

Artifacts – A Worker Owned Artist Cooperative

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Social Problem Addressed:

The Interactive Resource Center (IRC) in Greensboro North Carolina serves approximately 200 clients a day. The IRC assists people who are homeless, recently homeless or facing homelessness in reconnecting with their own lives and with the community at large (<http://gsodaycenter.org/>). The clients find it difficult to obtain meaningful employment opportunities paying a living wage in the current economy. Many of the clients seeking services at the IRC are talented, with useful skills and meaningful work experiences earned through past years of employment and education. These skills could provide the IRC clients with the opportunity to earn income if they can tap into the right market. This group of clients includes a budding artist community with the ability to create quality commercial art. However these artists lack connections to a larger market willing to purchase their art. In addition the clients at the IRC may lack the entrepreneurial skills required to effectively offer a product priced at the fair market level.

Solution Proposed:

Artifacts, a worker-owned artist cooperative, provides clients of the IRC with the opportunity to display and sell their works of art to customers in the community. The focus of this business model is connecting IRC clients with mentoring artists, assisting them with acquiring quality art materials, providing venture development support, and introducing them to new potential streams of income in an effort to address issues related to homelessness. This unique social innovation is designed as a worker-owned cooperative. The cooperative utilizes a democratic decision making approach to management which provides IRC clients a way to act as business owners, coming together to make decisions on how the venture will operate and serve customers. The cooperative is supported by a diverse group of community volunteers including local artists willing to mentor novice entrepreneurial artists, university students focused on business plan development and implementation, and retired local business professionals interested in creating employment opportunities for individuals facing homelessness in Greensboro. The relationship between the IRC artists, the IRC employees, and community volunteers creates a sustainable business model with the potential to make a significant positive impact on homelessness and poverty in the community.

Market Analysis and Strategy:

The growing problem of homelessness and unemployment must be met with a creative strategy offering benefits to those individual in need and to those in the community with a desire to alleviate poverty in their community. The unique selling proposition of **Artifacts** is that the clients of the IRC are able to address their economic needs by leveraging their artistic talent and developing entrepreneurial skills. In addition the community is able to address issues of homelessness with a business model that is sustainable and embraces participation in the community. The model also allows for community support of a local venture that encourages economic development within the city.

Two primary markets emerge for the art produced through **Artifacts**. One market on low cost works of art focused on a customer base consisting of young persons from age groups ranging from teenagers to young adult in their 20's. These customers are interested in purchasing art for decorating. This is important in a region that has large numbers of university students. Their purchases are mainly for dorm rooms and apartments. The second market consists of older adults who are art enthusiasts interested in purchasing art works from local aspiring artist. These customers may also be "cause related" consumers influenced to purchase this art in order to transform the community and have a positive effect in reducing poverty.

Launch Strategy and Requirements

Phase 1: Students from UNCG work with IRC clients to build the infrastructure of the art cooperative. **Artifacts** markets the concept to the potential artists encouraging their participation in the cooperative. Artist also work with artist mentors in order to develop artwork ready for sale (2011-2012)

Phase 2: Expand the business model by implementing marketing strategies. Students from UNCG will help participants to understand the decision making process and the principles of the business model. Students will support the development of a management system for the cooperative. Retired local business professionals will offer consulting expertise. Start marketing items using social media, local vendor’s fair and through an open house at the IRC.

Phase 3: Design a student internship for continued management of **Artifacts** and create a part time management position, staffed by one of the artist from the cooperative.

Financial Plan and Sustainability

Artifacts Start Up Cost * Assumes free use of space at the (IRC)	
Business Licenses and Certification	\$200.00
Office Expenses	\$700.00
Artist Materials	\$3000.00
Marketing	\$2000.00
Vendor’s Fair Fees	\$900.00
Total Start-Up Expenses	\$6800.00

Revenue Distribution	
Artists	Artist is paid price for artwork based on market and artist expertise
Overhead, Artist Supplies and Management for Coop.	35% which is below the 45- 50 % rate used at regular art galleries.
Surplus for Coop Members	10% - Cooperative artists are paid based on seniority and hours worked.
Empowerment Fund Loan Repayment	10% - Repayment of loan at a 0% interest rate for a period of two years.

The initial startup capital for the venture will in part come from the Empowerment Fund which is a group of investors associated with the IRC that offer micro loans for small businesses started by IRC clients. In addition community groups and local artists have donated quality artist’s supplies to help the IRC artists start product production. The IRC has also gained initial sponsorship to provide vendor’s space at the local monthly vendors fair (Greensboro First Friday). The Revenue Distribution plan includes consideration for the original artists, the management of the cooperative, and repayment of the micro loan to the Empowerment fund. The repayment of the loan is projected at the end of two years with 0% interest rate. In addition part of the revenue will be used to provide an artist with high quality art materials.

Impact Summary – Social Benefits

The democratic process that is central to managing the cooperative is key to empowering IRC clients in the development of entrepreneurial opportunities. The cooperative provides artist with the support they need to manage the venture and income that can help them out of homelessness. The confidence to develop their own art and to sell to a customer will help train the clients with skills that make them more employable in the future. The collaboration between the IRC clients, UNCG Students, and community volunteers provides a model for grassroots community response to poverty and homelessness which is a global social problem.