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TAILORMADE : Fine Art Merchandise

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Sotheby's Institute of Art

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Sotheby's
INSTITUTE OF ART

TAILORMADE / Fine Art Merchandise
MASTER'S THESIS PROJECT

Mirabelle Alan
Sotheby's Institute of Arts
December 7th, 2020

A project submitted in conformity with the
requirements for the Master's Degree in Art
Business

Sotheby's Institute of Art
2020

Abstract

This Master's Thesis Project proposes a three-year business plan for establishing TAILORMADE, an online platform that develops fine art merchandise through accessible means to combat intellectual property theft from emerging artists. It analyzes how merchandise is used as a method in transforming the ways we create, buy and sell art. It also addresses how fast-fashion stores use their mass-produced merchandise as to copy artworks from emerging artists without consent or compensation. Through this analysis, TAILORMADE proposes a company that sells merchandise made by the artist, for the art lover, and that maintains artistic integrity.

TAILORMADE also taps into an emerging marketplace where art viewers and collectors purchase art through different means and methods. Due to the ever-changing pace of technology and amidst the COVID-19 pandemic, the art market landscape has shifted drastically. With galleries and museums closed, art events to online events, and auctions to Instagram posts, the virus has potentially changed the way art is bought and sold indefinitely. However, TAILORMADE offers a solution that is not only accessible to most in terms of monetary investment, but also is responding to the direction where art is going—e-commerce. Through this analysis, TAILORMADE proposes a company that sells merchandise made by the artist, for the art lover, and that maintains artistic integrity.

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TAILORMADE

EXECUTIVE SUMMARY

Mission:

TAILORMADE is an online platform that merges the merchandise industry with the art market to produce a custom, bespoke work of art through a more accessible method of purchasing. In its beginning years of production, TAILORMADE will streamline fine art phone cases, designed by a curated selection of eclectic artists - offering an online space and outlet for their work, social media presence, and future collectors. As the business grows, TAILORMADE will expand to other merchandise items such as decorative homeware, tote bags, apparel and more.

At TAILORMADE, we aim to combat artistic intellectual property theft by helping a curated selection of emerging artists create bespoke merchandise. Beginning with phone cases, we will corner the technology accessories market and design world by support emerging artists and makers while also giving the average smartphone consumer the benefit of fine art in their everyday lives.

Problem:

We saw a problem in the merchandise industry where big companies frequently stole emerging artists' works, without consent or compensation to exploit for their own products and benefit. According to an article on Artsy, "a slew of independent visual artists have come forward to accuse various major fashion brands of using their work

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without permission or payment. Topman, Zara, Versace, Forever21, Lane Bryant, Jeremy Scott—these are just a few of the companies and designers called out by artists for having allegedly plagiarized their work...¹ These plagiarized designs are manufactured on t-shirts, backpacks, sneakers, and phone cases. Several instances prove evidence for this issue.

Company Infringement Precedents:

First Instance, Urban Outfitters - Lee Meszaros is an artist from Hamilton, Canada who said she was left feeling “ripped off” after Urban Outfitters renounced a partnership with the artist to produce resin sculptures filled with floral designs. When Urban Outfitters emailed the artist regarding a potential partnership, the artist was nervous quoting, “my fear all along, since I got their initial email, is that once you’re on their radar, you can either play along or get ripped off and have nothing to do with the process.” The artist calculated how much it would cost to produce the products and also sent samples of her work. Urban Outfitters decided to not partner with the artist after these practicalities were discussed because the items would cost too much for its customer base. The company ended up producing a product which greatly resembled Meszaros floral resins, selling for \$30.00 at less than a third of Meszaros charge.²

¹ Editorial, A., & Kaplan, I. (2016, September 19). How Artists Are Fighting Back against the Fashion Industry's Plagiarism Problem.

²Ontario artist accuses Urban Outfitters of stealing her whimsical designs | CBC News. (2020, March 26).

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Several other accounts from artists echo similarities with Meszaros story, including artist James Soares. Soares designs and sells his work on products like iPhone cases and t-shirts through Society6, noticed one of his graphic designs on an Urban Outfitters skirt. The artist took to Tumblr to post about the infringement in which it gained a viral following with over 90,000 reposts. Urban Outfitters responded to the reporters of Huffington Post who reported on the story, responding, “We take matters such as this very seriously and removed the product as soon as this was brought to our attention. Urban Outfitters has worked with Society6 since 2010 to help bring awareness and sales to their creative network of artists...”³ See Soares’s original design (figure 1) and Urban Outfitters reproduction of the design (figure 2).

Second Instance, Jeremy Scott - In 2013, designer Jeremy Scott showcased his fashion collection during New York fashion week. Shortly after the collection debuted, someone sent surf and skateboard artist Jimbo Phillips a picture of Scott’s fashion show. The same day Phillips posted the pictures to Facebook with the caption “this is crazy!” The post gained traction and became viral. Phillips filed a lawsuit on the basis of Copyright Infringement against Scott and by September, the parties settled. “I now recognize my mistake and out of respect to their work and their rights, the clothing and handbags at issue will not be produced or distributed,” Scott added in a public apology.⁴

³Feldman, J. (2017, December 07). Urban Outfitters Accused Of Ripping Off Artist's Design, Sparks Tumblr Fury.

⁴Editorial, A., & Kaplan, I. (2016, September 19). How Artists Are Fighting Back against the Fashion Industry's Plagiarism Problem.

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Alongside this primary issue of plagiarism was a secondary issue where artists and makers showcased their work online with custom merchandise, but did not have a streamlined platform that offered a wider scope and market space. Thus their products got lost into the online abyss, never creating a following or collecting base. TAILORMADE uses marketing strategy, both offline and online, to acquire customers and future collectors.

The tertiary problem seen in the online merchandise market is where competitors, such as Redbubble and Society6 provide spaces for emerging artists to create merchandise, but limit the artists to digital reproductions which are mass produced to be printed onto the product, thus defeating the artwork's integrity and bespoke quality. In the case of Soares, Society6 contributed to the infringement, not protecting its artists and their intellectual property, and giving Urban Outfitters access to copyright theft. TAILORMADE sees merchandise reproduction companies like Society6 not support or protect their artists for means of profit and company partnership. As we state in our mission, we are here to support artists from beginning to end.

The final problem we saw an opportunity to solve was the necessity for individuality and bespoke products that separate the consumer from every other consumer in the tech and art marketplace. In the same way that fine art functions for homeowners, TAILORMADE gives buyers the opportunity to distinguish themselves and showcase a

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part of their personality, style and taste—without the high cost or exclusivity of fine art processes.

Solution:

TAILORMADE addresses all four problems in a singular, accessible and readily available solution. Through an exclusively online service, we offer bespoke and custom fine art to an accessible market, beginning with smartphone protective covers. We address intellectual property theft exploited by big businesses, and alternatively create a safe space where artwork can be viewed and sold online. Moreover, a space where emerging artists can have a community online to share their personal websites and social media accounts, creating a future collecting base. Given the economic and financial decline due to the Coronavirus pandemic, online businesses and e-commerce sales are stepping in to an unprecedented opportunity. While the art market is forced to shift in several ways, artists continue to create, collectors continue to find a new emerging artist, and the spirit of the art world drives on. TAILORMADE offers a new way of collecting and purchasing artwork, and also new method of art distribution for artists through merchandise.

Execution:

The traditional art market landscape is esoteric and select. In both product and business model, TAILORMADE is meant to be accessible for all—for both the purchaser and the artist. We want to introduce the fine art market to a new digital realm, and we have outlined several tactics to do so: the first being that TAILORMADE is exclusively an

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online e-commerce business. We plan to take advantage of online marketing through Instagram, Facebook and YouTube advertisements. We will also collaborate with influencer artists who have large Social Media followings to engage more audiences. These tactics will be further discussed and detailed in the Marketing and Sales portion of the business plan.

Team:

Mirabelle Alan: As a Los Angeles native and New York City inhabitant for the last five years, Mirabelle is highly emerged in the metropolis art scene. With a background in Art History with a minor in Creative Entrepreneurship from Parson's School of Design in NY and a Master's from Sotheby's Institute of Art in NY, she has proficient knowledge and experience in galleries, museums, public relations in the art world, and social media engagement. Now as an Artist Coordinator for Playform, a digital platform that offers no-code artificial intelligence to artists, her daily world involves talking to artists, engaging with their work, and building strategies to increase their audiences. She is also involved in building a digital marketplace for Playform Art Shop, an exclusive online exhibition / store from select artists using AI capabilities to enhance everyday objects.

INDUSTRY | MARKET ANALYSIS

Online Art Market America:

According to IBISWorld, Online Art Sales in the United States reached 2.4 billion dollars in 2020. However, the growth rate of these online sales is expected to decline -8.8 percent

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in 2020 due to a declining economic environment. The Coronavirus pandemic has shifted the ways in which collectors and patrons buy art, as well as the ways in which galleries and dealers sell art. “Social-distancing and stay-at-home requirements have resulted in high unemployment and reduced consumer spending. This is expected to reduce expenditure on art, including online sales, given the highly discretionary nature of industry products.”⁵

Museum Shops in America:

According to a Vox article titled, “Museums don’t just want gift shops to make money—they want them to shape our understanding of art,” museums have long incorporated gift shops and merchandising opportunities through art. Items like scarves, jewelry, smartphone cases, puzzles, notebooks and more have been vessels for fine art. The article reports that The Virginia Museum of Fine Art makes “anywhere from 25 to 70 percent” in profits after large exhibit openings with popular artists. Compared to “typical years,” according to the Director of Retail Operations Michael Guajardo, achieves “over \$2 million.” The article concludes that while fine art may be intimidating to some, “everybody loves to shop,” and therefore merchandising of fine art is more approachable and interactive.⁶

Online Art Shop | Marketplace Competition:

⁵ Industry Market Research, Reports, and Statistics. (n.d.).

⁶ Higgs, M. (2018, November 07). Museums don't just want gift shops to make money - they want them to shape our understanding of art.

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TAILORMADE's competitive landscape includes companies like Redbubble, Society6, Etsy, and Printed Matter. Each of these competitions offer a streamlined system of art and design onto merchandise products, including phone cases, t-shirts, backpacks, etc.

Redbubble

Founded in 2006, the Australian company produces items like “shirts, stickers, phone cases and pillows from over 700,000 creatives.” The website averages over 30 million visitors biannually on mobile and desktop with 40 percent of engagement from the United States.⁷ Redbubble is estimated to reach 285.9 million annually.⁸

Society6

Founded in 2009, Society6 features “art prints, home decor, bed and bath items, iPhone cases, apparel and tech” accessories from artists and creators. Society6 reaches an estimated \$32.5 million revenue annually.⁹ Averaging over 5 million visitors biannually on mobile and desktop, over 50 percent of visitor engagement is from the United States.¹⁰

Etsy

Founded in 2006, Etsy is an online service that offers “handmade gift, vintage and on-trend clothes, jewelry, and more.” According to Statista, Etsy made over \$800 million in

⁷ Society6 Traffic Statistics. (n.d.).

⁸ Redbubble.com Traffic Statistics. (n.d.).

⁹ Op. Cit.

¹⁰ Op. Cit.

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2019.¹¹ The company's success is also measured in a consistent increase of sellers and buyers: last year Etsy achieved 46.35 million users and 2.69 million sellers.

Our Advantage:

Where TAILORMADE is distinguished from these competitors is its bespoke and customized process. Unlike the competitors, TAILORMADE products begin from the artist's hand and end in the purchaser's hand. It does not involve machine printed, where artistic integrity becomes diminished. It does not involve digital mass reproductions, where the artist's decision and choice is left behind. The service we provide is offers a balancing act between these competitors and a fine art gallery—TAILORMADE acts as Curator and Production Director, but the artist's role never changes. The artist does not have to succumb to mass production and digital intervention. TAILORMADE is the artisan of fine art merchandise, while maintaining artistic integrity and fine art quality, we are distinguished from competitors.

Target Market:

We expect the TAILORMADE target market to be situated between the fashion, tech, and emerging art market landscape. Specifically, its consumers will range from 22 to 38, classified as Millennials. According to Statista Research, Millennials also mostly shop online, which is why TAILORMADE is exclusively e-commerce.¹²

¹¹ Sabanoglu, T. (2020, November 26). Etsy: Annual revenue 2019.

¹² Topic: Millennials in the U.S., Statista

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According to Goldman Sachs, Millennials in the United States are “reluctant to buy items such as cars, music and luxury goods,”¹³ this includes fine art. We expect that Millennials who have an interest or appreciation for art and collecting, but do not have the finances or desire to invest in fine art, will purchase TAILORMADE products because it provides a middle-ground between the niche art world and Millennial consumer behavior.

TAILORMADE is aiming to cater towards the city-inhabitant who aims to individualize themselves from the crowd. According to research from Daymon Worldwide, Millennials “want to feel special, unique and want to stand out far more than their parents’ or grandparents’ generations.”¹⁴ This Millennial behavior desires for bespoke and one-of-a-kind products-yet still available at an accessible reach, which is at the core of TAILORMADE’s mission.

We will begin the target process specifically in major cities where Millennials reside in the United States. According to including Los Angeles, New York City, Chicago and San Francisco. They will be accustomed to fine aesthetic and artisan products and have an interest in contemporary art. We will also specifically target Millennial who attended art/design school, or who studied in art related fields. This is because we presume that Millennials with art backgrounds will find interest in TAILORMADE products.

¹³ Millennials Infographic. (n.d.). Goldman Sachs

¹⁴ Schlossberg, M. (2016, June 20). There's one huge difference in attitude among boomers, Gen X, and millennials.

COMPANY | PRODUCT DESCRIPTION

Company Description:

TAILORMADE is the chosen name for this business proposal because the product is designed and made for the purchaser in the same manner as a commissioned work of art. Through a functional product like a phone case, TAILORMADE aims to integrate fine art and utility, all while maintaining artistic integrity. We are an artist-centric business; we aim to not only provide business solutions to artists, but also help support them in their collaboration with TAILORMADE.

Product Description:

Limited Edition and made-to-order TAILORMADE products are high quality in both function and design. We compare our products to blank canvas—with the utmost quality in mind, ready to be transformed by the artist's hand. Manufactured from outside sources, the products are sent to the selected artist along with the relevant packing and shipping details to arrive on the customer's doorstep. Smartphone cases will include iPhone 12, 11 and 10 sizes, as well as Samsung Galaxy cases. We will also offer cotton tote bags in large and mini sizes. As our business progresses, we will add more product options including a set of candle holders and fine art table coasters. We will also consider artist and customer feedback for product suggestions.

Artist Guidelines and Benefits

Our artists are selected and curated by the TAILORMADE team. We provide a three-month residency where artists can apply to be a part of the artist selection. Our selected artists are offered the profits that we make on the products sold, as well as an \$100 advance before sold products. They will also get a platform on our website where we will have a “Conversation with the Artist” interview, access to the artist’s social media, a biography about their artistic practice, and their career highlights. After the three-month period, TAILORMADE selects a new group of artists to maintain variety.

Pricing

TAILORMADE fine art phone cases are priced at \$45.00 per unit. This price was calculated based on comparative prices from a variety of phone case merchants including: Fine Art America¹⁵, MoMa Design Store¹⁶, and more. Our tote bags are ranged between \$40.00 and \$65.00 dollars, which were also determined based on competitive pricing analysis. Competitions such as Society6, Redbubble and Etsy were also used as comparable for pricing.

EXECUTION

Marketing and Sales

¹⁵Shop for Products Designed by Independent Artists and Iconic Brands. (n.d.).

¹⁶ MoMA Design Store. (n.d.). Retrieved from <https://store.moma.org/>

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Marketing initiatives will involve online advertisements, online influencer collaborations, Search Engine Optimization, Email marketing, online press releases, and Webinar Series. These tactics will be further discussed below.

Online Advertisements

TAILORMADE's social media advertisements will be conducted on Facebook Business Manager. Targeted ads will be directed to the target audience, and we will utilize "Dynamic Creative," a feature on Facebook Business Manager which alternates between various advertisement options and finds the most successful computation. These advertisements will also feature on Instagram as well. They will run through Instagram Feed as well as Instagram Stories. Through these advertisements, we hope to acquire a gain in followers and online engagement.

Influencer Collaborations

TAILORMADE is interested in collaborating with online influencers to gain traction and following. These influencers will be artists and creators who have 20K+ following. We have acquired one of the first selection of artists who has a following of 40k+ audience. With influencer collaborations, TAILORMADE aims to acquire a larger following and buyer market. We will further elaborate on our curated selection of artists further along in this proposal.

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Search Engine Optimization

We will utilize search engine optimization to improve the quality and quantity of website traffic to our TAILORMADE site. This process will involve Key Word research, website platform design and organization, analyze competition's websites and traffic, optimize for On-Page SEO, Optimize for Search Intent, and make TAILORMADE content interesting and "clickable."

Email Marketing

TAILORMADE will also employ email marketing strategy, utilizing a system like MailChimp to expand and also maintain the business. We will announce new artists, specialized products, sales, and other company information through email marketing.

Online Press Releases

TAILORMADE will release its official press release to send to media outlets and preliminary customer base. View the official press release below

TAILORMADE has proposed an artist consignment agreement (which has yet to be viewed or advised by a lawyer and is to represent a mock of what an agreement may look like,) that identifies business operations, as well as product and pricing agreements to be viewed below:

TAILORMADE | ARTIST AGREEMENT

AGREEMENT made on this date _____ between _____ (“Artist”) and
TAILORMADE

FOR UNDETERMINED AMOUNT AFTER REVENUE, and other valuable
consideration, the Artist and TAILORMADE agree as follows:

1. SELLER:

The Artist appoints TAILORMADE as its seller of TAILORMADE products for
the purpose of exhibition and sale of the works and signed under this Agreement.

2. PRODUCER:

The Artist appoints TAILORMADE as its producer of TAILORMADE products
under the guidance and creation of Artist. The Artist agrees to follow TAILORMADE
directions which include shipment and packaging of products (expenses belong to
TAILORMADE, addressed further below).

3. REVENUE:

The Artist agrees and TAILORMADE agrees to provide the Artist with a 50
percent commission of any sales the Artist’s products make, as well as a \$100 advance
upon Artist selection.

4. MATERIAL:

The Artist and TAILORMADE agree that TAILORMADE will provide material
expenses which will be included along with the \$100 dollar advance, including the
products themselves, along with necessary paints, markers, inks, etc. in which the artist
uses to produce works, as well as shipping and packaging expenses.

5. TERM:

The term of this Consignment Agreement will be for 3 months, with the rights of
either party to terminate this Agreement upon notice.

Pop-Up Events (Post-Covid-19):

When the pandemic is under control, TAILORMADE will create physical pop-up spaces in Los Angeles where our artists will produce real-time products. Visitors will have the option to purchase our products, choose their artist, and come back later that day to pick up their purchase. We want to use pop-up events as a way to gain customers as well as for exhibition purposes. We expect to throw a pop-up event in a popular area of the city, like the Melrose Flee Market or Silverlake Sunday Market. Our target market base aligns with these locations. We expect to gain social media influence through these pop-up events as well.

Curated Selection of Artists:

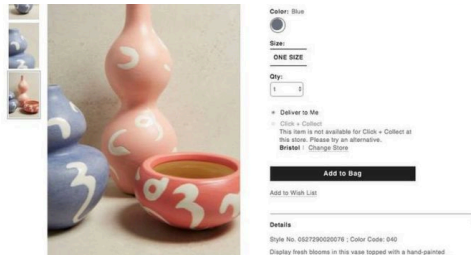
The process of artist selection will be determined as follows: through Mirabelle's relation with Playform, she has been introduced to several emerging artists who are interested in expanding their art practice. Of these artists include Mattia Cuttini, an Italian based artist who worked in ink experimentations including Xerox machines and printers. These experiments are fed into digital processes like Playform's Artificial Intelligence generation. Anthromorph is the second of selected artists whose art practice is situated between biology and fantasy. She explores themes of body and transformation, alternate reality environments and metamorphosis processes. Lastly, Rhonda Voo is an illustrator whose whimsical yet graphic style works on any type of canvas.

Los Angeles, CA - December 7, 2020 - TAILORMADE is a one-of-a-kind online platform that develops fine art merchandise exclusively from emerging artists through accessible and new ways. Situated between the art market, tech and fashion landscape, TAILORMADE proposes a merchandise marketplace where the products are made by the artist, for the art and design lover, all while maintaining artistic integrity through accessible means. Amidst the COVID-19 pandemic, the art market landscape has shifted drastically. E-commerce has developed new means and methods of art collecting, purchasing and selling.

TAILORMADE began when 23-year-old graduate student Mirabelle Alan saw a problem with the current merchandising industry. When she walked through an Urban Outfitters store one day in New York City in 2018, she noticed a set of well-designed homeware. Later that day as she searched online for the home products, she found an article on [BBC](#) with the headline, "Urban Outfitters removes vases 'ripped-off' from Bristol artist." The artist, Sarah Wilton, said "I feel like I've been robbed.. I'm completely gutted.. I make unique items that are one of a kind and small batch editions for companies that believe good business comes by collaborating with artists." The research didn't stop there, and Mirabelle began looking into several accounts where Urban Outfitters frequently "ripped-off" artists for merchandising purposes. Companies including Zara, Forever21, and more consistently do similar processes - they find an artist online, and mass reproduce a nearly exact replica on t-shirts, backpacks, mugs, etc.



Sarah Wilton's Ceramics



Urban Outfitter's Reproduction

At its core, TAILORMADE begins with the artist and ends with the artist. We produce bespoke and custom merchandising products like tote bags, smartphone cases, and more and the designs are handmade, straight from our curated selection of artists.

Where a fine art gallery and a merchandise store converge, TAILORMADE supports emerging artists and their careers, all while producing awesome products for you. Never mass-produced or digitized, maintaining artistic integrity. Discover a new kind of fine art with fine art merchandise, exclusively at TAILORMADE.

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Operations:

TAILORMADE's operations will not involve a physical office space because it functions as an online service, however Mirabelle's residential address will be the TAILORMADE address. In the future, TAILORMADE may have an office space to conduct customer service requests, speak to artists, update website platforms and social medias, etc.

The products will be processed from outside vendors that offer our selected products with quality and value. These wholesale vendors are accessible through Alibaba. Once the products have been sent to selected artists, along with packaging and shipping deliverables, the artists will send the completed products to the purchaser. Mirabelle will oversee the process to assure that producing and shipping items is seamless.

FINANCIAL FORECAST ANALYSIS

Key Assumptions:

We expect to partner with three different artists every month with a selection of five different products in the first year. We to make \$6,555.90 in our first year, given the financial crisis of the pandemic, we are estimating a lower revenue amount and hope to be surprised by exceeding this amount in the future. As the years progress, we expect to increase customer acquisition and sales doubling revenue, and we will increase the amount of product also for testing purposes. By the final year, we expect to reach even more customers and sales, as well as increase products.

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Monthly Products and Pricing per Artist - Year 1

Product	Quantity	Price	Existing Cost	Profit Margin	Net Revenues per Unit	Existing Artist Payment per Unit	Existing Total Artist Payment
iPhone 12 Cases	10	\$45.00	\$0.31	144	\$44.69	\$22.35	\$223.45
iPhone 11/10 Cases	20	\$45.00	\$0.31	144	\$44.69	\$22.35	\$446.90
Samsung Galaxy Cases	10	\$45.00	\$0.31	144	\$44.69	\$22.35	\$223.45
Cotton Tote Bags	25	\$65.00	\$0.89	72	\$64.11	\$32.06	\$801.38
8" Mini Tote Bags	25	\$40.00	\$0.79	50	\$39.21	\$19.61	\$490.13
Total							\$2185.30
						3 Artist Total	\$6555.90

Monthly Products and Pricing per Artist - Year 2

Product	Quantity	Price	Existing Cost	Profit Margin	Net Revenues per Unit	Existing Artist Payment per Unit	Existing Total Artist Payment
iPhone 12 Cases	25	\$45.00	\$0.31	144	\$44.69	\$22.35	\$558.63
iPhone 11/10 Cases	25	\$45.00	\$0.31	144	\$44.69	\$22.35	\$558.63
Samsung Galaxy Cases	25	\$45.00	\$0.31	144	\$44.69	\$22.35	\$558.63
Cotton Tote Bags	50	\$65.00	\$0.89	72	\$64.11	\$32.06	\$1602.75
8" Mini Tote Bags	50	\$40.00	\$0.79	50	\$39.21	\$19.61	\$980.25
Set of Candle Holders	25	\$100.00	\$1.15	86	\$98.85	\$49.43	\$1235.63
Total							\$5494.50
						3 Artist Total	\$16483.50

Monthly Products and Pricing per Artist - Year 3

Product	Quantity	Price	Existing Cost	Profit Margin	Net Revenues per Unit	Existing Artist Payment per Unit	Existing Total Artist Payment
iPhone 12 Cases	25	\$45.00	\$0.31	144	\$44.69	\$22.35	\$558.63
iPhone 11/10 Cases	25	\$45.00	\$0.31	144	\$44.69	\$22.35	\$558.63
Samsung Galaxy Cases	25	\$45.00	\$0.31	144	\$44.69	\$22.35	\$558.63
Cotton Tote Bags	50	\$65.00	\$0.89	72	\$64.11	\$32.06	\$1602.75
8" Mini Tote Bags	50	\$40.00	\$0.79	50	\$39.21	\$19.61	\$980.25
Set of Candle Holders	25	\$100.00	\$1.15	86	\$98.85	\$49.43	\$1235.63
Fine Art Coaster Set	20	\$55.00	\$0.62	88	\$54.38	\$27.19	\$543.80
Totals							\$6038.30
						3 Artist Total	\$18114.90

Projected Cash Flow Statement

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>
Net Cash Flow from Operations			
Net Profit	\$1878.05	\$27563.70	\$29289.47
<i>Net Cash Flow from Operations</i>	\$1878.05	\$27563.70	\$29289.47
Investing & Financing			
Investments Received	\$1,000.00		
<i>Total Investing & Financing</i>	\$1,000.00		
Cash at Beginning of Period	\$1,000.00	\$2878.05	\$27563.70
Net Change in Cash	\$1878.05	\$24685.65	\$1725.77
Cash at End of Period	\$2878.05	\$27563.70	\$29289.47

Projected Income Statement

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>
Sales	\$31586.40	\$65934.00	\$72459.60
Other Income (Pop-up Gig)	0	\$1500.00	\$2000.00
Total revenue	\$31586.40	\$67434.00	\$74459.60
Cost of Goods Sold			
Smartphone Cases	\$23.25	\$29.45	\$43.40
Tote Bags	\$84.00	\$84.00	
Set of Candle Holders	\$0.00	\$28.75	
Coaster Set	\$0.00	\$0.00	
Packaging Materials	\$200.00	\$300.00	\$400.00
Delivery Service Labor	\$100.00	\$100.00	\$100.00
Total Costs of Goods Sold	\$323.25	\$429.45	\$543.40
Gross Profit	\$31263.15	\$67004.55	\$73916.20
Operating Expenses			
Artist Wages	\$10421.05	\$22334.85	\$24638.73
Website	\$300.00	\$300.00	\$300.00
Gmail	\$50.00	\$50.00	\$50.00
Facebook Ads	\$500.00	\$3,500.00	\$5,000.00
Adobe Creative Suite	\$240.00	\$240.00	\$240.00
Freelance Graphic Design	\$1000.00	\$1,000.00	\$1,000.00
Social Media Influencer	\$200.00	\$5000.00	\$6000.00
Total Operating Expenses	\$12711.05	\$32424.85	\$37228.73
Operating Income	\$18552.10	\$34579.70	\$36687.47
Income Tax Expense	\$3963.00	\$7,016.00	\$7,398.00
Total Expenses	\$16674.05	\$39440.85	\$44626.73
Net Profit	\$1878.05	\$27563.70	\$29289.47
Net Profit / Sales	40.7%	55%	52%

Projected Balance Sheet

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>
Current Assets			
Cash	\$2878.05	\$27563.70	\$29289.47
Inventory			
Total Current Assets	\$2878.05	\$27563.70	\$29289.47
Long Term Assets			
Macbook	\$2000.00	\$2000.00	\$2000.00
Adobe Creative Suite License	\$240.00	\$240.00	\$240.00
Total Long Term Assets	\$2240.00	\$2240.00	\$2240.00
Total Assets	\$5118.05	\$29803.70	\$31529.47
Current Liabilities			
Income Taxes Payable	\$3963.00	\$7,016.00	\$7,398.00
Accounts Payable (Artist advance)	\$3600.00	\$3600.00	\$3600.00
Total Current Liabilities	\$7563.00	\$10616.00	\$10998.00
Long Term Debt			
Total Liabilities	\$7563.00	\$10616.00	\$10998.00
Equity			
Retained Earnings		\$1878.05	\$29441.75
Earnings	\$1878.05	\$27563.70	\$29289.47
Total Owner's Equity	\$1878.05	\$29441.75	\$58731.22
Total Liabilities + Equity	\$9441.05	\$40057.75	\$69729.22

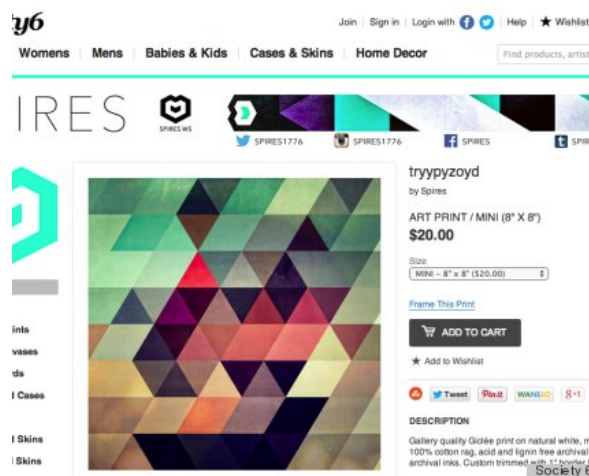


Fig. 1

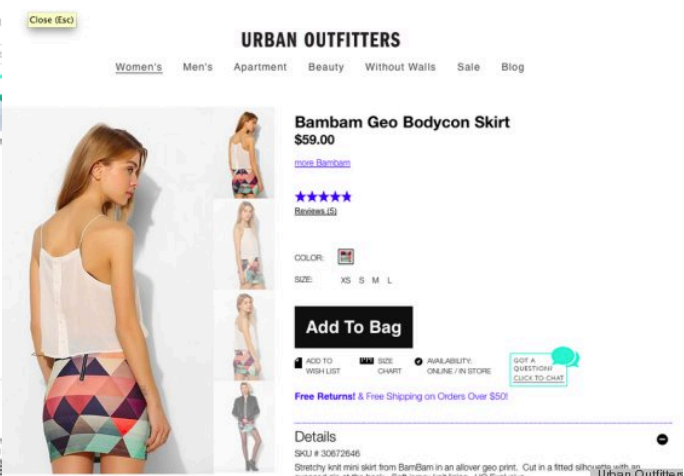


Fig. 2



Fig. 3

ILLUSTRATION REFERENCES

Fig 1. Feldman, J. (2014). James Soares, Original Design from Society6, Courtesy of Huffington Post.

Fig 2. Feldman, J. (2014). Urban Outfitters Reproduction of James Soares Design, Courtesy of Huffington Post.

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