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UNTITLED Art Fair Radio Panel Discussion

Dongyoon Park
dongyoondpark@gmail.com

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Dongyoon Park
Master's Project
UNTITLED Art Fair
Radio Panel Discussion
Analysis and Moving Forward

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Abstract of Panel Discussion

December 2, 2016, 12—1 pm

After the Art: Points of View on Art and the Economy

Panel Discussion

Sotheby's Institute MAAB students Dong Yoon Park and Nuria Richards are honored to announce the participation of a great group of speakers for a conversation about current issues in the arts, especially the impact of the global economy and social events on art production, institutions, and collections.

This panel will include:

Ana Sokoloff, Founder of sokoloff + associates LLC

Sergio Vega, Artist and Scholar

Martin C. Liu, WhiteBox NY, Chair of the Board

John Arena, Art Lending Specialist

#aftertheart



Figure 1. UNTITLED art fair at Ocean Drive and 12th Street, South Beach, Miami, FL

Introduction

As a master's project, Dongyoon Park and Nuria Richards have organized a panel discussion on Miami's UNTITLED art fair (Figure 1) for radio broadcast. Hosting 128 galleries from around the world, UNTITLED art fair ranks among the most well-known curated art fairs in Miami. The accompanying panel discussion, held on December 2, 2016, and broadcast online, was designed to create an accessible resource for people in remote locations to enjoy and learn about the event. The panel had four guest speakers—Ana Sokoloff, Sergio Vega, Martin C. Liu, and John Arena—all influential art professionals, whether as part of a nonprofit art organization, financial institute, or art advisory firm or working as a visual artist. From the panel discussion, listeners learned

about the status of different positions in the art world and their relationships to one another. Although having the speakers as an incredible experience, the logistics of hosting them could be improved by better understanding the geography and traffic of Miami. Figure 2 shows the location of UNTITLED art fair. Regardless, the panel discussion stressed the importance of continuing to support the art world with collaborative efforts.

This project presents a summary of the panel discussion and of ways to improve future discussions. Included is a business plan for the art advisor that reflects on the discussion and encounters with collectors, all of which indicate increased demand for focused art collection advice.

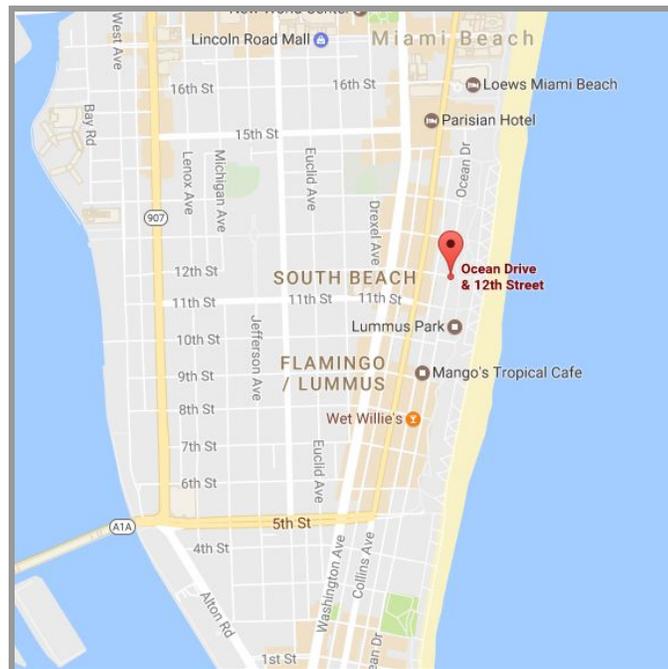


Figure 2. Location of UNTITLED art fair in Miami

Summary of Panel Discussion



Figure 3. Wynwood Radio Station at the UNTITLED art fair

Overall, the panel discussion (Figure 3) involved the exchange of several interesting ideas. As an art lending specialist, John Arena clearly identified his role and vision in his company: “The nature of the gallery is that of a retailer. The gallery makes profit from selling art instead of having it in storage. We promote landing it with clients.” Arena provided examples of donation and funding opportunities for nonprofit organizations and art projects in Miami and nationwide. “We don’t do any advisement or management of art organizations or museums,” he stated. “We rely on individuals who come in and say, ‘This is what the work is. This is what we think its value is.’ We

also invest in funding projects like social art projects that provide housing for women and children. We have been doubling their facilities.” He added that financial institutes keep open minds to continuing the support of young artists and nonprofit organizations.

Ana Sokoloff also demonstrated her expertise in adding value to society. “Markets always find ways to value what objects are. For instance, there are cases where there is no contract, and through verbal agreement, agreement happens, and it comes out in money transactions. The transition of work happens through paper. In the case of performance, the value system finds its place by buying the right of the product, and that gets re-enacted at different times. There is also trigory between financial institutes, nonprofit organizations, and artists. Nonprofit organizations grow the artists in the scene, and advisors such as my company recommend financial institutes and philanthropists to fund and invest in such organizations and artists. It is important to remark that society is very capable of creating value.” Adding to the description of cooperation among advisors to recommend support, Sokoloff explained her position as an advisor, and her experiences at the auction house support her position. “I have been involved in Christie’s Auction House as head of Latin American art. Often the margin was soft because the market becomes highly competitive. The buyer’s premium is the only exception; therefore, it gets the most complaints.” Sokoloff’s words illustrate the competitive profit margin that occurs at auction houses, which contrasts the general outsider’s view of auction houses’ being prosperous with wealth.

Sergio Vega depicted his standpoint as an artist in the relationship to auction houses and nonprofit organizations. “The new trend in art has been feeding the art market, and

it is still in doubt if it is healthy relationship. There are many reviews that state its driving force should be an alternative to monitor the market. Auctions in nonprofits were healthy with cultural life.” Vega also stressed the importance of continuous support and interest among organizations for a positive art market.

Lastly, Martin Liu positioned the status of the nonprofit sector: “Nonprofit organizations constantly struggle. However, it is important to remark that it [the art market] starts with money; otherwise, it is not sustainable. The revenue relies on a tight space. What artists want is one person to show, however; not many [shows] are happening because the 90s’ gallery system changed. This has a relationship with democratizing curators by institutions.” Liu additionally noted the importance of spreading growth in both for-profit and nonprofit art organizations.

Altogether, Arena, Sokoloff, Vega, and Martin all contributed valuable viewpoints of artists, financial institutes, advisory firms, and nonprofit organizations. Arena contributed clear insight into what financial institutions consider about investments in the art world, whereas Sokoloff advanced the conversation from the perspectives of professional experience at both an auction house and advisory firm. Vega represented the perspective of artists by describing their healthy relationships with financial institutions and nonprofit art organizations, while Martin expressed the views of nonprofit organizations and their demand for funding and sponsorship.

As a result of the conversation and its development, the need to have conversations among different professionals in the art world was revealed to especially relate to

economic needs, which are important for art’s progress. The gap that needs to be filled is demand, which shines as an opportunity for future growth.

Budget and Logistics Schedule

Many programs are active during the art fair season. At UNTITLED art fair, they included a silent auction, music, a gallery conversation, institutional art projects, art performances, and conversations with artistic directors and curators of the fair. The schedule for the radio program started on November 29 continued to December 4. The actual program started at 11 am and ended at 7 pm. The panel discussion was scheduled on December 2 from 12 to 1 pm.

Item	Cost
Transportation (Lyft)	\$103.57
Accommodations (Intercontinental Hotel, 3 nights, one room)	\$943.05
Flight ticket from NYC to MIA	\$401.20
Extra expenses (e.g., tickets and food)	\$450.00
Total	\$1,897.82

Table 1. Costs of one person, December 1–4

The cost of transportation would be greater if a car were rented. Table 1 illustrates the cost of four days of travel with Lyft, which was an excellent way to get around at a low cost. The city hires extra drivers during the art fair season, and unless

guest speakers are picked up, using the line system is recommended. By contrast, accommodations can vary in cost and could have been located on South Beach closer to the art fairs. The hotel and flight was sponsored by Sotheby's Institute of Art.

The logistics of transportation should always consider rush hour in Miami traffic. Especially during the art fair season, Ocean Drive and the South Beach area can have heavy traffic, which forced us to change our plans and pick up the guest speakers separately.

What Can Be Improved

Several elements could be managed better should the project be executed again. First, the project is recommended to commence planning 8–12 months before the event. I joined the project 4 months prior to the project, which did not allow sufficient time for marketing and other logistics.

Second, the group should include at least three members. The important logistical aspects of the program are threefold: the application, program management, and marketing. The application can be managed by one person, provided a discussion of the content and ideas for the event. A program manager can list the order of the program and the logistics of the event at the art fair. A marketing representative can focus on attracting subscriptions and social presence in order to continue marketing efforts and create publications. We created social media accounts and held promotions through events advertised on Facebook. However, more resources could be marshaled, including spots on radio stations, signage at different art institutes, and events on broadcast

media. The importance of marketing the radio program was downplayed by UNTITLED and Wynwood Radio Station, both of which executed only three to 10 total postings of the event. To represent the importance of the radio program, it is crucial to market the event in order to increase the presence of the program.

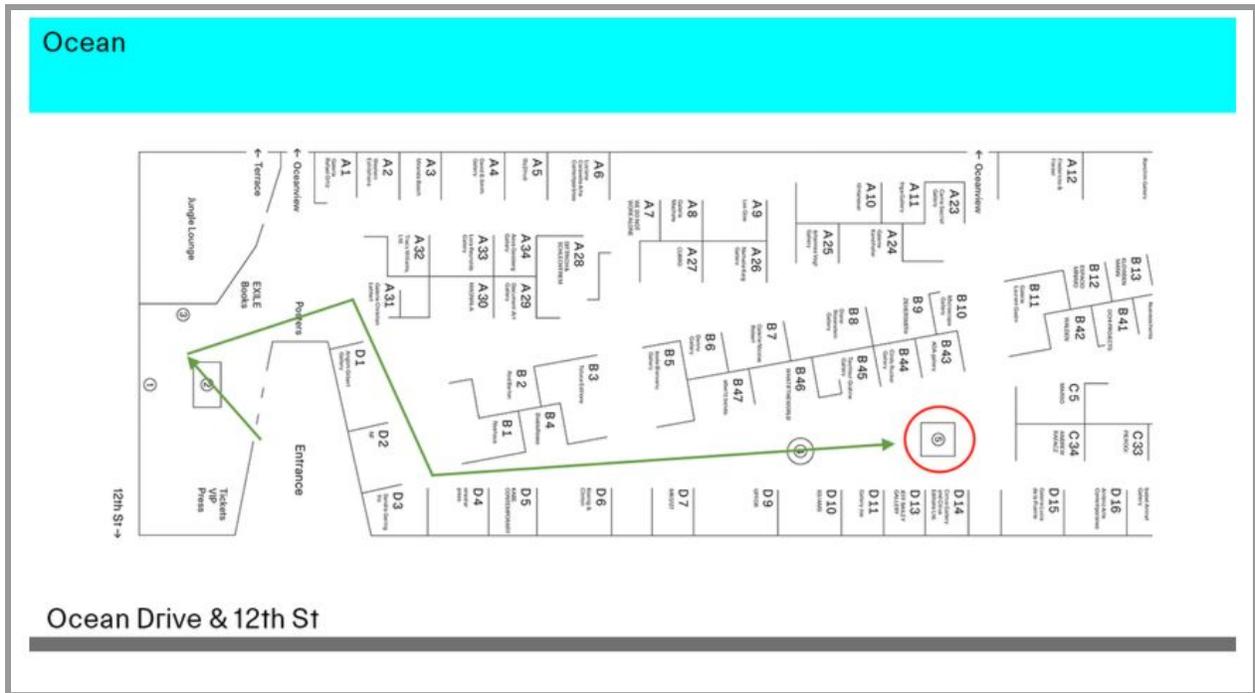


Figure 4. Layout of the exhibition and the location of the Wynwood Radio Station

Two days advanced arrival is recommended. As Figure 4 shows, the UNTITLED Art Fair occupied a large space that requires logistics. It is important to work with the radio program coordinator beforehand in order to determine how the event will be executed onsite. As the layout shows, there are two areas that can host the panel discussion. We decided on the lower level, and the radio construction team at the fair had a ladder for climbing to the upper stage. Our choice of hosting the panel discussion at the ground level avoided the risk of accidents of panelists while climbing up the ladder. At the same

time, the ground-level table can also encourage visitors to stop by and listen to the discussion as they please, because listening to the discussion required only a WiFi connection via a digital device. Although WiFi at the fair was free of charge, it took many visitors undue effort to listen to the program. Figure 5 depicts how first-time visitors to the webpage could be confused about how to listen. The art fair had a speaker at the VIP lounge to accommodate listeners; however, it was small booth in a large, open space.

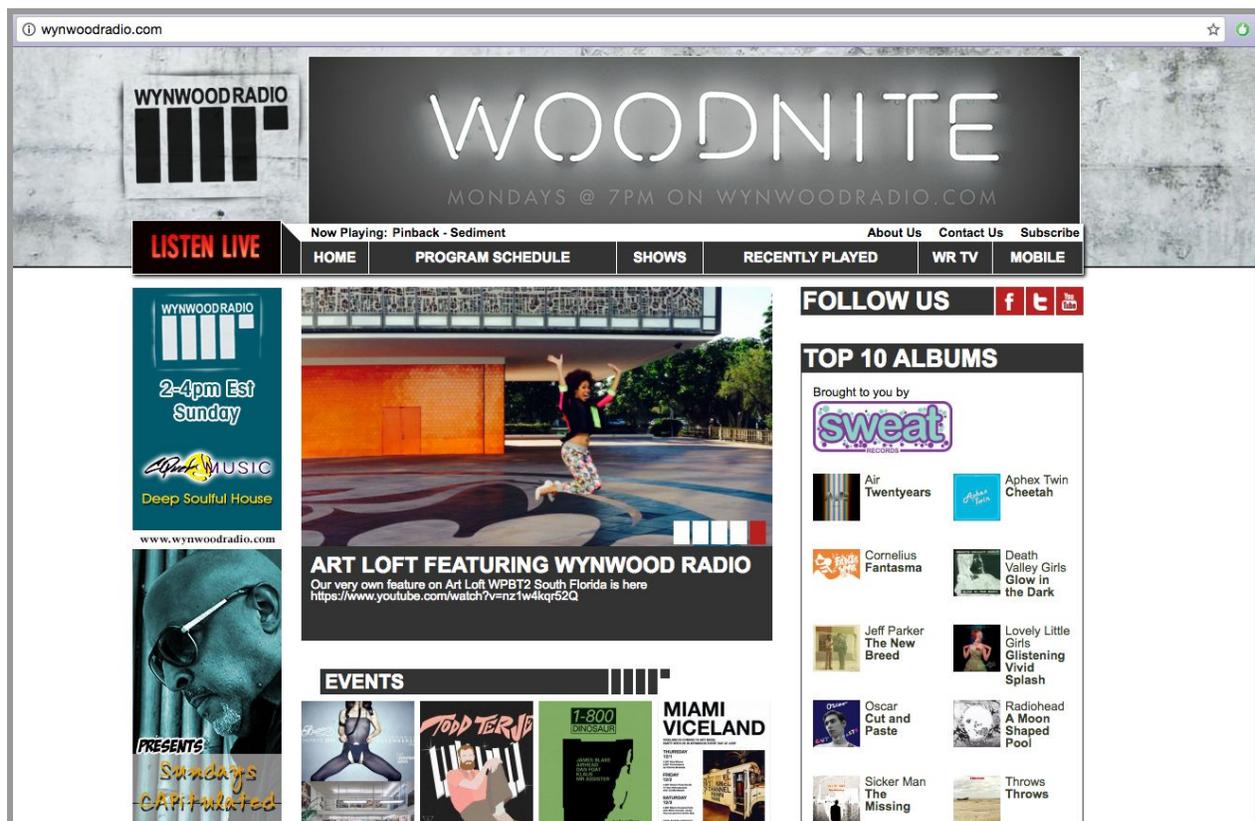


Figure 5. Visual content on Wynwood Radio's website

Meeting at the café with panelists before the event is encouraged to get to know one another and, in turn, improve the flow of the discussion. Panelists Arena and Sokoloff met beforehand at the cafe area, whereas Liu and Vega met at the radio booth. All

panelists could meet at the VIP lounge area and should be reminded to go to restroom before the event starts.

The giving of souvenirs is also recommended. One panelist waited at a booth at the fair to have a T-shirt made, and it would have been an excellent gift for panelists to remark on the event and show their appreciation to their participants. Gifts can be as simple as T-shirts or keychains.

In sum, several components could be improved. Above all, planning the project needs to begin 8–12 months in advance. The time constraint can be especially crucial for marketing to pinpoint a clear target market. Engaging the advance communication of panelists before the discussion is also recommended, as is bestowing gifts to panelists to thank them for participating.

MOVING FORWARD

The panel discussion between representatives of a finance institution, art advisory company, non-profit art organization, and an artist showed the relationship between them. However, an important representative was missing, which was a collector. There is an opportunity to provide services to the collector for their art collection. Ana Sokoloff has an advisory firm, and this is the general path of a professional who works at the auction house for a long time: they transition their career toward opening an advisory firm. This enables advisors to continue serving the collectors they have previously networked with. However, the number of auction house professionals are limited and they do not reach out to all the new potential collectors. During the breakfast event that I attended during my Miami visit, someone talked to me about this business idea. I cannot reveal her name; however, she is the head investment advisor at a financial institution, and she worked with many art collectors who want to have focused art collections. She said “many of my clients travel often and buy things, but often these collections become a scattering of things. There is demand to know more about collecting and have curated collections.” She continued with examples of different types of collectors. She described the collector who buys a whole exhibition work from the gallery. The criterion for his choice is to deal with an educated person who has dedicated their life to art. I realized that art world people gather around similar areas of people. Miami is a great place for art world people to interact, which reduces the gap between them. As my future business plan will target new and young collectors who are

not necessarily invited to art based collectors and will provide service and education to help them improve their art collection.

***The following content will describe an inspired business project that provides venture ideas for emerging collectors.**

Art Advisory Education

Executive Summary

The purpose of this educational business is to foster interest among young collectors to have focused art collections. Through this venture, the client collector will understand art history by visiting international art fairs, art foundations and museums. This venture will be focused on collectors from New York City, Los Angeles and Chicago. The educational program will provide travel to national and international art fairs such as Miami, Hong Kong, Korea, and other East Asian countries. The goal is to provide a context for collectors to realize their beliefs in society and promote social change through art collecting.

Market Analysis

“To appreciate the collector-dealer relationship is to understand the nature of collectors and collecting . . . new intermediaries can disrupt the relationship by creating different relationships that are valued by the collector, such as the rise of art advisors or art consultants. This can erode the conventional and direct-access relationship between the dealer and the collector, particularly if the collector trusts the advisor/consultant to make purchases. This also confers bargaining power on the largest advisors/consultants.”

—Derrick Chong, *Art Business Today* 20

The rise of art advisors commented upon by Derrick Chong in the above quote can be traced to the increasing demand for advice on art collection due to a shift in treating art as an investment. Chong continues to describe the complexity of art as an investment: “With over a fifth of high net worth individuals’ (HNWI) wealth channeled into art, the global art investment fund market is worth well over \$1 billion today. . . . the crucial factor is not, as one might suppose, the economic returns that art may generate over time, although in recent years this has become a fixation of investors and the art market, but its liquidity. A work of art only has value or use if it can be exchanged for something else that we need at the time” (Jones 185). With the complexity of art object, there is a demand for professionals who can provide investors with equipped insights.

The key understanding is that the system of art values revolves around art institutions. Chong remarks on the system of art institution as a destination for art works. “The goal of art is to find a home; indeed, provenance, as a term used to denote ownership history

of the work since it was created, is deemed valuable. The most valued repository of art is the public art museum as it enhances both the cultural value and potentially the economic value of the objects therein. With this in mind, the significance of the term 'museum quality' is better appreciated" (183). The key task for this venture idea is to provide a context of experiences in the art world to help them become able to recognize museum quality works. This quality can be diversified by understanding different materials, techniques and the artist's legacies in art history.

The vision of this venture idea is to create a system through which the client collector can donate their collection to major museums. "Patrons of art have made an important contribution to the history of civilisation. The formation of public art museum collections, in the US and Europe, has relied on the beneficence of individual art collectors" (182). This proves that the shaping of culture in society largely depends on individual art collectors. However, this notion is not as strongly adhered to by collectors. This venture idea will facilitate the collectors' belief and influence them to have a social influence.

More examples of the demand for art advisors is articulated in a recent artnet article by Henri Neuendorf: "Because art is an intangible asset with few concrete value-adding characteristics, it's difficult for many collectors to differentiate between the quality of different works. Today many collectors rely on their trusted advisor to help them navigate the complexities of contemporary art, and the art market" (Neuendorf). This quality is what I can provide through my professional art business education at Sotheby's Institute of Art New York and Los Angeles campuses. I also practiced oil

painting and art history at the School of Art Institute of Chicago. This background provided me with the capability to recognize the complexities of contemporary art and networking. Neuendorf's article also notes, "When you use a very qualified advisor, you're acquiring a vast trove of knowledge that's been cultivated over years of looking at art, analyzing auction sales, and understanding the inner workings of the market." My training has supplied me with this expertise, and I am capable of supplying a quality service.

Company and Product description

According to Neuendorf's article, an advisor receives 5% – 10% of the sale price of an artwork. This includes the service of advising on which works to buy, negotiating with galleries, bidding on works at auction, and introducing clients to market experts.

In the present venture, my service includes those four categories as well as the organization of educational travel. The tours will consist of visiting international art fairs, local art museums and art galleries. Traveling to visit sites and meeting with artists at their studios is crucial to understanding today's diversified art world. Especially China has increased its influence in the globalized art market. It is common for art collectors in the United States to visit European countries and Latin America. However, many hesitate to travel as far as East Asia. Through this traveling program, collectors will benefit from understanding Asian culture and tradition as it is represented in art. This can also become an opportunity for the collectors to discover new artists in East Asia that have been undervalued by the market. The travel creates a stronger

relationship between the advisor and client collectors, but also between the collectors themselves.

Marketing Plan

Word of Mouth is the marketing plan. “High-caliber networkers gain endorsements for reasons that go beyond the basic product or service they offer. They do extraordinary things. For example, many enhance the revenues of prospects. In other words, they sell the prospects’ products. They give this help before asking prospects to become clients,” states Thomas J. Stanley, author of *Networking with the Affluent and their Advisors*. The marketing plan strategy is to seek out opportunities to enhance the revenues of collectors. I will build trust by giving services first and building relationship with my clients. The aim is not to acquire relationships with the general mass of collectors. It is to have close and focused ties through a personal level of management.

Along with developing the client’s trust, the development of souvenir art production will be invested. The company will work with artists and local manufacturing shops to create multiples of art products to give to the clients. This is to express the appreciation of choosing the company, but also to create a brand image through which our company creates value. An example of such production could be a beeswax candle sculpture. A selected artist might develop a sculpture that depicts his or her intention and create the multi by using a mold. In this way, the art production can be utilized as a candle as well as an art piece.

Operation and Development Plans

Initially, the operation will start small by focusing on increasing revenue for the client. The company's base will operate in New York City. I will continue to seek out the opportunity to increase revenue for my collector clients. Once the system of enhancing revenue for the collector is in place and trust solidifies, I will increase my influences with already established networks in Chicago and Los Angeles to collaborate and improve the content of services. The ambition is to grow the company internationally to collaborate with art collectors from Korea to the United States and into the international art market. Eventually, the company will develop and become an art investment advisory corporation where any art collectors can feel comfortable visiting, asking questions about art collecting and browsing through diverse programs and options to develop their art collections.

The physical space of the company should include resting areas. Once the physical location is established, the plan is to create a space where people can come in and relax. The physical space will contain free snacks and resting areas. This is to reveal the importance of networking and appreciation.

The operation will include two main staff members who are professionals in law and finance. Together, as a group, we will examine ways to realize the project and improve revenue for our clients.

Basic Financials

1		Monthly costs
2	Sales	5-10%
3	Cost / Good sold	\$1,500 -100,000
4	Gross Profit	\$150 - 10,000
5		
6	Operating Expenses	
7	Salary	\$9,000 (3 person)
8	Advertising	\$4,000
9	Car Delivery and Travel	\$300
10	Rent	\$2,500
11	Utilities	\$70
12	Total expenses	\$15,870
13		
14	Annual Savings	\$190,440

Figure 7. A layout of operating expenses with sales

Figure 7 shows the layout of operating expenses, including the estimated profit, through the sale of artwork. The cost is estimated to range from one fifty hundred dollar to hundred thousand dollar. The maximum cost reflects the general auction house's artwork prices. The minimum price represents the general starting price range at retail galleries in downtown New York City. Considering that the profit is from five to ten percentage points of the sales, a maximum of ten thousand dollars can be realized. To cover the expense, the company will require a loan of one hundred ninety thousand four hundred forty dollars. The company estimated that it would require three staff members with a three-thousand dollar average monthly salary. The members of the company will

include specialists in law and finance. Adding up all the necessary expenses for the company to operate, it will cost fifteen thousand eight hundred seventy dollars a month. For the safety of the company I would like to double the annual costs to establish savings fund in case of an emergency. Thus, the goal is to find investors to help create three hundred eighty thousand eight hundred eighty in capital to start the business.

This amount of capital is large; however, with the networking and endorsement of influential people, I hope to find a solution. The strategy for producing this capital is not on meeting daily salary quotas. Instead, the vision is to establish the networking and giving services to gain trust rather than focus on direct returns. This strategy will provide the capital in the long run.

Conclusion

The panel discussion was successful in creating a platform for different professionals in the art world to remark on the status of their organization. The panelists also exchanged ideas and discussed the demands of different organization. John Arena depicted the clear role of his financial institution, and the directions of the investing and lending strategy they discussed were optimistic in terms of their openness to different types of art projects. Ana Sokoloff brought up interesting points on the auction house and the role of her advisory company in supporting artists and nonprofit art organizations. Martin C. Liu stated that nonprofit organizations need continuous support. Sergio Vega noted the healthy relationship of nonprofit art organizations with auctions. The panel discussion reflected the absence of art collectors, and the necessity for conversation between different professionals in the art world was revealed. This indicated that there is a demand for collectors to be educated in the contemporary art world before delving into the art market. It became clear from talking to a financial advisor that many collectors want to increase revenue by collecting art. There is a demand for improved introductions and education for these potential collectors. This what the advisory company is responding to through it business plans. By forming this advisory company, the goal is to work with art collectors to establish a focused and positive influence on social change.

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