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Students with high arts participation and low socioeconomic status have a 4 percent dropout rate—five times lower than their low socioeconomic status peers. – (Eastman)

As of 2020, 24.5% of Watauga County – a staggering 12,171 residents – live in poverty. A figure more than 1.5 times the rate in North Carolina and nearly double the national rate. Of the 12,171 impoverished, 19% are children. (“Watauga County, NC - Profile data”) According to the CDC, 22% of children living below the federal poverty line are affected by some type of mental, behavioral, or developmental disorder. More specifically, 1 in 6 children between the age of 2 to 8 years old had been diagnosed with a mental, behavioral, or developmental disorder. (“Data and Statistics on Children's Mental Health”). Freedom of expression can provide individuals, especially those at-risk, opportunities for self-discovery. Such opportunities can be crucial to recognition of personal feelings as well as providing avenues for emotional release. Free expression and such relief of stress can help relax the body and mind when it's needed most. (“Creativity and Recovery: The Mental Health Benefits of Art Therapy”) At the heart of Bean Artistic is the desire to create an artistic space for not just everyone, but to especially provide an inclusive and freeing environment for underprivileged individuals and families.

Our value proposition is broken down into two different statements, one for guests and another for beneficiaries.

For guests: We strive to offer educational art workshops to our communities. Either for individuals, friends, or families to be involved in a non-judgemental space with quality coffee and pastries.

For beneficiaries: We believe that by introducing the community to art and allowing them to create within our non-judgmental space in Bean Artistic, we can encourage involvement in disadvantaged communities to thrive.



Validation research was very difficult to access because many people turned us down or ignored us. Additionally, finding organizations to talk to on short notice was difficult to access. As of May 1, 2022, only two of six organizations responded to us – the Arts Council of Fayetteville / Cumberland County, and the Asheville Area Arts Council. As noted in the “Interviews” section, they weren’t available to be interviewed until after the project, so they couldn’t answer questions. Again referring to the “Interviews” section, the individuals we were able to interview were those in close proximity to our target demographic. As such, their responses tended to more or less overlap with one another. Even despite the last interviewee seeming disinterested in our idea, they believed in the value of freedom of expression in forums as simple as an art class.

We redesigned the business model to fit our business idea by incorporating our guests and beneficiaries into the same model. The main motivation in doing so was that there were multiple overlapping panels that seemed redundant. The most important aspect of our model is our relationship with both guests, beneficiaries, and the channel. In the guest relationship, we value quality products and keep a positive attitude in-store as well as during events that help bring guests back. In the beneficiary relationship, we aim to provide quarterly updates on our achievements and improvements. We also provide individual tours and encourage participation in workshops to give first-hand experience to help our beneficiaries understand our mission and what we do. Our channel segments were combined due to similarities in creating individual models. Creating blog articles that are more focused on our cause can help beneficiaries and guests can see our contributions to the community. The use of social media, mainly Instagram, gives guests visual updates and direct links to our blog. With Instagram's new features, we can also link products for purchase to help our business. For more information is provided under “Bean Artistic Business Model”.



We decided to do two different target markets, an ideal avatar for guests and another for beneficiaries. For our ideal guests, they would be in their early 20s, single, most likely full-time students with a part-time job working to further their education, and an annual income of around \$20,000. Their values are freedom of expression, diversity, and inclusion and their goal is to become an artist after graduating. Their role in our store is using the studio space and purchasing coffee and pastries during their visit. Our ideal beneficiaries are around the age of 50, married with children, and likely occupations most likely including being entrepreneurs or business owners with annual incomes of ~\$120,000. Their goals are to build a better future for children that are underlined values such as freedom of expression. Their role in our business is donating money to the studio portion, and their objections are most likely being picky about charities. For more detailed information will be provided under “Avatar”.

With the market strategy, we decided to do the SAVE model since it fits our own business model. The solution meets the need of providing educational art workshops to our guests and the main focus of our mission. Participation in local events and booth set-ups help craft a better community relationship that can open opportunities for increased business and use of social media, specifically Instagram, to give guests visual updates and information on what we're doing. The value is mainly focusing on cost-based pricing by giving an excellent workshop experience and showcasing that purchases go back to continuing our mission. Doing so will help create a better relationship with the community and provide guests with a feel-good experience through their contributions. The education in having activities for guests of all demographics to be able to express themselves and have fun. By displaying and selling paintings done by artists in the studios, guests can support locally for both the artist and the community.



For our competitive analysis and advantage, we chose Hatchet Coffee, Art Mart & Academy, Let's Be Artsy, Kovu's Coffee, and Hickory Ridge History Museum because we feel that they most closely offer the type of products and services that we aim to provide. Given that our biggest competitors are coffee shops, art classes, and anything you can do for free in Boone, these companies and businesses fit somewhat similarly to our business model. More information is provided in "Competitive Analysis".

As a non-profit organization, our biggest competitive advantage is that we offer all of our art-related activities as a free service to the community. We can do this by reinvesting revenue earned from selling our food and beverage back into enhancing our art service for our users. Compared to other locations in Boone where you can practice art in an environment other than your residence, our coffee shop is meticulously constructed and designed to take pressure off of the artist, and allow them to express themselves without fear of judgment of themselves or their work. We pride ourselves on our ability to offer a unique and necessary service that many communities do not have access to locally. Additionally, we excel past our competitors in terms of availability and access for disadvantaged community members who are encouraged to participate in art classes and provide artistic supply kits to use in other locations as well. It seems the aspect of our value proposition that is shared the most among our competitors is the idea of a judgment-free zone. However, we do not view this as a disadvantage since we believe such environments are foundational to human generativity and expression, and thus should be provided to the furthest extent manageable. We believe that by providing more affordable options for self-entertainment, and necessary "alone time" in some cases, people will begin to see the value of nonprofit organizations in their local area, and want to inherently support them just as they support their communities. By offering a place to spend time and money to help those interested in furthering their creative expression, we hope this will drive more individual donors looking to make a difference in their own unique and impactful way. While we do value the funding of our larger donors, we need to connect with the local community and instill in them a passion for helping the less fortunate in creative ways.



When creating the cash flow projections, we started with a sheet of start-up expenses to have an idea of the cost of furniture, equipment, and other long-term products needed for the business. Also included in the start-up report was the first month's rent, security deposit, and the pre-opening salary for employees that will be needed for training before opening. Overall, the total of these expenses was estimated at \$35,898.54. We also took the liberty of creating a separate document for our units that will be constantly sold and restocked to model expenses for the cash flow projection. We decided to sell brewed coffee, espresso, select coffee specialty drinks, hot leaf teas, iced leaf teas, specialty teas, seasonal drinks, pastries / baked goods, coffee beans by the bag, art prints, and merchandise. All beverages prices and variable cost are based on 16 ounce portions. Basic art kits are added due to the variable costs needed to restock them even though they are free of charge to guests. It is important to receive a loan for our cafe portion, as well as a government grant for the non-profit portion, to support our venture. This is especially true since the art kits are free and take up the majority of the variable costs. The art kit numbers from January to March are calculated according to the 3 classes per day held every Saturday and Sunday assuming 12 guests per class for the month for a total of 288 kits used ($3 \times 2 \times 12 \times 4 = 288$). April and March provide 4 classes every Saturday and Sunday with 12 guests per class for the month requiring a total of 384 kits ($4 \times 2 \times 12 \times 4 = 384$). June adds another class – totaling 5 per day – using the same math to create a total of 480 kits. July and August are the highest in demand due to tourism and summer break for children, increasing further to 6 classes every Saturday and Sunday, 12 guests per class for the month for a total of 576 kits ($6 \times 2 \times 12 \times 4 = 576$). As the year progresses, we slowly decrease the number of classes apart from extra classes in December to advertise fun, hand-made presents.



For units, we kept brewed coffee and pastries sales high due to their affordability and higher consumption. Hot teas are sold more during colder months and iced teas are sold more during hotter months. Artwork and merchandise tend to correlate with one another, so we kept the numbers the same throughout the year with December as an exception since guests are more likely to purchase an artist's work as a gift. Our biggest overhead payments are rent and employee wages, more focusing on employee wages due to rent being consistent throughout the year. Employee wages were decided by 2 full-time employees earning \$10/hr, and 3 part-time employees earning \$9/hr. The \$5,787.54 / month calculation comes from calculating all of the employee's wages and employer taxes separately with the Gusto calculator, adding them all together, and dividing them by 12 ($69,450.48 / 12 = 5,787.54$) ("Payroll Tax Calculator for Employers"). The least expensive of our overhead payments is the website and advertising since Instagram allows for self-advertisement while local adverts can be run during the summer and winter seasons to increase revenue. More detailed information about the process of our cash flow projection will be under "StartUp Expenses".

Creating a brand brief is important for our overall success and to stand out from our competitors. Our goal for Bean Artistic is to create an atmosphere that is comfortable and inspiring, but simplistic throughout the brand design process. The logo is an art brush with a paint palette with a coffee cup ring to center the design. The inspiration for the logo is simply combining coffee and art. The decision was to create a recognizable brand, to keep the message straightforward, and to not overwhelm customers but rather keep their interest. Our logo will be very important for our business and be used on store signs, menus, social media, and merchandise. We decided to use three different typographies – Monterchi Serif for headings, Monterchi for sub-heading, and Montserrat for the body. We chose them because they are easy-to-read, simple, and clean in design. Using them together will give the brand a clean, consistent image. Lastly, our color palette is to create an ambiance for our three main moods: peace, familiarity, and inspiration. The browns represent the shades of different coffee options our cafe will provide. The beiges present some of the original colors in oil painting such as terra rosa, ripe sienna, and raw umber. The combination of every element of our brand idea creates an example of how the design ties things together.



Works Cited

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