



Art Systems

Workbook



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Resource structure

At its core, economics begins with thinking about resources rather than money. Its main premise is that resources are always limited. Assigning them a monetary value aims to give all users a practical way to make the best use of limited resources. In theory, more desirable resources are also valued more highly, but models of mass production quickly show that demand is by no means the only force determining price.

For now, let us look at a project's resource structure. This will give us a clearer understanding of how to plan any art project and much greater freedom in carrying it out. Although it may seem counterintuitive at first, breaking a project down in more detail and planning it more rigorously can create greater freedom in both execution and expression.

1) Worksheet: resources

- 01 For the following worksheet, choose a project that you completed in the past two years or intend to carry out in the coming year.
- 02 Of course, carrying out a project requires money. To begin, we therefore need to break down all the resources we have or need for the project. These are not just financial resources: they also include space, people, tools we already own, and so on.
- 03 After your first attempt, return to the worksheet and see whether you can think of ten more resources. For example, do we need public relations, someone to write a review, a venue, or a particular tool that we need to borrow because buying it would be too expensive?
- 04 Put the worksheet aside for a day or so, then return to it. This is especially important when planning an actual project. Unforeseen needs always arise, but a good plan can account for most of them. This can help us avoid sudden increases in costs and potentially even the failure of the project if it turns out to require far more resources than we initially thought.
- 05 Always ask yourself what else you could add to make your life easier and the project easier to carry out. Remember to include yourself: your time is neither free nor unlimited, and it should not be taken for granted, so it needs to be recorded accordingly!



Photo: Dolar Media | Artopolis workshop, 2023

Resource structure

Space(s)

home, studio, meeting space, presentation space
...

Materials

paint, wood, nails, brochures and posters, lighting, tickets ...

People

your time, the time of everyone who works with you or helps you, audience members, journalists ...

Intangible (digital) system costs

software, rights to perform certain copyrighted works, a website ...

Public goods

All the resources you can use because you are part of society or a particular group: public space, free newsletters, public infrastructure ...

Positive externalities

All the resources that arise as a result of our project. For example, bioart based on planting trees has a positive effect on the environment and therefore represents a positive externality.

Cost structure

All the resources we use for a particular project are, of course, limited. We therefore need to include the corresponding costs in our equation for every resource we use or need.

Costs are not exclusively financial. They can also take the form of an exchange of goods, where we offer or lend something of our own in return for borrowing a particular tool.

It is important to consider all hidden and opportunity costs: costs that are not always immediately apparent. One example is paid work we could have done during the time spent on the project, but cannot undertake because of it.

II) Worksheet: costs

1 The two main categories are fixed and variable costs:

Fixed costs are expenses that do not change, or costs for goods and services that are not used up, such as rent and insurance.

Variable costs are expenses that change, or costs for goods and services that are used up, such as paint, building materials and brochure printing.

2 The cost structure is complemented by the following types of costs, or 'hidden costs':

Opportunity costs are expenses we pay indirectly because we have chosen to invest our time, energy and money in a particular project rather than something else. When producing our own artworks, we cannot be at another job at the same time. All the potential income we could earn during that time therefore represents an opportunity cost.

Transaction costs are costs caused by friction in the exchange of goods. If you spend an hour driving to a project space or studio, the time you spend is a transaction cost.

Negative externalities are costs that arise as a result of our activities. A loud performance in a public space will produce a high level of noise pollution, which can adversely affect the performance itself and the understanding of the artwork.

Cost structure

Fixed costs

Variable costs

Opportunity costs

Transaction costs

Negative externalities

Surpluses

Combining resources and costs gives us a document also used in general business practice: an income statement.

It allows us to determine whether, once completed, a project will a) generate a surplus for us, b) cost exactly as much as we invest in it, or c) cost more and leave us with a deficit.

The aim of this section is to provide a clear overview of a project's financial feasibility. An income statement can also help us find sponsors or co-funders. In most cases, they want to see an account of resources and costs so they can make a better-informed decision about supporting the project.

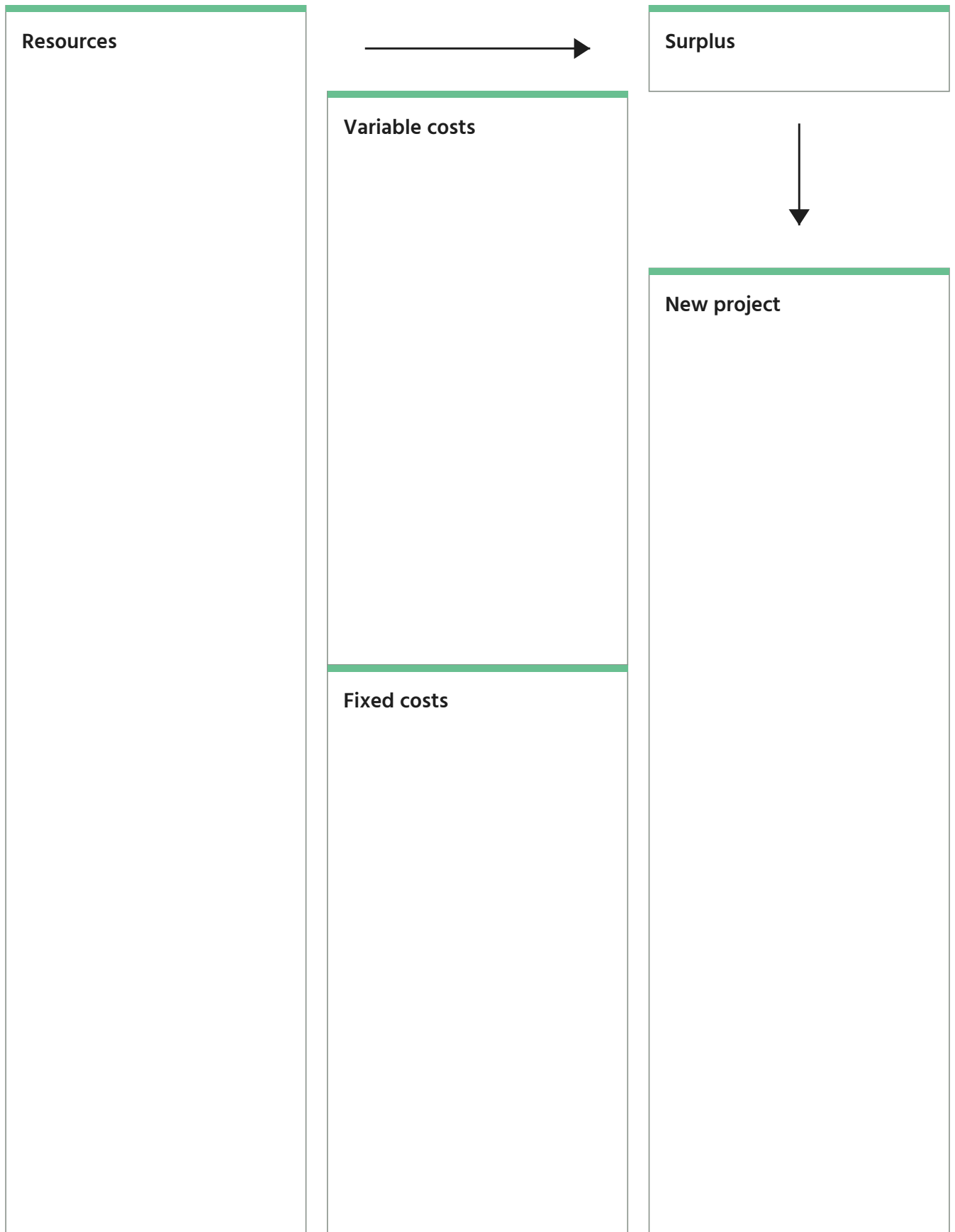
III) Worksheet: surpluses

- 1 In the first column, enter all the returns the project will generate. These include material resources and other forms of goods. Divide material and non-material, or monetary, returns into two groups: add up the monetary returns and simply list the material ones.
- 2 The next column is divided into fixed and variable costs. Remember to include your own artist's fee among the fixed costs!
- 3 What remains after you subtract costs from resources is a surplus, provided your project actually generates a surplus rather than a deficit. The remainder is the sum of resources less the sum of fixed and variable costs; this can also be a combination of financial and material resources and costs.
- 4 You can pay out the surplus and distribute it among the project's participants, or use it in your next project to make that project easier to carry out.

Surpluses can also allow smaller projects to become stages in carrying out larger ones. For example, if an exhibition requires a substantial investment of money and material resources that cannot currently be raised, you could carry out two smaller projects aimed at generating as much surplus as possible. You can then use those surpluses as start-up capital for the larger project.

Surpluses can also take the form of an exchange of goods and services. By carrying out a smaller project, for example, you might gain access to a space or specialist equipment that you can then use for a larger project.

Surpluses



Break-even point

Like an income statement, break-even analysis examines the difference between resources or revenue and costs or expenditure.

The break-even point is the threshold at which a project begins to generate a financial or material surplus. We use the following equation to calculate it:

$$\text{Break-even point in units} = \text{total fixed costs} / \text{contribution per unit}$$

A sales unit is an individual item sold, such as an exhibition ticket, an art raffle ticket or any other unit through which we intend to generate income from a project. If the project is not based on generating income and its sole aim is to be carried out with the support of co-funders and sponsors, we do not calculate a contribution per unit.

We calculate the contribution per unit by subtracting the variable cost of an individual unit, such as an admission ticket or raffle ticket, from its selling price:

$$\text{Contribution per unit} = \text{selling price per unit} - \text{variable cost per unit}$$

Example of break-even analysis

Naser is a painter who wants to hold a raffle and an exhibition of his artworks. Most of the works are already complete, but he wants to add a few more to the display. His total fixed costs are: €1,000 for producing the existing works, €300 for works he still wants to create, €500 to rent an exhibition space in a hotel where the exhibition and auction will take place, an €800 artist's fee, €100 to insure the works and €100 to print leaflets, posters and raffle tickets.

All these costs are fixed because they must be paid whether 1,000 people attend the exhibition or only three of his friends.

$$\text{Total fixed costs: } €1,000 + €300 + €500 + €800 + €100 + €100 = €2,800$$

We now need to determine the price of an individual sales unit. Suppose Naser is setting the price of a raffle ticket that will give visitors a chance to win one of the exhibited works.

Break-even point

He wants to set the price as low as possible, potentially increasing the total proceeds from selling all the raffle tickets. Of course, he must also ensure the price is high enough to recover his initial investment, which in his case is €2,800.

If he sets the price of a raffle ticket at €5, he must sell at least 560 tickets, or sales units, to cover all his fixed costs, assuming he has no variable costs.

The venue he wants to rent cannot accommodate that many people: it holds just over 300. He therefore needs to adjust the price of each sales unit accordingly.

Examples of adjustments

- 1 At €10 per ticket, he must sell 280 raffle tickets, or sales units. The required number of sales units is calculated as $€2,800 \div €10$.
- 2 At €20 per ticket, he must sell 140 raffle tickets, or sales units. The required number of sales units is calculated as $€2,800 \div €20$.
- 3 At €50 per ticket, he must sell 56 raffle tickets, or sales units. The required number of sales units is calculated as $€2,800 \div €50$.
- 4 At €100 per ticket, he must sell 28 raffle tickets, or sales units. The required number of sales units is calculated as $€2,800 \div €100$.

The break-even point depends not only on the minimum and maximum number of sales units Naser needs to sell, but also on the highest and lowest price per unit that visitors to his sales exhibition or raffle are willing to pay.

The lower the price of each sales unit, the easier it will be for Naser to attract a large number of visitors. Visitors willing to pay €10 for a raffle ticket will also have different wishes and expectations from those willing to pay €100 or more.

Profitability is therefore not only a question of money and the purchasing power of buyers, collectors or audiences; it also involves a psychographic analysis of their needs. We will explore this further in the final part, when we take a closer look at the distribution and promotion of art.

Break-even point

1 List all the fixed costs of your project:

2 List all the variable costs of your project, if any:

3 Determine the contribution per unit:

4 Determine the break-even point:

5 How are the contribution per unit and the break-even point related in your project? Is it better to set a lower or higher selling price per unit, and therefore a lower or higher contribution per unit? How will your chosen price affect potential attendance, ticket sales and similar aspects of your project?

6 Could you cover part of the total fixed costs through donations or co-funding? How could you try to secure these funds, and how much might they amount to?

Break-even point

- 7 Imagine that co-funding from Slovenia's Ministry of Culture covers 30% of your total fixed costs. How does this change affect the delivery of your project and the financial structure of its break-even point?

- 8 Imagine that, in the final week before your project takes place, Slovenia's Ministry of Culture suffers a substantial reduction in its budget for co-funding art projects and your funding is withdrawn. A reduction in the public budget for culture may, under the conditions laid down by law, lead to a funding agreement being amended or terminated. For projects co-funded by Slovenia's Ministry of Culture, the risk of reduced or withdrawn funding must therefore be considered even after the agreement has been signed. In this situation, how could you adjust your project through changes to its break-even analysis so that it can still go ahead? Can you find ways to protect yourself against such situations in advance and ensure the project takes place?

Personal break-even point

We calculate the personal break-even point in exactly the same way as in the previous exercise. The only difference is that, instead of analysing the finances of a project or the production of a particular artwork, we analyse our own living costs and income.

Without a clear figure representing all our monthly or annual costs, we cannot move on to the next chapter: determining the minimum prices for our artistic production.

The main difficulty arises if, as artists, we begin our professional careers with an asking price for our work that is too low. It is very difficult to raise that price if, at the end of the year, we discover that even with a logically structured financial plan, the income from our own artistic production does not cover a substantial part of our living costs, let alone allow us to live entirely from it.

If our entry price on the market is, for example, €300 per work, it does not help that the work cost us only €200 if producing it takes too much time or energy and, after a year or less, we lose the will to continue.

It is therefore easiest to start from our actual monthly or annual costs. Our calculations will be monthly, making it easier to establish our monthly financial needs and create a logical and fair pricing structure for projects or artworks.

Regular and irregular costs

- 1 To begin, identify all regular costs incurred monthly and annually: rent, household bills, food, transport and so on. List monthly costs in full. For a cost incurred once a year, such as car insurance, use 1/12 of its total value. If an identical cost occurs three times a year, such as buying clothes, use 3/12 or 1/4 of the cost per occurrence. If it occurs once every three years, such as buying a new computer, use 1/36 of its total value.
- 2 The next step is to list irregular costs: holidays, purchases of clothing and footwear, gifts and so on. The easiest way to calculate these is to set a flat allowance: a fixed sum that is generally slightly higher than our estimate for each category of occasional costs. For example, if we estimate that we spend around €100 a year on gifts, it is best to increase that figure by 20% to 50%, allowing enough room for manoeuvre in our irregular costs.

Personal break-even point

1 List all your regular costs:

2 List all your irregular costs:

3 Add up all your costs and determine your total living costs:

4 A typical working day lasts 8 hours, or 40 hours a week with weekends off. Determine the maximum number of hours you are willing to work each month, taking into account your abilities and preferences. There are approximately 22 to 23 working days in an average month:

5 Divide your total costs by the number of hours you are willing to put into your work each month. The result is the minimum you need to charge per hour to maintain your desired lifestyle:

* If you have not included long-term and short-term savings or other forms of wealth building in your costs, adjust your hourly rate by adding a flat savings allowance to your total costs.

Pricing and value

Once an art project or artwork is complete, the question of price always arises. This chapter examines three of the most common approaches to pricing a product: 1) according to an hourly rate, 2) according to the price of the whole project, and 3) according to the value the product creates for the end user or buyer.

Pricing based on an hourly rate

Pricing a product through an hourly rate is probably the most common way of valuing work, since it is based on the value of the world's scarcest resource: time.

In this model, we set the value of one hour of work and multiply it by the number of hours spent on the work or project. We can use the hourly rate calculated in the previous chapter and determine the final price of our work according to the time invested.

Example

Using her personal break-even calculation, Iza established a minimum hourly rate of €10: €1,500 in monthly costs ÷ 150 hours. She spent 30 hours on her new painting and had already included the costs of working on it in her calculation, based on an estimate of producing 5 paintings a month. She will therefore price the painting at €300. If she manages to sell all five planned paintings, she will earn exactly €1,500 by the end of the month.

Pricing based on total project value

This model is based on the costs incurred in carrying out a project or producing an artwork. These are mainly material costs, such as paint, clay, wood, nails and varnish, and the costs of people's work: our time and all the other services needed to complete the work.

Example

Žiga spent €1,000 producing his video work, as well as 120 hours of his time on filming and post-production. He will calculate the project's total value by multiplying the time spent by his own hourly rate, in his case €15, then adding all the costs:

$$(120 \text{ hours} \times €15) + €1,000 = €2,800$$

Pricing and value

Pricing based on value to the end user

In this model, our costs and minimum hourly rate mainly serve as a guide when deciding whether to accept or reject a project for which we will be paid according to its value to the end user or client.

Such projects are not common in art. We mention the model nevertheless because it is one of the best forms of payment, especially for designers and people in related professions.

The aim is to establish how much the end buyer or user will earn or save as a result of our work. In business terms, both have the same outcome. We then charge a percentage of that total projected amount for our service or work, such as 10% or 20%, and rarely more.

Example

Nena redesigned a company's visual identity for a client. A strategic analysis of its target users suggested that the change could potentially generate around €50,000 in profit in the next financial year.

Because the arguments for achieving these results were reasonably realistic, Nena priced her work at 10% of the total projected earnings: €5,000. In the context of an almost guaranteed €50,000 return, this amount is relatively low for the company, so Nena had little difficulty with her price or getting the contract signed.

If she had worked from a fixed hourly rate from the outset without taking the time to understand her clients' goals and wishes, she would have been just as likely to charge according to one of the first two approaches.

In either case, she would have spent around 80 hours and incurred almost no costs beyond software and depreciation of her computer equipment. Even if she had valued her time at €20 per hour, totalling €1,600, or even €50 per hour, totalling €4,000, she would not have earned as much as she did by pricing according to value to the end user. At €4,000, the price would certainly have been too high for the company, which would probably have chosen someone else to carry out the work.

Of course, this model is harder to adapt to portrait commissions and similar work.

Work structures

In the exercise in which we calculated our personal break-even point, we encountered a difficulty in determining the value of our work. We tried to address it by calculating the minimum value of an hour of work.

However, this has not fully resolved the difficulty. Although we established the amount each person needs to earn to support their lifestyle, we have not yet adjusted how we use our time. Some people spend considerably less or more each month than others because our financial needs differ. So far, we have simply assumed that each person chooses their preferred working hours and enters them into the equation.

Current work structure

In this exercise, we will break down how we use our time and analyse how much we currently spend obtaining the resources we need to live, and how much we spend creating artworks and other projects. We will also include time for rest, socialising, travel and similar activities.

The aim of analysing our current work structure is to examine as accurately as possible how we use our main and most important resource: time. Unlike almost all other resources, it cannot be increased.

Optimal work structure

In the second part of the exercise, we will break down our optimal work structure. We will consider what we would like to change about our current arrangement. Do we spend too much time in non-artistic jobs, such as hospitality, in-store promotions or call-centre work? Perhaps we devote too little time to artistic production and projects: for example, only four hours a week for creating work, other logistical, infrastructural and administrative tasks, professional networking and similar activities.

We need to assess critically how we use our time. If we want to spend more time with family or friends, we must take that time from other activities. This means spending correspondingly less time working, sleeping or developing our projects.

It is very important to understand this exercise as an analysis of our willingness to give up some time in one area and redirect it towards artistic production, socialising, rest or something else.



Photo: Dolar Media | Artopolis workshop, 2023

Exercise methodology

The worksheets for this exercise are labelled VII and VIII.

The circles above the table in each worksheet represent the totals for your chosen period: the left circle shows all the time used, and the right circle shows total income. You may choose a week or a month for the exercise. It is better to avoid a period of 24 hours or a whole year or longer.

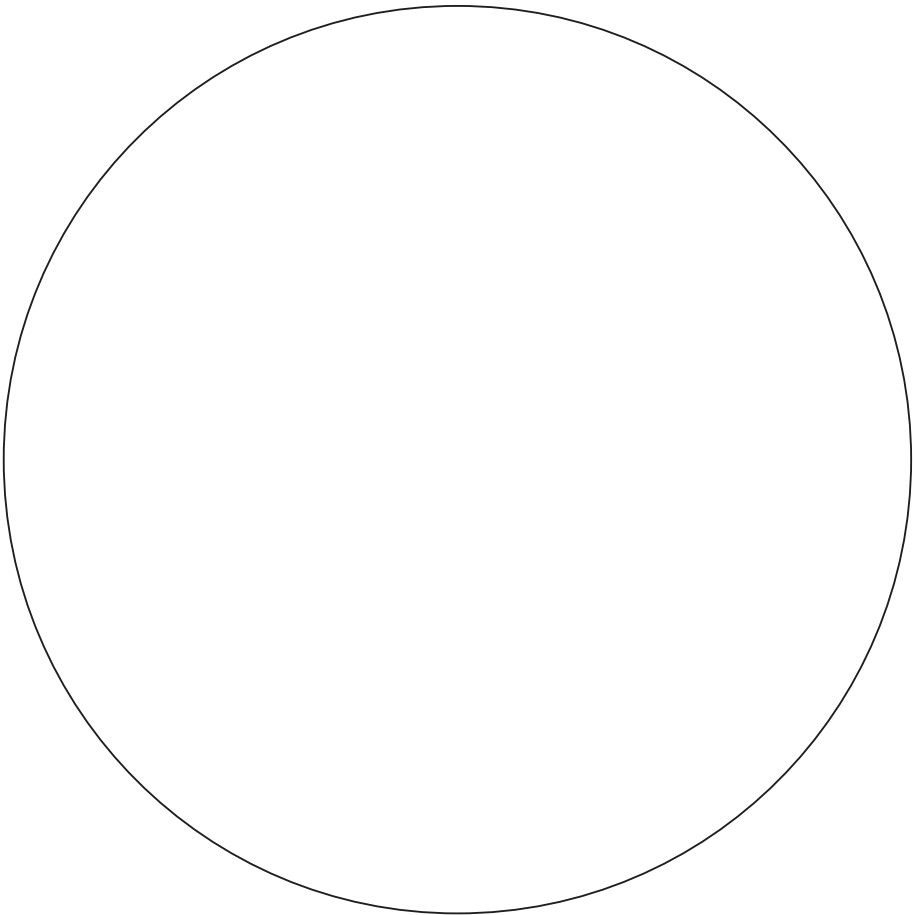
The first period is too short for this analysis, while the second is too long. Either choice makes the analysis difficult, if not almost meaningless, because our aim at this stage is to gain an overall picture of how we use our time.

If, however, you want to optimise your daily working routine, a period of 24 hours is the best choice. It provides the most useful starting point for gradually establishing routines and other changes you would like to achieve through this optimisation.

- 1 In the first column of the table on both worksheets, enter all the activities you undertake during your chosen period. It is best to group related activities: for example, combine running and cycling under sport. This makes it easier to gain a broad overview of how you use your time and prevents you from running out of space in the table.
- 2 In the second column, enter approximately how much time you spend on each activity during your chosen period. It is best to record the duration in hours. This makes it easiest to calculate the share of the total period, which we will use to compare the current and optimal work structures.
- 3 In the third column, enter the percentage of the total period taken up by each activity. A week contains 168 hours, and a month approximately 720 hours.
- 4 In the last column, enter the income or cost associated with each activity, in euros. Include both actual and opportunity costs, including the fact that you are not doing paid work during that time.
- 5 In the left circle above the table, draw the percentage of time spent on each activity. In the right circle, draw each activity's percentage contribution to total income. Costs remain monetary amounts in the table and must not be included among the income shares in the right circle.
- 6 The aim of this exercise is to gain an overview of how you use your time and make an initial plan to optimise it through realistic, achievable changes to your work structure.

Current work structure

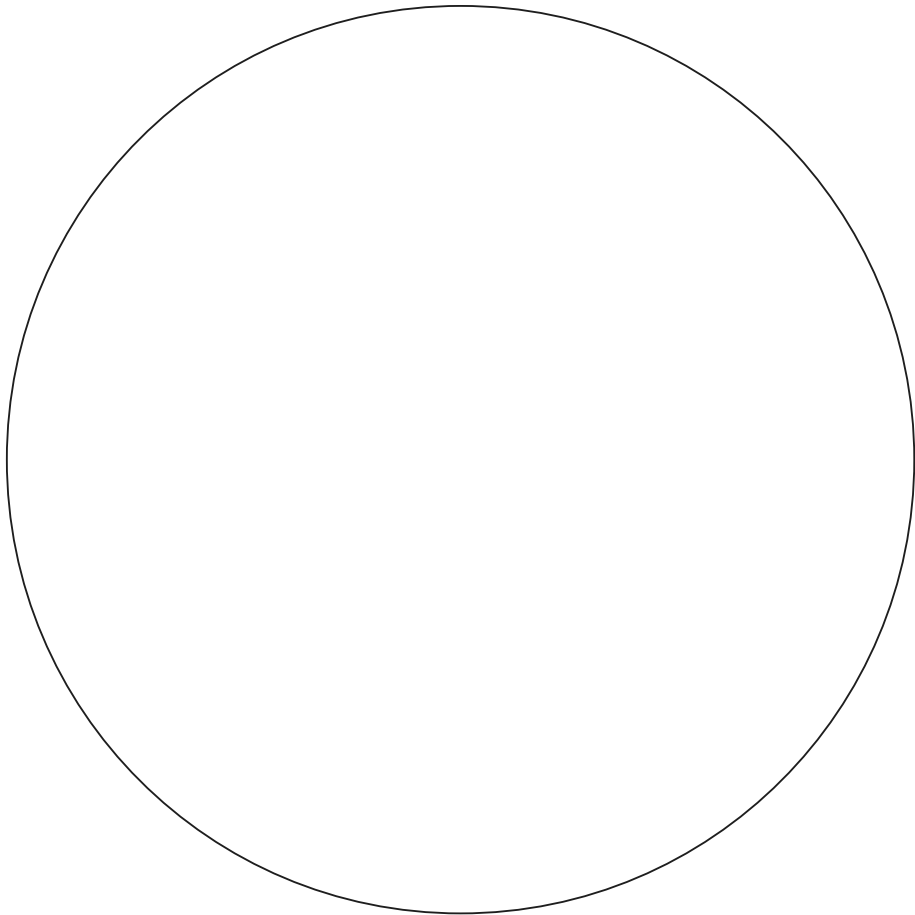
Time shares (%)



Activity	Time

Current work structure

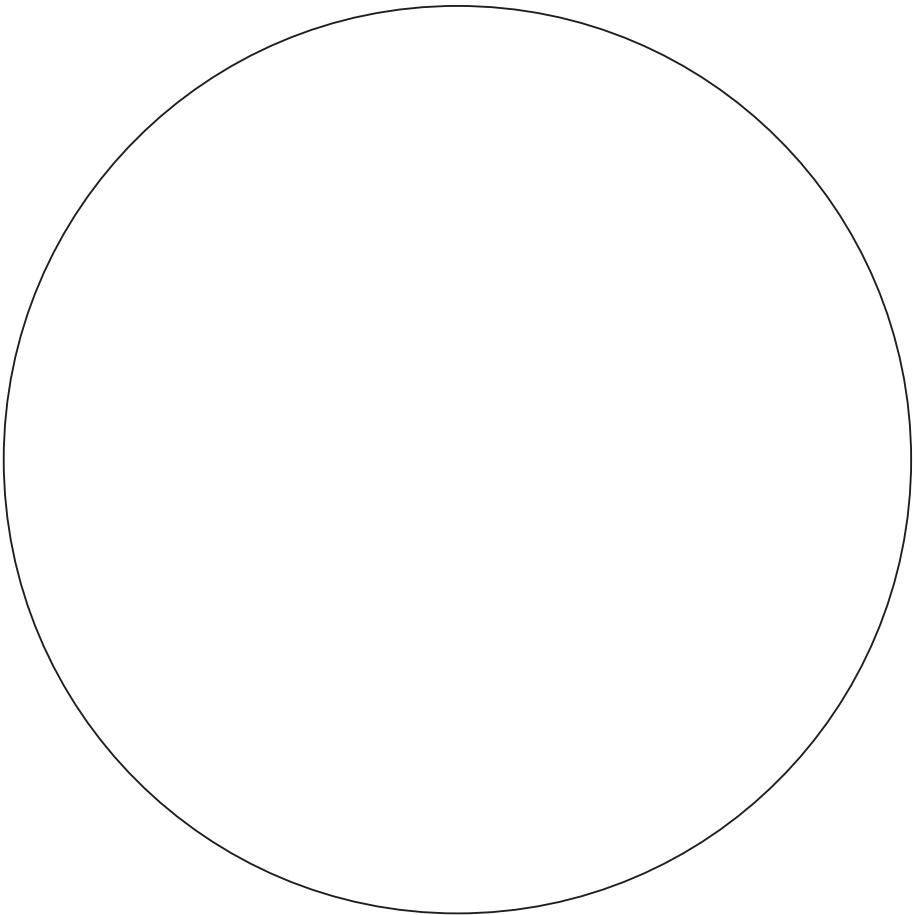
Income shares (%)



Time share (%)	Income/cost (€)

Optimal work structure

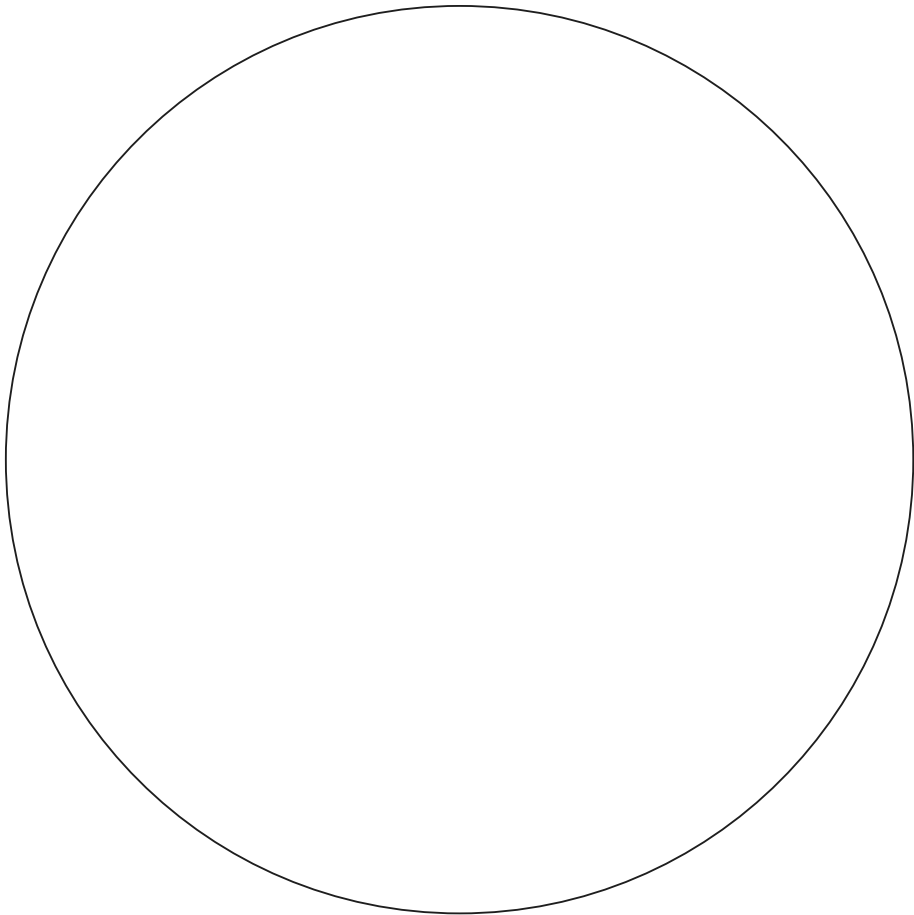
Time shares (%)



Activity	Time

Optimal work structure

Income shares (%)



Time share (%)	Income/cost (€)

Energy and work

The previous exercise focused on how we allocate our time. Since time is a resource with qualitative as well as quantitative aspects, this section offers a basic assessment of how well we use our working time.

The greatest difficulty that can arise if we overlook the quality of our time is running out of energy in the middle of a working day or project. We are all familiar with time poorly used or wasted: sitting in front of the television, endlessly scrolling on a screen, and spending hours browsing Facebook, 9Gag and similar sites. Our aim is to optimise the working day by gradually eliminating unproductive uses of time.

Exercise description

The worksheet has a horizontal axis with work at one end and art at the other. This axis represents a basic division in how we spend our time: either earning income through occasional work, regular employment unrelated to our artistic production, student work and similar activities, or making art.

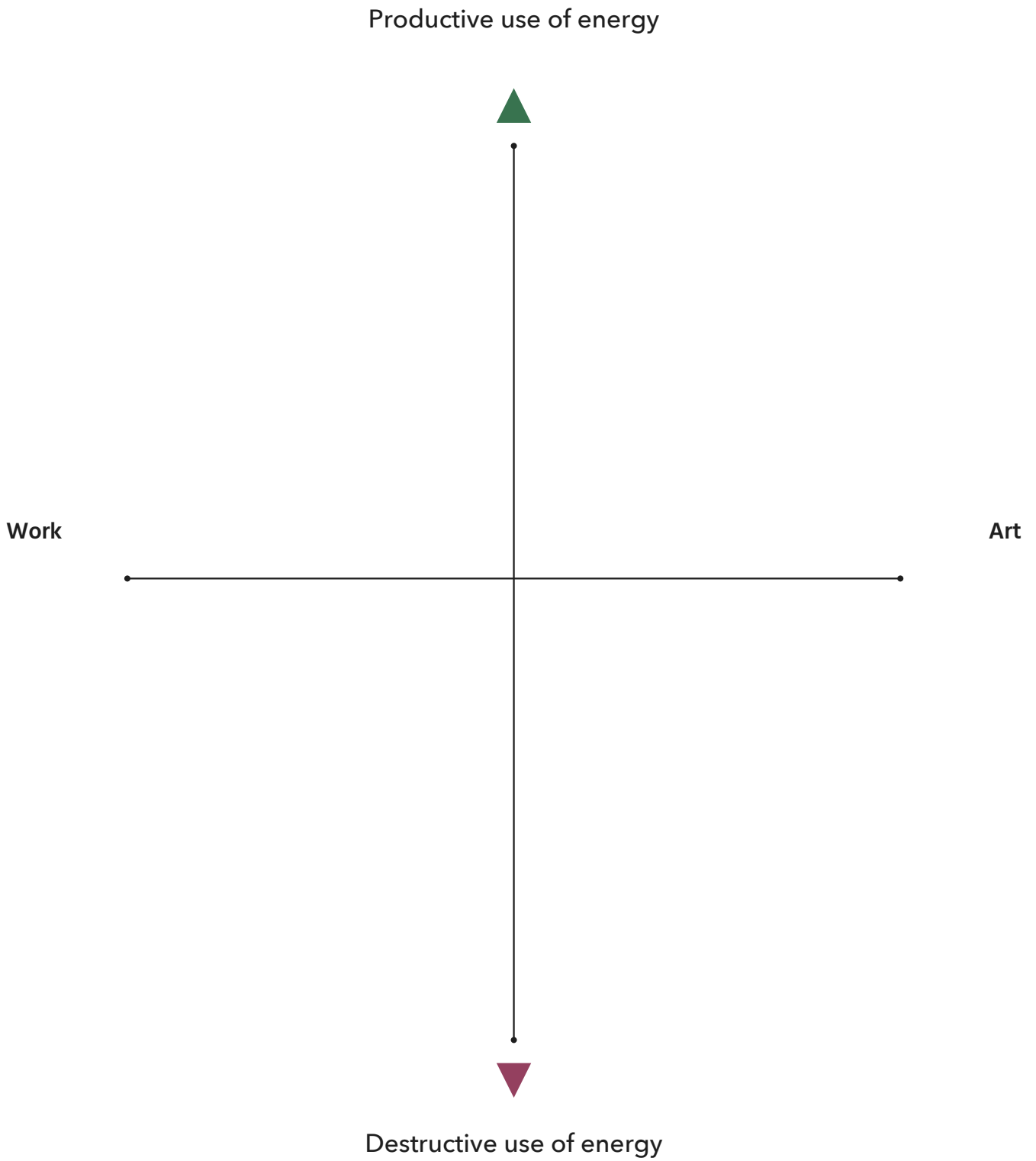
On the left, especially at the start of an artistic career, we usually generate money or other forms of capital that allow us to maintain our desired standard of living. On the right is our goal: to generate our desired level of capital through artistic production and gradually become financially self-sufficient through our own art.

The diagram is divided into upper and lower halves according to whether an activity produces the desired result or helps us carry out a project, or merely takes up our attention and time without producing results.

Exercise method

- 01 Enter all the activities you listed in the previous exercise and position them according to how closely they relate to earning income or generating other forms of capital, or to artistic production. Also arrange them vertically according to whether they are productive or destructive in relation to your current goals.
- 02 Look at the position of every entry. Those below the horizontal line, in the area of destructive energy use, are potentially problematic. Consider whether you could optimise how you allocate your time through practical steps that would eliminate as much unproductive use of time as possible. This does not include rest or idleness, which is an essential part of creative thinking, but only when our attention is truly and completely free, rather than tied to constantly checking our phones and similar distractions.

Energy and work



Work segmentation

In this exercise, we will bring time and energy together to make a comprehensive study of our work and how it is organised. Only by considering the quality of our time, our projects' potential for growth and their financial potential can we make a considered decision about which projects to pursue and which to set aside. This also helps us think about our work structure: will we seek a job alongside our artistic production? Will it be regular employment or occasional work to cover our minimum living costs?

Exercise description

Like the previous exercise, the worksheet is divided into four quadrants. The bottom-left quadrant is for projects and activities with low artistic potential that offer little financial security. The bottom-right quadrant is for projects and activities with high financial security that likewise offer no artistic potential or opportunity for our professional growth.

The top-left quadrant contains unknown projects that may exist only as ideas, or may already be well defined but lack a clear financial or implementation plan. The top-right quadrant contains purple cows. We have borrowed this term from marketer and author Seth Godin, who argues that the only worthwhile project for a creative person is one that is exceptional. So exceptional that people cannot help talking about it: like seeing a purple cow in a field while driving along a motorway.

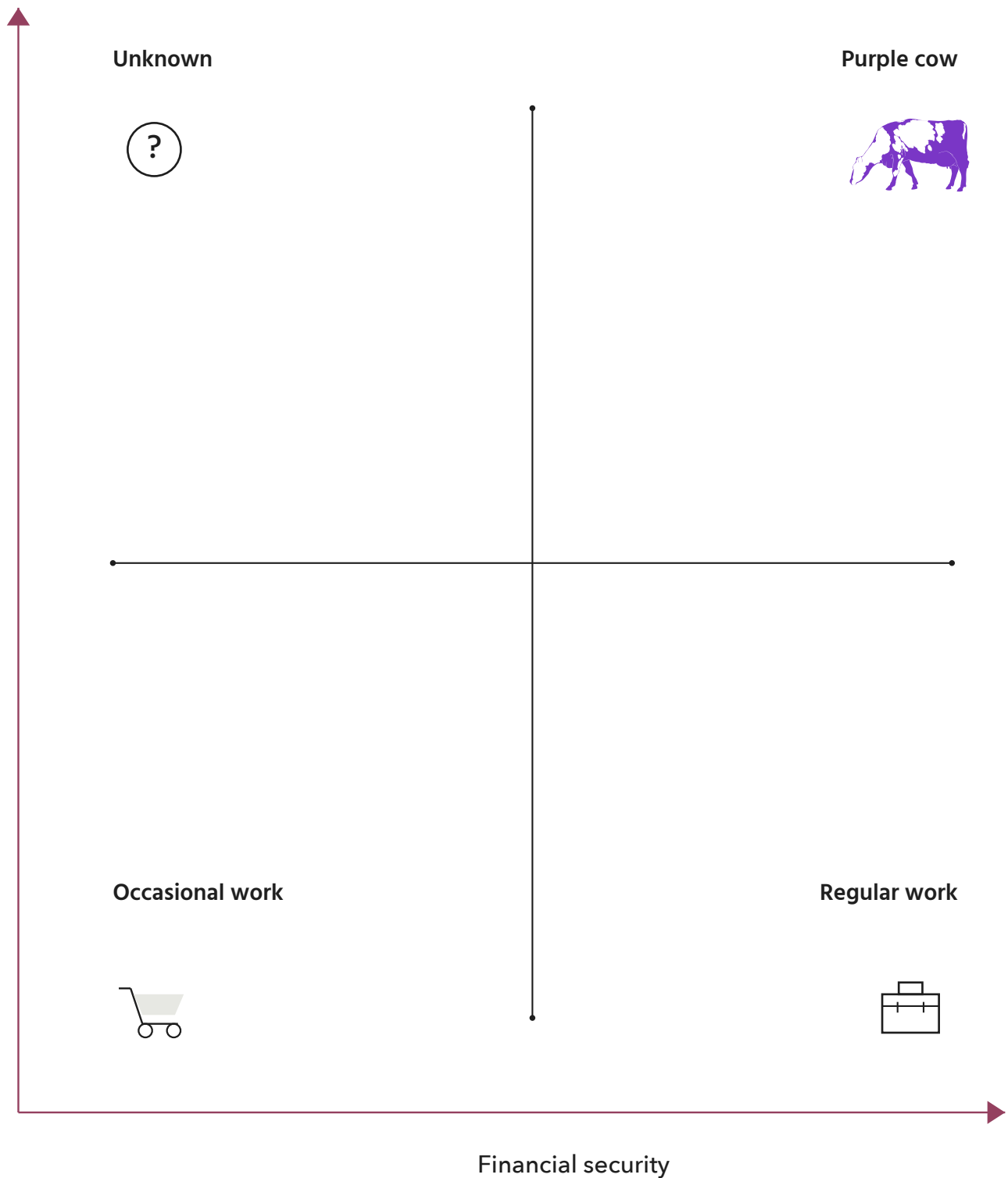
Take care: exceptional projects must also be achievable, not merely interesting.

Exercise methodology

- 1 Enter all the projects you would like to carry out, including all your artistic projects, and those you think you need to maintain your lifestyle, such as student work or regular employment. Position them according to their artistic potential or how likely they are to help you reach your goal, such as making a living from your artistic production. Also consider their ability to provide financial security so that you can sustain your artistic production and lifestyle in the long term.
- 2 Look at the position of each entry. Those in the bottom-left quadrant may be the least worthwhile; your time and energy could probably be better spent elsewhere. Use their positions to decide which projects might need more time, energy or capital, and which might need less. Above all, try to find your purple cow: a financially more secure project with high artistic potential.

Work segmentation

Artistic potential



Business models

If we bring all the elements examined so far together, we can see that we have prepared a little more than half of a business model.

We have defined the key partners, materials and activities needed to carry out our project, together with the costs and income it will generate.

In the next part, we will develop the other half of the model: the added value and every aspect of our target audience, including buyers, collectors, viewers and others. To review the elements already prepared and put our thinking about business models into context, let us consider some examples and tools that can help us develop the final model.

MVP (minimum viable product)

Minimum viable product is a term for a product that can operate successfully or self-sufficiently with the smallest investment of work, time and energy. It is used by most companies across different industries. It represents the smallest possible expenditure a company must invest in a project for it to succeed. The term is also very useful for artists, perhaps particularly so.

Example

Nik wants to hold an exhibition of his work. He has already made eight sculptures, but would like to exhibit twenty in his chosen gallery space.

Each sculpture takes him a little over 20 hours of work, or about three working days. The exhibition is scheduled for one month's time, and he cannot change the date. Besides making the work, he needs to plan the logistics, including transport and installation, and prepare promotional posters, a Facebook event and other social-media announcements. He also needs to send invitations to his email list of followers, and these invitations still need to be prepared.

If he wants to exhibit all 20 works, making the remaining sculptures will take him a little over 240 hours, or 30 days of work at eight hours a day. Alongside his artistic production, he has a regular job that also takes eight hours a day. Knowing that he cannot maintain quality with such a crowded schedule, he needs to optimise the project.

Business models

Instead of 20 sculptures, he will prepare 17. This will reduce his production time by just under eight days and give him free weekends during the month before the exhibition. The decision is also supported by the exhibition's form: he will change the arrangement so that the exhibition still feels coherent and complete, and the absence of three additional sculptures does not weaken its concept.

This will leave enough time to organise transport, promotion and announcements. He will also be able to rest at least one day a week and complete the project much more easily.

Nik's MVP is 17 sculptures; in a smaller exhibition space, considerably fewer might be enough. The aim of this approach is not merely to justify investing less work, energy and time in a project, but to make a considered assessment of the minimum scope it requires. If Nik has time left at the end, he can always make another sculpture. The main aim is to ensure that the final product, Nik's exhibition, feels coherent and complete in any event, and that his implementation plan is considered and realistic.

Freemium

We are all familiar with services such as Dropbox and iCloud, and with various "free" phone apps that bombard us with advertising. Freemium models are generally free for the ordinary user, while additional services are paid: for example, removing advertisements, more storage, greater speed or extra features.

In art, this principle can be used primarily to raise awareness of our artistic production. Viewing our artworks on Instagram or reading our articles on Medium is free. However, we can arrange these platforms to guide followers and users towards buying a work, attending a paid exhibition or another form of monetisation. Most users will not pay and will be satisfied with the free content. Some of those reached because the content is easy to share will be willing to pay for more personal, better or physical content. In doing so, they will support both the production of content for themselves and the production of content for users who pay nothing.

Example

Anja is an art photographer who photographs weddings to cover her living costs. She has decided to publish all her artistic photographs on Instagram.

Business models

Her extensive archive means she will have no difficulty finding enough material to post. The only problem is obtaining the resources she needs for her continuing artistic production.

She will spend an hour each day preparing and automating online posts, so she needs to offset that cost somehow. She could otherwise put those seven hours a week into her commercial business or into Instagram posts advertising her commercial services.

She knows that most Instagram users will not necessarily buy her work, even though they enjoy looking at it. She will therefore design her freemium model as a tool for attracting potential buyers.

Most of the work will be aimed at “free” users. They will help her reach a sufficiently large audience and gain enough reach on the platform to connect, sooner or later, with users willing to buy her work.

Initially, all her work on the platform will be free, and she will have to cover the costs of her time and energy elsewhere. By posting regularly, choosing captions consistently and defining her target audience clearly (a subject covered in the next part), she will eventually begin to generate income through her Instagram shop.

Because most projects of this kind generally grow exponentially, slowly at first, then increasingly quickly and finally very rapidly, this income will arrive only after a good year or two of work. By that point, her base of users and followers will be large enough for her to stop commercial work and focus solely on producing and selling her artistic photographs online.

The long tail and specialisation

Head and tail are terms describing particular segments of market demand and supply.

The head represents the most popular products, which have the greatest demand. Supply is also greatest here, as is the number of competitors in the segment.

The tail represents niche or less well-known products and less sought-after services needed by fewer people.

The long tail and specialisation

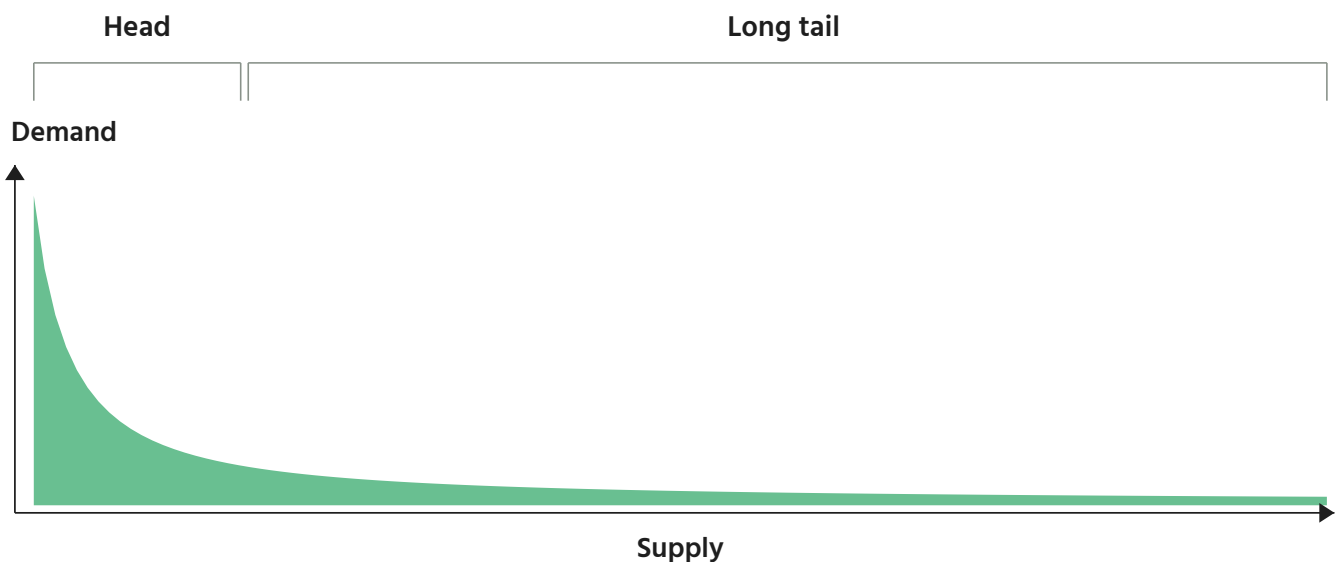
The idea of the long tail emerged through technological advances, particularly the invention of the internet and the establishment of social networks. It represents a vast area of demand and supply that does not depend on “hits”: the generally rapidly changing demand for products and services with the largest base of potential buyers or users.

The long tail targets smaller groups with specific wishes and highly demanding or simply non-standard needs. Portrait painting, for example, can be placed in the head of the diagram: demand for a traditional, realistic portrait remains very high, and so does the supply of artists who paint portraits.

At the other end of the diagram, we might find portraits of people on horseback dressed as Napoleon, portraits of cows and other rather unconventional offerings.

The aim of thinking about the long tail is to direct our time and energy there, rather than entering an already highly saturated area of general products and services without clearly defined target audiences. The tail contains products with lower demand and much more specific user needs, requiring a more detailed understanding of the target audience.

These products are harder to create if we lack sufficiently specialised knowledge. Yet their particular characteristics also make it easier for them to enter the market because there is much less competition. The long tail also allows specialisation within an offering that would not be possible in the head of “general supply”.



7.0 Diagram of the head and tail of demand and supply.

Mission, vision and values

In business, the terms mission, vision and values represent three basic descriptions of an organisation's position. They allow a company or project to set out its intentions, goals and wishes, present important aspects of its work and outline its development path or the goal it wants to achieve.

Similar models exist in the art world. They provide artists with a basic means of presenting their practice to general and professional audiences. They are not only tools for presentation and communication: they also help us identify what matters to us in our own artistic production and what does not, allowing us to establish a focus for our work.

An artist who makes portraits, paints landscapes and abstract works, sculpts and designs fashion clothing rarely finds a place in the market. Such a dispersal of energy and time lacks a clear central focus.

Van Gogh is known for his expressive, lyrical painting; Picasso's work is most readily recognised through his distinctive approach to Cubism; Koons is internationally known for his enormous, shiny figures of dogs, hearts and rabbits; and Murakami's style is known as Superflat, a mixture of Japanese anime and pop art.

The aim of defining our mission, vision and values is therefore to identify our strengths: everything that distinguishes our artistic production from that of other artists. Only a well-defined approach to art can give our work and projects an additional advantage and greater recognition, particularly in today's extremely saturated art market, especially internationally. This makes it easier to enter the market and increases our prospects of long-term success.

Mission (starting point for an artist statement)

In this exercise, we formulate our mission as a brief presentation of the purpose and direction of our artistic practice or project, serving as a starting point for an artist statement. In no more than three to five sentences, we concisely present the important aspects of our art and communicate them to general and professional audiences in simple, accessible language. The mission outlines our current business aspirations and intentions.

Vision

Like the mission, the vision is a brief description of our work. However, rather than emphasising what we are doing now, it focuses on the long-term goal we want to achieve. The vision outlines our long-term business aspirations and intentions.

Mission, vision and values

Values

If the mission answers what we want to create, change or do through our work, values answer how. The emphasis is on our approach to work and on the moral, ethical, political, sociological and other values that are either our reasons for creating or the principles that guide us. Values outline our underlying or guiding principles and motivations.

XI) Worksheet: mission, vision and values

We will examine the artist statement in more detail in the next part. In this exercise, we will therefore address all three elements only in general terms and prepare three versions of each: a longer version of five to ten sentences, a shorter version of three to five sentences, and a very short version of one sentence or less.

Vision

We begin with the vision because it is easier to define a mission by looking into the future. Our financial and production capabilities are more abstract there, making it easier to think about what we truly want rather than only what our current circumstances allow.

- 1 Think about the ultimate goal you want to achieve through your work. If you could change anything in the world, what would it be?

- 2 Write down the impression of your project you would like to leave with your community, peers, colleagues or family in 20 years' time, and describe it briefly.

Vision

- 3 Now place your central wish within the next five years. What would you want and be able to do during that time to get as close as possible to it?

4. Communication always depends on its context. For us, the time available is particularly important, so we will now prepare three versions of our vision.

- 4.1** In five to ten sentences, summarise what you would like to achieve through your work or project over the next five years.

Vision, mission and values

4.2 Now try to condense your vision into three to five sentences.

4.3 It is very important to be able to describe each project, and particularly your main artistic practice, in one sentence or less. Whether briefly introducing it to friends and acquaintances or giving a concise account to potential investors, we need a pitch for our project or work prepared in advance. Now condense your vision into one sentence or less. Keep the main characteristics that distinguish your project or work from other artistic production.

Mission and values

With our vision prepared, we can also draw our mission and values from it. Both describe our current work, which is directly or indirectly connected with achieving our long-term goals: our vision.

5 Consider how you are currently working towards the ultimate goal you want to achieve through your work. List all your current activities.

Mission and values

- 6 Besides the activities you already undertake, can you identify another activity you would like to pursue, or have always wanted to carry out, that would contribute to your long-term goals? List the activity or activities.

- 7.1** In five to ten sentences, summarise your current work. What interests you most? How does it relate to achieving your long-term goals? Which themes occur most often or matter most in your work, and why? What motivates you most?

Mission and values

7.2 Now try to condense your mission and values into three to five sentences.

7.3 Even more important than a concise vision, which is rather abstract because it is set in the future, is a brief, clear formulation of your mission and values. When someone asks what you do, this is the sentence you can use to introduce your artistic practice or project confidently. Condense your mission and values into one sentence or less. Keep the main characteristics that distinguish your project or work from other artistic production.

7.4 Imagine that a major newspaper serving your field or area contacts you. What headline would you like the article to have? How would you word it for that publication so that it best reflects your mission and values?

7.5 Now imagine that, in addition to the headline, the editor asks for six search terms. Each should consist of one word or, at most, one phrase. Which would best describe exactly what you do in your work or project? Write them down.
