

# Graphic Artist

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# **Raven Wing Graphics**

*Business Plan*

**May 1, 2003**

Janet Joe  
Raven Wing Graphics  
1600 East 6<sup>th</sup> Avenue  
Vancouver, BC V5N 1G2  
Phone: 604.555.1234, Fax: 604.555.2345

## Executive Summary:

### 1. Applicant/Company Information

- a. Name: Raven Wing Graphics
- b. Address: 1600 East 6<sup>th</sup> Avenue, Vancouver, BC V5N 1G2
- c. Phone: (604) 604.555.1234 Fax: 604.555.2345
- d. Contact Person: Janet Joe

- e. Business Structure:  
Sole Proprietorship

- f. Banking Information:

Bank: Bank of Montreal  
Address: 959 Park Royal South, W. Van. V7T 1A1  
Phone: (604) 668-1277  
Contact: Linda Fred, Financial Services Manager

- g. Anticipated Start Date:

Raven Wing Graphics began operations in March 2003, and is prepared to undertake a small expansion as soon as possible, pending approval of financing.

- h. Brief outline of your business concept:

Raven Wing Graphics is a newly established sole proprietorship owned and operated by Janet Joe, and offering graphics services. Currently, the company requires a computer and software to continue operating and is seeking an \$8,000.00 youth loan and \$1,500.00 youth equity contribution from Tale'awtxw Aboriginal Capital Corporation.

- i. Brief description of business operations (facility, equipment, etc.)

Raven Wing Graphics is a home-based graphic design business, located at 1600 East 6<sup>th</sup> Avenue in Vancouver. Raven Wing Graphics will be basing all aspects of operations from this location.

Ms. Joe is currently experiencing limitations in operations due to the fact that the company is using outdated computer and software, purchased two years prior.

j. Number of employees:

Ms. Janet Joe is the sole owner and operator of Raven Wing Graphics and does not foresee hiring any staff in the near future. The company does however employ contractors for special projects that require specialized skills that cannot be provided by the owner/operator, for example: writing Internet programming languages (i.e. perl, php, cgi scripts, advanced javascript),

Ms. Joe has already established industry contacts should new contracts exceed the ability of one graphics person. In this event, Ms. Joe would then contract some of the specific work to other qualified graphics designers while retaining project supervision to ensure that the quality of work is within company standards.

k. Management team background and experiences:

Ms. Joe will be responsible for all aspects of operations including accounting, administration, client relations, graphic design/web development, employing contractors, and marketing. Ms. Joe graduated from the Vancouver Community College graphics program in 2001 and possesses two years industry experience. A copy of Ms. Joe's certificate and resume are attached in the appendices of this document.

Ms. Joe's exceptional graphics training and skills are based in her artistic talent, where she received arts awards throughout high school at Vancouver Technical.

Ms. Joe is enrolled in evening classes to learn accounting basics with Quick Books and is enrolled in an upcoming Project Management course with Langara College.

l. Market Niche:

Raven Wing Graphics will be providing services for Vancouver based aboriginal organizations, businesses and First Nations bands where 92% of aboriginals rely on local services in a community of over 55,000 individuals within the Greater Vancouver area.

Computer aided design falls into the high-knowledge category of aboriginal industrial sectors. Of all aboriginal firms, the high-knowledge category comprised a mere 5.9%. In general, Raven Wing Graphics falls into a niche where constant learning of new technologies and software is key. Because of this, there are not many aboriginal design firms. Ms. Joe's goal is to develop the communications sector for the Vancouver aboriginal community, within which Raven Wing Graphics has a tremendous opportunity for growth and success.

m. Client Base:

The more technologically up to date aboriginal firms are including business services, educational services, communications and electronics, electrical power, management consulting services, among others, the more likely they are to need quality designed promotional and business materials. The larger, and more in need client base lies in the medium to low-knowledge based firms such as retail trade, personal services, clothing, accommodation, food and beverage services, transportation, finance, insurance and real estate, textiles, and others.

60% of low knowledge firms are more likely to focus on acquiring marketing material services compared to the 47% of medium-knowledge firms. The growth of any Aboriginal firm's marketing strategy is an opportunity to gain business for Raven Wing Graphics.

Raven Wing Graphics has recently undertaken a research effort to establish two databases of potential aboriginal clients in the region and in BC. The regional database consists of 150 aboriginal groups; organizations, bands and agencies in the Lower Mainland, and the BC database consist of 457 aboriginal groups, organizations, bands and agencies.

n. Factors for Success:

Raven Wing Graphics will succeed because of the following reasons:

- Raven Wing Graphics Principal's training and industry experience.
- Strong project management system to ensure the delivery of finished projects on time.
- High quality graphic design work and proven industry reputation.
- The high-calibre of work produced will ensure our customers' satisfaction, and consequently, they will refer people to us and come back again for their next project.
- The self-motivation to learn and move forward in the advancing markets.
- There is a great demand for our services in the Aboriginal community, which is our target market.

## 2. **Financial information for this Operation**

### a. Start up costs:

<i>Description</i>	<i>Amount</i>
Office Furniture	\$ 1,000.00
Computer Software	\$ 8,000.00
Computer	\$ 3,000.00
Total Start up costs:	\$ 12,000.00 =====

### b. Financing required:

TACC Youth Loan	\$ 9,000.00
TACC Youth Equity Match	\$ 1,500.00
Equity Contribution	\$ 1,500.00
Total Project Cost:	\$12,000.00 =====

### c. Expected sales from the first three years of operations:

Year 1	Year 2	Year 3
\$31,000	\$34,100	\$37,510

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## Business Plan

### 3. **Business Concept**

- a. Type of business: Service
- Business Structure: Sole Proprietorship

Ownership:

<i>Name</i>	<i>% ownership</i>
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1. Janet Joe	100 %
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Percentage of Aboriginal ownership: 100 %

- b. Products or services the business will provide:

The full scope of services that are provided to the aboriginal community by Raven Wing Graphics include the three following sectors which will be discussed at length:

- Graphic Design
- Desktop Publishing
- Web Development

#### **1. Graphic Design**

The graphic design services encompass a broad range of services including 2-dimensional and 3-dimensional capabilities which can be done using both computer aided design and traditional methods. Raven Wing Graphics own a large selection of original photographs to ensure that each client's project is one of a kind.

##### 2D Graphical Services

- Logo design/redesign
- Illustration and fine art
- Photography & Photo Retouching/Digital Manipulation
- Drafting and Computer-Aided Design (CAD)

##### 3D Capabilities

- Model Building
- Clay Modelling & Sculpture

a. The main business activities:

This plan is written as a guide for managing this new business. The following is a summary of the main points of this plan:

- The objectives of Raven Wing Graphics are to generate a profit, grow at a challenging and manageable rate.
- The mission of Raven Wing Graphics is to develop the communications sector in the Aboriginal community through web development and graphic design.
- The keys to success for Raven Wing Graphics are marketing and networking, responsiveness and quality, and generating repeat customers.
- The initial primary service offered will be contracts and hourly consultation.
- The local market for this business, which is relatively new in the aboriginal community, is wide open for new and expanding design firms.
- An initial financial analysis of the viability of this venture shows outstanding promise and results. Several sources note that the graphic and web development business is relatively easy to start, requires little up-front capital, and has the potential to be profitable in the growing high tech world.

Implementing this plan, in conjunction with a comprehensive marketing plan, will ensure that Red Wing Graphics becomes a profitable venture for the owner.

All work will be undertaken utilizing the company's computer including any digital manipulation, web development, production of print media, and programming. Meeting with clients will be done at their offices, which is standard practice for most design companies.

b. Business Identity:

Name: Raven Wing Graphics  
Address: 1600 East 6<sup>th</sup> Avenue, Vancouver, BC V5N 1G2  
Phone: (604) 604.555.1234 Fax: 604.555.2345  
Contact Person: Janet Joe

Business logo:



**Mission Statement:**

Raven Wing Graphics is committed to providing high quality graphic, desktop and web design services to aboriginal groups and organizations in the Greater Vancouver area as a profit and growth oriented business.

#### **4. Description of the Industry**

a. Industry Sector:

i. Service

b. Characteristics of the Industry:

The industry has roots dating back to the turn of the century when book designer William A. Dwiggins originally coined the term “graphic design” in 1922; it has become increasingly popular in the last decade with the advent of the Internet and new computer software.

Today, like an accountant or business manager, almost every company competing in today's marketplace works with or employs a graphic artist. If you look at magazines, newspapers, funky business cards, posters, and eye-catching logos, banner headlines across the top of an Internet page, everything is done using computer-based digital graphics by graphic artists. In a nutshell, graphic design is the process and art of combining text and graphics in order to increase effectiveness of advertising in brochures, newsletters, posters, signs, and any other types of communication. Most design firms' range from one-person freelance operations to larger firms of up to 20 or more people and tend to amass geographically around industries that drive demand.

Graphic design and Web Development fall under the section of Communications Design in the Design Sector. Prior to recent developments to the sector, the various design occupations such as Architecture, Interior Design, Landscaping, Communications Design and Industrial Design, were fractioned into one category. However, most design occupations are now assigned their own occupational classifications.

#### Technology and Innovation

Technology is constantly progressing and shapes the direction of the communications design sector. It is a key facilitator in the emerging markets and it is important to realize the potential of technology and to implement it in the design process. This includes keeping up to date with the latest software and hardware upgrades, which can be quite costly and increasingly challenging. However, the changes in production technologies are advancing so rapidly and it is becoming more user-friendly, and consequently the design market will grow as will the demand for it.

## Trends

Market trends that shape the design industry:

- Trend #1 -rapid growth in technology, need for continuous upgrades in both hardware and software.
- Trend #2 – Globalization of markets – population of businesses on the Internet growing fast, more businesses will be expanding to the international markets; barriers and tariffs will slowly be released.

These trends are predicted by industry experts to continue well into the next century.

## Regulatory

There are currently no policies for regulation in the Canadian design sector and as a result, there is an abundance of freelance designers with no formal training. It is relatively easy to start up a design business though little funding or research is available at the federal or provincial levels.

In an industry where it is the graphic designers job to grab the end-users attention in three seconds or less, companies need graphic artists that understand design, color, knowledge of software and design, and possess exceptional artistic ability combined with creativity. Ms. Joe has excellent skills in these areas and can apply them to the full range of industries that graphics artists operate within. In addition, Ms. Joe is versatile in providing services that range from web site design to printed graphics such as reports, and other printed promotional material, with a focus on high quality efficient service.

### c. Direct and Indirect Competition:

There seems to be four major classes of competition in the local graphics and web development industry:

- In-house graphics/web consultants - Usually employed by larger companies that can afford the fixed cost of a salaried or hourly employee.
- Individual proprietors, smaller graphic design firms and freelancers – This is by far the largest group in the industry. In the target market, the Aboriginal community, people would much rather stick to other Aboriginal organizations, such as Raven Wing, to get the job done.
- Larger network and telecommunications consulting firms - Large, known-name companies such as Compu Design that specialize in

providing total graphic design and web services to larger companies that choose to subcontract.

- Printing/Publishing stores offering quick graphic design services.

Raven Wing Graphics fits into the largest group as a sole proprietorship. The primary reason that customers would buy from Raven Wing Graphics rather than competitors is the existing relationships. Customer loyalty and satisfaction are the way to success for small service businesses such as this.

Direct Competition:

### **Salish Design Studio**

Salish Design Studio was established by Catherine Sam, and is a prominent design company in the Aboriginal community. About 60% of the work they produce is for Aboriginal clients and is acquired through word-of-mouth, as they have yet to create and implement for themselves a marketing strategy. It could be considered Salish Design Studio as one of the top direct competitors because they are so well known and are well established in the Aboriginal Community. However, the 60% of the contracts acquired by Salish Design Studio by word of mouth alone shows close-knit ties in the Aboriginal community, which could be advantageous with the relationship building of Raven Wing Design.

### **Nelson Graphics**

Nelson Graphics works in the aboriginal community, and is Aboriginally owned. This company is just one of the many freelancers in the Vancouver area. Nelson Graphics relies on word of mouth to get contracts in the community.

Indirect Competitors:

### **Compu Design**

Compu Design is one of the larger non-aboriginal design firms in Vancouver. This company has longevity and experience, and has been around for nearly 20 years, consisting of a 20-member multi-disciplinary team. Their share of the total design market in Vancouver is at least 20%. Among the list of clients are, Canada 3000 Holidays, Nintendo of Canada Ltd., BC Lottery Corporation, only to name a few.

### **Gastown Design**

Gastown Design has produced approximately 70 sites in the 4 years that

they've been in business, and has a client base that extends across the continent. Their use of a marketing company (Bell Curve Marketing Communications) to provide better services to their clients is most interesting. However, they are a Non-Aboriginal company. The company also utilizes their formal training in the implementation of design strategies.

It is common practice to make connections in the design community and form partnerships with other freelance artists. This aspect of the design world makes it easier for all freelance designers to operate a small business. Distributing work to sub-contractors under the name of Raven Wing Graphics would be one of these advantages.

Although the overall number of graphic artists listed are few, there are a large number of graphic artists who operate independently and do not list themselves in the yellow pages, such as those in print houses that have their own graphic artists and that cannot be accurately accounted for within this plan.

## **5. Operational Plan**

### **a. Management and Personnel:**

Janet Joe is the sole owner and operator of Raven Wing Graphics, located at 1600 East 6<sup>th</sup> Avenue in Vancouver. Ms. Joe is responsible for all aspects of operations including accounting, administration, client relations, graphic design/web development, employing contractors, and marketing.

Ms. Joe will sub-contract other freelance graphic artists if demand dictates, however she will maintain project management responsibilities and quality control.

### **b. Location:**

As a home based business Raven Wing Graphics will undertake all aspects of operations from the address of 1600 East 6<sup>th</sup> Avenue in Vancouver, BC, with sales and consultation meetings with clients conducted at their location.

### **c. Facilities:**

As a home based business the company will benefit from reduced overhead costs associated with rent/ lease costs. Raven Wing Graphics has already established both a business phone and fax number and utilities will not be

factored into rental costs for the company until profits can accommodate a small monthly rate of approximately \$300.00, or 25% of rental costs.

As Raven Wing Graphics grows into a more profitable venture, the owner will consider moving the company to Yaletown, where many cutting edge businesses are located.

d. Description of operations:

The fulfillment of contracts and services for Raven Wing Graphics are the sole responsibility of Ms. Joe. The ultimate deliverable is based upon the owner's expertise, commitment to quality and problem solving ability, coupled with an open mind and ease of communication that will result in the customer's complete confidence in immediate and lasting results.

Technology is, of course, vital to the success of Raven Wing Graphics. It is imperative that the owner stays up-to-date on the latest technological developments in the computer industry. In addition, it will be important to devote a reasonable portion of each year's revenues toward upgrading the equipment and software used by the company in its normal operations.

This aspect of operations will be the foremost priority for Raven Wing Graphics, and will be undertaken, through a combination of the following initiatives:

- Sending a letter of announcement and brochure to all existing contacts and customers, including database of 80 aboriginal groups, organizations and associations in the Lower Mainland. On-going relationship building using existing contacts and clients to build a larger network of potential clients.
- Maintaining an up to date website, business cards and stationary. The web site is already developed and showcases the owner's skills and knowledge, providing an "electronic brochure" as well as useful information free of charge. Site address is: [www.ravenwing.com](http://www.ravenwing.com)
- Monthly advertisement in Kahtou Magazine, business card size @ \$50.00 per month.
- Attending the Aboriginal Business Club Luncheon, monthly for a rate of \$15.00.

## 6. ***The Marketing Plan***

a. Overall market:

The overall market for clients for Raven Wing Graphics consists of Aboriginal groups, organizations, and associations in BC. Raven Wing Graphics will adopt a focused client identification process, as follows:

- A logical segmentation breaks the market down into the following: high-knowledge based Aboriginal firms including business services, educational services, communications and electronics, electrical power, management consulting services, among others; and medium to low-knowledge based firms such as retail trade, personal services, clothing, accommodation, food and beverage services, transportation, finance, insurance and real estate, textiles, and others.
- The largest and most logical target markets for Raven Wing Graphics are the low to medium knowledge-based Aboriginal organizations. Most of these firms have a need for quality graphics solutions that they can afford. While the high-knowledge based organizations are a target for their likeliness to keep a high profile (in having an up-to-date website, new and improved business and promotional materials), They may, themselves, have the knowledge and/or budget to design for themselves or sub contract out to more prominent design firms.
- While there are a fair number of freelance competitors in the local area, a lot of them seem to be quite expensive and lacking in quality, leaving ample opportunity for Raven Wing Graphics to create and expand a niche in the chosen market segments.

b. Target Customers and Marketing Strategy:

Ms. Joe has a database of 150 Aboriginal groups, organizations, associations and Nations that will form the basis of her first marketing initiative. A copy of this database is attached in the appendices of this document.

Raven Wing Graphics will also target customers and review the 80 page listing of aboriginal groups and organizations in BC available through [www.mcaaws.gov.bc.ca/aboriginal\\_dir/aboriginal\\_guide.pdf](http://www.mcaaws.gov.bc.ca/aboriginal_dir/aboriginal_guide.pdf) and identify potential clients based upon the following criteria:

**1. Government Organizations**

*Approximately 15% of incoming work will come from doing projects for government organizations.*

**2. Low-Knowledge Based Firms**

*63.5% of all Aboriginal Businesses fall into this category, which is most in need of upgrading their communications sector. Raven Wing Graphics hopes to provide these services through web development and design of*

*high quality promotional materials. Included in this category which will provide 58% of all contracts are: logging and forestry, transportation, storage and warehousing, personal services, accommodation, food and beverage services, clothing, retail trade, and agriculture.*

**3. Medium-Knowledge Based Firms**

*About 25% of business for Indigenous Dynamics Plus will come from this group. The 30.6% of Aboriginal firms that fit this category include: electrical and electronics, textiles, communications, paper and allied products, wholesale trade, motor vehicles and parts, food & beverages, real estate, insurance, printing and publishing, construction, and amusement and recreational.*

**4. High-Knowledge Based Firms**

*High Knowledge based firms only comprise 5.9% of all Aboriginal businesses. These include: scientific and professional equipment, communications and other electronics, business machines, computer and related services, engineering and scientific services, electrical power, educational services, health and social services, and other business services. 2% of the contracts for Raven Wing Graphics, if any, will come from this group.*

c. Pricing, Sales and Credit Terms

For the quality of our services Raven Wing Graphics is priced slightly below industry standards. This is still cost-effective because of the high profit margins in design work.

<i>Products &amp; Services</i>	<i>Contract Rate</i>
Graphic Design	\$50/hour
Web Development	\$60/hour
Consultation	\$50/hour

d. Target Sales

Raven Wing Graphics estimates that it can reach a monthly billable goal of 60 hours, or 15 hours per week. The company will work forty hours per week and anticipates that it can easily achieve a 50% billable average in the second year of operation and 75% in the third year of operation.

This conservative number factors in a great deal of networking and unpaid work

such as networking, preparing proposals for RFP's and for companies that are known or anticipated to require Raven Wing Graphics services.

## 7. Purpose of Loan

### a. General description:

Raven Wing Graphics seeks a TACC Youth Loan for \$ 9,000.00, and a TACC Youth Equity Match for \$1,500.00 for the purpose of purchasing office furniture \$1,000.00, a computer for \$3,000.00 and graphics software \$8,000.00.

### b. Financial Breakdown:

Description	Amount
Computer for design, and management	\$ 3,000.00
Software for design and web development	\$ 8,000.00
Office Furniture	\$ 1,000.00
Total:	\$12,000.00 =====

## 8. Business feasibility

### a. Viability:

Raven Wing Graphics is already operating and has established industry contracts and produces high quality product, utilizing outdated equipment. If funding is approved Ms. Joe will expand operations and achieve her conservative sales estimates of \$31,000.00 in the first year of operations.

### b. Strengths, Weaknesses, Opportunities and Threats, or S.W.O.T. Analysis.

#### Strengths:

- The sole owner is professionally trained and is proficient in the various software programs that are necessary to operate the business.
- A comprehensive marketing strategy is already in place, business cards have been designed, as well as a website, and other promotional materials.
- Contacts have already been established within the Aboriginal community.

- The quality and efficiency of our design services are first-rate in comparison to other design firms and freelancers in the Aboriginal community.

Weaknesses:

- This is a newly established company with a sole owner who does not have entrepreneurial experience, however, Ms. Joe is already enrolled in an accounting and a small business management night course.

Opportunities:

- Raven Wing Graphics has the opportunity to expand the communications sector in the Aboriginal community, creating more business and need for our services.
- Being proficient in many areas of design, desktop publishing and web development, Raven Wing Graphics has the opportunity to serve the Aboriginal community in several disciplines.

Threats:

- New media programs are being established in the Aboriginal community to teach web development and desktop publishing - however to date relatively few have entered the market.
- Other design firms and freelancers in the Aboriginal community are a threat; however, they mostly rely on word of mouth and do not have a marketing plan.

c. Long Range Plans:

The goal of Raven Wing Graphics is to generate a steady stream of income, secure a comfortable living for the owner and establish the business for long-term growth. Long-range plans include expansion to a Yaletown office, incorporation to reduce liability, and joint venturing with other Aboriginal freelancers and design firms.

## **9. Financial projections**

The business plan will require the following financial projections:

- 12 month cash flow projections
- 3 year cash flow projections
- 3 year projected income statements and balance sheets

## Projected Balance Sheet - 3 year period

	End of year1	End of year 2	End of year 3
<b>Assets:</b>			
Current Assets:			
Cash - Business Account	\$4,715	\$5,180	\$6,434
Fixed Assets:			
Computer Equipment & Software	\$12,000	\$9,600	\$7,680
Depreciation, 20%	(\$2,400)	(\$1,920)	(\$1,536)
<b>Total Assets:</b>	<b>\$14,315</b>	<b>\$12,860</b>	<b>\$12,578</b>
<b>Liabilities:</b>			
Current Liabilities:			
TACC Youth Loan	\$6,497	\$3,528	\$288
<b>Total Liabilities:</b>	<b>\$6,497</b>	<b>\$3,528</b>	<b>\$288</b>
<b>Owners ' Equity:</b>			
Opening Balance	\$1,500	\$7,818	\$9,332
Add: net income for year	\$22,318	\$25,514	\$28,958
Less: Owner's drawings	(\$16,000)	(\$24,000)	(\$26,000)
<b>Owners' Equity - end of year</b>	<b>\$7,818</b>	<b>\$9,332</b>	<b>\$12,290</b>
Total Equity and Liabilities:	<b>\$14,315</b>	<b>\$12,860</b>	<b>\$12,578</b>

## Projected Income Statement - 3 year period

	Year 1	Year 2	Year 3
<b>Income:</b>			
Sales	\$31,000	\$34,100	\$37,510
<b>Gross Sales:</b>	<b>\$31,000</b>	<b>\$34,100</b>	<b>\$37,510</b>
<b>Expenses:</b>			
ACC Youth Loan Interest Expense	\$632	\$451	\$180
Depreciation expense	\$2,400	\$1,920	\$1,536
Software /Equipment Repair/ Maintenance	\$550	\$605	\$666
Accounting/ Bookkeeping	\$150	\$165	\$182
Bank Fees	\$360	\$396	\$436
Business License	\$150	\$165	\$182
Business Insurance	\$50	\$55	\$61
Office Supplies	\$850	\$935	\$1,029
Marketing: Business Cards/ Stationary/ Brochures	\$900	\$990	\$1,089
Communication: land line/ cell/ fax/ Internet	\$2,400	\$2,640	\$2,904
Misc.	\$240	\$264	\$290
<b>Total Expenses:</b>	<b>\$8,682</b>	<b>\$8,586</b>	<b>\$8,553</b>
<b>Net Income:</b>	<b>\$22,318</b>	<b>\$25,514</b>	<b>\$28,958</b>

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Although this Business Plan is based on a fictitious Aboriginal business, it has been modelled to be as “real-world” as possible. Other sample business plans in this series, as well as an interactive tool to create your own business plan, can be found at:

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