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REPORT

Indiana Artisan Development

In response to a request from Indiana Artisan, artisans in Indiana were surveyed and the following report summarizes preliminary results. It is understood that the intent is to identify and measure the strength of training needs by Indiana artisans in order to enhance their current practices and develop their businesses.



About Building Better Communities:

Building Better Communities (BBC) is a university-wide initiative which has received \$2.5 million in funding from the Indiana Legislature and matches Ball State's extensive expertise and resources with the specific needs and aspirations of Indiana towns and cities as they work to redefine their economic mix and create vital, appealing communities that will attract and retain new investment and educated, energetic workers. BBC services include the Indiana Economic Development Course (EDC), and the Toolbox Guide to Development Funds - a searchable database of national, state and local funding sources. BBC also offers customized local and regional education and technical consulting services ranging from community strategic planning to economic impact analysis.

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About the Bureau:

The Bureau of Business Research is a premier economic policy and forecasting research center housed within the Miller College of Business at Ball State University. The Bureau publishes the American Journal of Business—a peer-reviewed scholarly journal—and the Indiana Business Bulletin—a Web site with weekly commentary, analysis and data on economic, business and demographic trends in Indiana. Research in the Bureau encompasses health care, public finance, regional economics, transportation and energy sector studies. In addition to research, the Bureau hosts the Executive Economic Exchange in Indianapolis four times a year, and also provides state and federal economic forecasts in the Muncie area by hosting five Forecasting Roundtables.

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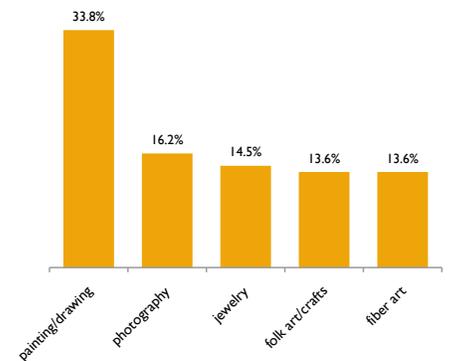
Historically, southern Indiana has fostered a multitude of fine arts and crafts. Brown County has long attracted artists including T.C. Steele, William Forsyth, C. Curry Bohm and many others. As a center for the arts and crafts festivals and multiple galleries, southern Indiana draws participants and tourists from throughout the region and surrounding states. It is not surprising then that more than 40 percent of the respondents to the survey are located in southern Indiana. Nearly another 40 percent are located in central Indiana and only 20 percent in northern Indiana. This carries certain implications for training that will be addressed later.



80.3%
of artists surveyed are from Southern and Central Indiana.

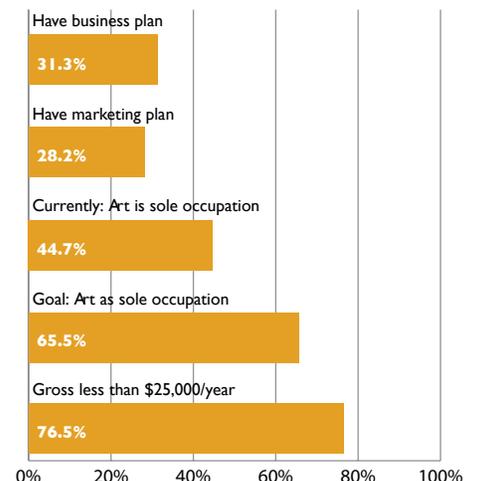
Traditional arts/crafts were most frequently listed products of artisans surveyed with more than one-third citing painting/drawing as their artistic medium. Other products listed by at least 10 percent of the respondents were photography, jewelry, folk art, fiber art/sculpting and multi-arts. Newer forms of artwork such as computer-generated art are gaining importance as mentioned by more than 6 percent of participants.

Top Five Types of Art Produced



Results show that more than 40 percent of the responding artisans have been in business for more than 10 years and another 16 percent have been in business from five to ten years. That leaves more than 40 percent of the respondents as relatively new to business operations and especially susceptible to business failure. Add to this the additional finding that respondents overwhelmingly (nearly 90%) are creating their products and operating their businesses alone, the implications for training become apparent. Just because an artist may work independently doesn't indicate a lack of interest in knowing about others' creative pursuits. In fact, more than 60 percent of the artisans report that they have made efforts to network with other artisans.

Business Operations

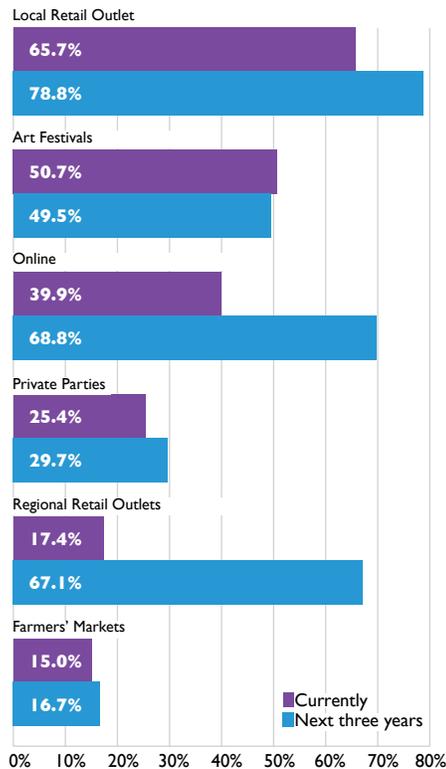


Unhappily, when it comes to the business of "running their business," respondents indicate a lack of business knowledge that can help a business succeed. The most critical indicator is that more than two-thirds (69%) of the artisans are operating their businesses without business plans and even more without marketing plans (72%). This finding becomes a serious concern when one considers that almost half of the respondents currently rely on their art as their sole occupation and that percentage increases to two-thirds for those that desire to grow their businesses into a full-time occupation. That would seem to be a difficult task for most because more than three-fourths (77%) of the artisans currently gross less than \$25,000 annually from the sales of their work.

That leads us to question how these folks are currently marketing their work. Results show that they are using multiple venues to sell their products. While retail outlets and art festivals remain most frequently cited (66% and 51% respectively), it is interesting

Where Artists Sell Their Art

Currently and in Three Years



that online sales was mentioned by 40 percent of the respondents. Interest in online sales is growing as nearly 70 percent of respondents indicate they would like to sell their products online and more than 80 percent currently have high speed internet access. While recognizing the continued value of selling at art festivals, private parties and local retail outlets, most artists also wish to expand their products into regional or national retail markets.

In light of this finding, it is surprising that less than one-third have developed business or marketing plans. The need to develop business plans is not apparent in the actual business training that artisans have pursued. Only 25 percent have attended any business development or training program during the past year, and the most used service provider is their regional arts organization. The reason cited most often (54%) for not attending training was lack of awareness. The other frequently cited reasons are that they did not have time to attend (32%) or that it was too expensive (28%). Training will probably not reach all artisans since more than 10 percent indicate that they don't think programs can offer what they need (12%) or that they don't need training (13%).

The training viewed as most essential (62 percent of respondents) are the marketing areas: selling, identifying appropriate markets, website development and pricing. Also mentioned by at least 30 percent of the respondents was the belief that building a personal network of community artisans would help to expand their businesses. It is of interest that selling to the public and website development are training areas that artisans are most likely to attend (more than 40%). While not highly ranked as essential to business expansion, assessing and securing a business location was identified by 29 percent of the respondents as training they would likely attend.

The logistics and manner of training preferred was also surveyed. An overwhelming majority (68%) of respondents prefer face-to-face seminar training with the next highest (self-study) type of training selected by only 15 percent. Most of the respondents did not have a clear preference for training days but Tuesdays or Wednesdays are likely choices.

Optimal Training Logistics

Delivery Method	Face-to-Face
Best Day	Tuesday
Best time of Day	Morning
Length of Training	2-4 hours
Travel Distance	Up to 30 miles

More than 37 percent of respondents prefer morning training but another 29 percent listed no time preference. Thirty-nine percent preferred 2-4 hour training and 36 percent preferred 1-2 hours. Of the 80 percent of respondents who indicated that training must be within a 50 mile radius, 43 percent indicate they would not drive more than 30 miles. Clearly, participants value a facility/studio/workshop tour as part of an in-depth business development workshop. Few (16) respondents named a "great" trainer.

While only one-third of the respondents volunteered additional information, their responses were surprisingly consistent. In response to the request to "List other topics that would help you expand/develop your business" almost all responses (91%) could be placed into the following six categories (listed in rank order from most frequently mentioned): 1. legal information/requirements; 2. marketing assistance; 3. grant writing instruction; 4. photography skill building for art promotion; 5. direct selling procedures; and 6. developing a purchasing co-op.

When asked to list other resources aside from training that they need to expand their business, the obvious response given by almost half of the respondents was "money." Other desired resources frequently mentioned were computer training, specifically website development; contact with a wide network of art sellers; and mentoring from successful artists. Interestingly, mentoring was also requested as a training delivery method.

Implications

Survey results imply that types of training should be tailored to geographic area. It is apparent that most respondents identified as being from southern or central Indiana. Since most also indicated that they did not think training could help with their needs, some training to create “awareness” may be useful. In northern reaches of the state, training to build networks of regional artisans may be a fruitful first step to lay the grounds for further more in-depth business development training. Promotion of any type of training throughout the state should be varied (through existing artisan groups, exhibitions, festivals, public media sources, small business development centers and traditional training centers.) Continuity of training programs would be valuable to capitalize on recommendations from prior participants. Because only 25 percent of the respondents attended any type of business development training, there is ample opportunity for training but the value of training must first be demonstrated.

Since most respondents indicate they have been “in business” for some time, training should emphasize profitability and growth. Entrepreneurial artisan business development is unique but could be a special section of training for those interested in beginning a business venture. Key distinctions for training might be to “grow” versus “hatch.”

The most significant training need is repeatedly indicated by the lack of overall business plans and effective marketing. Respondents maintain that they intend (or desire) to develop their business as their full-time occupation yet their reported financial status indicates their need to learn how to move from “surviving” to “succeeding”. They also want to move toward more regional or national markets and already have high-speed internet service. Coupled with this finding is respondents’ willingness to attend website development training. This is an expressed interest that should be met by any training endeavor.

This leads to a final observation. While there is considerable overlap, respondents were not always consistent between the type of training they viewed as essential for their business enhancement and the type of training they were willing to attend (as indicated in adjacent chart). A consideration of any training initiative is whether to offer training to meet Indiana Artisans’ expressed interests or business development needs.

Recommendations

The responses to open-ended questions offer comments that suggest recommendations for potential new initiatives in the State of Indiana. One simple project that could provide value for emerging artists is to develop an “Indiana Artisans’ Tour Map.” This map could be a printed publication or an interactive online map that automatically updates as artists add new information. This is a possible grant proposal for summer 2009.

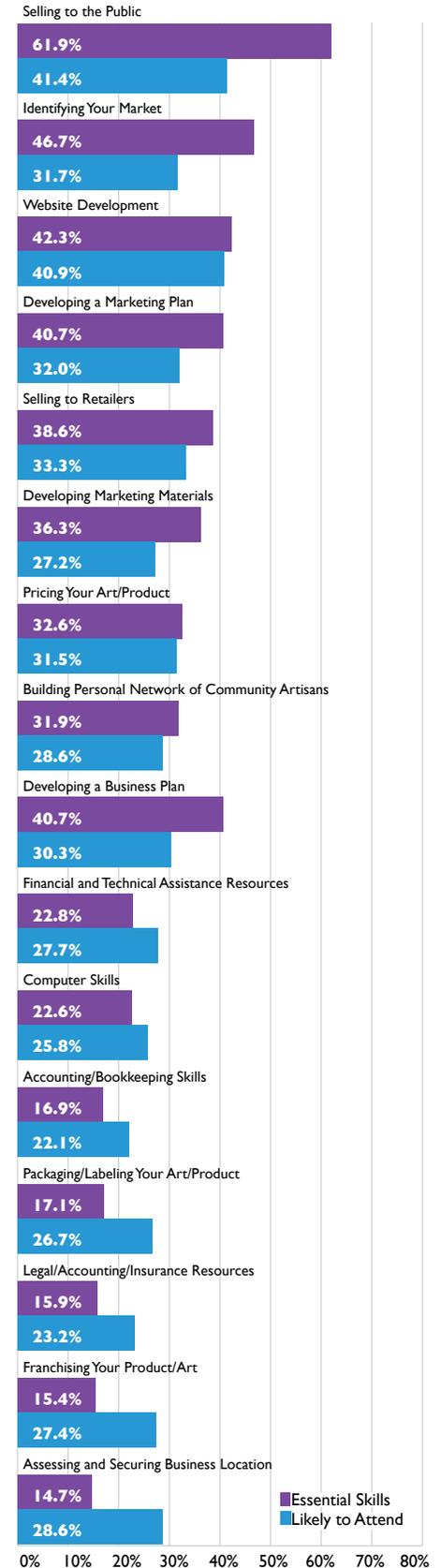
In addition to the geographic map, directing artisans to appropriate shows or festivals would assist them in finding the right “match” for their talents. This site could prevent artists from expending unnecessary (as mentioned by respondents) jury/entrance fees to venues that are not valuable for their particular art.

Participants suggest establishing a program similar to the Indiana Wine Grape Council, which provides free consultation and professional assistance in a variety of areas relevant to Indiana Wineries. One suggestion was to attach the program to a university familiar with and dedicated to the “business of art.”

In addition to the request for updated computer training to create visually interesting art sites, was the suggestion to create a business network blog. This statewide site could profile and promote the arts, list funding and training opportunities and share ideas.

Training Topics

Essential Skills/Likely to Attend



Promotion was one of the most frequently mentioned obstacles for artists. One suggestion mentioned placement of a group ad for Indiana artists. A recurring respondent request was for assistance (both training and financial) to prepare for art shows, festivals, etc.

These comments and others imply that a state-funded marketing or management program would be welcomed and used by Hoosier artisans. The “Kentucky Crafted” program is one model that provides an umbrella organization to practicing artists. This, of course, implies a state-wide initiative that would encompass more than business training and extend support to include actual business assistance.

Some of the respondents indicate their willingness to be used as mentors or trainers. Most respondents were skeptical about the capability of a “typical” business trainer to understand the particular needs of a fine art or craft business. Repeatedly, responses indicate a complete disinterest in most business topics and respondents even questioned the necessity to understand basic business processes. One training method could “team” an artist who has developed a successful business with a business practices trainer to validate need to employ basic business practices.

Before training can be successful, respondents must become aware of their need for training. Artisans may be more receptive to training if promoted in traditional art venues and if training is conducted in brief sequential skill building modules rather than lengthy training retreats. Assembling a focus group of artists who are currently operating a successful business might provide valuable direction for training and methods.

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