5.4)

### **Section 6: Financial Plan**

- N) Personal Statement Income and Expenditure (6.1.1)
- O) Personal Statement Assets and Liabilities (6.1.2)
- P) Proof of Finance (6.5)
- Q) Estimated Revenue Year 1 (6.7)
- R) Estimated Revenue Year 2 (6.7)
- S) Cashflow Year 1 (6.8)
- T) Cashflow Year 2 (6.8)
- U) Budget Year 1
- V) Profit and Loss Statement (6.9)
- W) Balance Sheets (6.10)
- X) Australian Business Number (ABN) – copy or evidence (6.11)

### **Section 8:**

- Y) Resumes and qualifications of employees/partners (8.2.3)

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<sup>i</sup> Centre for International Economics, *Australian Digital Content Industry Futures*, 2005, p. 7, and subsequent updated working paper.

<sup>ii</sup> *Australian Entertainment and Media Outlook 2005–2009*, PriceWaterhouseCoopers.