

Business Operations
By James Patino
”Business Consultant for the Creative Soul”

What are you going to do on a daily basis?

Daily Operations Spreadsheet

One tool that I developed to assist with the operations of Sinclair’s business is a comprehensive operations spreadsheet. It has become amazingly valuable in our daily operations and is a great tool for visualizing your art business.

If you don’t know how to use a spreadsheet, I recommend you learn. It’s relatively simple once you’ve had a little bit of training. I use Microsoft Excel as my spreadsheet software and a spreadsheet template is one thing that I can provide during a consulting session.

Here’s an example of what our daily operations spreadsheet includes (a separate spreadsheet page can be used for each category)

- 1) **Goals** – have your goals clearly written on the front page of your spreadsheet. This will keep long and short-term goals in constant view. Keep thinking about your goals and make sure that you’re actions are consistent with your goals.
- 2) **To Do List** – this is a great place to list anything that you plan to do. This list can be updated and revised anytime you open up your spreadsheet file.
- 3) **Body of Work data** – list all of the paintings that you have in your body of work and include a column for the following data elements:
 - a. Name or Title of piece of art
 - b. List Price – what is the current price? This is very important, because we often get calls about a certain painting hanging in a certain place, and it allows for a quick reference as to what price is currently listed.
 - c. Dimensions
 - d. Year – what year did you complete the work?
 - e. Current Location – where is the piece of art now?
 - f. Next Location – this is great for planning. It will come in handy when you’re moving paintings around.
 - g. Comments – does it need to be re-framed? Is it on hold for someone?

** As your body of work grows in size, this type of detailed tracking of your artwork, will make your life much easier. You can also make a separate section for keeping a record of any sales you have you’re your body of work.

Full Time Artist Consulting

- 4) **In Work Data** – this will include the works of art that you’re currently working on, or plan on working on. With our business, we call this the “pipeline”. It includes commissions and paintings for the body of work. Data elements may include:
- a. Name – might be the name of the person who commissioned you, or the name of the painting.
 - b. Price
 - c. Dimension
 - d. Year
 - e. Amount Paid – this may include a deposit or payments received for a commission. In most software tools, you can insert comments on each cell to track multiple payments.
 - f. Amount Due – what is still owed on the painting?
 - g. Photography – we put a simple yes or no, depicting whether the piece has been photographed or not.
 - h. Comments – may include due dates and any other pertinent info on that piece of art.

** The good thing about the amount paid and the amount due columns is that your spreadsheet will allow you to maintain running totals of these figures that allow you to quickly visualize tell how much money is coming your way, and when. I also use a simple formula to calculate the sales tax that we need to set aside for the money we’ve collected during the year. (We always include the sales tax in our prices. We don’t want to say something like; “I’ll paint your dog for \$4000 “plus tax.” It just doesn’t sound right to me. So, we back out the sales taxes and keep them in a separate bank account.)

- 5) **“Other” sales page:** We sell a lot of greeting cards, and I keep a separate page for greeting card sales. One section for retail sales and one for wholesale sales. This is important because you will only pay sales tax on the retail sales. Data elements columns that I use are:
- a. Name of buyer (if available)
 - b. Price
 - c. Quantity
 - d. Total Price
 - e. Date of sale
 - f. What cards did we sell? Sometime clients order 100 of a certain card, or other times I just write assorted.
 - g. Comments – which includes a delivery date if applicable and whether or not you’ve received payments.

**No matter what you’re selling, greeting cards, limited edition prints, etc. You can create a page to keep track of what you’re selling.

- 6) **Business Deals Page** – if you don’t already, you will most likely end up with several different business relationships with venues that are

Full Time Artist Consulting

- displaying and selling your work. For example, you may agree to a consignment agreement with a restaurant or gallery. We utilize this page to keep track of those specific business relationships and you can immediately calculate the breakdown of who gets what, when you sell something. This comes in very handy and you can be easily updated as you move your artwork from place to place.
- 7) **Charitable Donations Page** – keep track of everything you donate to non-profit organizations. Clearly document a description and the value of anything you donate. **Always try to get a written receipt or letter from any organization that you're donating to. At a minimum, it should include a description of what you donated, the retail value of what you donated, and the non-profit number of that organization. This will come in handy during tax season.**
 - 8) **Events/Shows Page** – keep an ongoing listing of all the events you have scheduled for the upcoming year. This can include art events, art shows, fundraisers, media events, or any place you and your art need to be. This is great for long-term scheduling, and for updating your website's events page. I like to include:
 - a. Description of the event
 - b. Start date
 - c. End date
 - d. Art – I like to keep track of what pieces of art were at what show.
 - e. Sales – you can list any sales that came directly from that event
 - f. Comments
 - 9) **Client List** – both buyers and potential buyers should be listed. Data should include:
 - a. Name
 - b. Address
 - c. Phone (s)
 - d. Email address
 - e. Subject – list what artwork they bought or inquire about.
 - f. Comments
 - g. Last Contact – I like to keep track of the last time I was in contact with this person.
 - 10) **Business Contacts** – a listing of any and all business that you come in contact with. It's so easy to lose business cards, but if you add them on your spreadsheet, you'll never lose them.
 - 11) **To Buy List** – this is a prioritized listing the items that you need to purchase in order to continue to capitalize your business. This comes in handy when you come into some money and you're wondering what to do with it. You can go directly to your spreadsheet and the information is right there.

The operations spreadsheet is one of the most valuable tools that we developed in order to operate our art business. It may seem like a lot of work to set up, but it's worth every ounce of effort that we've put into it!

Tailor your spreadsheet to meet the particular needs of your art business.

Accounting

You will need to invest in some business software to properly account for the finances of your art business. *Quicken, Quick Books*, it really doesn't matter. Find something that you're comfortable with and use it!

Keep track of all revenue and all (and I mean all!) expenses, and post them. Save your receipts and post them to your accounting software. At any one time, you can print out reports that will tell you how much profit you've made, how many expenses you've incurred, etc. When tax time comes around, the reports will provide you with all the information you need.

If you're totally unfamiliar with this type of software, hire an accountant! Or, get someone to help you with your books! Be creative! Most people know someone who is familiar with this type of work, and it's not too difficult to engage some assistance.

Make sure you set aside enough cash to pay your taxes!

Communication Plan

I'm a firm believer that in order for a business to be successful in today's marketplace, you have to establish clear and responsive communications with the world (your market).

Make sure you make it easy for people to contact you! For most, phone and email are the two best means to accomplish this. Check your phone messages and email everyday, and whenever possible, reply immediately. You don't want clients asking for quotes and then waiting for two weeks for you to get back to them. By that time, they've probably moved on to something else and they probably think you're a flake.

Take the time to write careful and thorough email responses. With Sinclair Stratton Studios, many of our clients are commissioning art for the very first time. I take the time to clearly explain the entire process, all pricing information, delivery estimates, etc. The better everything is defined up front, the better chance that the customer will be completely satisfied.

Establishing clear communications is a way to make process easy for the customer! **The process is just as important as the art. Energize your communications and your customers will appreciate the effort.**

What's the bottom line?

Full Time Artist Consulting

In order to develop and grow your art business, you need to be able to visualize it. The daily spreadsheet is an excellent tool to help you visualize your business. It lists what you're working on. It lists what inventory you have. It lists what you have sold and are planning to sell. It lists what clients you have and what vendors you utilize. It lists what goals you have and it lists the things you need to do. It's your business! There it is! Right in front of your eyes!

Just like a restaurant, or a store, or a day care center, your art business is a living, breathing, entity that you've created and you manage with passion.

Being able to clearly visualize and define your business is a very powerful! It is something that you constantly think about and something that you want to constantly energize. The more you believe in your business, the more you think about your business and the more actions you take to energize your business, the more it will grow.