

Business plan

For redevelopment of

St John's Church Cleator Moor

And establishing an Arts and Craft Centre

Arts and Craft Centre

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Background

The purpose of this business plan is to support an application to establish an Arts and Craft Centre as a reuse opportunity for St John's Church, Cleator Moor. This new start-up business is based on similar successful business models where arts and craft centres are operated from a church's building being reused.

Amy (Hui) wang has experience over ten years working with and managing arts and craft centres based at Portpatric, Penrith, Camalot, Preston and York.

The proposal is to open up the Old Church as an Art and Craft centre called West Cumbria Arts and Crafts. The main revenue of the business is from offering rental units for local art and craft businesses to sell and, where appropriate, create their art work on the premises. Also sell the art and craft/hand made products oversee and at home online. The centre would also open to a farmers market twice a week with a permanent stall selling eggs and vegetables etc. Original Arts and Crafts being produced within the building will provide a welcoming place for local people, particularly families with young children fed up with soft play area and more interested in interactive get your hands dirty have a go arts and crafts.

The nave of the church will be divided into 6 separate opportunities for rental spaces. Each space is approximately 10 m² (3.1x3.1m). The business will generate income by renting the stall space and taking commission from online auction sales 15% from the Seller and 15% from the buyer..

Company Summary

Company Ownership

A company (Arty Craft Ltd) will be formed after planning permission has been approved for the Old Church in Cleator Moor (the address is as above).

The company will be structured as a limited company and Amy (Hui) Wang, Craig Chadwick and Alex Kwong will be the shareholders.

The Management team

Managing director: Hui Wang

Marketing manager: Craig Chadwick

IT manager: Alex Kwong

Shop floor assistant x 2 TBC (employed when business expands and requires extra staff)

Management Summary

Management team Background

Amy (Hui) Wang (Director):

International Business degree from Beijing International Business University

5 years managerial experience working in a similar arts and crafts centre in Scotland

Trading in the arts and crafts business for ten years

AAT level 2 Distinction

Training in AAT level 3

Craig Chadwick (marketing Manager)

6 years of work experience in Marketing.

Running and marketing an arts and crafts business successfully in the past

5 years international business experience

Alex Kwong (IT Manager)

Experienced and qualified in Drawing and Design

Excellent website building skills

Runs an online business successfully

The Products/Services

- Rent stalls to the arts and craft people /artists: to sell their products and also allowing them to make their product in the stall (Like painting, hand carving, etc).
- Rent stalls to Chinese sellers and sell the products on their behalf.
- facilitate online sales of art products through a website; similar to Etsy
- Online auctions of art works/products

The Target Market

Anyone who enjoys bespoke hand crafted goods that are built to last in a throwaway society.

Attract the local people to participate in leisure activities.

People who love long lasting hand made products, all over the World, by selling them online.

Families looking to spend time together by creating art rather than running around a soft play area.

Arrange school visits to show children how the hand made products are being made.

The market research

We have a six month waiting list on stall rental this is due to a six month contract being agreed which can be renewed or cancelled after six month by either party. Table top stalls are available and able to be set up as required in the centre area of the building, for car boot sales, farmers market and promotional events. One of them is going to sell handmade luxury soap and pamper hampers and another wants to use it to sell refurbished antique furniture. I have also mentioned the idea to 5 previous business clients in China. Two of them want to rent one stall each to sell their stock and they would like to sell their products on our website. We expect demand of the stalls will outgrow the availability due to the expenses people are facing for starting new businesses, and our low prices and accessibility.

After a great deal of market research carried out online and by speaking with local people in surrounding towns we felt confident that this type of business is very popular with the public, as the arts and crafts industry is enjoying a big resurgence in popularity. Speaking to the owners of Wigton gallery on a number of occasions a very similar business model confirmed people are happy to travel to look at and buy quality hand made products original paintings / drawings / hand knitting and sewing or repairs / handmade wedding dresses and accessories / luxury handmade soap and pamper hampers / individual made to order designer pet accessories / wooden toys and games / personalised jigsaws. The list goes on, offering an existing and changing ever evolving collection of interesting and desirable products capturing the interest of tourists travelling from the south lakes to historic Whitehaven, Egremont, St. Bees, Nethertown, Gosforth, Loweswater, wasdale, Ulverston Broughton or Cockermouth.

80% of them would be likely to spend more than £20 every visit and would like to revisit on quarterly (or more often) basis, due to families/friends birthday/Christmas present demand, household needs.

Cleator Moor is located within the boundaries of the historic county of Cumberland. It may soon be included within Lake District national park. It enjoys a central position to travellers who would pass through or would pass very close by and they only need a reason to stop and have a look. Those tourists will be targeted using flyers in West Cumbria and business cards / leaflets left with shops, Pubs and B&Bs, and will also be advertised on our website, face book, and Twitter etc.

Market Analysis Summary

The church has 6 of 3 X 3m (approximate) stalls to rent to the public. Each store could be isolated from neighbours by free sanding partitioning. Ideally for the craft people who make their own hand made products.

The tenants renting the stall could come in and run their stalls by themselves or authorise us to sell their products for them. 10% commission will be charged for handling sales.

The stall owners also have priority to sell their products on our website and online auction.

Due to the limited number of stalls, we also welcome any products that would like to be sold on our website. We will charge 15% of the online sale value. Any item sold in auction will be charged 20% each from seller and buyer (40% per transaction). A minimum £5 commission will be applied to the seller (if the commission from the sold product is less than £5 will be charged £5. This term is applied to the sellers only)

Start up fund

Total start-up requirements.....£ TBC

The required amount will be funded from Amy (Hui) Wang, any more funding required will be funded by the other shareholders. All the start-up funding beyond the above figure will be funded by savings. At the moment there is no loan required.

General Use of Funds

This is a start-up business. The funds will be used to get the building up to standard, to open it up to the public, according to the governments guidance on COVIC 19. It also covers the costs of equipment and the start-up expenses. Start-up expenses include computer expenses, advertisement, utility bills, insurance etc.

Capital Requirements

Repair the leak on the roof

Paint the inside of the building.

Put a toilet on the south west end of the aisle

Repair the broken window

Start up cost for the business, the break-down of some overhead expenses are as follows:

- Advertising for business opening (social media / Face book etc free flyers)
- Computer expenses:
internet & telephone line
Computer printer stationary and internet set-up
- Insurance
- Part time extra staff will only be required when the business grows.
- The utility bills: gas, electricity and water

Executive Summary

The Goals and Objectives

To build a prosperous, ethical company with the co-operation of local craft workers and the community.

To minimise carbon foot print; the possibility/benefits of:

- Solar panels to be installed in the future, providing the planning permission is granted. It will be used for heating and lighting the building.
- A community EV charge point to be explored. It will be investigated whether it is worth to put on side to benefit local community charging their vehicles
e.g. Charge my street chargemystreet.co.uk | [EV charge point community benefit society](#)

To support fair trade on products purchased from China, India etc.

Joint ventures, where possible Art and Craft would be open to consider joint ventures with the local community/businesses to achieve required volumes through internet sales

Pricing Strategy

Stall rental: $(6 \times £70 \times 52 =) / 12 = £1680/\text{month}$

Online Sales commission: 15% tbc

Auction commission: 20% from seller and 20% from buyer. 40 % from each transaction

Commission on sale of local farmers produce 10% tbc

For the first 12 month, I calculated on a very basic starting business. I would expect the income much greater than the predictive figure above.

Location Analysis

Cleator Moor is located at the edge of the Lake District area. It has a population of about 6,700 people. 10.4% of them are aged between 15 and 25 and 19.9% of them are aged 65+. The retired people could come in for a visit twice or even more per week. They could also bring their families in at the weekend. We also expect tourists from other area of Cumbria like Penrith, Barrow etc. With all of the special products in our stall we would expect a certain amount of the people will return.

The old church is located in a well developed commercial area that includes two large retail outlets, Co-op and Nisa. It is a perfect place for people to meet up with friends or family, where they have something interesting to look at or buy.

There are approximately 50 parking spaces in the Co-op car park. There is also on road side parking on Crossfield Road.

Potential Customers

"Nowt but natural" handmade soap would like to sell their products on a stall and online

"Ant houses" would like to join in the adventure

Amazon seller "Pursophy" would pay for a stall to sell their handmade stock on their behalf.

Treasure chest handmade fine jewelry and antique jewelry

George Bruce associates wood and stuff bespoke carpentry

The above companys are currently on our waiting list for stall space.

Competitor Analysis

The competitors

Etsy online handmade products: they sell hand made products online.

Amazon online craft work: they sell all sort of products but there are so many products being sold that it is hard to verify if the product is handmade.

Mitchell's auction in Cockermouth: they sell second hand, household products mainly

Mitchels car boot sale every Sunday – expensive stalls very cold enviroment

Business Strengths

Low start up costs

Affordable and flexible platform for local craft workers

Low cost opportunity to turn art/craft businesses talent/interest into money and make it a success

Enthusiastic and experienced owners and staff

Funding in place

Own the building, no rent to pay for our business

Weaknesses

Work needed to prepare the building so that it's ready to be opened up to the public.

Maintenance costs of a large listed building.

As a new business, it faces the overall challenges of starting up, and time is needed to spread the name of the business. Small town with a small population, compared to other businesses that are based in busy city centres.

Opportunity/ Advantage

Expanding interest in local products and the ethical market

With online selling and auction, the products will be sold across the world

Create a Community Centre / Hub

- A chance to see locally produced special arts and crafts
- A chance to get the early year original art products of future famous artists
- A chance to buy unique products that are handmade and built to last.
- A place to meet your family and friends with lots of interesting and unique products to see and buy
- Able to commission Artist and craftsmen to make personalized items

Threats

COVID 19 and its variants could lead to further lockdowns

Company plan

Short-term plan

It will take about 6-8 months to prepare the building ready to open up and we need some time to develop the business concept. Planned start-up date is Sept 2022 with a forecast of £50k sales in year one.

For the short term, we would get our business well known across the local area and online by:

- Distributing flyers/leaflets.
- Advertising on Facebook, Instagram, The internet, Radio and Newspapers as well as Word of mouth.
- Promote sales.
- For the stall renter: 3 weeks free if prepaid for 6 months.

Long-term plan

Build a warm and welcoming place for the local arts and craft community to meet up, and pass on their skills and disciplines and make a viable business.

A 20 % increase in turnover by the second year of trading and 40 % by year three.