

EMA 370 - Practical Arts Entrepreneurship

Crisis Management Plan

Music Group

1 - What is the Crisis Strategy? (copy the strategy from Box 10 in the *Arts Crisis Strategy Canvas* here).

“Survive and Advance”

The pandemic is a massive blow to virtually all economic sectors, but in particular the arts. Furthermore, photographers are some of the hardest hit within the arts economy, and are therefore having to get very creative with how they earn a living.

That being said, not all photographers have \$25,000 in savings to fall back on, in addition to more than \$30,000 in business assets. With this in mind, our proposed strategy may be tough to swallow, but we think it’s best given the resources of the artist.

We propose that the primary goal of the artist should be to demonstrate *and develop* her versatility and expertise as a photographer, regardless of whether or not it falls under the veil of her business. *This does not mean cease all marketing and go into hiding for an undetermined amount of time.* However, the fact of the matter is, very few people care for family photos right now, so we need to adapt. It will still be important to develop and implement supplementary forms of income, and to continue to do shoots when possible, but the primary focus should be on self-improvement and professional development.

Simply put, our main theme is this: Show people you’re willing and able to step out of

6 - Local Support Efforts

Identify local artist or arts business support efforts available to the venture during the crisis. (this assumes the venture will qualify)

The artist has at her disposal a community from the Professional Photographers of America arts business. Their [We’re In This Together](#) webpage provides resources and webinars for photographers across the country to join in and learn how others are navigating this pandemic, but this business also offers an online community with weekly discussion forums called [theLoop](#), along with other webinars and chances to connect with local artists. The artist could also, given her relatively polished standing in terms of marketing and an established business, reach out to other photographers in the area (Raleigh, NC or Durham, NC) for possible collaborative projects, or even simply to share information about their art, how they are navigating the pandemic, and how to stay connected even afterwards for better business practices. Some examples within the area are [Greg Ng](#) and [Amanda English](#) who have made efforts to both reschedule and perfect their business strategy.

Will the venture take advantage of these efforts? Why or why not.

Yes! The Professional Photographers of America offers a *free* community of professional artists that could help her develop a stronger business plan and serve as connections for developing her artistry and marketing that—something that is clear in the goals we propose she should have during this

your comfort zone and improve your own skills. This, combined with a modified marketing strategy will hopefully expand your client base and increase her name recognition, and result in new revenue streams that can last long after the crisis is over.

venture. This could also serve as a great time to market to others who may know of people in the area that she works in who need work if they are not the photographer for the job, or even as an opportunity to get a better understanding of other markets she could tap into. Lastly, making connections with local artists is *always* helpful as she can get a better idea of what her competition looks like as well as learn certain techniques or marketing strategies.

2 - Identify and Prioritize the Strategic Activities critical to the Crisis Strategy
(copy the activities from Box 11 in the *Arts Crisis Strategy Canvas* here).

1 - Crisis Response Goal: Eliminate excess expenditures.

Actions:

- Pay off existing credit card debt if interest isn't deferred.
- Cancel studio rental if possible, but at the very least, don't renew the lease.
- Put a pause on current advertising until a new strategy is developed.

2 - Crisis Response Goal: Develop versatility and expertise relating to skills as a photographer, regardless of whether or not it is under the veil of the business.

Actions:

- Start a passion project - At the end of the day, you don't do this for the money, you do it because you love photography. Return to your roots. Do something because you love it, not because it makes you a lot of money. However, that doesn't mean don't share it. Use it as another marketing channel, and demonstrate to your clients that this is your passion, and you won't give it up under any circumstances. One idea is to highlight the exaggerated turmoil faced by many frontline healthcare workers, first responders and their families. This is a tough time for

7 - Monitor & Apply Innovations for a new 'short-term' normal

How will the venture monitor innovations from competitors? Be specific: "social media" is not an answer.

Staying involved and connected with the photography community is the best way to monitor innovations from competitors. It's not for everyone, but online forums and facebook/social media groups are the best way to get first-hand interaction with people dealing with the same struggles as you: <https://expertphotography.com/best-photography-forums/>

Also, the Professional Photographers of America is a free community that provides a lot of services you may be interested in. In being a part of the community you will see other photography businesses and may potentially pick up on creative strategies they have implemented.

<https://www.ppa.com>

Also, sites like <https://fstoppers.com> provide beneficial news and media for photographers and is the most community-friendly photography news site. The articles are mostly innovative tips and shared experiences rather than a broad national-based news platform.

What will the criteria be when the venture identifies an innovation from a competitor it would like to implement?

everyone, but especially for those facing the virus first-hand.

- Photojournalism - Crises create sensational art; some of the best music ever created came out of the Vietnam era. Use this time as a chance to document your own experiences and your own community in a tasteful and *narrative* manner. People want to hear about others' experiences during crisis, and this is an excellent time to step out of your comfort zone and pursue new photographic avenues.
- Charity work- It seems like financially you aren't totally in the red at the moment. If you focus on doing work for free, like taking photography for frontline workers, medical professionals, etc., you can build solid relationships that could potentially be loyal clients in the future. This will benefit you in a marketing standpoint as you will be able to get your name and abilities out there to people who might have never been looking for photography work to begin with, but when the crisis is all said in done may look to your services for family photography. It will also lead to you compiling a very strong portfolio of crisis photography and art that could be valuable for a long time.
- Drone Work - Though this is probably not at all close to your usual services/business image, drone services are wildly popular, and knowing how to operate a drone is a great skill to have. It would obviously be an investment, but not an irrational one. Between the aircraft, licenses, etc... you could spend anywhere between \$500 and \$2000. A low end option is the DJI Mavic Mini - a great entry level prosumer drone. The upper end would be the DJI Mavic Pro 2 - a beast of a drone, and one you would not be disappointed with. Personally, assuming you have zero drone experience, I'd stick with the Mini for

First, if the innovation is a skill or technique that may be out of one's current repertoire of skills, it might be best to consider instructional courses to properly implement these new skills, if financially able. If it doesn't require any extra spending, assess how it will fit into the current business plan. If it fits in perfectly, that's great. If it overlaps or gets in the way of other things, prioritize the innovative strategy and cut out unnecessary elements. Also, make sure the innovation one is trying to implement is not something that is saturated in the market. If it will require a lot of excess energy to establish, along with heavy competition using the same strategy, it may not be worth implementing.

now.

- Investigate interest in families with growing babies that can't document growth with professional photography during pandemic

3 - Crisis Response Goal: **Develop supplementary forms of income.**

Actions:

- Prints - This is pretty straightforward. Just set up an ecommerce feature on your site for clients to purchase prints from. It would take a bit of legwork, but people are far more inclined to spend money on things from home right now.
- Drone - As mentioned in goal two, this is also a great way to make money, and here's how you spin it. Reach out to universities, event venues, golf courses, etc... and tell them that this is an excellent time to get great aerial photos/videos of their space. No one is outdoors right now, and that's a rare photographic opportunity that needs to be taken advantage of.
- Digital scrapbooking
- Retroactive photos - Assuming you keep the RAW files of past shoots, reach out to past clients saying that you will send them "never before seen" photos from past shoots for an extra fee. This would involve no capital to set up, and could help provide some additional income.
- Stock Photos - Get set up on a stock photo site. You'd probably have to expand your portfolio, because stock photos are often things other than just people, but selling stock photos is a great form of passive income, and requires very little money to get started.
- Investigate golf interest - You said it yourself, there's no money coming. That being said, you're gonna have to step out of your comfort zone to stay afloat. You don't have to post the photos you take of all the old retirees, but money is money, and old people

often have a lot of it. It would be unwise to completely rule out this opportunity.

4 - Crisis Response Goal: Adapt current prices and marketing strategy based on supplementary incomes and new skills.

Actions:

- Refrain from using savings on marketing. Instead, use the money from supplementary incomes on your marketing. Additionally spend the money on the revenue streams that are the most popular. If the drone stuff isn't sticking, but the golf stuff is, pull the drone ads and ad more golf ads.
- Spend no more than 8% of all income on marketing.
- Cut prices for current services by 24%. This would result in your cheapest sitting being about \$500. The key part here isn't the price difference, it's communicating to your clients that they can *save money*.
- Reach out to clients that have canceled and inform them of discount rates as well as precautionary measures. Don't let your clients get away that easily. Take some measures to try to give you some more money.

5 - Crisis Response Goal: Assess results of marketing strategy and adapt if necessary.

Actions:

- Base your marketing strategy on the success of your new revenue streams. Spend more on what's working, less on what isn't, pretty basic...
- Segment ads for particular demographics/markets
- Pull ads that don't receive a lot of engagement.
- Document what type of consumers are being attracted the most
- Analyze ad feedback data

3 - Venture Continuity

Identify the venture's *immediate operational / financial risks* and how they will be addressed during this period.

Four key approaches in the risk reduction:

1. **Avoid it**
2. **Reduce it**
3. **Change it/ Postpone**
4. **Accept it (accept risk to a certain extent)**

In this crisis (COVID-19), all sources of revenue for this venture are disrupted as all scheduled sittings have been canceled/postponed [**F2F Engagement, Duke Contract**]. There are also some operational risks, regarding the studio equipment [**Studio Equipment - \$16,500**].

- **(Sales from) F2F Engagement - Due** to COVID -19 social interaction is prohibited, families/pets are in quarantine, with most states implementing a stay at home order. Almost all of the venture's sales come from F2F engagement. Even though people may find this venture through different marketing channels, the final sale will be after photos are taken, which involves F2F engagement in some shape or form.

Solution: [**Avoid it**] & [**Postpone**]

- Since this company offers a service involving social interaction, which does not market a commodity. It won't be easy to offer the service digitally. Unless the venture is willing to sell prints, stock photos, drone photos, etc. As previously stated in our crisis response action this would involve

8 - Recovery Planning

Resumption Phase - Identify the first critical product(s) / service(s) introduced during this Phase.

At the conclusion of the crisis, the artist should resume her most popular work, i.e., family portraits, newborns, etc... This was her primary source of income before the pandemic, and should be immediately resumed once things go back to normal.

Additionally, she should return to her previous price points for these services, and continue to market these as her most popular products.

Recovery Phase - Identify the less critical product(s) / service(s) introduced during this Phase.

She should reach out to Duke to gain a status update on the canceled contract. Ideally, this should really be done towards the end of the crisis and not at the official conclusion, to hopefully get a head start on this lead.

Restoration Phase - Should the venture expect "business-as-usual" one the crisis is 100% extinguished? Explain your answer.

A good entrepreneur turns tough problems into opportunities. That being said, assuming the crisis doesn't go on for too too long, the goal should be to have business be better than usual post-pandemic. With an expanded skill set and different client base, the artist should hopefully be able to break into new and *permanent* markets when this is all over.

Obviously, if the income strategies introduced

“setting up an eCommerce feature on your site for clients to purchase, the products mentioned. But if we assume the venture does not do this, the immediate solution for this is to avoid this revenue source and postpone it.

- Another source of revenue that could be implemented during this time is selling educational content (online courses) either through a course delivery platform such as Udemy. But The best option would be to offer the courses on the ventures personal website. This would kill two birds with one stone because you make money by selling your courses and keep customer retention. By doing this you optimize the future value of your customer.
 - [And depending on the payment strategy implemented you could be earning \$0 – \$50k+ per month]

Duke Contract - Another revenue source that is diminished is an \$18,000/yr contract with Duke. This contract would have paid off the SUV loan.

- **Solution:** [Accept it]
- The first step in addressing this situation is accepting that this money is gone. And the venture’s owner must rearrange finances to account for this loss in revenue. But, before we go on we must first recognize that the first mistake the owner did was planning and rearranging finances, before the contract was even signed. Remember *business is business*, so until the contracts are signed never assume anything at all (**this is a big mistake**). So, instead of letting emotions take

during the pandemic don’t fit with her brand, or even if she just doesn’t enjoy doing them, it’s totally fine to give them up. However, this crisis should be used as a time for growth as a photographer, and if those new skills generate income, it would be worthwhile to integrate them into the existing business.

Thus, if all goes according to plan, the actual “business” may not see immediate growth, but the artist, hopefully, will.

over, play the long game by maintaining a good relationship with Duke. The contract was most likely canceled due to COVID-19, but this doesn't mean that in the future Duke won't need the same service. Therefore, maintain a healthy relationship with Duke during this pandemic, because of the value it provides in the long run. [think long term]

- **MAINTAIN GOOD BUSINESS RELATIONSHIP (B2B):**
- Another good way for this venture to deal with this contract cancellation is to possibly file them away for next season's tax season. you may be able to claim this financial loss on your taxes next year.

Operational Risk: Studio Equipment - The probable destruction of studio equipment triggered by burglary is another concern connected with this enterprise during the COVID-19 pandemic. Several law enforcement agencies have reported a rise in violence, especially those concerned with robbery. This puts the venture's operational equipment at risk of being stolen.

- **Solution: [Change it]**
- Although the business has insurance to cover loss or damage to equipment, it is also a smart idea to move costly studio equipment to a safer location. This would also help prevent loss of data. For example, a camera can be replaced, but if an SD card containing 2,000 images is lost, you'll lose all those pictures.
- The venture must work to maintain good relationships with its customers. The venture must **"Optimize for lifetime value of the customer"**. **The**

venture will not survive long term if it's not supported by its customers. Therefore, the venture must create brand loyalty. The Pareto principle shows that 80% of your profits come from just 20% of customers. So maintaining those relationships maximizes customer lifetime value. Too many businesses focus on customer acquisition rather than retention. Which makes no sense since only as little as a 5% increase in customer retention could increase profits by 95 % according to Small Business trends.

(<https://smallbiztrends.com/2014/09/increase-in-customer-retention-increases-profits.htm>)

- **Solution:** Ways to increase customer lifetime value [there are many ways below are just a few]
 - Free giveaways
 - Feature customer in your content
 - Improve onboarding process
 - Provide value-packed content that keeps customers engaged
 - Email marketing is one of the easiest strategies to retain clients, but many companies are heading the wrong direction. Instead of sending value packed content, they run automated drip campaigns without providing any value.
 - ***The strongest form of email to be sent to your consumers is one that highlights the importance of your product / service:***
 - **EXAMPLE:** If

you have
accounting
services, submit
an email
showing clients
how much
money you
helped them
save that month
or year.

- The tactic to a fruitful message is to share your value to customers in a way the reveals your contribution

Address the crisis' impact on budgeting, new product introduction, research, business planning, etc. and how this will be addressed in the near term.

This company faces challenges, but thanks to sound budgeting practices, the company has \$25,000 in savings. With an extra \$18,000 coming from the federal stimulus program. That's a total of \$43,000 to help the company meet its losses during these tough times. So, in reality, the venture and owner are protected in the short run.

- Avoid any unnecessary purchases. A way to help think about it is: ***"If this won't generate any return on my investment then its not worth the purchase"***

In the meantime, the enterprise should seek other revenue streams and extend its business model to incorporate these sources of revenue. The reason for this is that, after a pandemic like this, the economy will be in

turmoil. t It will cause a lack of consumers due to an increase in unemployment. Unemployment is a lagging variable which means it lags behind the economy. For example, in June of 2009 the great recession had officially ended, but many news paper headlines still described a recessionary economy for the next several years and that's because unemployment is a lagging variable. It's always behind, even though the recession was over it wasn't until 2015 (6 years) until unemployment hit full employment, which is about 5%. Therefore, this venture needs to find other streams of revenue not only in order to cope with the loss of revenue source, but also because the existing sources of revenue may not be able to be sustained after the end of the pandemic due to lagging variables. And to get a better understanding of how bad this situation is, according to the washington post "Economists say the U.S. unemployment rate is now 13 percent, the worst since the Great Depression"(Long & Dam).

(<https://www.washingtonpost.com/business/2020/04/09/66-million-americans-filed-unemployed-last-week-bringing-pandemic-total-over-17-million/>)

Identify the arts products / services offered during the Response period and if there will be a change in delivery, value or communication for each.

During the response period, the venture owner will look to improve their skills through various personal projects and take advantage of new revenue streams, such as Golf tourism. The venture has gotten some interest coming from retired golf tourists. The owner of the venture does not seem to not

want to pursue this new path, but it would be unwise to do so. The business needs money and you want to avoid using your savings as much as possible. This new path will force the owner to step out of their comfort zone, which is a good thing. As a wise man once said *"the most successful businesses are businesses that are comfortable being uncomfortable, and being able to adapt"*-Jonathan R. This new revenue stream is a great opportunity, because golfers tend to be very affluent people. According to the Golfer Media Consumption & Consumer insights "the average golfer household income is \$100,980, more than 200% greater than nongolfers, with the average net worth of a golfer being \$768,400" [www.benchcraftcompany.com/demographics]. So not only would this be a great source of revenue, but it also has the potential to become the venture's biggest source of revenue. **[Golfers are highly inelastic customers].**

I will also dispute the notion that the owner had--of a rise in pregnancy-induced by quarantine. The owner predicts a baby boom and hopes to take advantage of it. But, the opposite is true. An article released by Vogue found that couples have admitted having less sex amid the coronavirus, because of anxiety and fear caused by the coronavirus. Even if people are having sex, many will avoid having babies due to such a huge decline in our economy and a fear of being unemployed. The cost of having a baby will deter many people from having kids. For example, the National Health Statistics Center announced that U.S. fertility plummeted to a historic low — for the second consecutive year. The downturn started during the Great Recession, quite predictably. Birth levels continue to decline in periods of economic deprivation

when people put off having babies. In conclusion — we haven't even recovered from the low birth rate caused by the last recession, therefore this recession will only lower that number. Therefore the business must reevaluate long term business plans.

- Vogue:<https://www.vogue.com/article/couples-sex-lives-amid-covid-19>
- Center For Health Stat:
<https://www.cdc.gov/nchs/data/vsrr/report004.pdf>

4 - Market / Audience Engagement

How will the venture continuously engage their market w/o over-engaging?

The venture will need to be active when it comes to engaging the market during the Covid-19. This will be important to stay proactive during this time of crisis and provide for the customers needs. As discussed above I believe that a major strategy of the venture should be to advertise her photography skills as a whole instead of specifying the exact type she specializes in. I think that by being active on social media and through technology the venture will be able to thrive for many reasons. The downtime is allowing people to look at old photos and many want them refurbished or converted to digital copies or made into layouts and scrapbooks. This avenue of photography can be another stream of revenue during this time because of its technologically advanced properties.

What innovations will the venture employ to engage their market more effectively during the Response period?

9 - Based on the questions above, is it necessary to revise the venture's Crisis Strategy? (if yes, revise the Strategy below).

The only item we could identify that might cause us to change the strategy is, to be frank, the flexibility of the artist.

We're aware that we're providing measures that are completely different than what the artist is accustomed to. If they're too foreign, or too outside the realm of what she wants the business to be, then we'd need to adjust the strategy.

However, given the circumstances of the crisis and the resources of the artist, we think she's in a stable place to expand her skillset and grow as a photographer without drastic damage to the business.

Thus, at this point in time, we don't think it's necessary to adjust our strategy.

The innovations that the venture will need are going to be diversifying her skills with photography. Being trained in photography and having these talents is not something that the average person has so the venture needs to take advantage. Innovations right now can be using digital work to recover photos as well as editing and layouts. She can also branch out to social media apps to widen her range of target customers.

5 - Market / Audience Communication

How will the venture communicate to the market during the Response period, what should they say and how often?

The venture should expand their social media presence while also communicating to customers of the new changes being made to the venture during this time period. This includes the new marketing strategy and the expansion of the venture itself. When it comes down to how often, they should do 1 ad in the morning around 10 am and another ad in the afternoon around 7 pm. That is when the target market is usually on social media, right between breakfast/lunch and another one around or after dinner. In this case you don't want to flood the market because there is no point. With the market being hit hard and the stay at home orders, there is not a lot of leeway for extra services. Along with that people could turn on the venture because of oversaturation of ads.

How will the venture communicate business continuity to the market?

The venture will communicate business continuity to the market by continuing to accommodate customers and potential customers from the market this person had

10 - Revise and Prioritize the Strategic Activities critical to the revised Crisis Strategy in Box 9. This is the Crisis Management Plan. (If the answer is no, then Box 2 of this document is the Crisis Management Plan).

1 - Crisis Response Goal:
Actions:

2 - Crisis Response Goal:
Actions:

3 - Crisis Response Goal:
Actions:

4 - Crisis Response Goal:
Actions:

5 - Crisis Response Goal:
Actions:

before the crisis began. Also use this opportunity to incorporate a new market during this crisis. Find an equilibrium to meet the normal "high class" clientele, while making a reach to a market aspiring to get into a higher class system.

How will the venture acknowledge the emotional & human pressures on the market?

The venture can do this in a few ways. The first way is to figure out how to use their skills to support and help the community. This can be extremely beneficial when it comes to expanding the venture. While it is very probable that the customers believe that this owner's character and service is good, this could expand that idea into the community, not just her customers. This can include specialized pricing for essential workers, markdowns of prices in general, etc.. It can also include prioritizing those workers for shoots of their families while they are apart. Showing the emotion and human pressures on a personal level. Another thing this person could do is to accommodate the recommendations given by health officials. Doing shoots from long distances, incorporating masks, or providing other safe and cautious alternatives to normal shoots. The final option is to use photojournalism in a variety of avenues to be able to showcase the art of the pandemic. Whether that is through the eyes of nature, health care workers or other essential personnel who are on the front lines.