

the Business of the Arts

Professional Development Series

Entrepreneurial and Technical Training for Artists
and Small Business Owners

Spring 2019

LEAN CANVAS METHODOLOGY OVERVIEW

Presented by the DC Commission on the Arts and
Humanities, the Department of Small and Local Business
Development, and the Office of Cable Television, Film,
Music, and Entertainment

WELCOME

Thank you for joining us for the 2019 spring semester of The Business of the Arts. During the six-week program, facilitators from the Department of Small and Local Business Development (DSLBD), Washington Area Lawyers for the Arts, and the DC Commission on the Arts and Humanities (CAH) will provide arts, humanities and creative professionals the knowledge and technical support to improve the sustainability of their business operations. From managing finances to perfecting your brand story, each session guides you through key components of building a successful business and increasing your revenue.

The Business of the Arts Professional Development Series is presented in partnership by CAH, the DSLBD Innovation & Equitable Development Office, and the Office of Cable Television, Film, Music & Entertainment (OCTFME).

Upcoming classes:

- Basic Business Financials, March 20
- Storytelling and Personal Statement, March 27
- Landscape on Access to Capital, April 3
- How to File Your Taxes, April 10
- Copyright and Trademark, April 17

Register online at **dcarts.dc.gov**

OVERVIEW

LEAN CANVAS METHODOLOGY

Participants will work in groups of 3-5 to learn how to use the lean canvas module testing out business ideas, working through the logic model, and getting used to basic pitching.

At its heart, all business is selling, and all selling is storytelling.

These activities will help prepare a framework for telling the story of your business.

TEAMS & ROLES

Building a company starts with building the right team. There are roles and skills that every company needs, and there are sui generis opportunities that add great value. We'll use the roles below for today's exercise.

CHIEF EXECUTIVE OFFICER (CEO)

The CEO is the face of the organization, and sells the company to investors, buyers, and others who need to see why the company and its products or services are worth investing time and money. The CEO is a salesperson.

CHIEF FINANCIAL OFFICER (CFO)

The CFO handles the money. Whether it is debt or revenue, they manage and monitor all aspects of ensuring that the company is profitable and can pay its bills. The CFO is the treasurer.

CHIEF OPERATIONS OFFICER (COO)

The COO makes sure that the actual work of the company happens, on time and on budget. They handle everything that is day-to-day from hiring to purchasing supplies and filling orders. The COO is a jack-of-all-trades.

For larger teams, we will also include this role:

INVESTOR. (BONUS!)

Investors are not directly part of a company, but they fund the company. They are concerned with whether the company will be profitable, and will often lend ideas, expertise, support, and network connections. The investor is a concerned friend.

WHAT IS AN ENTREPRENEURIAL IDEA?

Entrepreneurial ideas solve problems. They offer solutions through a product or a service that consumers will pay for. Entrepreneurial ideas are successful when a company can offer the product or service at a price that covers costs and has some extra for profit.

For today's exercise, teams can create an idea or use one of the ideas below.

ON DEMAND SERVICES. SHARING A RESOURCE W/AN APP

Uber, Lyft, AirBnB, Task Rabbit... an on demand-service is an app-mediated platform that connects someone who needs a product or service with someone who can provide it, quickly and directly.

RESTAURANT/NIGHT CLUB/COFFEE SHOP/FOOD TRUCK

People have to eat, and the city is full of options where people chose to eat and have fun. Successful eateries have good food, but they also have a good theme and manage tight cost margins to successfully make a profit.

EVENTS MANAGEMENT. PRODUCE CONCERTS OR PARTIES

Events come in all shapes and sizes, and there are special skills for managing an event efficiently and with style. Some event management firms specialize in a particular type of event, while others are creative across the board.

NOT-FOR-PROFIT. ALTERNATIVELY, SOCIAL ENTREPRENEURSHIP

Everyone gives back to their communities one way or another, but some people make giving back their core mission. These organizations may be non-profits that accept charitable donations and grants, or social entrepreneurship in a for-profit company with a civic-focused mission.

LEAN CANVAS

BUSINESS PLANNING. Fast. Concise. Effective.

Activity: Break into groups of 3-4 people. Assign each person a role and select an entrepreneurial idea. Use the chart below to complete your plan.

Problem	Solution Key Activity (how we do what we do)	Unique Value Proposition (why I am different)
Cost Structure (money out)		Revenue (money in)

PITCH BASICS

Pitching a company is explaining to someone else what your company does, and why they should care. They may be an investor, an employee, a buyer, or a partner, or customer. Pitches can become more complex, but there is a core.

For today, we'll ask each of the designated roles to cover their portion of the pitch.

WHAT DO YOU DO? CEO IS ON THE SPOT.

In 1 minute or less, the CEO needs to tell the story of what the problem is, and how your company solves that problem. You are selling this idea against the competition, or against the audience just going home.

Problem. Solution. Unique Value Proposition. Why it is awesome, and why it will work.

HOW IS IT RUN? COO MAKES IT REAL.

In 1 minute or less, the COO needs to build on what the CEO just told, getting into the nitty-gritty of how someone can actually make what the CEO just promised happen.

Key Activity. Take what the CEO said and break it down. How will you make it happen?

HOW DO YOU MAKE MONEY? CFO COVERS THE BOTTOM LINE.

In 1 minute or less, the CFO needs to explain that the awesomeness is not only affordable, but it is profitable. They need to explain how much investment is needed, for how long, before sales start to cover costs, pay back loans, and exceed costs.

Cost Structure. Revenue. Explain who pays what, and at once point profit scales.

BONUS, INVESTOR. INVESTORS PROVIDE FEEDBACK.

After the pitch, investors ask questions of concern and discuss what makes them more or less likely to invest in this company's ideas.

Excitement. Concerns. Explain whether you would invest capital in this venture.

PIVOTING, PEOPLE'S CHOICE & REFLECTION

One of the most basic concepts of entrepreneurship today is the idea of the pivot.

We pivot when we realize something that we are currently trying is not working, and we need to try something else.

Sometimes we change an entire idea. Sometimes we tweak it. Both are good, and both are normal.

Fail fast. Fail forward. Pivot and create a different success, but stay true to your story.

And keep two exit strategies in mind: (1) best case scenario and (2) worst-case scenario.

PEOPLE'S CHOICE

We have barely scratched the surface for thinking about the vast and diverse world of entrepreneurial knowledge, opportunity, and support. With any time remaining, talk about other topics of interest and use to all entrepreneurs.

Profit & Loss	Contracting	Partnerships
Traction	Risk Mitigation	Social Media
Debt	Credit Scores	Business Banking
Mentorship	Legal Basics	Crowd Funding
Marketing	Human Resources	Equity Investing
Sales	Regulation	Loans
Tech	Bankruptcy	Bonding
Contracts	Consumer Protection	Branding
Advertising	Peer Support	Websites
Grants	Export	Insurance
Licensing	Incorporation	Hiring

REFLECTION

As time allows, as an entire group or in small groups, reflect on how the ideas from today impact your outlook on endeavors in any arena. This could be in pursuing a future business, or in taking an entrepreneurial spirit to any endeavor.

ABOUT

CAH

Established in 1968, the DC Commission on the Arts and Humanities supports programs that promote progress in the arts and humanities through grants, professional opportunities, and other services to individuals and nonprofit organizations in all communities within the District of Columbia. CAH is the designated state arts agency for the District of Columbia, and is supported primarily by District government funds and in part by the National Endowment for the Arts.

DSLBD

The Department of Small and Local Business Development supports the development, economic growth, and retention of District-based businesses, and promotes economic development throughout the District's commercial corridors.

OCTFME

The mission of the Office of Cable Television, Film, Music, and Entertainment is to produce and broadcast programming for the District of Columbia's public, educational, and government access (PEG) cable channels and digital radio station; regulate the District of Columbia's cable television service providers; provide customer service for cable subscribers; and support a sustainable creative economy and labor market the District of Columbia.

