An Investigation into the Design and Manufacture of a Branded Collection of Interior and Gift Products,

Which Show Manchester to be a Centre of Design Talent.

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VOLUME ONE: SUBJECT

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Declaration

No portion of the work referred to in the dissertation has been submitted in support of an application for another degree or qualification of this or any other university or other institute of learning;

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Acknowledgement

I would like to thank all those who have supported me in completing my Masters Degree, in particular my family, friends, work colleagues and tutors, Abigail Gilmore and Jonathan Styles.

Executive Summary

Manchester Made is a new Social Enterprise, which provides a platform for individual designer-makers in Manchester to find new routes to market, through a branded collection of interior and gift products.

Manchester Made is a non-profit, self-sustaining organisation whose aim is to improve the market for design in the Manchester. In doing this, the business will provide opportunities for local designer-makers to develop their businesses, and to broaden interest amongst consumers for high quality design.

The target audience for this business are in two categories:

- Individual designer-makers based in Manchester
- Consumers of interior and gift products.

Manchester Made aims to engage a wider audience in the arts in Manchester and in particular craft and design. Consumers will be able see the traceability of each product, with full information about the maker and how it was designed and produced.

Manchester Made will need a grant from Arts Council to cover the costs of starting the business and the manufacture of the first group of products. The business will then become self sustaining, with the profits from the first set of products, going towards funding the second set, and so on.

The purpose of Manchester Made is to essentially improve the market for design in the Manchester, and to show that Northern cities are strong competitors to the large industry in London.

Volume one will investigate and evaluate the relationship between craft and design, and Volume two with put that research into context with the creation of a branded collection of products.

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CHAPTER ONE: INTRODUCTION

This chapter will introduce Manchester Made in basic terms. It will discuss the context in which the business fits, why the idea was created, and how it will develop. It will also explain the aims and objectives of both the business and this report, and how the research will be carried out.

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CHAPTER ONE: INTRODUCTION

1.1 Scope of Investigation

1.1.1 Project

Manchester Made will promote and support designer-makers, enabling them to establish and develop their businesses, through a branded collection of products as a platform for reaching new markets. These interior products will be designed by local individual makers and manufactured to form part of a collection to be sold to retailers and sold online.

Often a big part of being an individual maker is to be constantly searching for new ways to expand and grow their business. To make a living, a designer has to essentially be selling products, and promoting themselves and their products. Manchester Made is a business that will support makers in these areas. Manchester Made will help designers to turn their passion into products by expanding their customer base and raising their profile in the local area.

The aim of this report is to collect and analyse background knowledge to support the creation of this new business enterprise. Manchester Made will bring individual makers and craftspeople to the mass market, connecting creativity and industry. In order to predict whether this business will be viable, one has to research the academic significance of the subject in hand. In this case it is the relationship between craft and design, and creativity's relation to place.

1.1.2 Context

Manchester Made will bring together craft and design to create a collection of products that break down boundaries between the art forms and allow them to work together. Craft and design have always had a turbulent relationship, each striving for their status amongst the arts. This project will bring them together to form a new cultural identity in Manchester.

1.1.3 Problem

Currently, it is difficult for independent designers to set up and sustain in business. Particularly in the North of England, there are fewer opportunities and so the business environment is very competitive. Most retail buyers are office based, usually at the company headquarters. For many large retail organisations, the headquarters are based in or around London, so the majority of retail buyers are based in the south of England. This is the reason that many individual makers feel that they have to be in London to be able to sustain in business. The problem for individual makers is a lack of opportunities, and the time and expense it takes to get a product from an idea to the shop floor.

1.1.4 Aims

Through in depth research and investigation, this report aims to:

- Establish if a relationship between craft and manufacture exists, and if not, can one be created and sustained.
- Explore the relevance of a new social enterprise, supporting designer-makers by providing them with a platform for reaching new markets, which will take the shape of a branded collection of collectable products.
- Investigate the potential of improving the market for craft and design in Manchester.

1.1.5 Objectives

The vision of Manchester Made is that it will be a continuous self-sustaining initiative that supports local designers and helps them to break into the industry. With this it will show Manchester to be a leading city of design talent and to provide education in product development so that designers will gain experience to expand their own practice.

1.1.6 Methods

Throughout this report, both quantitative and qualitative research methods will be used, in order to gain the widest perspective on the topic. Quantitative research is based on scientific method, and aims to be as objective as possible; this will take the form of questionnaires and statistical research from a number of sources. Conclusions will be drawn from the analysis of things clearly measured.

Qualitative research is often based on subjective data items, which cannot be given a numeric value, for example I will aim to collect the attitudes and opinions of a range of individuals on the issue in hand. These conclusions will be described in words rather than numbers, and statistical generalisations will not be drawn from them.

CHAPTER TWO:
THE RELATIONSHIP BETWEEN CRAFT AND DESIGN

This chapter outlines the key terms that are to be used within this report. The terms 'craft' and 'design' can be very broad, so definitions and characteristics of each practice, which separates them as disciplines have been laid out. As this research is bringing a particular range of concepts and practices together which is largely unwritten about, it is helpful to give some definitions of key terms.

This literature review will examine and explore the relationship between craft and design for manufacture, investigating and evaluating the available literature on the subject of the shifting relationship between craft and design. This review does not attempt to be comprehensive or exhaustive but gives an insight into the ongoing debate that circulates writers of all academic levels, around the country and the world.

This literature review is to establish the relationship between the handmade and the manufactured, and whether this relationship is changing. This specific subject is less written about, so it is more difficult to get a clear view of the state of the industry.

CHAPTER TWO: THE RELATIONSHIP BETWEEN CRAFT AND DESIGN

2.1 Definitions of Terms

2.2.1 Craft

Craft *n* **1** skill or ability. **2** skill in deception and trickery. **3** an occupation or trade requiring special skill, esp. manual dexterity. **4a** the members of such a trade, regarded collectively. **4b** (as modifier): a craft union. w vb **5** to make or fashion with skill, esp. by hand. (Collins Concise Dictionary, 2001)

Throughout this report the word 'craft' will be referred to as the work of craftspeople or 'designer-makers'. This term, is often used to include the work of fine artists, but for the purpose of this study and a closer focus on design, the discussion of craft's debate with art will be not be referred to.

Craft is a traditional practice of making things. Today, the term 'contemporary craft' is often used to describe the process of a maker exploring the infinite possibilities of materials and processes to create unique objects. According to the Arts Council's director, (Greenlees, 2006) the definition of the tern 'craft' is "about making things. It is an intellectual and physical activity where the maker explores the infinite possibilities of materials and processes to produce unique objects. To see craft is to enter a world of wonderful things which can be challenging, beautiful, sometimes useful, tactile, extraordinary, and to understand and enjoy and care which has gone into their making." This explanation focuses on craft as the traditional practice of making things, to me it gives the impression of craft as an art, which is rooted in its history.

As created by the arts and crafts movement in the late 19th century, craft stood for the making of things and the artist's expression through this process. The arts and crafts movement began primarily as a reaction against the historic styles of the Victorian era and the soulless machine-production of the Industrial Revolution. The arts and crafts movement stood for the equality of all the arts and the importance and pleasure of work.

2.1.2 Designer-maker

Throughout this report potential creators of craft products will be referred to as "Designer-makers". This term is used to describe someone who both creates and makes products that have a predominantly functional use. Their work covers a broad range of crafts and disciplines from textiles, furniture, lighting, interior products, ceramics and glass, to fashion accessories and jewellery. Designer-makers often run their businesses in different ways, varying the emphasis on designing and making.

Some designer-makers produce hand-made works in one-off and small quantities, and do not intend to go into mass production; these are often referred to as an artist-craftsperson. Other makers design products to be produced in small quantities, and then out-source some or all of the manufacturing, but still retain the authority over the production and the selling. Another type of designer creates a design or concept, then takes it to a manufacturer to produce and sell it.

Manchester Made is concerned mainly but not exclusively, with supporting designer-makers who produce works in either one-off or small quantities. This is because Manchester Made aims to bridge a gap between craft and design, and to teach craftspeople new skills in production and promotion.

2.1.3 Design

> Design *vb* **1** to work out the structure or form of (something), as by making a sketch or plans. **2** to plan or make (something) artistically or skillfully. **3** to invent. **4** to intend, as for a specific purpose: plan. w n **5** a plan or preliminary drawing. **6** the arrangement, elements or features of an artistic or decorative work. **7** a finished artistic or decorative creation. **8** the art of designing. **9** a plan or project. **10** an intention; purpose (Collins Concise Dictionary, 2001)

Design is a major feature of culture and everyday life. It covers a vast number of practices including 3D objects, graphics, communications, fashion, digital, and even urban environments. The term 'design' can be defined generally as the planning and conception of all man-made products.

The practice of design can be traced back to the industrial revolution and the birth of the machine production. Design is separated from making, it was just one of the process involved in mechanised production.

It was not until the early 20th century that designs theory was explored and designers started to create their own style. Walter Gropius was a leader in integrating design theory with practice, and in doing this he foundered the Bauhaus in 1919. The intention of the Bauhaus was to create intellectual, practical, commercial and aesthetically pleasing designs, to promote new ways to think about design.

Increasingly throughout the 20th century, businesses have a strong interest in gaining a competitive edge, which has driven experimentation and diversity within design. This has also driven the evolution of individual designers and their practice.

The term 'design' is often considered to be associated to the term 'industrial'. This term finds its origins in the production revolution, which is where the assembly line was introduced. For design to have a better relationship with the arts and crafts, it needs to rid itself of these connotations, as in reality, designers do not design for producers, but for consumers.

Some designers work within corporate structures, some in consultancies and some independently. Many designers choose to work independently so that they can focus on self-expression rather that the constraints of industry.

The design process can be quite complex and can involve several different individuals, such as model makers, materials specialists, engineers etc. The term 'manufacture' is referred to as the use of tools, machines and labour to produce the items for sale in large batch productions. This will consist of firstly creating prototypes in consultation with the designer, and then producing the item in factories, mostly in the UK, or abroad if the only financially viable option. When referred to in the following report, it implies that this process includes, quality control, transportation and packaging.

2.1.4 Social Enterprise

Manchester Made is a social enterprise that aims to support local designers to improve their businesses by providing them with a platform for expanding their market. I refer to a social enterprise as a business that is a social mission driven organisation, which applies market-based strategies to achieve a social purpose. This is achieved, in this case, through a branded collection of interior gift products. According to Business link (year unknown) "It is what a business does with its profits that determines whether it is a social enterprise, rather than its specific legal structure." The main aim of a social enterprise is to generate profit to further the social goals, rather than maximising shareholder capital.

Three common characteristics of social enterprises as defined by Social Enterprise London are: (Social Enterprise London, year unknown)

- Enterprise orientation: They are directly involved in producing goods or providing services to a market. They seek to be viable trading organisations, with an operating surplus.
- Social Aims: They have explicit social aims such as job creation, training or the provision of local services. They have ethical values including a commitment to local capacity building, and they are accountable to their members and the wider community for their social environmental and economic impact.
- Social ownership: They are autonomous organisations with governance and ownership structures based on participation by stakeholder groups (users or clients, local community groups etc.) or by trustees. Profits are distributed as profit sharing to stakeholders or used for the benefit of the community.

2.2 Government Divides

In post war Britain, visual culture was neatly separated into design, craft and art, each with their own government funded agency to promote its cause:

2.2.1 Arts Council

Arts Council England was formed in 1945, and is still dedicated to promoting the arts mainly by funding local artists, awarding prizes, and organising events. Since 1994, Arts Council England has been responsible for distributing lottery funding, to small and large arts organisations, events and causes.

2.2.2 Design Council

The Design Council started in 1944 as the 'Council of Industrial Design'. Its objective was (Design Council, 2010) "to promote by all practicable means the improvement of design in the products of British industry". As one of the world's leading design institutions, it is a centre of new thinking into new ways to do business.

2.2.3 Crafts Council

The Crafts Council was established in 1971 as the national agency for crafts. The Crafts Council's vision is to (Crafts Council, 2010) "position the UK as the global centre for the making, seeing and collecting of contemporary craft." Central to this vision is increasing the breadth and depth of the sector and its audiences and the Crafts Council will seek to make itself the UK's first port of call for craft.

The distinction between craft and design seems to have been defined in 1972, with separate councils to pursue and carry out its own aims and objectives.

2.3 The Relationship Between Craft and Design

For one to understand the temperament of the arts today, we must first establish craft's historical relationship to both art and design in the 20th century. Over the last century and more, a body of literature has grown around the medium based disciplines related to 'the crafts'. As Glenn Adamson states in the introduction to his book 'Thinking Through Craft' (2007, p5) "Most of these writings are promotional. Some are critical, and a small percentage is historical. Rare, however, is the text that deals with craft in theoretical terms." This is the area that I am most interested in, craft as an idea. Considering craft in broader terms and relating it to the practice of design.

According to Press and Cusworth (1998, p14), any definition of craft must take into account the following: "the craft versus industry debate, the art versus craft question and problems of cultural interpretation". These debates are circulating scholars worldwide, with a constant struggle to define craft. It is constantly fighting for its status in relation to both art and design, which prevents it from achieving a status of its own.

The handcraft tradition was viewed in opposition to the rapidly expanding industrial landscape of the modern world. No single definition of the word satisfies the range of activities, that craft involves. This is most likely the reason why are a limited amount of published writings on this particular subject. Grace Lees-Maffei and Linda Sandino in 'Dangerous Liaisons: Relationships between Design, Craft and Art ' (1999) agree with the ambiguity of the subject of 'craft' as they explain "barriers between design, craft and art no longer matter; on the other, the term 'craft' is inadequate to describe the diversity of current practice." These writings show that there is difficulty in defining craft and the extent and boundaries of its practise. Which I believe, leaves room for our own interpretation.

Boundaries between the arts are constantly being built up and torn down with constant shifting allegiances, although the relationship between craft and design has become closer over the years. Glenn Adamson, is one of the leading scholars in this field. He is Head of Graduate Studies in the Research Department at the Victoria and Albert Museum, and his research interests include 20th century craft and design, furniture and ceramics in England and America in the 17th and 18th centuries, and decorative arts theory. In his book

‘Thinking Through Craft’ (2007) he argues that every object must be made in some way and therefore could be considered in some way to be crafted. He goes on to use this idea comparing craft to colour. (2007, P24) “When one says that an object is colourful, this is not taken to mean that other objects lack colour entirely; similarly when we say that something is highly crafted, we are distinguishing it only in degree, and not in kind, from other things that have been made.” This is a very interesting analogy, which I find to be very true. Rather than craft fighting to be defined, let craft be the origin of all making, with varying degrees of craftsmanship.

Along with the increased contextual importance of design, there has been a massive shift within the entire “crafts” sector as to how those directly involved - individual makers/artists and associations - want to be seen in relation to the arts as a whole. It would seem that much of the discontent is down to terminology and the perceived understanding of the word “craft”. The most common modern usage of the term dates back to the Arts and Crafts movement of the mid 19th century, in response to the Industrial Revolution, which seems to imply that those involved in the “crafts” actually reject technology or modern making techniques and materials. This is a dated view and in fact nowadays the opposite is most often the case. Contemporary makers are naturally inquisitive when it comes to material and processes; this places them at the forefront of innovation and technology within the arts, which is something that craftspeople are rarely associated with.

In 2002 the American Craft Museum in New York, changed its name to the Museum of Arts and Design. This name change fuelled a fire of debate about craft’s status in society. Garth Clark, in his lecture “The Death of Crafts”, described how the museum had lost the last connection it had to its roots, through this name change. The statement released by the museum at the time said (Mad Museum, 2002) “The Museum's new name expresses the institution's mission as a contemporary museum dedicated to celebrating materials and the processes of transforming them into expressive objects -transcending the boundaries that currently separate craft, art and design.” With the constant advance of new technologies, the process of craft has evolved so much that questions are being asked about what craft is and where its boundaries lie.

As the Museum of Art and design discovered, makers and creative practitioners identify themselves as artists, not craftspeople. It seems this upheaval is about more than just terminology, it is indicative of the continual blurring of boundaries between art and craft, craft and design, makers and industry that is taking place. The museum recognised this and the changing of its' name was an acknowledgement of "the end of 'craft' as we knew it" (Kino, 2005).

2.3.1 New Technology

There was a system of categorisation imposed on the arts in the 19th century, which introduced boundaries and distinctions where none truly existed. Today's artists, designers, and architects move comfortably between different media and modes of creativity, experimenting with new materials and technologies to create diverse forms of artistic expression.

"Technology", as defined by the dictionary, is nothing new to craft. Throughout history craftspeople have adopted and adapted new technologies, or otherwise more appropriately called "tools", to their trades. Still Peter Dormer (1997) argues that computer technology is presenting craft with its most serious philosophical and practical challenges yet. He states that because there is still human choice involved in the designing, but little to no "hands-on" making, it questions the very notion of what it means to "make" something. To argue or debate on how much "hand" must be involved to regard an object "handmade" is futile. The question really lies in the process and intention of the design and in what ways the technology is being applied or utilised.

The potters wheel, lathe, electric drill gas torches all were considered new technology at some point. If taken literally, there are actually very few objects that are truly made "by hand" (Pye, 1995). Tools are essential to developing the craftsperson's work, and that is exactly what the computer based technology is – another tool.

In their investigation into 'the value of craft education in the information age' Press and Cusworth (1997) pose the question of whether craft can address the problem of increasing dehumanisation that has been related to developments in new technology. New technology now allows factories and machines to make products that exactly replicate the craft object. Technology can now create a handmade 'look' so that the product has all the features and roughness, with purposely placed imperfections to give the consumer the impression that it has been made by hand. The question is if the art of craft can keep up with these new technologies entering the market.

In March 2010's Crafts Magazine, written by Corinne Julius (Julius, 2010), she discusses the growing relationship between craft and design. "Over the last decade, leading designers have deserted the uniform, the clean cut and the minimalist for a more individual approach, often ornamented." Designers have started to use craft techniques in new ways to create designs with more personality. This trend has stemmed from the recent economic downturn to hit Britain, which has made consumers look inward to the home as a source of comfort and pleasure.

One objection or hesitation toward the use of these digital technologies is the belief that traditional skills will be lost as technology advances and becomes able to do more tasks as well, if not better than by hand. A skilled maker uses a variety of different techniques and tools depending on what is required to obtain the desired effect. To rely on just one tool would severely limit the design and dexterity, just as refusal to use the best-suited tool would. It is the balance between the tools and the "know how" of the rest of the process that brings positive results.

2.3.2 Prototyping

One thing that brings both craft and design together, and has them working together is the process of prototyping within design. Rapid prototyping is hugely important in innovation and design, and its significance has grown over the years. It used to be that a prototype would speak for itself. That doesn't work any more. More complex solutions need to be explored in more sophisticated ways.

"As designers, we no longer let the prototype speak for itself, we speak through stories and narrative, and I think our narrative skills are having to evolve very quickly as designers. And that's where I think this issue of storytelling and narrative is also deeply connected to the idea of craft." (Brown, Year unknown) The idea of craft as story telling is very interesting. I think this is the vital distinction between craft and design. Craft being the ability to be compelling and design being the ability to be strategic.

The relationship between craft and design is closer than one would naturally think. When you see a car, you automatically see it as mass-produced, the opposite of craft, when actually the prototype design process that comes before a car is made is a traditional craft process. Parts are tested in clay before being made from the real materials. Clay modelling is one of the oldest and most traditional methods used in car design. Some studios use CAD, but some still favour clay to be one of the best ways to visualise developing designs in three-dimensions. This goes to show that every design process has crafts present in it.

2.3.3 The Craft 'Look'

The craft 'look' has become fashionable and desirable, more and more designers creating products with a 'handmade' feel, for example using embroideries, weaves and prints. Habitat has recently released a range of patchwork cushions and other textile products. The patchwork embroidery is a reference to old-fashioned wartime techniques of recycling and rationing fabric and clothes. This style of design evokes memories in the consumer, giving an emotional connection to the product. "From an early age we begin to project values onto objects, and create powerful associations with them" (G.Hickey, 1997, p84) These trends are suggesting that consumers are interested in the manufacturing process to be explicit, i.e. you can tell that craft items are handmade.

It is also argued that over recent years, the public have become more educated in design "the momentum towards brands has been overtaken, by a desire to exhibit an understanding of design and quality" (Julius, 2010). Buyers of craft are 'buying into the maker's brain' acquiring a slice of creativity, and according to Julius (2010) "this is spreading into general consumption". Consumers are looking for traceability in their products. "The consumer values the story of a product's origins, its provenance, how it's produced and it's uniqueness" Objects with clear links to a time, place or culture are in demand.

Julius (2010) uses the term 'Faberge Syndrome,' this means that people are no longer satisfied with products that are purely functional in purpose and feel, but look to something that gives them emotional pleasure as well, which moves on towards the feel of the 'one-off'. These trends are good news for craftspeople, but now it seems that manufacturers are picking up on the trend too. Craftsmen are being employed to make mass-manufacturable versions of their designs. These trends beg the question; is supply driving the demand or the demand driving the supply?

Mintel reports (Homewares Retailing, October 2009) show that consumers have big aspirations for their homes, families want to "signal to others a connoisseur-like appreciation of great design and good living" the recession has encouraged people to spend more time in their home, entertaining guests.

A survey conducted by the Crafts Council named 'Consuming Craft' (2010) investigates and discusses the current size, value and characteristics of the craft market in the UK, which has left some intriguing results. For example, of those in the craft market i.e. buyers and potential buyers, respondents were given a list of 29 words and asked to select the attributes that they would associate with each of four categories – craft, design, luxury brands and art. The results suggest that whilst the word 'craft' shares some perceived attributes with these related fields, it also has a distinctive set of associations of its own. The word 'craft' is most closely associated with terms suggesting authenticity and quality, particularly the words 'handmade', 'workmanship' and 'genuine'. It is also the word most likely to be seen as associated with the terms 'personal' and 'for everyone'. The report also goes on to say that buyers are "increasingly developing an interest in rare, hard-to-find possessions which serve a talking point and which demonstrate a buyers connoisseurship."

2.3.4 Craft in Industry

According to Emmanuel Cooper in his book, 'Contemporary Ceramics' (2009, p262) "twenty or even ten years ago significant creative partnerships between industry and individual makers were very few."[i] This has been altered; he goes on to say, "by two major factors… changes within the market and the advent of new technologies, particularly with regard to design." (2009, p262) these changes in the market are consumers increased interest in the handmade.

In the past, designers developed their ideas by hand-making their product or small batch production at minimal cost, which were then developed by manufacturers. But in recent years, the recession has meant that low cost techniques and the option of producing abroad have become more attractive to manufacturers. Sometimes a designer succeeds in selling an idea to a manufacturer, but this is rarely the case as it is not an easy path, it can be very costly in terms of both time and money.

One could argue that the difference between craft and design is that innovation in design is often market-led, whereas in craft it is more likely to be led by the creativity of the maker. This means that the craft object is often more personal and a form of self-expression. Helen Rees Leahy suggests in her essay 'thinking and making in industrial design' (1997) "a direct relationship between a patron and a craftsperson cannot exist in the mass market" this may be true to some extent, however one of the defining characteristics of a designer is their ability to predict the needs of the average consumer.

Peter dormer (1997) suggests that the difference between craft and design can be looked at in terms of "the difference between personal know-how and distributed knowledge" this is to suggest that Designing is problem solving, whereas craft is a more personal form of practice.

It seems that the most successful artists and craftspeople are very aware of the market, and of the link between their commercial and cultural status, this is something that craftspeople have in common with the designer.

2.3.5 Craft as a Gift

Humans have always exchanged gifts, even before language was written and money invented. "Gift giving is one of the oldest and most basic human behaviours." (Hickey, 1997, p83) for centuries, these gifts were handcrafted, and even today craft object are often selected as gifts.

The nature of craft as giftware shows a complex relationship between the giver and recipient and the gift object. According to Gloria Hicking in her article for 'The Culture of Craft' (1997, P85) craft hold the following attributes that make it suitable for a gift:

- It is 'special' or rare because it is rare and perhaps customised.
- It is sophisticated because it the making of the object requires skill.
- It is precious due to the materials or time invested in labour.
- It is expressive in terms of subject matter, function, traditional or historical reference,
- And it is enduring.

To be a successful gift product, these attributes would have to be shared by both the giver and the receiver. Craft is seen as being largely unadvertised, unpackaged and not promoted, this creates a large gap between the craft world and its 'outsiders.'

The relationship between the craft object and its process is often transparent, which is the opposite of the designed object, as the consumer often does not understand how the product is made. Consumers seem to take pleasure in wearing or using something whose creation can be both admired and understood.

A consumer's choice to buy a craft object is always self-conscious. A vase purchased from a high street shop will hold flowers just as well as a hand-thrown one, and will most likely cost a fraction of the cost. But still people choose craft, because they want to associate themselves with the skill and creativity.

2.3.6 Imported Crafts

It is argued that the handmade movement was never about rejecting the use of machines. It was about the rejection of mass-production. Unfortunately, the term mass-production became synonymous with 'machine-made'. On the high street shops today, much of the products that you can buy are made by hand. But these hands are that of factory workers overseas.

An example of this is basketry. There are no machines that can make baskets, which means that every basket that you find on the high street, is made by hand, yet there are tons of them in chain supply, retail, and even supermarkets.

In the book; 'The nature and art of workmanship', (1995) David Pye set out to answer the question; "is anything done by hand?" he says "the activity we call craft does not mean 'made by hand'" all craft items are made with some kind of technology, whether it be a pencil, a tool, a machine large or small, or a computer.

It has been argued that there should be a term that focuses, not on technology or human touch, but on the individual attention an object receives during its construction. This attention to making is helping to replace mass-production with a maker movement, in whichever form it can.

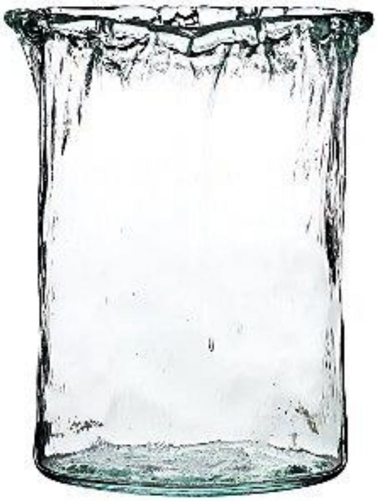


Figure 1 – Vase, John Lewis

Figure 2 – Vase, John Lewis

Figure 3 – Vase, John Lewis

Figures 1 to 3 show products for sale at John Lewis. Figure 1 shows a glass vase described as a "Beautiful natural contemporary glass vases that will add intrigue to any living space." And costs £20. Figure 2 shows a wooden vase, priced at £35, described as "Carved solid wood vase, stained a deep brown." (John Lewis) And Figure 3 shows a carved wooden vase described as "Decorative vase, expertly carved from sustainable mango wood to highlight the striking contrast between the pale grain and the dark, rough-textured bark, with a protective wax finish. For dried arrangements." And costs £30. The three items are all produced in high volumes, and yet each holds features of a handmade craft object. John Lewis uses the words 'natural' and 'rustic' to give the consumer the impression that these items have been made by hand.

2.4 Case Studies

More and more manufacturers are approaching individual makers for design concepts. As described by Cooper (2009) in 'Contemporary Ceramics', one of the good things about working with industry is that all the refining, casting, decoration etc is done by workers in a factory, who have the knowledge and experience of mass production. However one of the downside is that, increased production will often have to involve compromises in the design, which means the end product, will not always fully match the original idea.

Craft in the 21st century embraces both studio makers, designing and producing unique objects as well as makers working with and in industry to produce objects for batch or even mass production. Often this range of operation is incorporated within the practice of one maker, for example someone like the ceramist Chris Keenan who maintains what would be seen as a traditional studio pottery designing, hand-throwing and firing his own work for sale through craft shops and galleries, alongside work as a designer producing ranges for retailers such as Habitat. Many other major retail outlets such as Debenhams and Ikea also make a point of celebrating the designers producing ranges for them as a basis for their marketing campaigns.

Pushing craft 'up market' can allow design-makers to earn a decent living. Chris Keenan commented that he had had a visitor to his stall at Origin Craft Fair, who said had purchased some of Chris Keenan's designs from Habitat and now they had come to buy 'the real thing' So, it seems that using a maker to design products for mass production can project an idea of 'authenticity,' which can lead the consumer to the 'real thing'.

Some craftsmen may argue that batch or mass production detracts from the original and therefore devaluing it. Whereas others argue that (Julius, 2010) "while however galling it may seem, look-alikes can't really devalue any contemporary craft that's about ideas and making."

The examples below are individual makers who have been approached by manufacturers to design products to form part of their range. Due to new technological advances, manufacturers are able to experiment with manufacturing techniques that can be manipulated to recall those made by hand.

2.4.1 Hella Jongerius for Droog Design

Droog Design is a Dutch design company, which works with individual designers such as Hella Jongerius. Jongerius brings together the handmade and the industrial. She designs individual pieces that incorporate elements of textiles, as well as designing ranges for large-scale production. In doing this she has looked carefully at various aspects of the attractions of traditional work, seeing this as a major selling point, but bringing it up to date. Hella Jongerius has become known for the special way she fuses industry and craft, high and low tech, tradition and the contemporary. As well as Droog Design, Hella has created products for a wide variety of clients including Ikea.

Figure 4 – 7 Pots, Hella Jonerius, 1998

Hella does not actively follow market trends. She loosely reacts to the economic climate by having a stronger focus on being ecological and using recycled materials.

“In both fine art and design, market effects have led to absurd excesses and kitsch, because the concept of value was only being interpreted in economic terms. The current crisis might well bring about a reassessment, a new relevance. We have to again ask ourselves what we want our quality criteria to be. Market value is not the only criterion. We have to look into our own hearts and come up with a new formula for what functionality is and what added value is in a bound, functional discipline. Who knows, perhaps it really is time for a new ideology.” (Jongerius, 2009)

2.4.2 Carina Ciscato for Habitat

Carina is a ceramic artist who creates pots that are totally unique, each with its own personality, which cannot re reproduced. (Contemporary Applied Arts, 2009) "The material that Carina uses – porcelain, is also critical to her work, as the delicate, fraying and torn edges are exploring the limits of the material when thrown. Marks made by the making process are intentionally left to emphasize the pots tactile qualities, and honesty. There are no secrets with her work, but mystery is plenty."

Figure 5 – Ceramics, Carina Ciscato

Carina designed a range of ceramic forms for Habitat in 2008, this included 'The Maresia' stoneware that is cast from hand thrown originals.

2.4.3 Claire Norcross for Habitat

Figure 6 – Aperture, Claire Norcross

Habitat is a large chain of retail outlets selling home wares in the UK and Europe. They have an in-house design studio, which sets them apart from competitors. The products are both design and manufactured by Habitat, which means that they have full control over all aspects of the creation of the products, both aesthetically and technically.

Claire Norcross is an award-winning designer specialising in lighting, she is best known for the range of designs produced whilst head of lighting at Habitat. These include Aperture, Spindle, Newton and Ribbon; which received the 'Best in Lighting' award from Elle Decoration magazine in 2006. Claire was originally a designer maker and was commissioned to produce Bloom 296 for the Jerwood Contemporary Makers exhibition, London, 2009.

Graduating with a BA (Hons) in Embroidery, Claire stumbled into the world of lighting design with her serendipitous Eight-Fifty light made from cable ties. Claire's design process is more related to that of a designer-maker. The personal inspiration behind her forms comes largely from the natural world, whether that is sea anemones, plant stems or the super-scaling of nature to contain light. Her inspiration is then translated into the appropriate medium, whether that is paper, boroscilicate glass or stainless steel.

2.5 Summary

This chapter has informed the reader as to how the relationship between craft and design has been turbulent over the years. The conclusions show that this uncertainty of where both craft and design fit into a cultural society could create opportunities for our own interpretations, and opportunities for boundaries to be blurred.

The chapter outlines how craft can and has worked together with design, with examples of how this has been done successfully. In this way, Manchester Made aims to restore the connection between making and using.

CHAPTER THREE:
CREATIVITY AND PLACE

This second literature review will explore the relationship between creative practices and place. It will discuss how creativity can be inspired by the place in which it is created, and also the nature of locality in creativity and how community engagement can go as far as supporting local creative people in a consumer culture.

CHAPTER THREE: CREATIVITY AND PLACE

3.1 Craft and Design and its relationship to place

Authenticity is a factor in a type of craft object that is often bought as a gift – a souvenir. Here, it is not only the technique, but also the location that is important. The craftsperson, materials, and the process of making are all a characteristic of a place. A souvenir, memento or keepsake is an object a traveller brings home for the memories associated with it.

The terms 'Society' and 'The Arts' are often inseparable, but their historical relationship is far from close. "Art is cut off from our society by a sizeable gap" (2007, P3) states John Willet, in his book 'Art in a City'. This book examines the cultural and institutional environments that nurtured the visual arts in Liverpool in from the 1960s to present day. It is suggested in this book, that traditions are formed in the arts. These traditions led to Liverpool being seen as a centre for music and poetry. This could suggest conclusions of a wider scope, cities could still be formed by 'traditions' in this way, it could be argued that Manchester is becoming a centre for the arts and media, with a large section of the BBC already repositioning to Manchester this year.

"In no country is there more than the first rudiments of a sociology of the arts: a tradition of inquiry into all those outside factors- psychological, economic, social, administrative, ideological – on which the practice of art at any given time and place depends. Instead we treat works of art as god-given pieces of inspiration, finding it unnecessary to ask exactly what they do to people, or who paid for them and from what motive, or quite simply how they came to be there." (Willet, 2007)

Architecture has a more obvious social relevance, for example the Liverpool Hilton hotel is housed in a curved seven-storey building, with the exterior and interior architecture designed "to represent the curvature and ebb and flow of the Mersey River" (Mark Caswell, 2010). It also features a walkway in the lobby made from timber taken from Liverpool's historical docks.

Figure 7 – B of the Bang, Manchester

One of Manchester's trademark offerings can be found in its design and architecture. One can see a lot of Manchester's past in many of its buildings. The IRA bombed Manchester in 1996, which devastated much of the skyline. The 'B of the Bang', Britain's tallest sculpture, was erected in 2005 to commemorate the Commonwealth games, and was inspired by Linford Christie, who says at the start of a race, he listens out for the "B of the bang".

Figure 8 – Imperial War Museum, Salford

The design concept of the Imperial War Museum North, in Salford, Manchester, is based on a globe, broken into three fragments to depict the shattering effect of war on the history of the world. (Imperial War Museum North, 2009) These three shards are structurally interlocked to represent world conflict on land, water and in the air. The museum space is in the 'earth shard'; the Water Shard is, close to the canal. The Air Shard has a towering observatory point offering panoramic views across the Ship Canal and the Manchester city centre skyline.

3.2.1 Manchester

Manchester has a unique history, a creative spirit, and it prides itself on being the first industrial city and a city of popular culture. Manchester City Council describes the city as "Uniquely Manchester, inviting, original, edgy, happening, different: spend any time in Manchester and you'll soon see it's a place like no other. This free-spirited city demands your attention with a warm, no-nonsense welcome and a liberating open-mindedness that challenges you to take part." (Visitor Centre, 2010)

Following the success of the Commonwealth Games in boosting Manchester's profile in 2002, the City Council began to pay more attention to its image. It embarked upon a large-scale re-branding exercise that aimed to promote Manchester as a 'world city'. The attempt was to encapsulate the values of people associated with Manchester.

In 2004 Peter Saville was commissioned as consultant creative director to Manchester City Council to create a new visual and cultural identity for the city. He began by re-interpreting Manchester's historic reputation as the 'first industrial' city to the 'original modern' city. This idea was based on the fact that Manchester can claim a number of 'firsts'. Among them: it was the first industrial city; it had the first British working canal and passenger railway station; and it was where Mr Rolls first met Mr Royce. The new brand needed to capture perceptions of Manchester as a city that drives change and is not afraid to take risks or do things differently. (Manchester City Council, 2006)

As he put it back in November 2004, "Originality and modernity are values characteristic of Manchester, values which the city has epitomised. Original and modern thinking built it. My vision for the brand was the pursuit of the original and modern in this century." (Saville, 2004)

According to reports completed by the Cultural Strategy team. (2010) "There are 10.5 million visits to key cultural attractions in the City each year" and also "63.6% of Manchester residents use cultural and recreational facilities" these figures prove that Manchester is a multi-cultural city as residents of all ages and traditions participate in cultural activities through the Community Strategy. There are also 22,585 people employed in cultural business in the City and Manchester has the largest concentration of media, creative, sports and tourism businesses outside London, and Manchester attracts 17 million visitors each year, 4.5 million staying overnight.

3.2.2 Buy Local

Consumer interest in local and regional product has grown significantly over recent years. This can mainly be seen in the food market, but it is believed that patterns of consumer attitudes can be transferred to other markets too.

There are a number of factors to suggest that this growing public interest will continue to be the case going forward.

- Continuing shopper interest in how food is produced and where it comes from. (the manufacturing process being explicit)
- Shoppers claiming their intent to buy more local and regional food going forward. (Interest in provenance)
- A desire on the part of some shoppers to support their own communities in tougher times.

In the recent economic downturn, consumers are being encouraged to 'buy local' a term coined by the government as part of a global effort to be more eco friendly. 'Local Purchasing' is a preference to buy locally produced goods and services over those produced more distantly, with the focus on 'think globally, and act locally.'

The recent financial climate has highlighted the fact that it is often cheaper to buy distantly produced goods.

There is three key reasons shoppers cite for buying locally produced food: (Local Sourcing, 2010)

- **Freshness** - over half (57%) of shoppers perceive local food to be fresher because it hasn't travelled as far
- **Economic factors** - over half (54%) want to support local producers, while many others see it as a way of supporting local retailers (34%) or keeping jobs in the area (29%)
- **Environmental factors** - three in ten (30%) shoppers are motivated to buy local food because they think it is good for the environment as it hasn't travelled as far

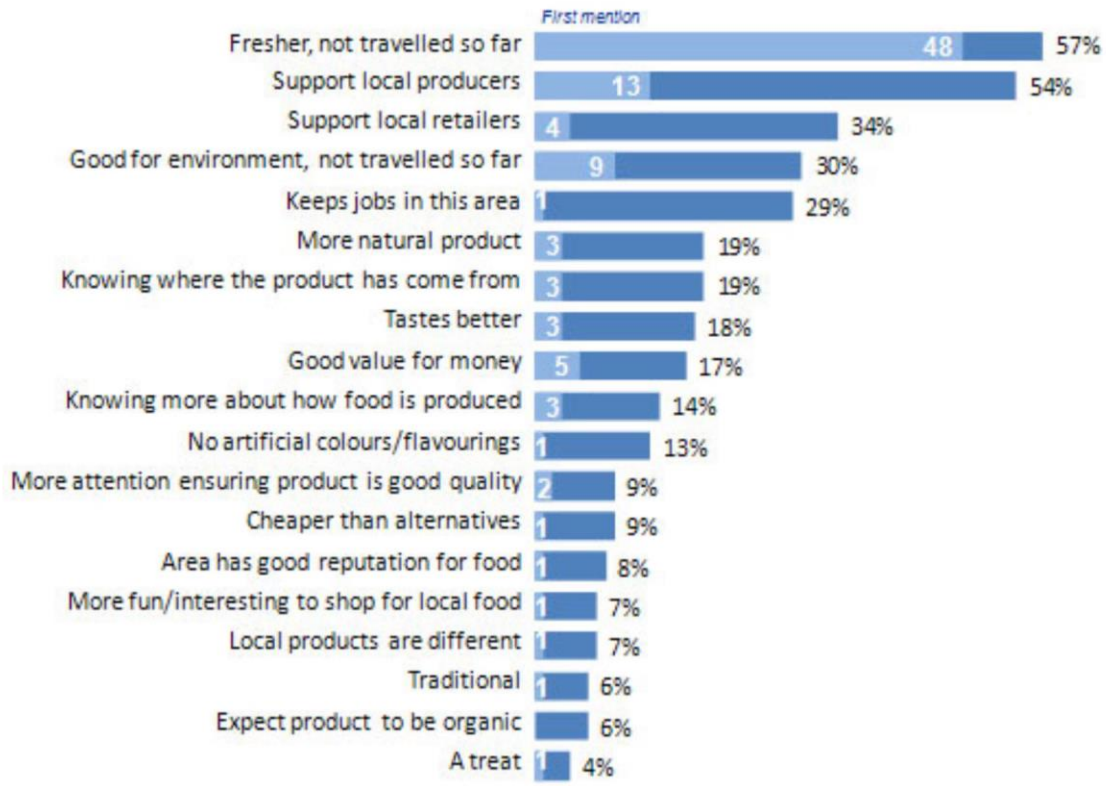


Figure 9 - Reasons for Buying Locally Produced Foods - Source: IGD Shopper Trends 2010 report

The proportion of shoppers specifically buying local food has doubled over the last five years (from 15% to 30%). Furthermore, more locally produced foods / farmer's markets & farm shops are two of the top four improvements requested by shoppers for 2010.

If a consumer spends their money on a product that has been grown or made locally, then the cost of that product supports both the manufacturer or farmer, and the whole local infrastructure that has gone into the production. This could involve more manufacturers further down the supply chain: those that supply packaging to the initial producer, for instance.

For the past decade, independent businesses have banded together to urge local consumers to spend more of their money in their local area. Supporters say doing so helps build vibrant local economies by keeping money circulating in the area rather than elsewhere. Now, amid the sinking economy, some small-business owners are saying buy-local efforts have helped insulate them from the worst of the downturn.

Most successful buy-local campaigns grow out of independent business networks that share three main elements,

- Educate consumers about the value of independent businesses in the community.
- Jointly promote shopping at those businesses through advertising, coupon books, shop-local weeks, and other efforts.
- Give independent owners a unified voice in government and media.

There are several buy-local campaigns currently operating in the Northwest. The economic argument behind buy-local campaigns is that buying at local businesses, rather than at chain stores or online, helps local economies because those firms are more likely to buy from local suppliers and hire local service providers for needs such as accounting.

3.2.3 Traceability

A survey done by Marks and Spencer (Burke, 2007) found that 78 per cent of shoppers want to know more about how and where the products they buy are made, and examination of the prices charged shows that many consumers are prepared to pay a bit extra for the benefits, which they value. Reading University completed a study in 2005, which indicated that consumers were prepared to pay an 18 per cent premium for locally produced lamb.

Undoubtedly there is growing interest in traceability. However, a claim of traceability alone is unlikely to persuade people to change their buying habits. It has to be accompanied by specific benefits and a branding story, and will never be traded for poor quality and taste.

Looking to the future, traceability is likely to be a key issue for an increasing number of consumers.

CHAPTER FOUR:
METHODOLOGY

This section will outline the primary research undertaken to determine how designer-makers feel about design and manufacture. This chapter will also provide an insight into how designer-makers manage their business.

The survey that was conducted and collected a sample of 50 results, gives a brief overview of how designers are working and how they feel about certain subjects.

CHAPTER FOUR: METHODOLOGY

4.1 Methodology

Primary research involves getting original data about the product and market. Primary research data is data that did not previously exist. It is designed to answer specific questions of interest to the business. Two forms of primary research are to be used to further explore the market for Manchester Made; these are a questionnaire and several interviews. This will involve collecting both qualitative and quantitative research.

Qualitative research, seeks to understand a given research problem or topic from the perspectives of those that it involves. It can be especially effective in obtaining culturally specific information about the opinions, of particular groups of people. The strength of qualitative research is its ability to provide complex descriptions of how people experience a given issue.

An advantage of qualitative methods in this particular research is that the use of open-ended questions gives participants the opportunity to respond in their own words, rather than forcing them to choose from fixed responses, as quantitative methods do.

4.1.1 Questionnaire Methodology

A questionnaire was drawn up using a basic version of 'Survey Monkey'. It included 10 questions, which aimed to gather the opinions of individual makers. The intent of this questionnaire was to gain knowledge of how makers are currently operating their businesses.

The questions are mainly quantitative, with qualitative elements. The questions were kept quite concise, because as there is only a small sample size, it can be difficult to draw conclusions. This is why the questions are refined to give the participant choices of answers, but also leave them the opportunity to further expand their answers with comments. It was decided that this is the most appropriate method of retrieving the most information possible.

The questions are explained below:

1. **Where are you based?**

This question is multiple choice and offers areas of the UK, and abroad. For this question, the responses to this question will be used in relation to other questions so that a picture is generated of the state of the design and craft industry in the different regions.

2. **What area of design do you normally practice?**

This question is multiple choice and aims to see if there is any relation between a maker's attitude towards available support etc, and the type of design that they practice.

3. **How long have you been in business?**

This aims to see at what stage of their career the maker is, and relate this to other questions.

4. **Do you both design and make your products?**

This aims to clarify if a particular maker creates all of their products by hand or whether they sometimes use industrial means to create their products.

5. **Where do you sell your work?**

In some ways this will determine the type of designer they are. If they sell in galleries, they are most likely to be artist-craftspeople who make their products by hand, other outlets such as wholesale selling and other retail outlets shows that the designer is likely to use some kind of machine production.

6. **How much do you mainly sell your products for?**

Pricing a product is very important, it positions you in the marketplace, if the price is high it is likely to be seen as luxury, and possibly handmade. If the price is low, the production process is likely to be easier, cheaper and faster, which suggests machine production.

7. **Is there a lack of regional support for designer-makers?**

This question is really gauging whether designer-makers feel that they need support to run their business, and how difficult it is to reach this support.

8. **The struggles of being a designer-maker are….**

This will tell us what kind of support is needed to help individual makers to run a more successful business.

9. **Would you be interested in one of your designs being marketed as part of a designer range?**

This tells us how crafts people view this kind of activity, i.e. does it devalue the craft? Etc

The questionnaire was distributed through targeted online networks. Social networking sites 'Twitter', 'Facebook' and 'Linked in' were used to find groups of individual makers. The survey was circulated in online networks such as arts a crafts Internet forums and subscribers to magazines such as 'Craft and Design' and 'Crafts'.

4.1.2 Interview Methodology

To really understand the market for craft and design, it is important to speak to people who work in the industry. Two interviews were arranged; one from a large department store retailer, and one form a small craft shop. The aim is to learn about the values of the consumers from the seller's perspectives.

Two interviews with individual makers have also been arranged, to gain their view on the industry and how they feel about the debates that have been discussed within this report.

Interviews can be a very useful way of collecting qualitative data. It allows the researcher to:

- Find out about the respondents attitudes, knowledge and motivations, and an in-depth account of their experiences.
- Be flexible about their approach, as they can react to the respondent's replies.
- To gather a greater range of data from more respondents.

4.1.2.1 Retailers

From the interviews with retailers there are several things that need to be discussed:

- Who their consumers are
- Are sales increasing or decreasing?

- Whether they see any change in consumer tastes or activity
- What are their best selling products?
- Do they attract tourists?
- Where the products are sourced.
- How the average consumer feels about where the product is from.
- How the average consumer feels about how the product is made.

4.1.2.2 Individual Makers

From the individual makers there are several things that need to be discussed:

- Is their background education in craft or design?
- What do they refer to themselves as, and why?
- Who do they feel about the relationship between craft and design?
- Do they feel as if they cross these boundaries in their practice?
- Where do they stand in the debates of the status of craft?
- Do they feel there is (or should be) a relationship between the arts and place?

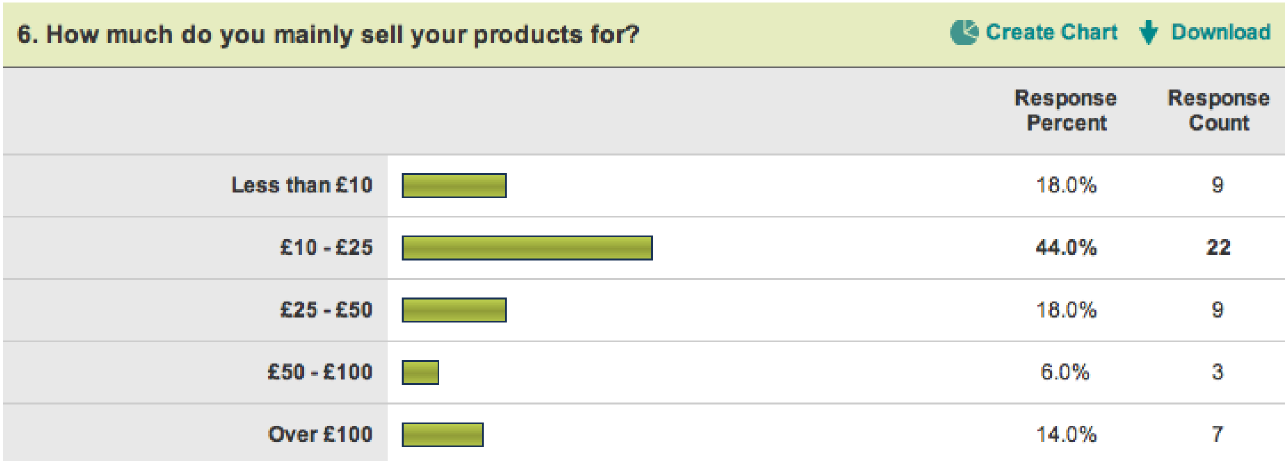
CHAPTER FIVE:
RESULTS

This chapter aims to collate all the results from primary research. It will summarise and analyse the key findings from the questionnaire, and give full details of the interviews.

5.1 Questionnaire Results

There were 50 designer-makers surveyed and the participants were targeted at random. From the results received, most people worked in fashion or accessories and jewellery businesses (52%) and 86% of all participants had either been in business for 5 years or less, or had not started trading yet. These are they type of people who most value support with their businesses.

A large percentage of participants say that they both design and make their own products with only 18% admitting that they outsource some of their production. The participants that say that they outsource some production are generally makers of interior products and furniture.



6. How much do you mainly sell your products for? Create Chart Download

	Response Percent	Response Count
Less than £10	18.0%	9
£10 - £25	44.0%	22
£25 - £50	18.0%	9
£50 - £100	6.0%	3
Over £100	14.0%	7

Figure 10 – Questionnaire Results

Three quarters of participants sell their products on various websites, with many selling through their own website, with the main price bracket being £10-£25, which is a particularly low cost for a craft item. (Figure 10)

The answer to the question 'is there a lack of regional support?' brought up some interesting answers. Firstly the results were that 42% said yes, 36% said somewhat and 22% said no. One particular person who said yes commented, "I would love organisations like hidden art to operate more outside of London." Hidden Art is a support agency who helps individual makers find routes to market; this company will be discussed as an indirect competitor in the enterprise section to this report. It is also interesting to note that most people who replied 'no' were based in the South.

8. The struggles of being a designer-maker are...

	Response Percent	Response Count
Financial	**74.0%**	**37**
Not being able to get my products in the shops	34.0%	17
Not being able to get a new product idea produced	16.0%	8
Lack of support	24.0%	12
Lack of education	6.0%	3
None	6.0%	3

Figure 11 – Questionnaire Results

In asking the participants to state what they struggle with, in terms of their business, 74% said that there problems are mainly financial. (Figure 11) One person commented "Lack of time, (as you are not only designing/making, you are also the marketing/ packaging/ shipping/ website/ admin person too)" another commented "In terms of getting my designs commercially produced and marketed, I would say I don't know how to approach this, so in that respect I have a lack of information/education."

9. Would you be interested in one of your designs being marketed as part of a designer range?

	Response Percent	Response Count
Yes	38.0%	19
Yes - but only if I kept my name on it	**62.0%**	**31**
Yes - but only if the profit was expected to be high	2.0%	1
Yes - but only if it was marketed just in my region	0.0%	0
No	8.0%	4

Figure 12 – Questionnaire Results

With the final question "would you be interested in one of your designs being marketed as part of a designer range?" 38% said yes with no conditions. The full results can be found in Appendix 1.

5.2 Interview Results: Retailers

5.2.1 Hazel Sunners, Department Manager, John Lewis

An interview was arranged with Hazel Sunners, department manager for glass and decorative items. The main aim of the interview was to understand a bit about the products that John Lewis holds, and how they are chosen.

All of the buyers for John Lewis are based in London. A number of buyers are constantly travelling the world, to source new and innovative product ideas. There are then quarterly meetings with managers from all the John Lewis branches throughout the country, who collectively choose the most relevant products.

It is rare for someone to enter an individual branch and approach managers with a product to be sold in that particular store. If managers are approached with a particularly great product that they know will sell well, they can then take this product to the buyers in London for their consideration. It is very rare that a products is sold in one shop and not another, as John Lewis has an aim of being very streamlined. So if one store has ran out of a product, it can be ordered from another store. However there has been examples of when products have been sold by local designers as an in store promotion.

Figure 13 – Vase, John Lewis

The 'Fast Glass Challenge' was an event in partnership with John Lewis, Liverpool. The challenge involved emptying bottles of beer, melting the bottles, blowing unique designs, and packaging, displaying and selling the glass objects within 24 hours.

Hazel went on to comment that consumers are interested in where the product is from and how the product is made. This product (Figure 13) is actually handmade in Thailand, it is described as "Decorative vase, expertly carved from sustainable mango wood to highlight the striking contrast between the pale grain and the dark, rough-textured bark, with a protective wax finish. For dried arrangements." The label on the product actually says "Made in Thailand" "the consumer weighs up the pros and cons of each particular product before purchasing it, this vase is handmade but it is not made in England, so a consumer wont pay premium prices for it. A consumer likes the 'Englishness' of a product, and is willing to pay for it".

Consumers do have an interest in how and where items are made, and that is why it is ensured that all products carry a label with country of origin and a brief description of how it was made.

This information confirms that consumers have an interest in both how a product is made, particularly if it is handmade, and where the product is made, particularly if it is local. It also tells me that John Lewis is not a likely distribution channel for Manchester Made under its current branding.

It is quite rare that John Lewis sells hand-made items, particularly if they are produced in the UK, as it is often the case that the suppliers cannot keep up with the demands and supply for such a large number of branches.

5.2.2 Jeanne-Marie Kenny, Retailer, Bluecoat Display Centre, Liverpool

An interview was arranged with Jeanne-Marie, to gain the perspective of a retailer of contemporary craft. According to their website (Bluecoat Display Centre, 2010) "Bluecoat Display Centre is a haven for buyers of everything exquisite in the field of contemporary craft and design." They also offer specialist help and advice to anyone wishing to purchase, commission or collect contemporary crafts.

"The Bluecoat Display Centre is a nationally and internationally recognised contemporary craft and design gallery that has been established since 1959. They sell, exhibit and promote over 350 selected contemporary craftspeople each year working in a broad variety of media."

Jeanne-Marie has worked in the gallery for over 15 years and has a broad knowledge of the craft industry in general. "Nearly all the customers that come into the gallery are interested in how the pieces are made." The staff are often asked about the techniques and processes used to make the products and also the materials used. "We have a file with information about every individual maker that we sell the work of, and we give this out to customers on their request." Jeanne-Marie comments that a lot of people choose to buy craft items as gifts, for anniversaries, birthdays, weddings and a number of other occasions, as it seems to be a more personal gift if you can give the consumer information about the source of the product.

Many buyers that go in to the Bluecoat Display Centre are particularly interested in local makers. Because of this, each item displayed on the gallery carries the name of the artist and where they are from. "When sourcing makers to sell their work in the gallery, local makers are certainly favoured, because as long as the items are well made, consumers tend to be more interested in local artists for gift products."

An example of a local Liverpool maker that sells well in the Bluecoat Display Centre is Rebecca Gouldson. Rebecca uses etching techniques more traditionally used by printmakers, she creates metal wall pieces and sculptural forms with richly decorated surfaces; drawing into and onto the surfaces of metal with a palette of acid-etching techniques. "Her ideas stem from the built environment, in particular from scarred and erodes architectural facades; peeling wallpaper revealing patterns of mould and mildew, the remains of a staircase on a half demolished building. Protruding pipes and electricity wires." She takes her inspiration from the landscape around her. her popularity amongst buyers in the Display Centre is down to the social relevance of her subject matter and the fact that she is from Liverpool as well.

Figure 14 – Private Commission, Rebecca Gouldson

Figure 15 – Stackable Egg cup, Hannah Tofalos

"In the past we have sold some pieces that have an element of manufacture about them. For example Hannah Tofalos makes ceramic egg cups, but they are slip cast to allow large quantities to be made quicker and cheaper." Years ago, the Display Centre also sold some items by leading design company 'Allessi' "these pieces are less popular, and with the rise of design shops like Utility and Habitat, there is less demand in this environment for manufactured design."

Jeanne-Marie went on to comment that she believes that there is a very blurred line between craft and design, as some designers like Mari-Ruth Oda, will make some of her pieces by hand, but some she will design and send away to be made. Often makers want to expand their practice and experiment with different materials. Mari-Ruth Oda and Halima Cassell have both experimented with working in bronze, however they do not do this themselves, it is sent off to experts in that field. This outsourcing of production can be seen as design and not craft.

Figure 16 - Staccato, 2007, Halima Cassell

5.3 Interview Results: Designers

5.3.1 Claire Norcross

Claire Norcross is a lighting designer from Preston. She is both a craftsperson and a designs for manufacture, having designed for large companies such as Habitat, it would be interesting to find out how she feels about the issues raised in this report. The discussions was prompted by first asking "How do you feel about the relationship between craft and design?" Such a wide and open question led to some valuable insights in to what it is to work in this industry and to be crossing these boundaries.

Claire starts by stating that craft and design go hand in hand. "It's amazing when you hand craft something and then you see it mass produced, it's a very satisfying feeling."

She went on to say "I fell into being a lighting designer really, I've always been interested in how light reacts with materials. But then I decided 'I need to make a product because I need to earn a living"

Figure 17 shows Claire's light that she named 'Eight Fifty'. It is made from nylon cable ties, and dyed to the required colour. This table lamp was launched at 100% Design in 1999 and received an award from Blueprint magazine. It continued to gain more critical acclaim and was included in permanent collections such as the Conran Collection at the Design Museum and the Made in Manchester Galleries at Manchester Art Galleries. "The Eight Fifty was selling for £385 and everyone wanted one, but the price was too high." Claire went on to say that the perceived value of the product was quite low, because of the nature of the recycled material. "People would just say that they could make one themselves". Claire used the example of a jeweller friend of hers who works in plastic, finds it difficult to compete with jewellers using diamonds and gold and silver, as the perceived value is a lot higher.

Figure 17 – The Eight Fifty, Claire Norcross

With the Eight Fifty lamp, Claire wanted to see if it was possible to be made cheaper, so that all her friends could afford to buy one. Claire decided to take the lamp to Habitat (www.habitat.com) and asked if they could make it. As the product had achieved numerous awards, and there was a strong interest in the light from consumers, Habitat put it into production. The only problem with this experience was that the royalties were expected to be high and actually Claire only received a fraction of what she was promised, so financially it was disappointing, but the opportunities the experience led to, made it worth while.

Habitat gave Claire the option of selling the design rights, but she did not want to lose ownership of her product and so they licensed it for 18 months, as long as it was being sold and marketed. "The product deserved to have more coverage and press that what it was getting, and it deserved to be in more peoples homes." The design went on to win the Reader's choice award for Design of the Year from Elle Decoration, in 2002, a year after it was put into production.

"I think my process as a maker is rooted in a craft background. I love methods of construction and hands on processes. I'm a craftsperson" Claire sees design as 'answering a question' which is not how she likes to work, and therefore sees herself as a craftsperson. "Most of the things I design are not very good light sources, but they look good, if I was a designer it would probably be a technically better source of light"

Claire deciphers between craft and design as craft being technique based and associated with traditional material investigation. "Craft is based on technique and a sound knowledge of techniques." The functional aspect of making lends itself to design.

When asked whether the future of her work lies in making one of crafted lamps or designing for manufacture she answered: "In lighting there is too much responsibility for health and safety aspects and insurance when you are independent. I like designing all the time, I cant be bothered to design, make, package and then go through the selling and marketing etc. Its easier to give that stuff to someone else so you can focus on creativity." She went on to comment "I think you have to make your mind up for each individual design, and decide who is it appropriate for etc"

When asked 'do you think there is, or should be, a relationship between design and place?' Claire said yes 'its more relevant to know the story of a product, than to have is aesthetically represent a particular place. To know how and where a product is made, it gives it a story, and that's what people buy into. Especially in the press and media.

The discussion concluded with talking about the idea of Manchester Made. "it's a great idea – I would definitely find something like this of value to my business." Claire suggested that it should be taken both nationally and internationally, exposing the collection to as many markets as possible. "Consumers and buyers love a story, having worked on the display team for Habitat, for products to work together as a collection and a display, they have to relate to each other. "I particularly think its great that designers work together and set up that kind of network"

5.3.2 Eleanor Suggett

Eleanor Suggett graduated with a first class Honours in design from Central Saint Martins in July of 2007, Eleanor returned to Merseyside, where she lives and works, and runs a small design consultancy. She makes a wide range of traditional yet innovative products, with a focus on typography, pattern and illustration, importantly working with comprehensive, ethical and eco-friendly printing techniques.

Figure 18 – Beginnings, Eleanor Suggett

Eleanor defines craft and design as "Two entwining bodies, both constantly informing each other" Eleanor states that in her opinion, there is definitely a place for craft and design to work together, although sometimes it can exploit craftspeople. "I think for Chris Keenan and Corina Ciscato, who have designed for Habitat, it has been very successful, it means that more people can enjoy craft without the price tag. I myself have some Chris Keenan Bowls from Ikea and hold them in high regard as if they were the originals."

When asked if she, as someone who hand makes her craft products, would explore mass production, she was quick to say "yes, definitely" the reason for this, she states, is "for the pay check" Eleanor explains that is not only about mass producing and being paid lots of money for it. It's about the exposure. "Having your products in high street shops is the best way to advertise yourself as a designer. You're exposed to lots of new markets and the promotion is priceless."

CHAPTER SIX: DISCUSSION

This chapter will consider all the information gathered thus far, and evaluate the craft and design industries and the people that work within them. Manchester Made aims to allow individual makers and craftspeople to take their products to the high street. In order to do this, there has to be a connection between craft and design. This report has explored the academic relevance of this topic, by the use of a literature review and a number of interviews and surveys.

CHAPTER SIX: DISCUSSION

6.1 Defining Craft and Design

As the first text by Glenn Adamson stated (Adamson, 2007) "Most (writings about craft) are promotional. Some are critical, and a small percentage is historical. Rare, however, is the text that deals with craft in theoretical terms." Through this investigation, Adamson's statement has been found to be true, however the majority of scholars who write about this subject are writing fro the point of view of someone who is very passionate about craft's status within the arts, and so are very much supporting craft as an independent practice that should retain the respect that it deserves.

It has been found that the subject of the relationship between craft and design really comes down to the definitions of each practice. But as creative practices are evolving and developing with new technology and advances, definitions are shifting and boundaries are continually becoming more and more blurred.

Jeanne-Marie from the Bluecoat Display Centre in Liverpool talked about how perhaps no definitions will ever be made, as makers are naturally inquisitive about materials and processes and so enjoy exploring new technologies. She went on to comment that she believes that there is a very blurred line between craft and design, as some designers will make some of her pieces by hand, but outsource production on other products. This outsourcing of production can arguably be seen as design and not craft.

Claire Norcross sees design as 'answering a question' which is not how she likes to work, and therefore sees herself as a craftsperson. "Most of the things I design are not very good light sources, but they look good, if I was a designer it would probably be a technically better source of light" (Norcross 2010)

Claire deciphers between craft and design as craft being technique based and associated with traditional material investigation. "Craft is based on technique and a sound knowledge of techniques." The functional aspect of making lends itself to design.

6.2 Technology

With the constant advancing of new technology, new techniques are always becoming available. Not only in craft but also in our daily lives. Supermarkets now have machine-operated checkouts, petrol stations are automatic, and people now shop online more than ever. Machines have become a part of our everyday life so why not let them become a part of craft.

6.3 The Craft Look

The craft 'look' has become fashionable and desirable, more and more designers creating products with a 'handmade' feel, for example using embroideries, weaves and prints. Habitat has recently released a range of patchwork cushions and other textile products. The patchwork embroidery is a reference to old-fashioned wartime techniques of recycling and rationing fabric and clothes. This style of design evokes memories in the consumer, giving an emotional connection to the product.

Hazel Sunners from John Lewis, commented that consumers are interested in where the product is from and how the product is made, particularly if it is handmade, and if it is from a local source. It seems that there is a trend at the moment of an interest in products, where the process of making is explicit, or at least perceived to be explicit.

6.4 Craft in Industry

It has been argued that the difference between craft and design is that innovation in design is often market-led, whereas in craft it is more likely to be led by the creativity of the maker. This means that the craft object is often more personal and a form of self-expression. Helen Rees argues in her essay 'thinking and making in industrial design' "a direct relationship between a patron and a craftsperson cannot exist in the mass market"

However Hazel Sunners from John Lewis suggested in her interview that, consumers tend to favour products that have a hand made feel to them, as they have an interest in how and where items are made. Because of this, it is ensured that all products carry a label with country of origin and a brief description of how it was made.

Claire Norcross found that taking a crafted object to the mass market, allowed her to have a direct relationship with more consumers, as all her friends could enjoy the product at a more reasonable cost. Although she did not make substantial profits from the experience, it taught her how to connect with a wider audience, and promoted herself as a designer.

6.5 Craft as a Gift Product

The nature of craft as giftware shows a complex relationship between the giver and recipient and the gift object. According to Gloria Hicking in her article for 'The Culture of Craft' (1997, P85) craft hold the following attributes that make it suitable for a gift:

- It is 'special' or rare because it is rare and perhaps customised.
- It is sophisticated because it the making of the object requires skill.
- It is precious due to the materials or time invested in labour.
- It is expressive in terms of subject matter, function, traditional or historical reference,
- And it is enduring.

Jeanne-Marie comments that a lot of people choose to buy craft items as gifts, for anniversaries, birthdays, weddings and a number of other occasions, as it seems to be a more personal gift if you can give the consumer information about the source of the product.

6.6 Imported Crafts

It is argued that the handmade movement was never about rejecting the use of machines. It was about the rejection of mass-production. Unfortunately, the term mass-production became synonymous with 'machine-made'. On the high street shops today, much of the products that you can buy are made by hand. But these hands are that of factory workers overseas.

As Hazel Sunners commented, "a consumer weighs up the pros and cons of each particular product before purchasing it, this vase is handmade but it is not made in England, so a consumer wont pay premium prices for it. A consumer like the 'Englishness' of a product, and is willing to pay for it".

Claire Norcross's 'Eight Fifty' lamp was hand made in Taiwan, although it was made by the hands of factory workers aboard. It is still considered a mass produced item.

6.7 Creativity and Place

The literature review continued to explore crafts and design and its relation to place. The literature review, raised questions about whether design can have a relationship with place, in terms of the aesthetics of the art object and also about designer-makers should promote the idea of locality in the items that they create.

Claire Norcross commented that craft items in the past have had a connection to the place in which they are made, whether it is on surface pattern or aesthetic qualities, however this is not the important factor. Claire states that it is important to support local artists and makers and traceability is often very important.

Having information about where a product is from and how it was made can be a very desirable characteristic, especially if the product is made locally.

Jeanne-Marie from the Bluecoat Display Centre in Liverpool commented that customers are often more interested in a product if it has been made by a local artist, and as a result of this, the Display Centre stocks a high percentage of makers. "When sourcing makers to sell their work in the gallery, local makers are certainly favoured, because as long as the items are well made, consumers tend to be more interested in local artists for gift products." (Kenny, Interview, 2010)

CHAPTER SEVEN:
CONCLUSIONS AND RECOMMENDATIONS

This final chapter will draw conclusions from the research carried out in the previous chapters. It will evaluate how well the research was carried out and what further research needs to be done.

CHAPTER SEVEN: CONCLUSIONS AND RECOMMENDATIONS

7.1 Approach

The literature review assesses the academic relevance of the subject. It tells the reader of how the relationship between craft and design in the past, may shape its relationship in the future. In this particular case, a literature review was a successful approach, as the nature of the subject remains unanswered, it has encouraged scholars worldwide to investigate the evidence and draw their own conclusions.

The interviews and surveys have made a connection between these theories and the outside world. The survey gives an overview of how designer-makers are operating their creative businesses day to day, and how they feel about crossing boundaries between craft and design.

This academic research will lay out the foundations for a new business idea, which will be explored in the enterprise section to this report.

7.2 Evaluation

The results of this short survey were interesting but not conclusive. For one to guage the whole situation of the craft and design industry, one would have to take a much larger sample. This survey did however help to gain an understanding of how designer-makers operate in many different ways, but essentially it comes down to money and opportunities.

As stated in the introduction, the aim of this report was to:

- **Establish if a relationship between craft and manufacture exists, and if not, can one be created and sustained.**

I have concluded that there has always been a relationship between craft and design, and boundaries have always been explored and pushed.

- **Explore the relevance of a new social enterprise, supporting designer-makers by providing them with a platform for reaching new markets, which will take the shape of a branded collection of collectable products.**

The information that has been gathered through this research has outlined that there is a future opportunity for a new relationship between these creative practices.

- **Investigate the potential of improving the market for craft and design in Manchester.**

Manchester has a long history of being a centre of craft and design. This tradition will be continued with a branded collection of craft products to be sold in high street shops.

The evidence collected, points towards opportunity for new collaborations between two different creative practices. The fact that no real conclusions have been drawn as regards to the definitions of practices, suggest an opportunity for interpretation and collaboration.

- Barriers between craft and design are being broken down.
- Designing for manufacture allows a good source of income for craftsmen.
- Consumers are becoming more emotionally attached to their products.
- Retailers and designers are creating products with the craft 'look'.
- Consumers have an increased interest in 'buying local', and traceability in products.

The idea of place is a mark of the quality of production.

7.3 Further Research

To explore this research further, a number of techniques could be exploited. A larger sample of primary research could be undertaken, to give a wider perspective and more accurate results. A further technique that would be very useful would be a focus group. Arranging a number of designer maker to get together and discuss issues of craft and design and their relationship to Manchester and each other.

Now that all the relevant information has been gathered, the next step is to test the theories in a market environment. The questions that need to be asked are:

- Can craft and design co-exist is a high street market environment?
- Will such products be considered craft or design?

- Who are the people who judge such statuses?
- Does it matter?

To expand this research further, one would need to take into consideration craft and design's relationship with fine arts and their place within a wider cultural context.

7.4 Lessons Learned

Craft and Design have a complicated and ever changing relationship. But with the numerous different ways in which the practices cross into each other, it has been questioned whether boundaries even exist anymore. Research has show that both craft and design as disciples would benefit from clearer definitions, in terms of public funding and support and also in the eyes of the makers associated with each practice, to help them establish themselves in a particular market.

However, there is definitely room for crossing these boundaries, and with the contant invention of new technologies, it would be unnatural for craftspeople to not be inquisitive about new ways to express their creativity.

Perhaps new definitions should be created; perhaps there should be a collaborative discipline that establishes itself between craft and design. Table shows how perhaps the arts should be defined, each with equal creative status.

Art	Decorative/symbolic/conceptual, wall mounted work.
Sculpture	Decorative/symbolic/conceptual 3D art works
Craft	Handmade, functional (suggestive functionality)
?	Machine made craft/ handmade mass production
Design	The creation of a concept to be made for mass production

7.5 Concluding Remarks

The proceeding section of this report is the enterprise section. This will explore the viability of a new social enterprise supporting individual makers from Manchester to reach new markets through a branded collection of design products.

APPENDIX

Appendix 1: Questionnaire Results

1. Where are you based? Create Chart Download

	Response Percent	Response Count
UK - Scotland	20.8%	10
UK - Wales	2.1%	1
UK - Ireland	0.0%	0
UK - NorthWest	**25.0%**	**12**
UK - NorthEast	2.1%	1
UK - Midlands	16.7%	8
UK - South East	18.8%	9
UK - South West	4.2%	2
USA	6.3%	3
Europe	0.0%	0
Other	4.2%	2
	answered question	48
	skipped question	3

2. What area of design do you mainly practice?

Create Chart Download

	Response Percent	Response Count
Furniture	6.0%	3
Fashion/Accessories	52.0%	26
Ceramics	8.0%	4
Glass	4.0%	2
Interior Products	22.0%	11
Lighting	0.0%	0
Textiles	36.0%	18
Hide replies Other (please specify)		12

1.	jewellery	Wed, Feb 24, 2010 3:10 PM	Find...
2.	card making/papercraft	Tue, Feb 23, 2010 10:06 PM	Find...
3.	Jewellery	Tue, Feb 23, 2010 11:36 AM	Find...
4.	jewellery	Sun, Feb 21, 2010 2:20 PM	Find...
5.	Mosaic	Fri, Feb 19, 2010 11:14 PM	Find...
6.	Wallpaper	Fri, Feb 19, 2010 11:12 PM	Find...
7.	jewelry	Fri, Feb 19, 2010 10:43 PM	Find...
8.	illustration, small handy crafts	Thu, Feb 18, 2010 12:23 AM	Find...
9.	various	Wed, Feb 17, 2010 11:04 PM	Find...
10.	surface design - stationery	Wed, Feb 17, 2010 10:49 PM	Find...

< 1 > 10 responses per page

answered question	50
skipped question	1

3. How long have you been in business?

Create Chart Download

	Response Percent	Response Count
Not Started Yet	20.0%	10
Less than 5 years	66.0%	33
5-10 years	6.0%	3
10-15 years	2.0%	1
More than 15 years	6.0%	3

answered question	50
skipped question	1

4. Do you both design and make your products?

Create Chart Download

	Response Percent	Response Count
Yes	78.0%	39
No	4.0%	2
I make some, and outsource some production	18.0%	9
answered question		50
skipped question		1

5. Where do you sell your work?

Create Chart Download

	Response Percent	Response Count
Through my own website	40.0%	20
Through other e-commerce websites	66.0%	33
Craft shops	24.0%	12
Galleries	32.0%	16
Direct to retailers at wholesale price	34.0%	17
I sell my designs to manufacturers	2.0%	1
Trade shows	16.0%	8
N/A	6.0%	3
Hide replies Other (please specify)	34.0%	17

1.	Jewellery Parties	Tue, Feb 23, 2010 11:36 AM	Find...
2.	Art / Craft Fairs	Sun, Feb 21, 2010 3:52 PM	Find...
3.	boutique markets	Sun, Feb 21, 2010 3:35 PM	Find...
4.	online shop	Sun, Feb 21, 2010 2:20 PM	Find...
5.	boutique shops	Sun, Feb 21, 2010 2:14 PM	Find...
6.	Mainly to commission – public art – school workshops	Fri, Feb 19, 2010 11:14 PM	Find...
7.	boutiques	Fri, Feb 19, 2010 10:42 PM	Find...
8.	I have selected where i am planning on selling once running.	Fri, Feb 19, 2010 2:02 PM	Find...
9.	I work for a company that supplies bespoke commercial interiors and furniture, However I intend to start my own consultancy one day	Thu, Feb 18, 2010 5:49 PM	Find...
10.	art fairs	Thu, Feb 18, 2010 5:34 PM	Find...

< 1 > 10 responses per page

answered question	50
skipped question	1

6. How much do you mainly sell your products for?

Create Chart Download

	Response Percent	Response Count
Less than £10	18.0%	9
£10 - £25	**44.0%**	**22**
£25 - £50	18.0%	9
£50 - £100	6.0%	3
Over £100	14.0%	7

7. Is there a lack of regional support for designer-makers?

Create Chart Download

	Response Percent	Response Count
Yes	**42.0%**	**21**
No	22.0%	11
Somewhat	36.0%	18

Hide replies Comments... 8

1.	I would love organisations like hidden art to operate more outside of London.	Tue, Feb 23, 2010 2:32 PM	Find...
2.	no news of craft fairs or outlets for selling	Sun, Feb 21, 2010 2:07 PM	Find...
3.	Depends what sort of support each individual artists requires I've always supported myself and I'm happy to do so.	Fri, Feb 19, 2010 11:14 PM	Find...
4.	I live in a very agriculturally-based area of Canada. Design, manufacturing and/or production are virtually non-existent here.	Thu, Feb 18, 2010 4:26 PM	Find...
5.	I'm not sure I'm just starting out.	Thu, Feb 18, 2010 12:23 AM	Find...
6.	No real places to advise on what to do, where to try sell etc	Wed, Feb 17, 2010 10:35 PM	Find...
7.	But it's getting better.	Wed, Feb 17, 2010 10:07 PM	Find...
8.	I have never had any support, but then I have just done my own thing, and haven't sought any or expected there to be any.	Wed, Feb 10, 2010 1:49 PM	Find...

answered question	50
skipped question	1

9. Would you be interested in one of your designs being marketed as part of a designer range?

Create Chart Download

	Response Percent	Response Count
Yes	38.0%	19
Yes - but only if I kept my name on it	62.0%	31
Yes - but only if the profit was expected to be high	2.0%	1
Yes - but only if it was marketed just in my region	0.0%	0
No	8.0%	4
Hide replies Other (please specify)		2

1.	it depends on lots of things: the range, the potential, financial, etc	Sun, Feb 21, 2010 2:17 PM	Find...
2.	and fair-reasonable profit	Fri, Feb 19, 2010 10:43 PM	Find...

answered question	50
skipped question	1

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An Investigation into the Design and Manufacture of a Branded Collection of Interior and Gift Products,

Which Show Manchester to be a Centre of Design Talent.

VOLUME TWO:

ENTERPRISE

Beth Marie Harvey

School of Arts Histories and Cultures

VOLUME TWO: ENTERPRISE

An investigation into the design and manufacture of a branded collection of interior products, which show Manchester to be a centre of design talent.

Chapter One: Project Concept and USP

Chapter Two: Market Issues

Chapter Five: Financial Analysis

Chapter Six: Conclusions

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CHAPTER ONE:
PROJECT CONCEPT AND USP

Chapter 1 will introduce the concept of Manchester Made. The discussion will cover how the idea came about and how it has developed. Manchester Made brings different concepts together in ways that have not largely been explored in the past. For this reason it is thought to be useful to outline some of the key terms that will be used throughout the report and also the context in which they are referred to.

Manchester Made is a unique business idea, and its point of difference will be outlined in the latter part of this chapter.

CHAPTER ONE: PROJECT CONCEPT AND USP

.1 Mission Statement

.1.1 What do we do?

Manchester Made promotes and supports designer-makers, enabling them to establish and develop their businesses, through a branded collection of products as a platform for reaching new markets.

Many northern designers find it difficult and expensive to get many of their products to market. This project will help designers to turn their passion into products by expanding their customer base and raising their profile in the local area.

.1.2 How do we do it?

The project will consist of firstly inviting designer-makers from Manchester to submit their ideas for products within a theme and price boundary. A panel of experts will then select the products with the greatest commercial appeal. These will be marketed both at retail and wholesale and will be available through an e-commerce website.

The business is focussed on the designers, and giving them opportunities to raise their profiles and so making Manchester a centre of design talent. Each product will therefore carry the name of the maker, plus the 'Manchester made' branding. I will also retain the personality of each product, so information about the maker and the ideas process will be clearly available on the packaging of the product.

This will be a non-profit organisation with any profits made from the first round of sales, after the designer taking their commission, will go on to fund the next round of recruitment and production. There will be a website, which will hold an online portfolio of designer-makers, and a source of purchasing the 'Manchester Made' range with a selection of other products from the designers. The business will need initial funding, which will help the business to become self-sustaining. This funding will go towards creating prototypes and the manufacturing of the first batch of products, the packaging and the initial marketing.

This opportunity for creating products will also be taken to universities; students in their 3rd year can submit ideas for a 'student award' where their product can form part of the range.

The business hopes to expand the market for design in the North West and make it a centre for quality design practice, competing against culture capitals such as London.

.1.3 For whom do we do it?

This business has two stages of customers. It is an opportunity for designers to get their products to market, giving them exposure, experience and income. The next customer is the consumer, the products will be high quality and of a competitive price, and will be sold in the Manchester area. It is felt that in these times of economic downturn, consumers look for reliability and emotional attachment to products for their homes.

.2 Vision Statement

The vision of the business is that it will be a continuous self-sustaining initiative that supports local designers and helps them to break into the industry. With this it hopes to show Manchester to be a leading city of design talent and to provide education in product development so that designers will gain experience to expand their own practice.

.3 Project Concept

Manchester Made is a social enterprise that aims to support local designers to improve their businesses by providing them with a platform for expanding their market. Manchester Made will apply market-based strategies to attain its social purpose. This will be achieved through a branded collection of interior and gift products. The main aim of this social enterprise is to generate profit to further the social goals, rather than maximising shareholder capital.

According to Rae, (2007) a business needs to have four essential features for it to succeed:

.3.1 Demand

Individual makers need to constantly search for new opportunities to help them to better their business and promote themselves effectively. Trends and reports are also showing that there is a demand for high quality reliable products, and consumers are becoming more interested in the traceability of the products that they buy.

.3.2 Innovation

Manchester Made is both a service to designer-makers and a retail business. The products created will be of the highest standard in contemporary design, and will show Manchester to be a centre of design talent.

.3.3 Feasibility

Due to technological advances, it has become easier and cheaper to create batch productions of design collections. Public funding, although becoming less available, are focussing on businesses that can self sustain.

.3.4 Attractiveness

The attractiveness of this business lies in its social values. Manchester Made is not about making a profit and exploiting designers, it is a social enterprise that has the designer's interests at the heart of the business.

A business idea fits into place where there is a problem that needs to be solved. In this case the problem lies with the lack of opportunities for individual makers. With the over-shadowing dominance of the design industry of London and the South, Northern makers find it difficult to fit into the market place. Most large department stores, and chains of stores, have their head office in London. This is where most of the buying and sourcing is done, which means that Northern designer-makers need to work harder to stand out from the competition. They need extra help and support to encourage them to develop their businesses and raise their profile. From the consumer's point of view, trends show that buyers want products that hold an emotional attractiveness and through the recession, consumers have less loyalty to brands and are looking for reliability.

Manchester Made combines several distinct features, which makes this business unique. The following section will report the main features and define the key terms that will be used throughout this report.

.4 Definitions of Terms

.4.1 Manchester as a focussed location

Manchester is the city of focus for this business, as it aims to promote the North as a centre of design talent outside of London. Northern designers are constantly over-shadowed by the industry focus of London. A report commissioned by Manchester Partnership, published in 2007, showed Manchester to be the "fastest-growing city" economically (Watson, 2007). It is also the third-most visited city in the United Kingdom by foreign visitors and the most visited in England outside London. (Office for National Statistics, 2010)

Manchester has a strong history of craft and design as the city expanded at an astonishing rate in the 19th century due to the textiles manufacturing of the 19th century industrial revolution. Manchester today is still seen as a centre of the arts, the media, higher education and commerce.

.4.2 Social Enterprise

Three common characteristics of social enterprises as defined by Social Enterprise London are:

- Enterprise orientation: They are directly involved in producing goods or providing services to a market. They seek to be viable trading organisations, with an operating surplus.
- Social Aims: They have explicit social aims such as job creation, training or the provision of local services. They have ethical values including a commitment to local capacity building, and they are accountable to their members and the wider community for their social environmental and economic impact.

- Social ownership: They are autonomous organisations with governance and ownership structures based on participation by stakeholder groups (users or clients, local community groups etc.) or by trustees. Profits are distributed as profit sharing to stakeholders or used for the benefit of the community.

Manchester Made aims to achieve all of these objectives with minimal reliance on government and charitable funding. Customers will recognise that whilst prices may be a little higher than the current high street prices, the price is not a barrier, if the products are unique in some way, the price can therefore be justified.

.4.3 Designer-Makers/Craft

This report will refer to the potential creators of craft products as "Designer-makers". This term is used to describe someone who both creates and makes products that have a predominantly functional use. Their work covers a broad range of crafts and disciplines from textiles, furniture, lighting, interior products, ceramics and glass, to fashion accessories and jewellery. Designer-makers run their businesses in different ways, varying the emphasis on designing and making.

Some designer-makers produce hand-made works in one-off and small quantities, and do not intend to go into mass production; these are often referred to as an artist-craftsperson. Other makers design products to be produced in small quantities, and then out-source some or all of the manufacturing, overseeing the production and the selling. Another type of designer creates a design or concept, then look for a manufacturer to produce and sell it.

The whole craft sector (contemporary, traditional and heritage crafts, as defined by Creative & Cultural Skills) (Creative and Cultural Skills, 2009):

- Employs 88,250 people in the UK.
- Makes a £3bn annual contribution to the UK economy, higher than that of the visual arts, cultural heritage or literature sectors.
- Represents 13% of all those employed in the UK's creative industries.
- Contributes 12% of the sector's GVA (in comparison with music at 17% and design at 24%).

- Demonstrates higher employment growth rates than any other creative industries sub-sector (11% between 1997 and 2006).

The contemporary craft sector:

- Employs just under half the craft sector: 34,744 contemporary makers work in England, Scotland, Wales and Northern Ireland
- Produces a turnover in excess of £1bn per annum.
- Doubled in size, in terms of value of sales, between 1994 and 2004.

72% of contemporary craft makers report business growth aspirations, and 98% report aspirations to further their professional practice. This sector characteristic reflects the multiple motivations characterising creative business, which include personal achievement and often also political, social or cultural concerns, alongside financial survival and profit. Small independent businesses do not easily attract private finance or benefit from economies of scale. The resulting lack of available working capital can limit business development, and makers in terms of their ability to afford suitable workspace and continuing professional development can experience the impact of this. (Crafts Council, 2009).

.4.4 Product Design

The term 'manufacture' is used to mean the use of tools, machines and labour to produce the items for sale in large batch productions. This consists of firstly creating prototypes in consultation with the designer, and then producing the item in factories, mostly in the UK, or abroad if the only financially viable option. When referred to in the following report, it implies that this process includes, quality control, transportation and packaging.

According to Design Council research (Design Council, 2009), 40% of design businesses reside in London and the South East, with just 7% in the Northwest. Product and industrial design businesses account for just over 10% of the UK's design businesses. The discipline is well established in the UK. Over a third of product and industrial design businesses have been operating for 15 years or more, although the number of in-house design teams and freelance designers working in product and industrial design has fallen since 2005.

According to October 2009 Mintel report, on house wares retailing, (Mintel Report, 2009) the overall value of the house wares market is difficult to estimate as there are many overlapping sectors, but for the core areas of household textiles, glassware, tableware and kitchenware, the market is estimated for 2009 to have a value of just under £10 billion.

.4.5 Products

The term ‘product’ is referred to in this report as, home wares, and interior and gift products. The home wares market is becoming an increasingly competitive sector with few barriers to entry. As a result, the consumer is enjoying wide availability and keen pricing. This leaves little loyalty to retailers, suggesting it could be time for brands, be they manufacturer or retailer, to take a bigger role. It also makes it harder for specialists to stand out, with a real need to create reasons to visit.

Design and fashion has increased in importance in the home, which has allowed non-specialists to stretch their brand into this arena, suggesting that the store or brand image is now a key sales driver. Below are some examples of designer-makers working independently in Manchester, and an example to the products that they create:

Figure 1-4 – Products from Makers own Websites

Beverly Gee (figure 1 and 2) is a designer maker from Manchester who specialises in decorative hand thrown porcelain. Each piece is unique and can stand-alone or be part of a collection. Figure 1 shows a jug and two cups, sitting on a charcoal base. The individual items are hand thrown on the wheel and them adapted to make these unique shapes. Beverly sells her work from her own website and direct from her studio in Salford, prices range from £5 to £100.

C.J. O'neil is a lighting and ceramic designer (Figure 3). She is interested in "the building of memories through objects and surface pattern, working with one off objects, workshops and large-scale installations." (CJ O'Neill, 2008) Her main areas of interest are using recycled materials and using her craft skills to engage with local communities and schools. She graduated from 3D design at MMU in 2003, and now runs a postgraduate course in Contemporary Crafts. Prices can range from £5 to £500.

Hannah Tofalos designs patterned ceramic tableware. Each product is handmade, in the UK, from fine bone china and decorated with ceramic transfers. Prices range from £7.50 for the very popular stackable eggcups and salt and pepper shakers (Figure 4) Hannah Tofalos often uses a slip cast to reproduce the same shape exactly to allow the pieces to fit together.

.5 Identification and justification of USP

The market for interior products is constantly growing and changing. With few barriers to entry the market will continue to grow, and the consumer will be spoilt for choice.

Figure 5 – Flos, Selfridges

There are a number of people innovating; department stores, independent stores, supermarkets, specialist shops and boutiques, the average consumer needs a product that will stand out from the competition.

Some of Manchester's main retailers for interior products are Selfridges, Marks and Spencer's and House of Fraser. Figure 5 shows the Sky Garden pendant light from a company called Flos, who sell their products at wholesale cost to Selfridges. Flos claim to have the perfect blend of traditional detailing and contemporary style. Selfridges sell hundreds of different manufactured brands from both the UK and abroad. Manchester Made has a number of unique selling points, which are explained below:

.5.1 Local

These interior products will be designed by local makers and sold on Manchester's high street. The consumer will have the knowledge that they are supporting local makers, and the local economy. The consumer can also enjoy a sense of pride for where they live. This unique selling point will appeal to the gift buyers market, and especially with tourists.

.5.2 Traceability

These products will have been adapted from the hand made originals. Each product will allow the consumer to explore the how the product was made, and where the inspiration came from. During the economic downturn, consumers are inspired to make things themselves, allowing them to see how products arrive in the shops, from concept to creation; it evokes inspiration and emotional attachment in the consumer.

.5.3 Limited Edition

Manchester Made is a self-sustaining social enterprise. It will involve recruitment of designers, a selection process, the production and selling. The profits made from these products will be made in large batch productions; each item will form part of the branded collection, which will constantly expand with new ideas and new products, with a growing team of local designers. As the business will constantly be creating new design, products will only be available for a certain amount of time, giving a sense of the products being exclusive collectables.

.6 Background to the project

The initial interest in this area of research came from studying an undergraduate degree in the History of Art and Design at Manchester Metropolitan University. Background knowledge of how design as a practice has changed and evolved from the 18th century to present day was gained, and a large focus of the course was gaining local knowledge of how Manchester as a city has grown and developed in its architecture and design and how the city has been identified as a centre of industrialisation.

Working for a specialist development agency, Design Initiative, for several years, vast knowledge has been gained about how individual makers run their businesses, and where their strengths and weaknesses lie. Design Initiative is a unique business, in that it provides support and guidance to designers, visual artists and commissioners of design to meet the demands of a high quality professional industry in its effective contribution to the economic and cultural life of the region. Experience within the company, has taught us that one of the best way to support designers, is by helping them find routes to market. To do this, there are a number of events including selling shows, which helps designers to meet and interact with their consumers, and to test, launch and sell their products.

CHAPTER TWO: MARKET ISSUES

This chapter will position Manchester Made within the marketplace. It will discuss the broader business environment and how this may impact on the business. This chapter will also identify the key markets for the products and the key driver and trends within these markets. In doing this, customer profiles will be identified and a full competitive analysis will be explored, including how this may change and how any changes might effect the operation of the business.

CHAPTER TWO: MARKET ISSUES

2.1 Macro Environment Analysis

The Macro Environment Analysis identifies possible opportunities and that are outside the control of the business. The Full PESTEL analysis can be found in Appendix 1.

There are both and national and local political which could effect Manchester Made. Manchester's Cultural Strategy Team was set up in April 2003, to provide a centralised focus for the implementation and development of Manchester's Cultural Strategy. This team has two goals; increasing participation in culture by the people of Manchester and using culture as a means to improve the profile of the city with the aim of attracting people to live, work and play in Manchester. This aim falls in line with the mission of Manchester Made, which will offer opportunities for support in different way including financial.

The government has recently put in to operation the 'emergency budget', (Independent, 2010) which aims to reduce the huge national debt, accumulated by the Labour government. This was put into operation in June 2010 and effects most businesses in the UK. These changes, made recently could effect the operation of Manchester Made, as well as factors like corporation tax, National insurance alterations, and the rise is VAT, cuts in public spending are sweeping across all businesses, and so less public funding is available for non-profit businesses.

According to Mintel reports (Mintel, 2010) the number of households purchasing or selling a house or flat declined by over 40% to an only 700,000 between June 2008 and 2009. As less people are moving house, more are looking to decorate their homes, and having some unique features allows them to feel proud of their home. This creates opportunities in the marketplace. Consumers also have a greater awareness of the environment and are supporting small local businesses.

2.2 Micro Environment Analysis

2.2.1 Porter's Five Forces

2.2.1.1 The Bargaining Power of Customers

As there are few direct competitors, customers will perceive that Manchester Made's products and services are different to competitors and the differences are of value to the customer. This gives some protection during negotiations.

As these products are decorative gift products, buyers will only buy a few products each year, and so are less likely to shop around for a better price on these items. The more frequent the customer purchases, the more they are likely to negotiate on price, quality and service.

2.2.1.2 The Threat of New Entrants into Industry

The main barrier to entry for this market is the capital investment required to set up a business that competes against Manchester Made. As Manchester Made will need to attain a certain amount of public funding to start up, funding bodies are unlikely to support a similar business in the same area.

The market for product design, interior products and giftware are vast with a high number of innovators. There are few barriers to enter this market, as there is little loyalty to brands amongst consumers. It is also easy for a competitor to access the distribution network that Manchester Made will hold. However, for a business to enter the market as a competitor to the service that Manchester Made offer to designer-makers specifically in Manchester, this will be very difficult. There will however be expected retaliation. This could include dropping prices, offering increased incentives to buy, offering additional service for the same price.

2.2.1.3 The Bargaining Power of Suppliers

Manchester Made is dependant on designers who want their products to be created and sold on the high street. Many of these designer-makers will feel dependent on this business, as it is a rare opportunity to develop their business at a low cost. Manchester Made will also be dependant on manufacturers to a certain extent. Is suppliers raise their costs; it could seriously affect the business.

2.2.1.4 Threat of Substitute Products or Services

This is a unique opportunity for Designer-makers in Manchester; there are other support networks that could offer help in different ways, but no other direct competitor. As this will be publicly funded, funding bodies will be very unlikely to give financial support to another similar venture, and so there is very little threat of a substitute with all the features that Manchester Made holds.

Other products on the market will have the advantage of competitive pricing, but for gift products, this is less important as long as the price is fair and reasonably low. There will be little loyalty to the Manchester Made brand as it consists of unique products that will be mainly bought as gifts, particularly at Christmas time.

2.2.1.5 Rivalry Amongst Existing Firms

At Assemble 2010, (Crafts Council, 2010) the Craft Council's annual conference, research was launched showing that – despite a recession – the craft market has been attracting more buyers and enjoying a stronger commercial image than ever before. As the market is growing, there is room for all businesses in the industry to grow, and as a result there will be a low risk of competitor rivalry. As we come out of the recession, if the industry matures and demand declines, the only way for one business to grow is at the expense on another, this is where Manchester Made may be in a greater risk of industry rivalry.

One advantage that we hold is that the industry has few fixed costs in proportion to the total costs, and so the industry can reduce supply when demand drops, reducing the risk of competitive rivalry.

Customers will perceive that Manchester Made's products and services are different to those of competitors, and these differences are of value to the customer. This gives some protection from competitor rivalry.

2.2.2 Internal Analysis

This internal analysis will allow an exclusive market position to be made. It will outline the core competencies and value proposition of the business.

Table 1 shows a list of resources that are specific to either Manchester Made or its competitors. The table shows how the business rates against its competitors on each of the characteristics. These strengths and weaknesses will form part of the SWOT analysis.

Table 1 – Strength and Weaknesses (Beth Harvey, 2010)

	RATING						
Resources	**-3**	**-2**	**-1**	**0**	**1**	**2**	**3**
Tangible resources							
Products					√		
Available Cash							√
Equipment				√			
Intangible Resources							
Cost of Production				√			
Goodwill of staff						√	
Customer goodwill					√		
Reputation					√		
Brand						√	
Knowledge of products						√	
Contacts database							√

2.2.3 SWOT Analysis

The SWOT Analysis is used as a tool for auditing an organisation and its environment. Using both the macro and microenvironment analysis, this examination will allow Manchester Made to focus on the key issues affecting the business. A SWOT analysis in table form can be found in Appendix 2.

2.2.3.1 Strengths

- Marketing strengths; the business has a strong brand image and a strong unique selling point amongst competitors. There is also a good opportunity for a strong distribution network.
- Financial strengths; as this is a none profit organisation there could be a high amount of funding and grants available from both Manchester City Council and the Arts Council/Crafts Council.
- Operations strengths; a good network of manufacturers and a good network of makers.
- HRM strengths; the work force will be a selection of well trained individual makers who are creative and motivated.

2.2.3.2 Weaknesses

- A potential weakness is that, the business might find limited distribution, or create a poor product range and ineffective promotion.
- Financial weaknesses; such as high levels of grants and low rates of return, with the reliability of grants declining in the current economic climate.
- HRM weaknesses such as a low wages to keep costs down, may cause dispute.

2.2.3.3 Opportunities

- The recession has developed a trend for buying craft.
- No other competitors in the market.
- Consumers are looking for pride in their belonging and an increased interest in supporting local businesses.
- This business has several USP’s, locality, designer, traceability, etc.
- The handmade ‘look’ is very fashionable at present.

2.2.3.4 Threats

- A new competitor could enter the market. I.e. a franchise of Hidden Art
- Price wars could begin with competitors.
- Competitor releases a new, innovative product or service.
- Competitors have superior access to channels of distribution.

2.3 Identification of Market

According to Libby Brooks, in an article for the Guardian (Brooks, 2010) "The reasons for this blooming are fairly self-evident. The ubiquity of similarly conceived, only differently branded, goods have powered a craving for authenticity."

2.3.1 Target Market

Target Marketing involves breaking the market down into segments and then concentrating the marketing efforts on one or a few key segments. Targeting will also make the promotion, pricing and distribution of the products and services easier and more cost-effective. The market will be segmented in two ways; one for the service that Manchester Made offers to designers and one for consumers of the products themselves.

- The target market for the service that Manchester Made offers is SME Design businesses based in Manchester. This is a very defined market, which allows reaching this market more direct as they can be channelled through particular networks in and around Manchester.
- The target market for consumers will mainly determined through psychographic segmentation. The typical customer will be profiled in the following sections.

2.3.2 Marketing Mix

Here the basic tactical components of the marketing plan will be examined, using the 'Marketing Mix' (Borden, 1965). The marketing mix includes price, place, promotion and product. No one element of the marketing mix is more important than another; each element ideally supports the others.

2.3.2.1 Price

This is what the products cost to the consumer. This price fits the target audience's ability to pay, and also factors in incentives such as margins for wholesale and retail traders or providers who ensure that the product is delivered to the customer. Figure 6 illustrates the price positioning of Manchester Made, based on quality and price. It places Manchester Made at a mid price, high quality position. It fits in with premium high street products, but retaining an affordable price.

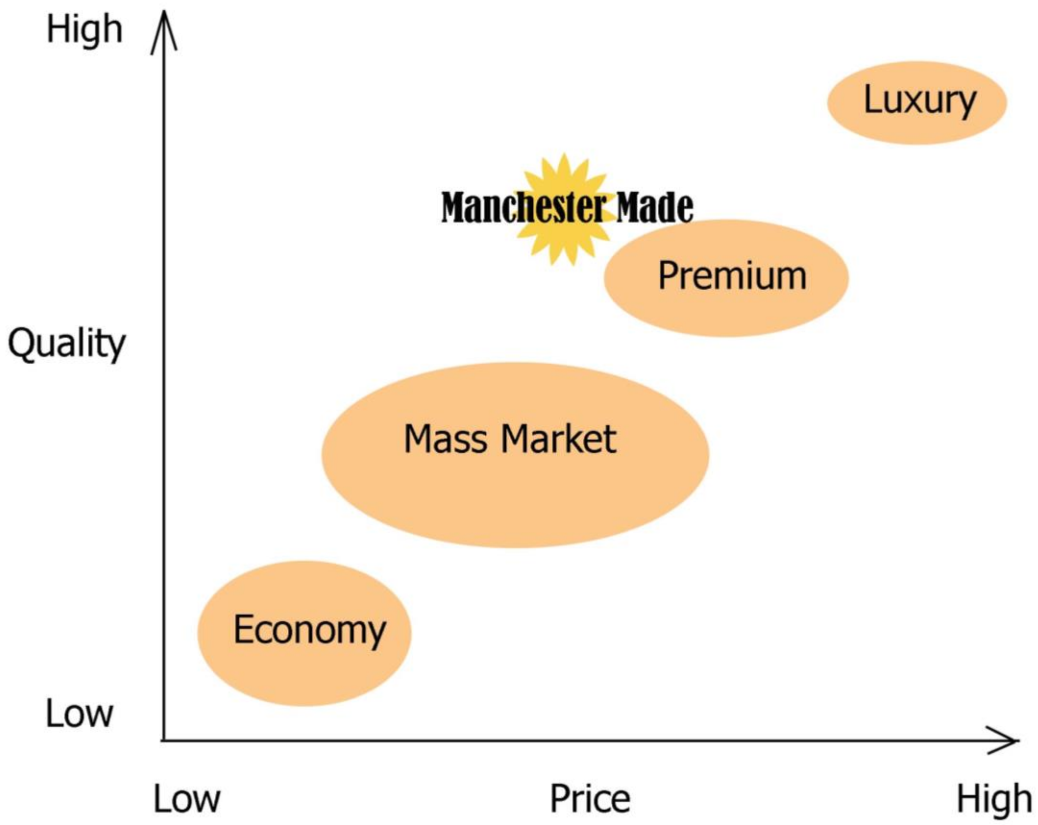

Figure 6 - Manchester Made Market Position (Beth Harvey, 2010)

2.3.2.2 Product

This is how the product should look and function to meet the needs of the target audience. This includes considerations of packaging, branding and product formulation. The Manchester Made products form part of a branded collection of interior and gift products created by individual designers from Manchester. They each carry the Manchester Made branding, both printed on the product (where possible) and on the packaging.

2.3.2.3 Place

The products will be focussed in Greater Manchester. The products will be sold in department stores and independent shop in and around Manchester. They will also be sold online on the Manchester Made website.

2.3.2.4 Promotion

Advertising and communications are to be used to encourage consumers to buy the products, but also to encourage designers to submit designs. Promoting the sales of the products will mainly be achieved through Internet marketing and social networking.

2.3.3 Competitive Advantage

Figure 7 illustrates the competitive advantage life cycle, which has 4 stages; introduction, growth, maturity and decline. These stages are outlined below:

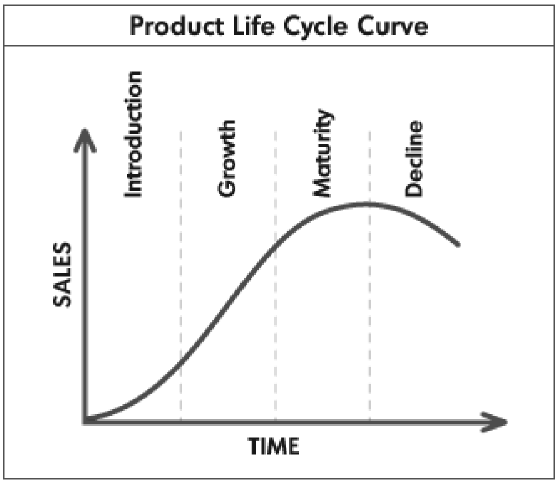

Figure 7 - Product Life Cycle (Google Images)

Market introduction stage

- Costs are high
- Slow sales volumes to start
- Little or no competition - competitive manufacturers watch for acceptance/segment growth losses
- Demand has to be created
- Customers have to be prompted to try the product
- Makes no money at this stage

Growth Stage

- Costs reduced due to economies of scale
- Sales volume increases significantly
- Profitability begins to rise
- Public awareness increases
- Competition begins to increase with a few new players in establishing market
- Increased competition leads to price decreases

Mature Stage

- Costs are lowered as a result of production volumes increasing and experience curve effects
- Sales volume peaks and market saturation is reached
- Increase in competitors entering the market

- Prices tend to drop due to the proliferation of competing products
- Brand differentiation and feature diversification is emphasized to maintain or increase market share
- Industrial profits go down

Saturation and Decline Stage

- Costs become counter-optimal
- Sales volume decline or stabilize
- Prices, profitability diminish
- Profit becomes more a challenge of production/distribution efficiency than increased sales

In order to maintain the performance of Manchester Made over time, it must produce a continuous stream of competitive advantages so as to keep performance from declining too much. Figure 8 shows the point in which new products should be launched in order to sustain competitive advantage.

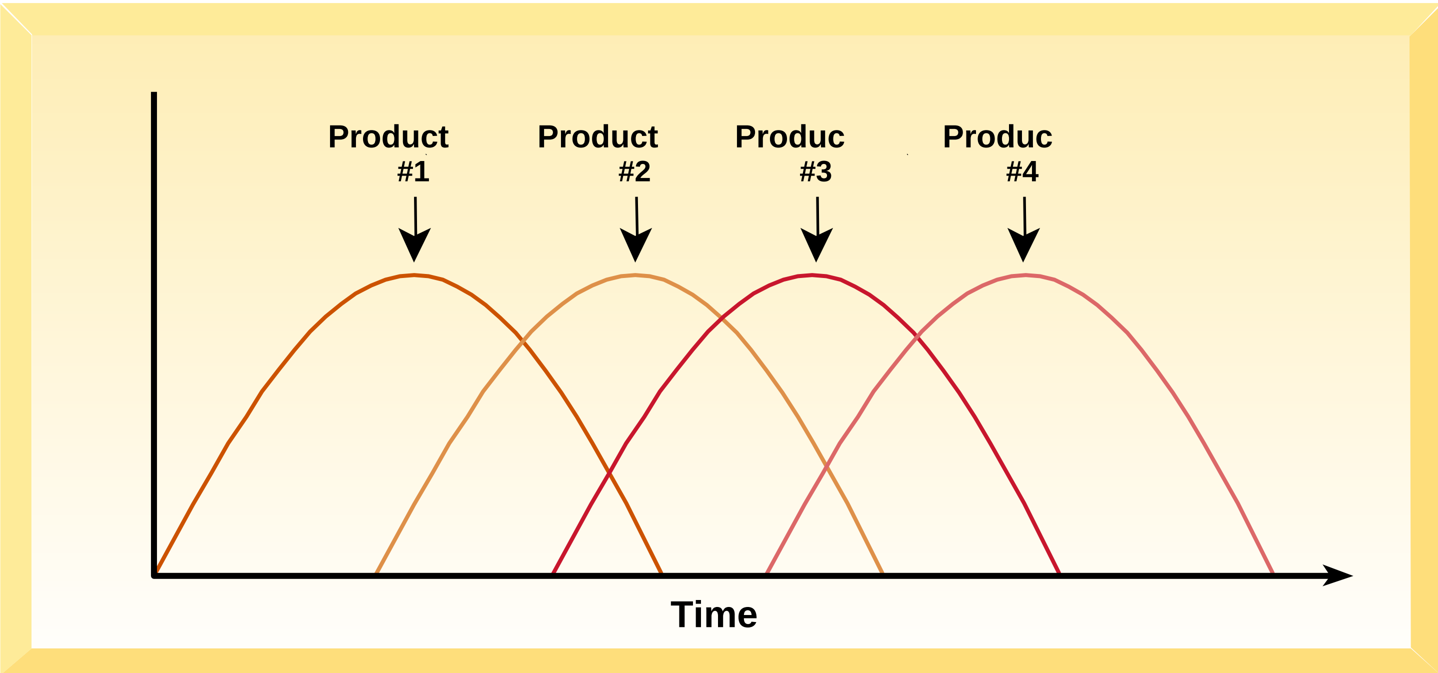

Figure 8 - Sustaining Competitive Advantage (Martin Henry, Lecture Slide)

2.4 Customer profiles

2.4.1 The Consumer

Manchester Made's potential consumer base, for this product range is outlined below. As this is a manufactured collection, which is inspired by craft, and created by individual makers, it will appeal to a wider audience than the craft market. The common characteristics of buyers and potential buyers of craft in the UK as stated by the Crafts Council Research, 'Consuming Craft', are as follows:

- Buyers and potential buyers are more likely to be female, and educated to a degree level or higher.
- They are twice as likely to be culturally active than the population as a whole, with 18% having attended a cultural event in the past 12 months compared to 9% who state they are not in the market.
- They are more likely to have general or specialist knowledge about cultural subjects, and have some type of professional or academic interest cultural subjects.
- People in the crafts market appear to have a more open and curious mindset.
- They are more likely to strongly agree that 'the arts and culture improve quality of life for us all.'
- They are slightly older, with 53% aged 45 or over.
- They are more likely to work in education, health or charity sectors.
- They are more frequent attendees at a wider range of cultural events.
- They are more likely to be working in the craft or related sectors
- Potential buyers are significantly younger than buyers, 59% are aged 44 or under.
- Potential buyers are less frequent attendees to cultural activities and are more likely to be guided by the opinions of others.

2.4.2 Manchester Made Typical Consumer Profile

Samantha is a lecturer at Manchester Metropolitan University, teaching textiles to first year students on their foundation year. She spends her work time planning and marking her students work and spends a lot of her free time thinking about work, and new things that she can teach her students.

Samantha is a 39-year-old woman. She lives in the suburbs of Manchester, in a nice house with her husband and two children, aged 5 and 7. She drives a 5 year old Vauxhall Corsa to work, and has an iPhone.

Figure 9 – Target Market Persona (Google Imges, 2010)

In Samantha's spare time, she makes small textile knitted products and sells them both online and through small craft fairs. She also likes to spend time in the countryside in school holidays. She buys her clothes from Marks and Spencer's, and occasionally independent stores. In the evenings she likes to watch soaps, reality TV and the occasional cultural documentary.

2.5 Competitive Analysis

This is an assessment of the strengths and weaknesses of current and potential competitors. Competitors for this company can be from two sides:

- Companies that offer manufacturing opportunities to individual makers
- Similar products on the market.

2.5.1 Direct Competitors

There are no direct competitors that are offering the exact services and products that Manchester Made offers. However as an individual designer-maker, there are other ways for which they can get their products to market and be part of a designer range. As shown in table 2 ,Thorsten Van Elten, Habitat and Hidden Art offer individual makers, the opportunity to design a range for manufacture. However both Thorsten Van Elten and Habitat source their designers themselves. Only Hidden Art, allow makers to apply for the opportunity. Further information about these competitors can be found in Appendix 3.

Table 2 - Direct Competitors (Beth Harvey, 2010)

	Thorsten Van Elten	Habitat	Hidden Art	Manchester Made
Where is it based?	London	Head office in London, Stores in Mcr.	London	Manchester
Where are products sold?	specialist design store across uk/online	All Habitat stores across UK	Online/specialist store in London	Manchester/Online
Type of products	Interior	interior	interior	Interior
Average cost of design product	£5-£500	£20-£2000	£10-£200	£20-£200
Marketing	Online/pop up shops	Online	Online	Online/pop up shops/universities
Staff	Small team	Very large sales force	Small team	small team
Strengths	High quality, based in London=more opportunities, expertise in design	Recognised brand for high quality products, retail outlets throughout uk	Well established with good retail and manufacturing links	Greater USPs
Weaknesses	London based, only creates products that he has sourced	only produces products they have sourced	London based	New to market

2.5.2 Indirect Competitors

There are other companies that are indirectly competitors as they offer products that are aiming for the same customer capital as this business. As this is to be a business based in Manchester, by local makers, one has to look at where consumers can buy products by local makers. The main outlets are seen to be Manchester Craft and Design Centre, Royal Exchange theatre and Noise Lab. These outlets offer the consumer an opportunity to buy a product made by someone who is either born or educated in Manchester. Table 3 shows a summary of those competitors.

Table 3 - Competitors (Beth Harvey, 2010)

	Manchester Craft and Design Centre	Royal Exchange Theatre	Noise Lab	Manchester Made
Where is it based?	Manchester	Manchester	Manchester	Manchester
Where are products sold?	From studios	In store	In store/online	Through retail/online
Type of products	Interior/ decorative/ jewellery/ art	Interior/ decorative/ jewellery/ textiles	Interior/ decorative/ jewellery/ textiles /print	Interior/decorative
Average cost of design product	£5-£2000	£5-£2000	£10-£100	£20-£100
Marketing	Online/leaflets	Online/leaflets	Online	Online
Staff	Items sold by makers	Very small team	Medium sized team	very small team
Strengths	Items are purchased direct from the maker	Items are handmade	Appeals to younger market	Items are available to a wider market at low cost, traceability
Weaknesses	Mainly jewellery, often not very commercial, high cost	Small shop, high prices, not all are local	Items are often low quality, as they are graduates and students, not very commercial products	Items are not handmade

Other indirect competitors are retailers of interior products. There are countless retailers both making and selling interior and gift products, the average consumer is spoilt for choice and needs products that are going to stand out from the rest. As Manchester is such a large city, most chain and department stores can be found in and around Manchester city centre. Table 4 shows a summary of some of those retailers, who arguable pose the greatest threat to Manchester Made.

Table 4 - High Street Competitors (Beth Harvey, 2010)

	Where is it based?	Type of products	Average cost of design product	Strengths	Weaknesses
John Lewis	*National, Manchester Tafford*	*Interior/decorative*	*£5-£2000*	*Very Low cost own brand, offer designer brands*	*Items made in very high volume*
Ikea	*National, Ashton Manchester*	*Interior/decorative*	*£5-£2000*	*Low cost, well designed*	*Items made in very high volume, some items you have to construct yourself*
House of Fraser	*National, Manchester*	*Home*	*£10-£100*	*Own brand products, carry designer brands*	*Limited collection, own brand is high cost.*
Debenhams	*National, Manchester*	*Designer*	*£10-£100*	*Hold commissioned designer ranges*	*Limited collection*
Marks and Spencer	*National, Manchester*	*Home*	*£5-£2000*	*Very low cost own brand*	*Items made in very high volume*
Next	*National, Manchester*	*Home*	*£10-£100*	*Some designer ranges, some own brand*	*Limited collection*
Manchester Made	*Regional, Manchester*	*Interior/ gift/ decorative*	*£20-£100*	*Designer range, medium cost, local maker*	*Regional, no loyalty of brand.*

2.5.3 Future Competitors

In Manchester, there are several large companies that have the opportunity to become competitors in this market, but it is unlikely that they will. This includes large brands like House of Fraser, Debenhams and Selfridges and Harvey Nichols. Further details of these can also be found in Appendix 3.

Mintel reports (Home wares, 2009) show that Habitat are in financial difficulty and that for long-term survival it needs to develop a clearer sense of what it can offer as a point of differentiation.

2.6 Primary Research Methodology

It has been decided that the best way to gain an unbiased knowledge of consumer attitudes towards craft and design, is to complete a questionnaire. This questionnaire will use both qualitative and quantitative research to collect the most accurate information possible.

Quantitative research is based on scientific method; it aims to be as objective as possible, and is often based on statistics or other measurable, practical data. Conclusions will be drawn from the analysis of things clearly measured. This will include demographic information like age, location etc.

Qualitative research is often based on subjective data items, which cannot be given a numeric value, for example the attitudes and opinions of a range of individuals on an issue. These will be described in words rather than numbers, and statistical generalisations cannot be drawn from them.

A questionnaire was drawn up using a Manchester Business School 'Qualtrics' survey software, which proved to be very effective, and certainly made the job of collating the results, a lot easier. The survey included 13 questions, which aimed to gather the opinions of general consumers. (Appendix 4). The intent of this questionnaire was to gain knowledge of how consumers feel about craft and design, and what product characteristics do they mainly value. It will also provide information about how often consumers spend money on these items, which will tell us how big the market potential is.

2.6.1 Questionnaire

The questionnaire was distributed through online networks. I used social networking sites 'Twitter', 'Facebook' and 'Linked in' to spread the survey as far as possible. They survey was not circulated in any particular networks of interests so as lot to lead results. Participants were all selected at random, to give the best overview of consumers of craft and design.

The questions are explained below:

1. **What is your age?**
2. **Are you male or female?**
3. **What is your profession?**
4. **Where do you live?**

The first four questions will provide information about the typical customers for crafts and design. These questions will be analysed in conjunction with other questions to build up a profile of the consumers.

5. **Name 3 words that you would associate with the word 'craft'**
6. **Name 3 words that you would associate with the word 'design'**

These open-ended questions allow the respondent to supply their own answer without being constrained by a fixed set of possible responses. In this case words are presented and the respondent mentions the first word that comes to mind. These results will inform of how consumers decipher between craft and design and what they think the words to mean.

7. **To what extent do you think it is important to support local businesses?**

This gives the participant a number of options to choose from, ranging from not at all important to extremely important. The question will tell us whether this is a characteristic of a product that consumers value.

8. **Where do you mainly buy your products for your home?**
9. **Where do you mainly buy gift products?**

This question gives the participant a number of options of different types of shops to choose from. These include; department store, independent store, craft shop, high street shop etc. participants were also given options as to how often they shop in these place for those particular items.

10. **What characteristics make up the perfect gift?**

This questions aims to establish what characteristics consumers value in gift products. Options are given with a scale of not important at all to extremely important.

11. **How often do you buy gift products?**

This will provide information of how viable this business could potentially be. If consumers buy products once a year or less, the business could struggle.

12. **I am more likely to buy a product from a local maker**
13. **I am more likely to buy a product, when I know who made it and how it was made.**

These questions give the options of strongly disagree to strongly agree. They aim to establish if these characteristics are of value to consumers, and if these type of products were available, would they buy them.

2.7 Analysis

This section will illustrate the results from the data collected through surveys gathered via the internet (The full results can be found in Appendix 5) In the course of the 100 surveys that were completed, various themes have emerged, such as the importance of supporting local businesses and how people decipher between craft and design. All surveys were completed in full and none were spoiled or void.

2.7.1 Demographics

The participants were selected at random with no bias for targeting groups of people. Just over 100 participants were surveyed, and respondents were 70% female and 30% male. Their age is can be seen represented in the following graph. The majority of participants are aged 19-35. Figure 11 shows the variety of professions that participants have. These results will be used in relation to other results to find the relationship between consumer activity and area of expertise.

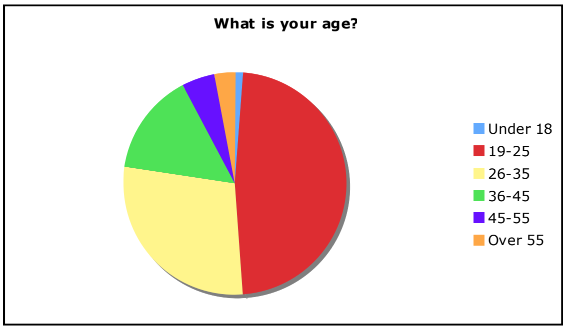

Figure 10 – What is your age?

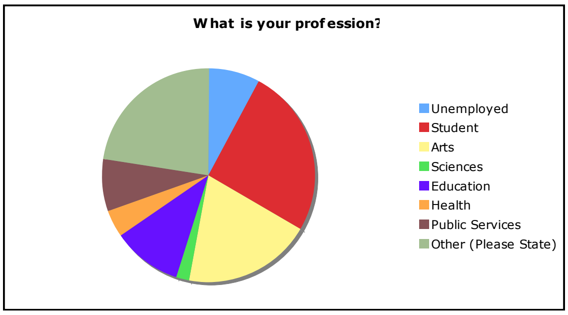

Figure 11 – What is your profession?

Figure 12 shows a heat map of where participants are located. Surveys were somewhat directed at those living in the North West, but not exclusively. The heat map shows a concentration of participants based in the North West, specifically in Manchester. This will help to draw conclusions about whether this information is relevant to Manchester, the city in which the business will be located.

QuickTime™ and a
decompressor
are needed to see this picture.

Figure 12 – Area Heat Map

2.7.2 Craft and Design

Participants were asked to name 3 words that they associate with the term 'craft' and 'design'. (Answers in full can be found in Appendix 5) A large variety of words were used but patterns were formed. Common words used in association with 'craft,' included 'art,' 'making,' 'handmade,' 'homemade' and also some materials like 'pottery,' 'textiles,' and 'wood'.

Terms used in association with the word 'design' included words like 'style,' 'modern,' 'function,' and 'innovation'. Some words were used in both sections. Words like 'art' 'creativity' were commonly used for both questions. It is also interesting to note, that the word 'craft' was used to describe design and 'design' to describe craft. These results show that the general public do distinguish between craft and design but also see the connection between the two practices.

2.7.3 Consuming

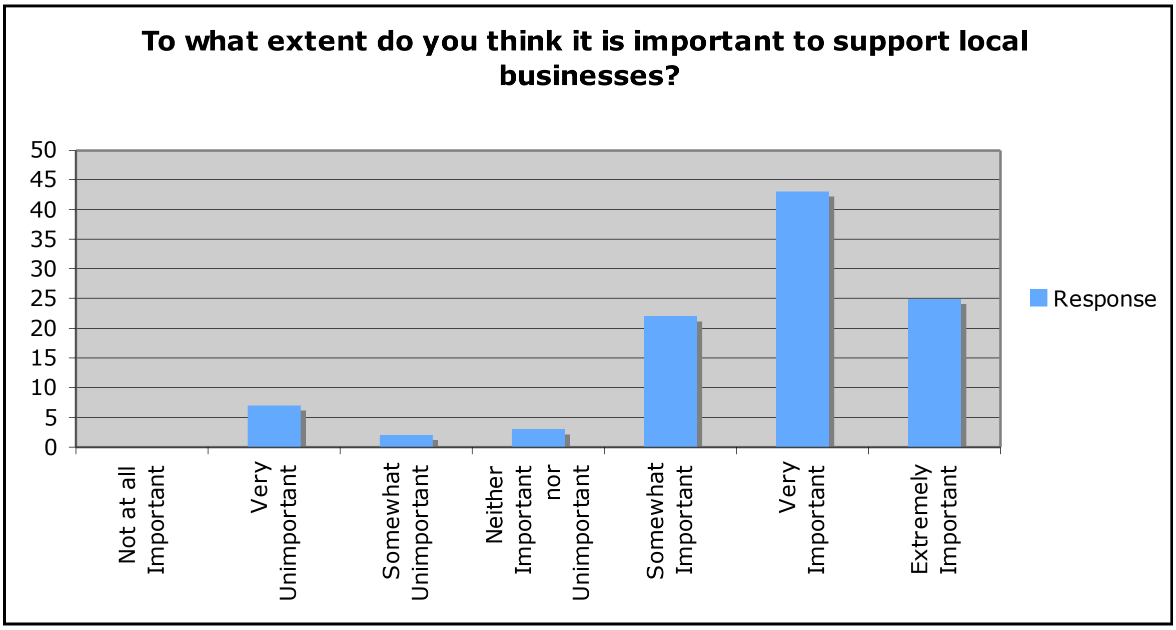

Figure 13 - Supporting Local Businesses

Figure 13 shows that generally, people feel it is very important to support local businesses. This response is somewhat surprising, as small independent businesses tend to suffer with the increase of supermarkets and other large stores. This result suggests that a product made by a local maker, sat next to an unknown maker's product is more likely to sell.

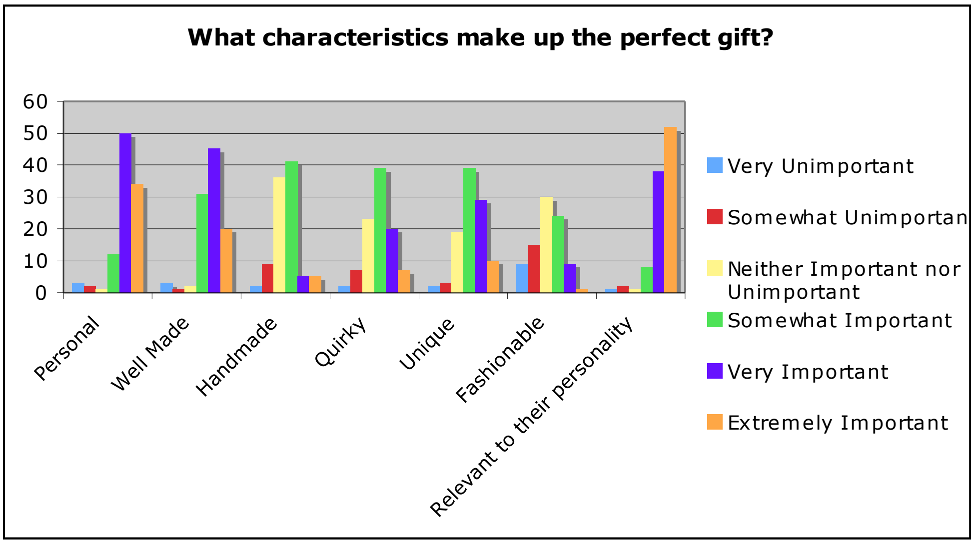

Figure 14 - The Perfect Gift

Figure 14 Shows varied results from the question 'What characteristics make up the perfect gift?'. Participants had to select how important a characteristic was from a scale of very unimportant to extremely important. The characteristics that are shown to be extremely important are that the gift is relevant to a person's personality. The results show that:

- Personal is very important
- Well made is very important
- Handmade is somewhat important
- Quirky is somewhat important
- Unique is somewhat important
- Fashionable is neither important not unimportant
- Relevant to their personality is extremely important.

These results are positive and show that consumers value characteristics in gifts, meaning they would choose one item over another if it held these characteristics. For example a product that is handmade is a more important characteristic than a product that is fashionable.

Figure 15 and 16 show a more direct approach of finding out the values of consumers. Participants were asked if they agree with the two statements. Results for both questions were similar and positive. When asked if one is more likely to buy a product from a local maker, 41% respondents answered 'neither agree nor disagree' and 38% answered 'agree'. Only 11% disagreed. This shows a positive market for Manchester Made to fit in to.

When asked if consumers are more likely to buy a product when they know who has made it or how it was made, only 6% disagreed. This is also a very positive indication of how Manchester Made will fit into the market place.

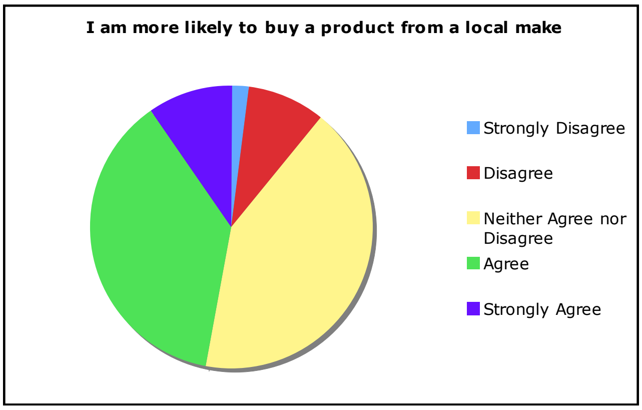

Figure 15 - Local Makers

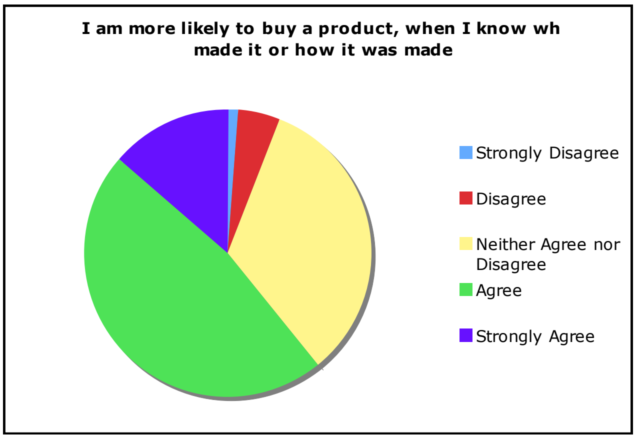

Figure 16 – Who made the product

Figure ?? shows how often consumers buy products as gifts. This will give some indication of whether there is enough demand for the products of Manchester Made. 54% of those surveyed, answered that they but products between one and three times per month.

Figure 17 – How Often do consumers buy gifts

2.7.3.1 Distribution Channels

Figure ?? shows where consumers tend to shop for gift products. The chart shows that consumers shop quite regularly in independent shops and craft shops. This shows that there is an interest in products that have a unique and alternative characteristic to them.

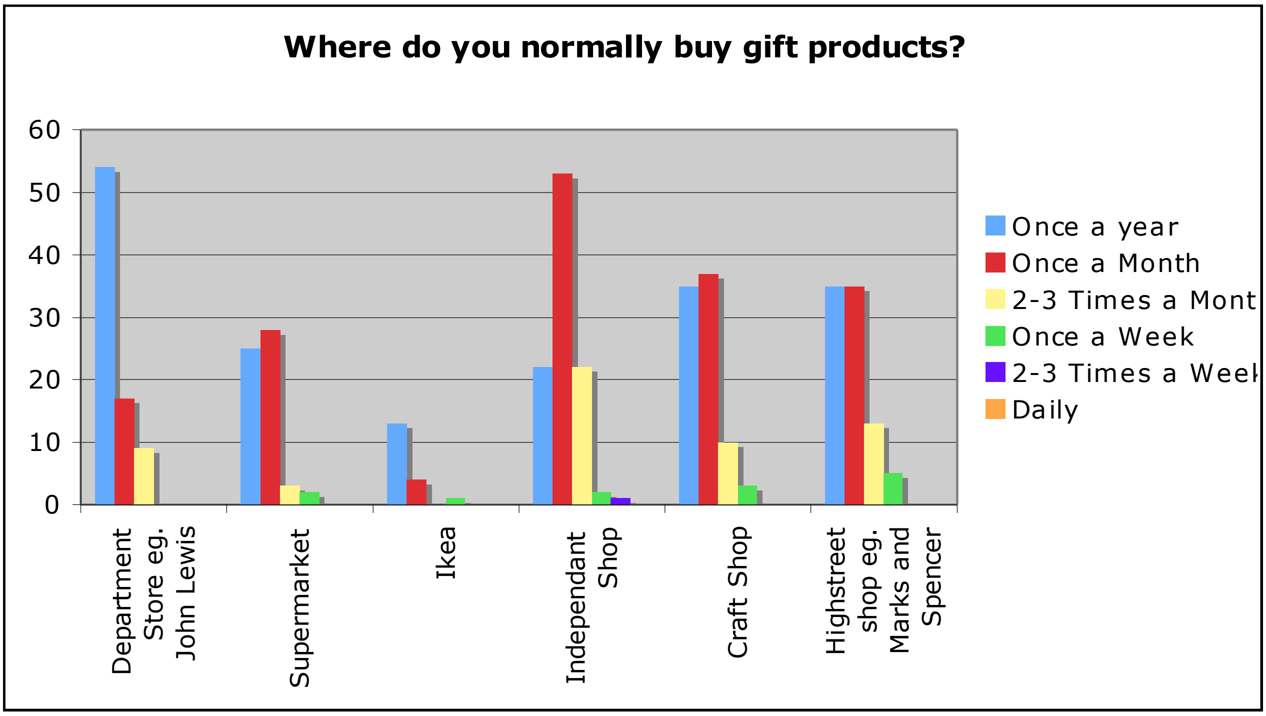

Figure 18 - Where do consumers buy gift products?

2.8 Key Market Risks

Having analysed both the macro and microenvironment, the key risks to Manchester Made, is the price rivalry between competitors. With a new product entering the market with a particular USP, competitors are forced to lower prices and come up with other promotional ideas, to regain control of the market.

CHAPTER THREE:
PRODUCT/SERVICE DEVELOPMENT

This chapter will inform the reader of how Manchester Made has progressed to date. It will outline the key challenges that have been met and how they have been overcome, and identify the implications of the commercialisation of the business. This chapter will also go on to discuss the features of the products and how intellectual property rights can protect them.

CHAPTER THREE: PRODUCT/SERVICE DEVELOPMENT

3.1 Outcome of development to date

Manchester Made is still very much at the concept stage of development. One application was made to Umbro Industries, a funding body, offering grants to businesses that support creativity in Manchester. The proposal was short listed and discussed with the panel of judges, but no offer of financial support was made. The email to inform of being short-listed can be found in Appendix 6.

3.2 Implications of commercialisation

3.2.1 Manchester Made

Manchester Made will be registered as a trademark. To register a trademark in the UK it must be possible to represent it in words and pictures. A trademark is registered for ten years, after which time it can be renewed indefinitely. The brand name 'Manchester Made' will be registered as a collection of interior products. The logo will also be protected under copyright as an artistic work

Figure 19 – Manchester Made logo

Copyright is used to prevent someone from making a copy of the logo by, for example, putting the logo on other packaging or advertising for goods or services. The main protection of the brand will be trademark protection, as it is to be used in connection with goods or services. Appendix 7 shows a full selection of logos that were considered before the final design was selected.

All aspects of the branding will be protected; this includes the logo as a whole, the font and the colours. There will be a strong element of consistency with the use of the branding which will be used on all promotional material, the website, packaging and all other areas of print including letter heading and business cards.

Figure 20 shows a design for a marketing flyer, which advertises the services that Manchester Made offers. This will be circulated around studios and other appropriate outlets in and around Manchester.

Figure 20 – Manchester Made Flyer

3.2.2 Website

Manchester Made will be mainly a web-based company. The focus of the website is making sure the customer is able to find the products they are looking for and place orders with little hassle. While it is still important to provide information on the company and handle customer feedback, it must not be at the expense of ease of use.

The website will provide a base for both designer-makers and consumers to find out the information that they need. The following two pages will illustrate the layout of the Manchester Made website.

Manchester Made logo, stays present and acts as a link to send the viewer back to this homepage.

www.manchestermade.com

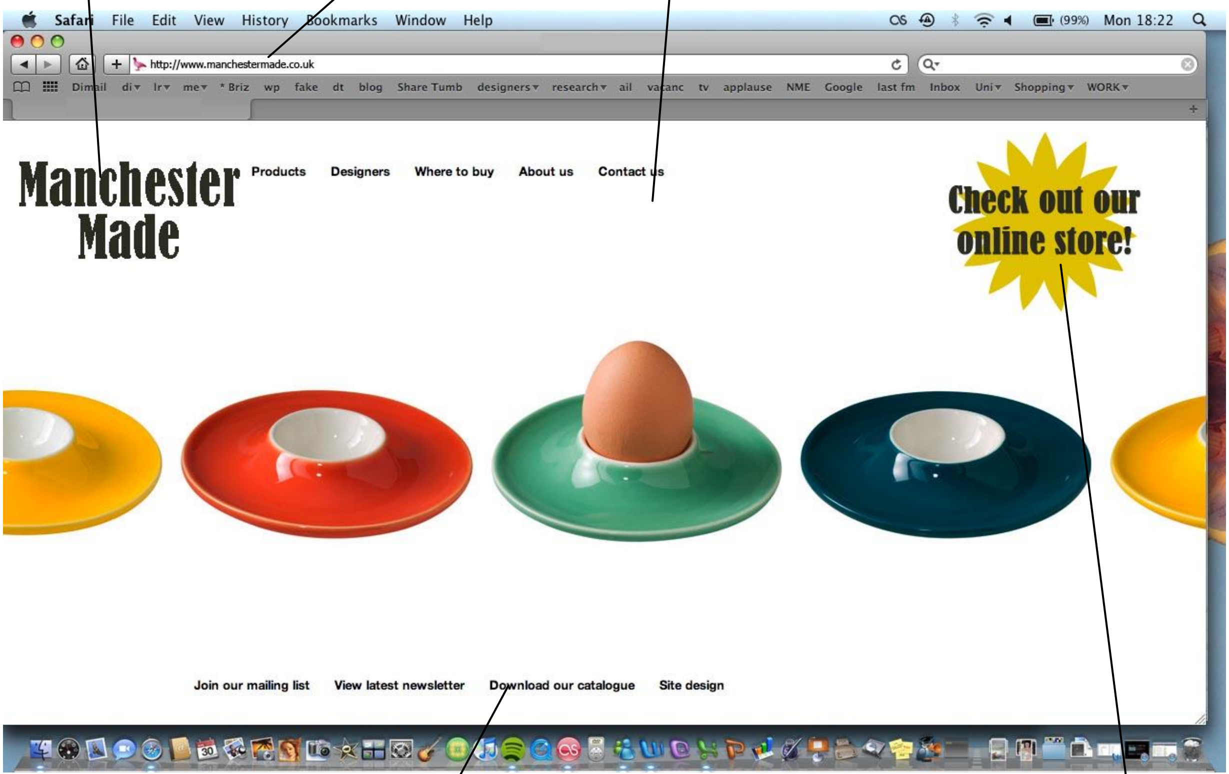

Figure 21 - Website

This link sends the viewer straight to the online shop.

The logo stays in the same position, on every page, so that the viewer can return to the homepage at any time.

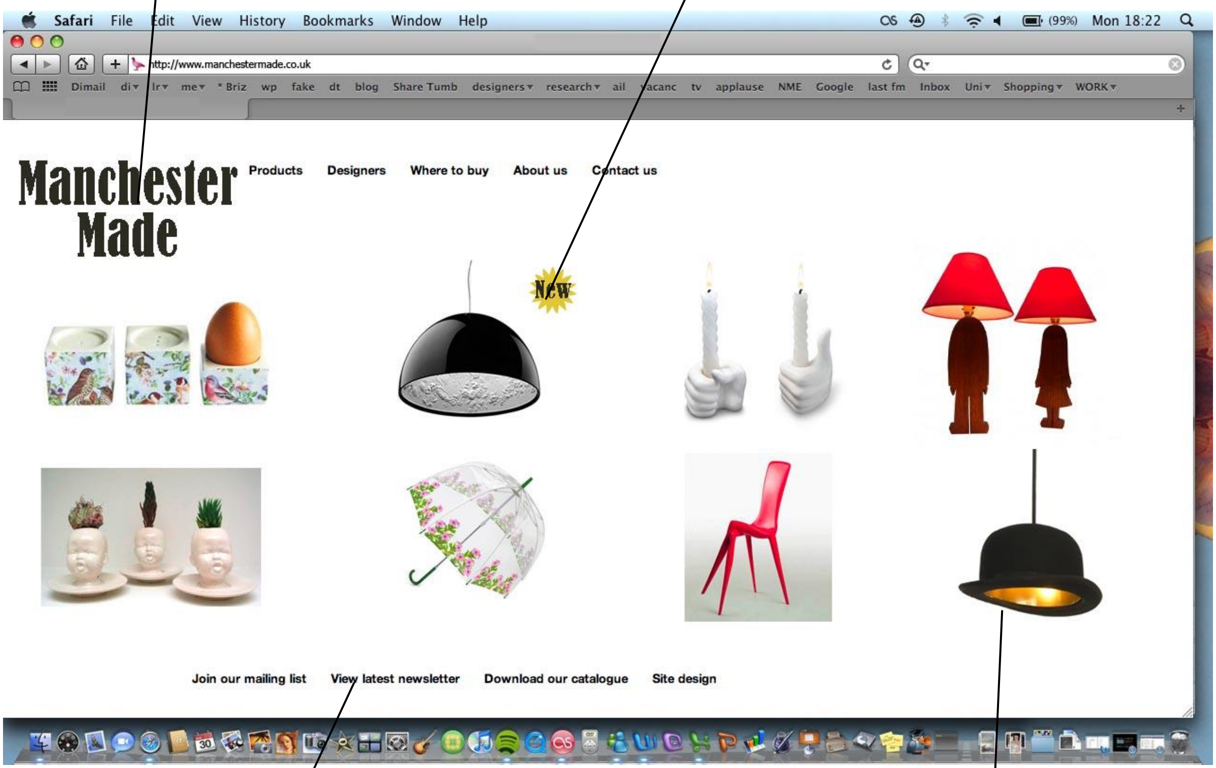

Figure 22 - Website

The menus remain in the same place so that the viewer can easily navigate the website.

Each image is a link to more details about the product, and a link to purchase the product.

3.2.3 Packaging for Retail

The Manchester Made brand will be used on all packaging, figure 23 shows packaging tags to be used on all products. When a customer buys an item of hand made craft from a gallery or craft shop, it remains unpackaged. It is presented in its natural form, as it is thought that the product speaks for itself and does not need to be over branded. Manchester Made will take inspiration from this by just using very minimal packaging. The purpose of these tag labels is to inform the consumer about what the product is and who made it. It also shows that the products are part of a collection. When the consumer purchases an item from the collection, they will also receive an information leaflet, which will give full details of how the product was designed and made, and also details about the maker.

Figure 23 - Packaging

Figure 24 shows an example of how the actual products will also carry the branding in a simple form, printed onto the product. This will include a printed name on all ceramics, and a sewed label on all textiles.

Figure 24 - Branding

3.3 How the products are protected

Manchester Made is a social enterprise, which aims to support individual makers. It will be ensured that all contracts are fair and are in the interest of the designers. Designs will either be commissioned or licensed, for a set amount of time.

3.3.1 Licence

The purpose of the agreement is for the designer to give exclusive licence to the licensee. An arrangement like this one, needs to be relatively long term, as one needs to take into account, manufacturing times and development phases. Most likely this agreement will last for around 18 months.

According to the Design Council guide to IP (Millmore, 2010), the standard situation for a piece of design work is that a client asks a designer to respond to a particular brief – that is, they commission the designer to come up with some ideas and then to develop one or more of those ideas into a final solution. That solution might be a visual identity, a product, a user interface, a piece of packaging, a process and so on. It could also be a concept, rather than a finished article. All intellectual property will remain with the designer.

3.3.2 Royalties

Manchester Made will pay the designer, for the duration of the agreement, a royalty, which will be calculated as 5% of the sales price of the product. This is discussed in further detail in the financial section of the report.

CHAPTER FOUR: COMMERCIALISATION

This chapter will outline the proposed business model for this venture. It will also identify the key resources; finances, people, equipment and assets etc, and will discuss how these will be obtained. This chapter will then go on to discuss how the business will develop over three years, and the key milestones it will pass. It will also take into consideration the changing environment and how this may affect the business in its early stages of operation.

CHAPTER FOUR: COMMERCIALISATION

4.1 Business Model

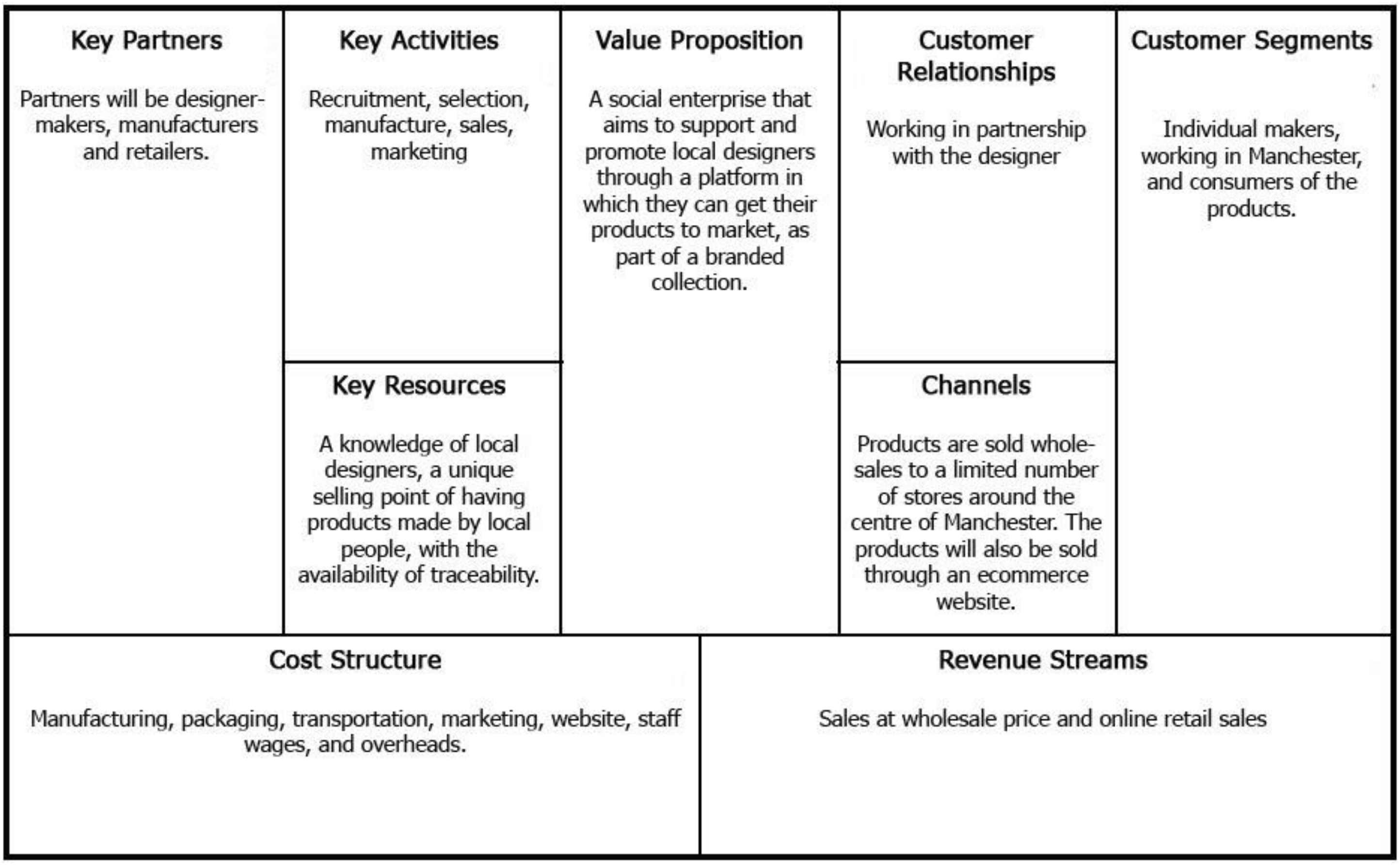

Figure 25 – Osterwalder Business Model Canvas

Figure 25 shows Alex Osterwalder's Business Model Canvas. This systematic and practical approach to outlining the business model of Manchester Made will make the components easier to decipher, as strict descriptions of the business become the building blocks for its activities. Using this business model design template, one can easily see the business model of Manchester Made.

Osterwalder's Thesis had three hypotheses about how this business model canvas is a useful tool for businesses: (Osterwalder, 2004)

1. A business model ontology based visualisation tool can help business practitioners more quickly understand a business model and the relationships behind its elements.

2. A business model ontology based tool creates a common language to address business model issues an in this regard improves communication between business practitioners.
3. Discussing business model issues with a business model ontology based tool (to understand business models) has an impact on discussion quality.

4.1.1 Infrastructure

The key activities necessary to execute Manchester Made's business model are as follows:

- **Recruitment of designers** – through marketing techniques, both online and in print, designer-makers will respond to a brief.
- **Selection of suitable products by a panel –** a panel of experts select the best designs
- **Manufactures of chosen products –** 6 successful designs are produced.
- **Sales –** Through wholesale and web sales
- **Marketing**. – Through online and print

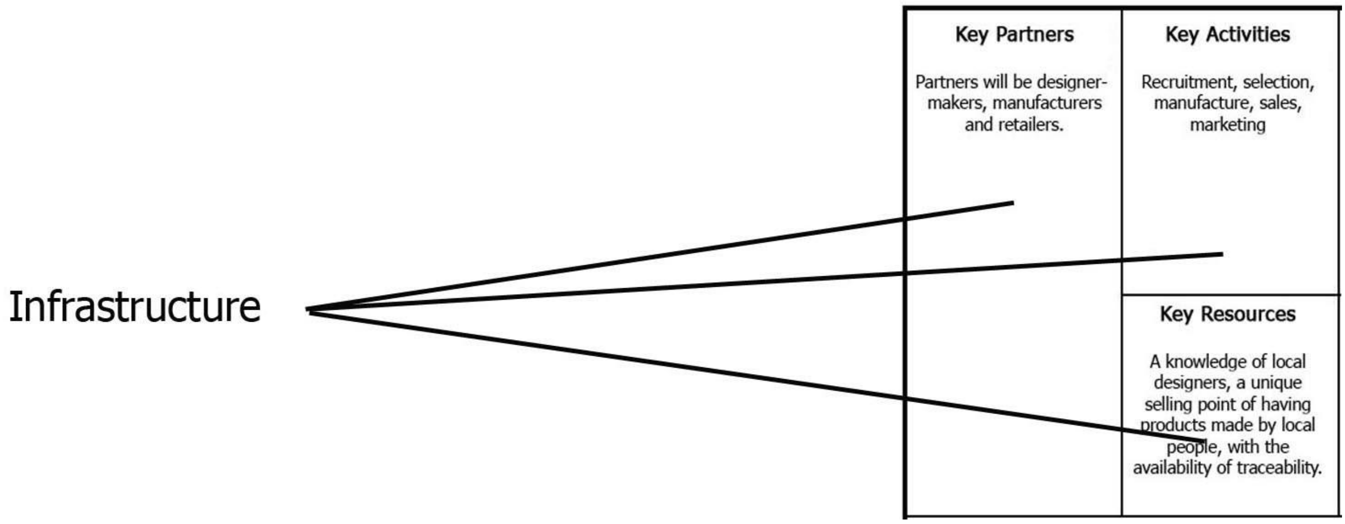

Figure 26 - Infrastructure

The resources that are necessary to create value for the customer, is knowledge of local designers, a unique selling point of having products made by local people, with the availability of traceability. The key partners are the designer-makers, manufacturers and retailers.

4.1.2 Offering

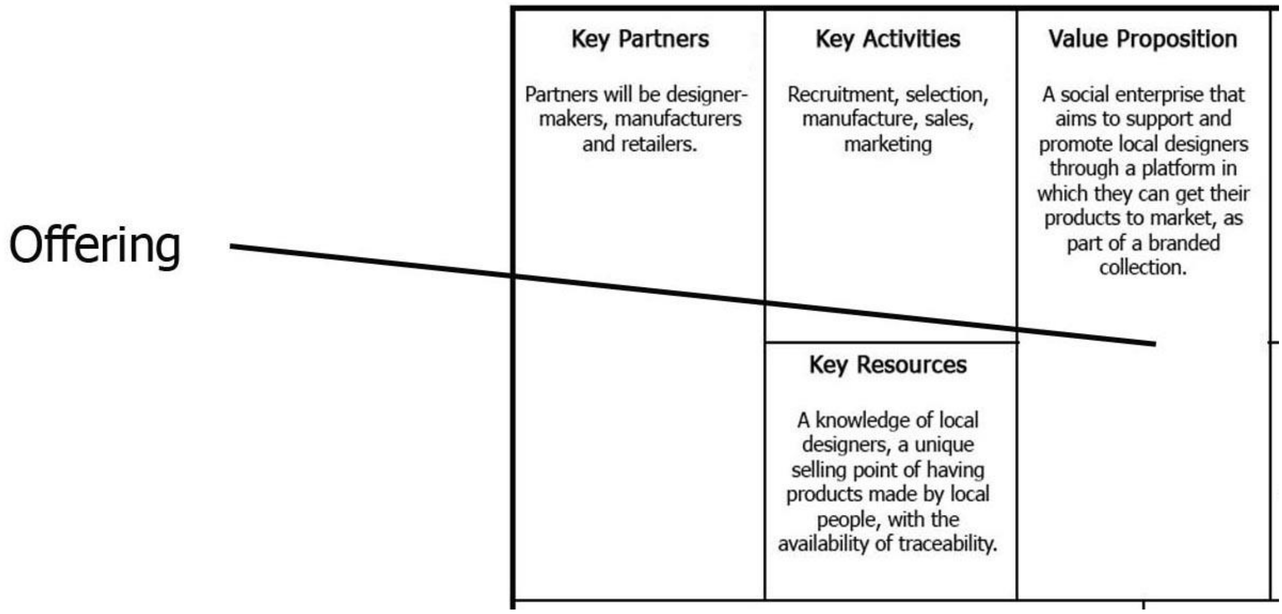

Figure 27 - Offering

Figure 27 shows the products and services Manchester Made offers. Quoting Alex Osterwalder (2004), a value proposition "is an overall view of products and services that together represent value for a specific customer segment. It describes the way a firm differentiates itself from its competitors and is the reason why customers buy from a certain firm and not from another."

Manchester Made is a social enterprise that aims to support and promote local designers through a platform in which they can get their products to market, as part of a branded collection.

Manchester Made is a non-profit, self-sustaining organisation whose aim is to improve the market for design in the Manchester. In doing this, the business will provide opportunities for local designer-makers to develop their businesses, and to broaden interest amongst consumers for high quality design.

4.1.3 Customers

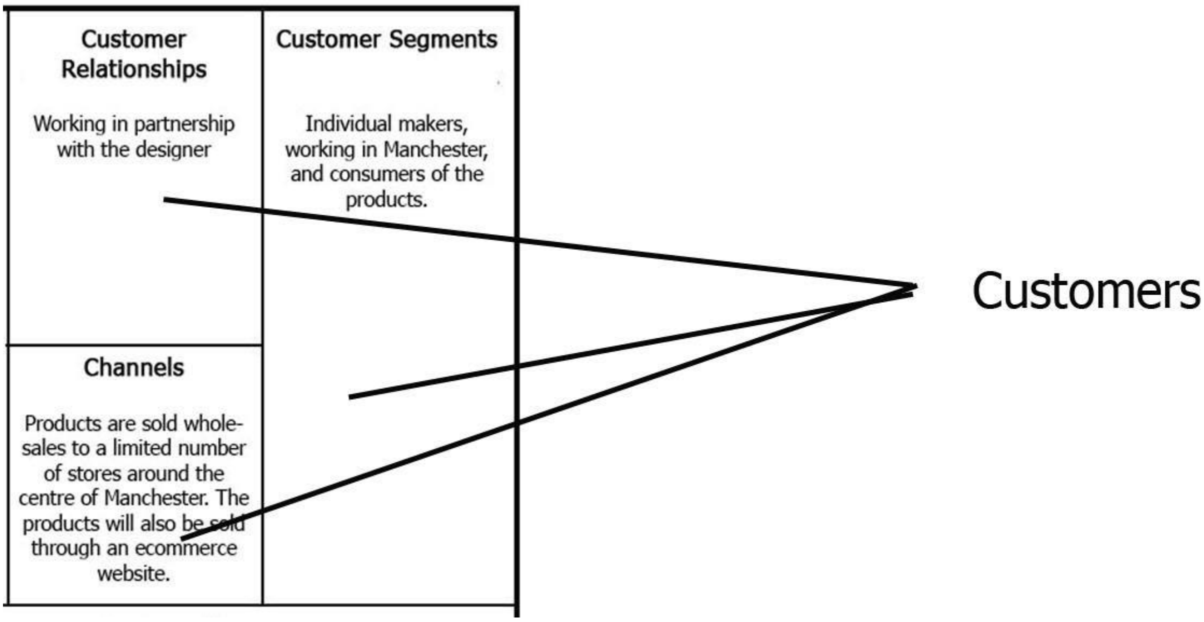

Figure 28 - Customers

The target audience for this business are in two categories:

- Individual designer-makers based in Manchester
- Consumers of interior and gift products.

The target consumers for Manchester Made's products are mainly women over the age of 40, and the target audience for Manchester Made's services, are designer-makers within the first five years of business, based in Manchester.

The channels of distribution are the means by which Manchester Made will deliver its products and services to customers. This includes the marketing and distribution strategy. Products are sold wholesale to a limited number of stores in and around the centre of Manchester. The products will also be sold through an e-commerce website

The links a company establishes between itself and its different customer segments are known as customer relationships. Manchester Made will work in partnership with the designer, working together throughout each stage of the development.

4.1.4 Finances

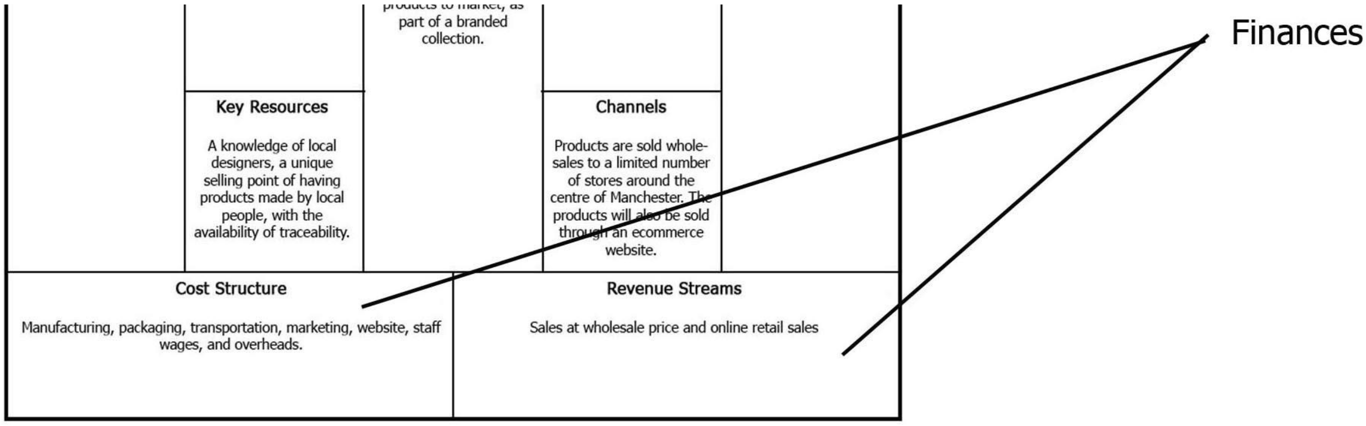

Figure 29 - Finances

This is a non-profit social enterprise, with a 'triple bottom line', which means that, other than measuring the financial success of the business, the report also takes into account economic, ecological and social factors. Manchester Made will also be used to promote creativity in Manchester and also boost the market for design in the city, Manchester Made will be eligible to receive grant funding from a number of sources.

Due to the current economic downturn and government funding cuts, Manchester Made will strive to become self-sustaining as quickly as possible, using sales from one round of products to fund the manufacture of the next.

The main costs of this venture lie in the manufacturing of the products. Other costs that need to be taken into consideration are packaging, transportation, marketing, creation of a website, staff wages, and overheads. Cash is generated through the sales of products, through both wholesale and retail through an online e-commerce website.

4.1.5 Value Chain

Figure 30 shows Michael Porter’s value chain diagram, which shows a systematic approach to examining the development of competitive advantage. It was created his book, ‘Competitive Advantage’ (1980). The chain consists of a series of activities that create and build value. They culminate in the total value delivered by an organisation. The 'margin' depicted in the diagram is the same as added value. The organisation is split into 'primary activities' and 'support activities’ as show below.

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decompressor
are needed to see this picture.

Figure 30 – Michael Porter’s Value Chain

4.1.5.1 Primary Activities

Firstly the products are received as prototypes from the designers (inbound logistics), they are then manufactured (operations), sent to the retailers (outbound logistics), the goods are marketed (Marketing and sales) and then all the after sale care including dealing with complaints etc (service)

4.1.5.2 Support Activities

Procurement is the function for all purchasing of goods and services. The aim is to secure the lowest possible price for goods but retaining the highest possible quality. The technology development stage is an important source of competitive advantage.

Manchester Made will release new products constantly to sustain competitive advantage. Human resource management is the management, recruitment and training of staff members. Strategic planning drives the firm’s infrastructure. It involves all aspects of managing the business including the accounts etc.

4.2 Development Plan

Table 5 – Gantt Chart

	3rd	17th	1st	15th	29th	12th	26th	10th	24th	7th	21st	4th	18th	4th	18th	1st
	j	j	f	f	m	m	m	a	a	m	m	j	j	jy	jy	a
Task	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
Planning																
Application for funding	■	■	■													
Application for other funding	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Market Research	■	■														
Website Design	■	■														
Website Launch			■													
Recruitment																
Creation of brief	■	■														
Announce Call for Entries			■	■											■	■
Receiving designs				■	■	■										■
Judging process						■	■									
Developed detailed marketing plan	■	■	■	■												
Manufacturing																
Design manufacturing process						■										
Develop detailed product design							■									
Test prototypes							■	■								
Manufacturing								■	■	■	■	■				
Selling																
Selling to wholesale													■	■		
Sell through website														■	■	■

Table 5 shows a Gannt chart, which illustrates the time plan for Manchester Made for the first 15 months of business. It shows four stages of the business:

- Planning
- Recruitment
- Manufacturing
- Selling

Part of the planning stage, searching for sources of funding, is marked as an ongoing event. This is because the more funding the business can attain, the easier it will be to become self-sustaining. The Gantt chart shows how the process of recruitment and manufacturing is repeated every 6 months. This is how Manchester Made will sustain its competitive advantage.

4.3 Business strategy over next three years

4.3.1 Proposed start date and timeline

The business strategy for the first three years of trading is to build the companies reputation and become self-sustaining. Expenses will be kept to a minimum, to give the business the best chance of breaking even and making enough profit to move the business forward. This time will also be used to build up a network of contacts and establish itself as a social enterprise in Manchester.

4.3.2 Key Milestones

The following is a list of business goals and milestones that Manchester Made wishes to accomplish during the first three years of operations.

- Complete set up including hiring and initial marketing.
- Host a successful launch event.
- Raise awareness in 70 percent of designer-makers in Manchester.
- Achieve a profit margin of 50 percent.
- Build a solid customer base and mailing list.
- Generate repeat sales from major retailers in Manchester.
- Establish a solid reputation.

The first major milestones will be securing funding and setting up Manchester Made as a social enterprise. Manchester Made will be established as a retail business within the Greater Manchester area.

CHAPTER FIVE:
FINANCIAL ANALYSIS

This chapter will inform the reader of the financial position of the business. As the business is almost ready to start trading, this analysis will cover the first five
years of operation.

CHAPTER FIVE: FINANCIAL ANALYSIS

5.1 Financial Position

5.1.1 Grants

Manchester Made will be largely dependant on funding from outer sources, to help the business to become self-sustaining. The funding will go towards all the start-up costs, including the website, overheads, and the first round of manufacturing.

5.1.1.1 Umbro Industries

A local source of funding is 'Umbro Industries'. This is a new initiative from Umbro geared towards giving potential Manchester based innovators the financial backing they need. "You know how it is: you've a great idea for an exhibition, a gig, a club night or project, you've got the contacts and you need to make it happen, you just need a little helping hand. That's where Umbro Industries comes in. If your idea is fresh, and your drive and devotion to create is infectious, then we'll get behind you." This is a good opportunity for local social industries to receive financial support in setting their businesses up.

For the Winter Umbro Industries, the money was shared between 'Upper Space Gallery' and 'Fink On Theatre'. Upper Space will use the £7,200 awarded to them to re-open their Manchester, which showcases the best street art and graffiti from Manchester and around the world. (Umbro Industries, 2010)

In the previous Umbro Industries, 'Mind On Fire' and 'Same Teens' were announced as the joint winners, both receiving £5,000 of funding to help support their ongoing projects and to develop new ideas. Mind On Fire are using their money to fund a series of limited edition vinyl single releases, the first of which will appear in September 2010. The singles will feature an established international artist on one side, and an upcoming Manchester act on the other. Some of the money will also be used to refresh their website.

5.1.1.2 Arts Council

Grants for the arts is an initiative funded by the National Lottery, it gives funding "for activities carried out over a set period and which engage people in England in arts activities, and help artists and arts organisations in England carry out their work." 'Grants for the Arts' gives both regular funding to organisations, and one off grants for individual activities. As this business aims to be self-sustaining, it is hoped that a one off grant at the start will allow the business to comfortable set up and continue to fund its operating.

One of the main sources for funding for the arts in England is to apply to Arts Council England. ACE can offer grants to organisations that range from £1,000 to £100,000, and can cover activities lasting up to three years. This takes about six working weeks to process applications for £10,000 or less, and 12 working weeks for applications for more than £10,000.

One of the conditions on acquiring funding from ACE is that's they expect at least 10% of the total cost of the activity to come from other sources of income, and on average, those who have been successful in applications, have raised funds worth 65% from other sources of income. (Arts Council, 2010)

According to the ACE website, other sources of income can include:

- Income earned from your activity;
- Funding from public organisations such as local authorities;
- Grants from trusts and foundations; and
- A contribution from you or your organisation.

One can apply for grants for arts-related activities running for a limited time, such as the following:

- **Projects and events.**
- **Commissions and productions.**
- Research and development.
- Activities for people to take part in.
- Audience development.
- Marketing activities.
- Education activities.
- **Buying assets such as equipment, instruments and vehicles.**
- Professional development and training, including travel grants over £1,000.

- Bursaries.
- Fellowships.
- **Organisational development to improve the long-term stability of arts organisations.**
- Residencies.
- Touring.

The points in bold type are ones that are particularly relevant for Manchester Made.

Applications are judged on a number of criteria's:

- The quality of the activity, or its ongoing effect on artistic practice (or both) and the quality of experience for audiences and those taking part.
- How the activity increases opportunities for the public to engage in arts activities.
- How the activity will be managed and its ongoing effect.
- How realistic the activity is financially, and its future effect.

Appendix 8 shows a telephone interview with Arts Council England, in which they confirmed that Manchester Made is potentially eligible for funding. The focus of the application will be on how this project will benefit the public, and the level of public engagement. This will come as Manchester Made makes craft more accessible to the average consumer; it engages the public with local makers and encourages the market for craft and design in the North West.

For the purpose of the application, there will need to also be a strong focus on the sustainability of the project and how it is a social enterprise and not a profit making business.

5.2.2.1 Manchester City Council

Funding will also be sought from Manchester City Council, The AGMA Grants Scheme, which is administered by the AGMA Grants Unit based at Manchester City Council, is a voluntary arrangement between the ten districts in Greater Manchester for determining grant assistance to non-statutory / voluntary organisations providing services of countywide relevance.

To be eligible to apply for One-off Funding organisations need to be properly constituted and operate on a not-for-profit basis. Individuals are not eligible to apply, and able to demonstrate that their activities will benefit either the whole of Greater Manchester or any part of it extending beyond the area of any particular district

5.2.3 Other Sources of Funding

- Co-op funding, organisations can apply for up to £5,000 in grant money with the condition that a loan has to be taken out as well.
- Jerwood Foundation funds organisations for a variety of different causes within the arts.
- Community Foundation, supports businesses concerned with the arts, focussed in a particular area, ie. Greater Manchester.
- Paul Hamlyn, offers grants to organisations, all applications must focus on achieving innovation and change in relation to the theme: Innovation
- Design Council – grants of £1,000 to £5,000 will be given to boost the impact of existing projects that are targeted at design buyers and users.

With charitable status, Manchester Made would be eligible for funding from more sources including:

- Foyle Foundation, funds charities with between £10,000 and £250,000 helping to make the arts more accessible by developing new audiences.
- Esmee Fairbairn Foundation, funds the charitable activities of organisations that have the ideas and ability to achieve change for the better.
- Garfield Western is a grant giving charity for registered charities.

5.3 Start up Costs

5.3.1 Website

A large contributor to the success of Manchester Made will be its marketing. Manchester Made's base platform will be the website, this is so that potential designers can find out about the enterprise, and also so that the products can be sold online to reach the widest possible audience. This website design and programming will be done by a design agency based in Manchester. This keeps within the ethos of supporting local designers.

The cost of this web design is calculated to be £1410; (Futurestore, 2010) this figure is based on an online quote, plus an example of a typical day rate for a reputable design agency (Kiosk Creative, 2010). The £1,410 will be the budget given to the design agency, who will create and host the website, working within this budget. An average day rate for design work is £705 and in that price they include all design and hosting.

In the second year of trading the website budget will be halved. This will account for any updates or changes that might need to be made to the website. It is also assumed that the design agency will increase their prices by an inflation rate of 2%. In the third year, the budget will be halved again and an inflation rate of 2% will again be added.

5.3.2 New Mac Computer

The cost of a new iMac computer is £969 including VAT. Manchester Made will need two computers.

It is assumed that the computer depreciates, by straight-line depreciation to zero over 36 months. This is calculated with the retail cost of the computer at £969.

Table 6 – Depreciation

Year	Depreciation	Net Book Value
2011	£323	£646
2012	£323	£323
2013	£323	£0

The computers are to be paid in full as start up costs, as there will be a large cash injection by a funding body.

5.4 Fixed Costs

5.4.1 Marketing

As this is a small business moving into a large market, there will be an intense focus on Marketing. For an e-commerce website, there has to be a focus on marketing to drive sales. Manchester Made will have a marketing budget of £4800 for the first year (including VAT) this will amount to an average of £400 per month, although it will be distributed with a focus on new products being released and Christmas sales. This budget can be spent on advertisements in magazines, leaflets or even a stand at a trade fair. This is quite a substantial marketing budget, which aims to gain the highest possible sales.

In the second year the marketing budget will be halved, as Manchester Made will have established itself in the marketplace during its first year. As this is a budget and not a cost, an inflation rate has not been added.

5.4.2 Wages

Manchester Made will need a minimum of two full-time members of staff to operate the business. These members of staff will be paid a salary of £13,000 each as a starting salary. Adding on the cost of National Insurance, the annual cost to the business is £12,000 per employee. In the second year the employees get a 2% pay rise, to £12,240. These figures do not include National Insurance.

The National Insurance is calculated using the following formula:

Wage inc. NI = (base wage + (base wage x NI rate))

This formula is used, assuming that the National Insurance rate for 2011 is 12.8% (Business Link, 2010) and remains the same for the second year, and third year

Table 7 - Wages

	Wages	Plus National Insurance at 12.8%
Full time staff	£ 24,000.00	£ 27,072.00
2% Rise	£ 24,480.00	£ 27,613.44

5.4.3 Office Expenses

Manchester Made will operate from an office space in Manchester city centre. The space will be an Urban Splash commercial property to rent in Ducie House, Manchester. The

office unit is 56 sq ft.
Ducie House marked Urban Splash's first commercial scheme in Manchester and is now an established city centre address for Manchester's cultural industries.

- Electricity and heating costs included in License Fee
- Insurance is included in license Fee
- Service charge is included in License Fee

The rent of this property is £140 per calendar month. (Urban Splash, 2010) During year 2 and 3, it is assumed that the rent will increase by 2% each year.

5.4.4 Telephone

Telephone line rental is not included in the rent of the office space; therefore a line rental agreement has to be drawn up. This is estimated to cost £15 per month and to include Internet access. This is based on a quote from BT of £12.79 (BT, 2010), and adding a little extra to allow for over usage of the telephone and Internet.

5.4.5 Manufacturing

As a fixed amount of products will be manufactured, it will be considered a fixed cost. It is difficult to estimate the cost of manufacturing products as it is unknown what the products will be until the recruitment process is complete and the panel has chosen the products. Therefore a formula for estimating this will have to be created.

There will be six products created at any one time. The retail price of the products will be between £20 and £200. Therefore the products can be estimated as follows:

- Product 1 - £25
- Product 2 - £30
- Product 3 - £55
- Product 4 - £65
- Product 5 - £110
- Product 6 - £180

The average retail price of a product can be estimated as £77.50

5.4.5.1 Margin

The percentage margin is the percentage of the final selling price that is profit, with margins; a 50% margin means that half the selling price is profit. Retailers usually have a 50% margin plus VAT (at 17.5%), so for example product one will be sold to the retailer for £11.49 (£11.49 x 2.175 = £24.99)

Selling Price = Cost Price / ((100 - margin%) / 100)

- Product 1 - £11.49
- Product 2 - £13.79
- Product 3 - £25.29
- Product 4 - £29.88
- Product 5 - £50.57
- Product 6 - £82.76

The average wholesale cost price of a product can be estimated as £35.63

5.4.5.2 Markup

A markup is the percentage of the cost price added on to get the selling price. There is usually a 100% mark up (having added 100% of the cost price to make the selling price)

£11.49 / 2 = £5.75 cost of manufacture per product 1.

- Product 1 - £5.75
- Product 2 - £6.89
- Product 3 - £12.65
- Product 4 - £14.94
- Product 5 - £25.28
- Product 6 - £41.38

The average cost of manufacturing a product can be estimated as £17.81

Manchester Made will manufacture 1200 units per 6 months. This will account of 200 units per design. 1000 of these units are to be sold to retailers at wholesale price. And 200 is to be sold directly through the Manchester Made website.

This means that the fixed cost of manufacturing is 1200 X 17.81 = £21,372

5.5 Variable Costs

5.5.1 Packaging

As there will be little packaging for each product, the cost of printing the labels will be assumed to be included in the manufacturing costs.

5.5.2 Fulfilment

Manchester Made will outsource order fulfilment to an outside company. This will allow staff to focus more fully on delivering the aims of the social enterprise.

BTB Mailflight (2010) provides a complete fulfilment service to a number of ecommerce businesses, as well as larger organisations and charities that also have an ecommerce shop.

The following outlines how the fulfilment services will work:

- Customers place their orders on the Manchester Made website, and payment is authorised.
- BTB receive notification of orders through web integration.
- BTB print off pick notes, and pick the orders from the stock held in the warehouse.
- BTB pack the orders using the most appropriate packaging (which they can buy cheaper at trade prices).
- BTB despatch the orders using a range of postal and courier services (across the UK and internationally).
- BTB handle returned orders, working to the Manchester Made returns procedures.
- BTB provide online access to reports so orders can be tracked.

The cost of this is worked out to be a one off start up fee of £350, followed by a rate of £2.90 per order. This quote is based on an average 200 sales per month (1200 divided by 6 months).

5.5.3 Royalties

Manchester Made will pay the designer a royalty for the duration of the project, which will be calculated as 5% of the sales price of the product. This figure is based on an average from a number of sources, in particular a Design Week article (Design Week, 2006) where Julian Sanders commented, "Royalty rates typically range between 1.5 per cent and 6 per cent". This is rate of royalty rate is fair as all IP and promotion remains in the interest of the design, and all costs are placed onto Manchester Made. Depending on how the business progresses, this figure may be reassessed.

5.5.4 Tax

One must pay VAT on all day-to-day purchases as well as anything else that is bought or invoiced. Corporation tax will also be paid on profits made.

5.6 Sales Forecast

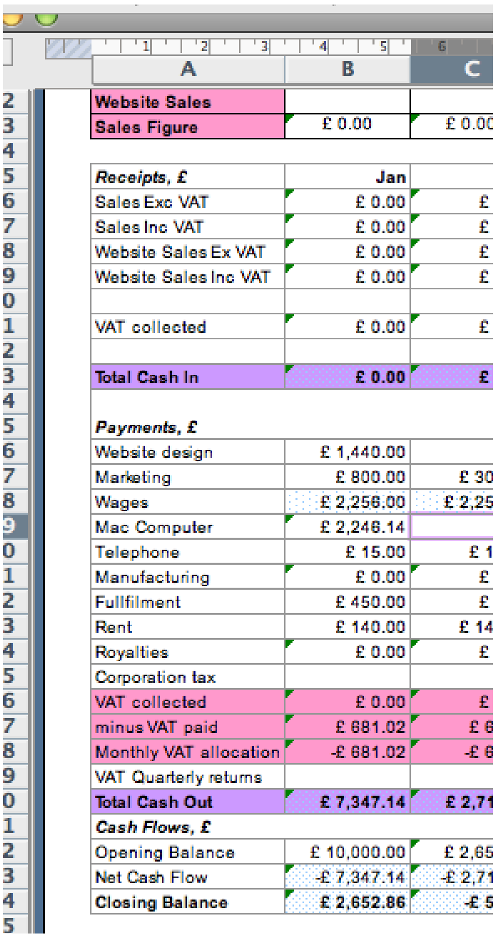
This is an estimate of the level of sales that Manchester Made aims to achieve. This will help the business to run more effectively. As this is a new business, assumptions will need to be made using a number of factors. Manchester Made is a limited edition collection that works on a 6-month rotation. Therefore manufacturing quantities will need to be a fixed amount.

Manchester Made will manufacture 1200 units per 6 months. This will account of 200 units per design. 1000 of these units are to be sold to retailers at wholesale price. And 200 is to be sold directly through the Manchester Made website.

In the first year Manchester Made will sell to; Selfridges, Harvey Nichols, Habitat and House of Fraser. It will also sell through: Manchester Made website and the designers' own websites (Through a portal to Manchester Made website)

5.7 Cash flow

Appendix 9 shows a three-year cash flow for Manchester Made. Included in the cash flow is all sales, both to retailers and direct through the website. It also included all fixed and variable costs associated with the business and all tax deductions.



A	B	C
Website Sales		
Sales Figure	£ 0.00	£ 0.00
Receipts, £	Jan	
Sales Exc VAT	£ 0.00	£
Sales Inc VAT	£ 0.00	£
Website Sales Ex VAT	£ 0.00	£
Website Sales Inc VAT	£ 0.00	£
VAT collected	£ 0.00	£
Total Cash In	£ 0.00	£
Payments, £		
Website design	£ 1,440.00	
Marketing	£ 800.00	£ 30
Wages	£ 2,256.00	£ 2,25
Mac Computer	£ 2,246.14	
Telephone	£ 15.00	£ 1
Manufacturing	£ 0.00	£
Fullfilment	£ 450.00	£
Rent	£ 140.00	£ 14
Royalties	£ 0.00	£
Corporation tax		
VAT collected	£ 0.00	£
minus VAT paid	£ 681.02	£ 6
Monthly VAT allocation	-£ 681.02	-£ 6
VAT Quarterly returns		
Total Cash Out	£ 7,347.14	£ 2,71
Cash Flows, £		
Opening Balance	£ 10,000.00	£ 2,65
Net Cash Flow	-£ 7,347.14	-£ 2,71
Closing Balance	£ 2,652.86	-£ 5

Figure 31 –Cash Flow View

It has been assumed that the retail value of sales will increase by 2% each year, but the sales volume will remain the same. For the purpose of the cash flow, it has been assumed that all 1200 units are sold. If all the products are not sold during the 6 months of trading, the items are reduced and sold at sale price through the website, and it is assumed that retailers will reduce the prices aswell (although this will not effect Manchester Made's finances).

It is also assumed that marketing and website costs will be halved in year two and halved again in year three. This is because Manchester Made will be fairly established, and will have built up a network and contacts database. It has also been assumed that staff will have a 2% pay rise and the cost of office rent will have increased by 2%.

The Cash flow shows a positive cash flow, with the business no longer operating in a deficit by the end of year three. These figures are based on Manchester Made obtaining one grant of £20,000 and no other financial support.

To improve everyday cash flow Manchester Made could:

- Ask customers to pay sooner
- Chase debts promptly and firmly
- Ask for extended credit terms with suppliers
- Order less stock but more often
- Lease rather than buy

5.8 Profit and Loss

Table 8 – Profit and Loss

Profit and Loss

Depreciation

Mac Computer	£ 323.00	£ 969.00	(depreciate to zero over 36months)
Wages inc NI	£ 27,568.00		

Operating Activities	**Year 1**	**Year 2**	**Year 3**
Wholesale Sales	29,166.67	59,500.00	60,683.33
Website Sales	12,833.33	26,333.33	26,700.00
Total Sales	42,000.00	85,833.33	87,383.33
Total Sales	£ 42,000.00	£ 85,833.33	£ 87,383.33
Cost of Sales			
Royalties	£ 4,620.00	£ 9,240.00	£ 9,240.00
Fullfilment	£ 3,830.00	£ 6,960.00	£ 6,960.00
Gross profit	£ 33,550.00	£ 69,633.33	£ 71,183.33
Fixed costs			
Office Rent	£ 1,680.00	£ 1,713.60	£ 1,747.87
Marketing	£ 4,000.00	£ 2,000.00	£ 2,040.00
Manufacturing	£ 21,372.00	£ 21,372.00	£ 21,372.00
Telephone	£ 180.00	£ 180.00	£ 181.00
Depreciation	£ 323.00	£ 323.00	£ 323.00
Wages	£ 27,613.44	28,165.71	28,729.02
Total Fixed Costs	£ 55,168.44	£ 53,754.31	£ 54,392.89
Net profit	-£ 21,618.44	£ 15,879.02	£ 16,790.44
Profit before tax	-£ 21,618.44	£ 15,879.02	£ 16,790.44
Corporation tax	-£ 4,323.69	£ 3,175.80	£ 3,358.09
Profit after tax	-£ 17,294.75	£ 12,703.22	£ 13,432.35

The profit and loss statement (table 8) is a summary of transactions in the first three years of trading. It will show if the company has made a profit or a loss at the end of each period. The operating activities include the sales, cost of sales and fixed costs. These figures are used to determine the gross and net profit using the following formulas:

Sales Revenue – Costs of Goods Sold = Gross Profit

Gross Profit – Operating Expenses = Net Profit

Corporation tax is a tax on taxable profits. The Corporation tax rate for 2010 onwards is 20% (Business Link 2010). Using the calculation of corporation tax, one can determine the Net Profit, using the following formula:

Earnings before taxes – corporation tax = Net Income

5.9 Balance Sheet

The balance sheet (Appendix 10) shows a snapshot of Manchester Made's assets, liabilities and shareholders' equity at the end of the reporting period. The following formula summarises what a balance sheet shows:

Assets = Liabilities + Shareholders' Equity

A company's assets have to equal, or "balance," the sum of its liabilities and shareholders' equity. As Manchester Made is a social enterprise, and a non-profit organisation, there is no shareholders' equity.

The only non-current assets that Manchester Made owns are the two Mac computers. This is stated on the balance sheet at its depreciated value. Current assets include the closing balance on 31st December 2011 in cash (taken from balance on the cash flow) and the stock that was paid for in September but has not yet commenced selling.

The liabilities include corporation tax, 1 month's stock, fulfilment, royalties, manufacturing and 1 month's wages.

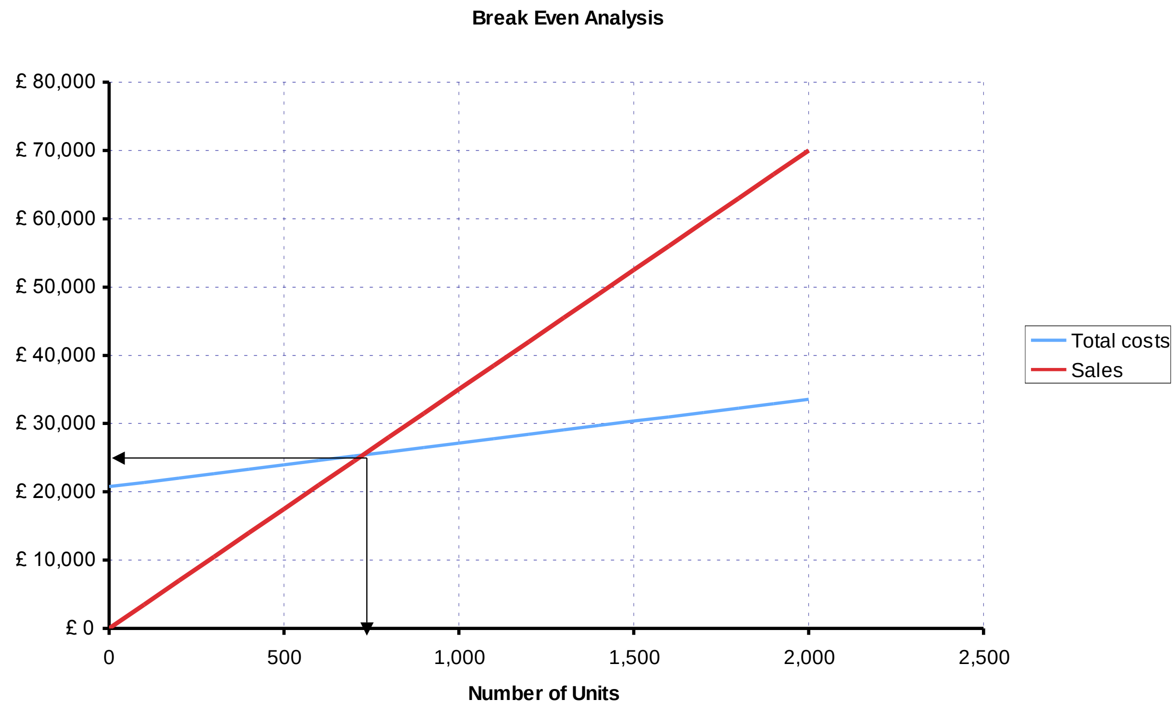


Figure 32 – Break Even Analysis

The break-even graph (Figure 32) shows the Manchester Made needs to sell 726 products per 6 months, to break even. This figure is based on first year figures, and the full table of figures can be found in Appendix 11.

5.10 Summary

The financial statements show that Manchester Made has the potential to succeed. It is difficult to predict both sales and cost of sales, when the nature of the business is that one doesn't know what products are to be made until the designer selection process has been completed.

It has also become clear that Manchester Made is very much dependant on financial support from some kind of funding body. The finances in this chapter have worked on the assumption that Manchester Made receives £20,000 in unrestricted funds. This is by no means guaranteed, but also Manchester Made will be constantly seeking funding from a number of sources, so cash injections could happen at point of trading.

CHAPTER SIX: CONCLUSIONS

This chapter will draw together all that has been learned throughout this report. It will draw conclusions as to how the business has developed and where it will go from here.

CHAPTER SIX: CONCLUSIONS

6.1 Sensitivity analysis

There are several factors that could significantly affect the cash flow, if they suddenly changed in value.

6.1.1 Wages

There are two members of full time staff, employed to manage the everyday running of Manchester Made. This makes the business sensitive to any changes to the staff circumstances, for example illness or maternity leave. The cash flow will also be affected if the member of staff leaves the company, as there will need to be a budget for recruitment a new member of staff. Also, as the business grows, Manchester Made will need to employ more members of staff.

6.1.2 Sales

Appendix 11 shows a 10% sensitivity analysis for the number of sales generated in the first year of trading. It shows how sensitive the cash flow is to change in the number of sales. A 10% rise in the number of sales, will lead an approximate £4,000 difference in profits. This is however, based on first year trading, which sees a lot of costs to the business, without making any sales until July. In the second and third year, a 10% fluctuation can see a difference of about £8000 to the profits.

This shows that Manchester Made needs to be very aware of the amount of sales that it is generating, or cuts will need to be made in expenditure. Although Mintel reports show that online sales are on the increase, there is still a high probability that there will be significant fluctuations in sales volume.

6.2 Ratios

There are several factors that it would be beneficial to monitor when Manchester Made begins trading.

6.2.1 Increase in Overheads

This calculation will take into account, increase in rent and utilities etc. These costs could drastically alter the finances of Manchester Made, if they only alter a small amount. These factors have a high sensitivity.

$$\frac{\text{Current Year's Spends} - \text{Last Year's Spends}}{\text{Last year's spends}}$$

6.2.2 Increase in Sales

This will be done over a monthly, quarterly and yearly time frame. This will allow us to find a steady increase in sales. If overall costs and inflation are on the rise, then it is wise to watch for a related increase in sales. If not, then this could be an indicator that prices are not keeping up with costs.

$$\frac{\text{Current Year's sales} - \text{Last Year's sales}}{\text{Last Year's sales}}$$

Manchester Made will also monitor how the business is progressing using tools like 'Google Analytics' to monitor the number of visitors to the website.

6.3 Evaluation

6.3.1 Project concept and USP

It has been clearly outlined that Manchester Made, is a social enterprise that's primary aim is to support individual makers to establish themselves in Manchester and further a field through a platform of a branded collection of interior and gift products.

6.3.2 Market issues

The broad business environment has been explored and examined in full. Both the macro and the micro business for Manchester Made show a positive future. The elements of the business environment that have been studied are as follows:

- Market size
- Market Growth Rate
- Market Profitability
- Industry Cost Structure
- Distribution Channels
- Key Success factors.

6.3.3 Product/service development

Manchester Made can be protected to a certain extent. All design work, both print and product, can be protected with intellectual property. Manchester Made will also have a registered domain name at www.manchestermade.com. Designing for print will be done in house as much as possible, to keep expenses at a minimum.

6.3.4 Commercialisation

Manchester Made has a strong business model and a clear development plan. The date of which the venture could start trading is solely dependant on whether Manchester Made can obtain public funding, and when it will be received. The first three years of trading will be allowing Manchester Made to establish itself in the marketplace. The aim will be to attain more retailers, and to be in a position to employ more staff so that Manchester Made can expand and become comfortably self-sustaining.

6.3.5 Analysis

The financial analysis shows Manchester Made at the point of ready to start trading. The financial forecasts show that Manchester Made has the potential to succeed and to become a self-sustaining enterprise. This however, is completely dependant on funding.

The best case scenario will be that Manchester Made receives a full grant to cover all costs and is able to set up, and become self-sustaining reasonably quickly. It will also mean that Manchester Made could employ more staff to allow the business to run smoother.

The worst-case scenario would be that Manchester Made does not receive any funding. In this case, it will not be able to begin trading. The only other sources of funding would be loans or investment. As this is a non-profit social enterprise, an investor will contradict the values of the company. Also a loan would mean that Manchester Made would take a much longer time to become self-sustaining.

In conclusion, the success of Manchester Made depends on its financing. As at the moment the UK is still recovering from a financial crisis, there may not be much funding available in 2010 or 2011. In this case, the business will wait and reapply for funding in 2012.

APPENDIX

Appendix One – PESTEL Analysis

Political

Manchester's Cultural Strategy Team was set up in April 2003, to provide a centralised focus for the implementation and development of Manchester's Cultural Strategy. This team has two goals; increasing participation in culture by the people of Manchester and using culture as a means to improve the profile of the city with the aim of attracting people to live, work and play in Manchester.

The team coordinates the work of the Cultural Partnership including the delivery of Neighbourhood Renewal Fund programmes, monitoring revenue grants to arts organisations and coordinating the Manchester Youth Arts Network. In addition, the team has responsibility for the Bridgewater Hall, the Zion Centre and Urbis and promote a technical advice service for capital cultural projects.

Work is conducted with internal and external partners seeking to maximise opportunities and benefits, share best practice and help new projects and policies to be developed. As part of the wider Cultural Services department, the team works closely with Leisure, Events, Galleries and Museums, Libraries and Theatres and increasingly with Children's Services.

The work of the Cultural Strategy team is delivered by three teams: Policy and Performance, Regeneration and Strategic Projects.

Economic

Economic factors have recently changed with the new Government and the emergency budget, put into operation in June 2010. The following changes have been made recently which could effect the operation of this business:

- Corporation Tax will be cut next year to 27%, and by 1% annually for the next three years, taking it down to 24%.
- From April 2011, the threshold at which employers start to pay National Insurance will rise by £21 per week above indexation.

- The small companies' tax rate will be cut to 20%.
- Tax relief for the video games industry will be scrapped. There will be a small reduction in rates for capital allowances – for the majority of plant and machinery the rate will fall from 20% to 18%.
- The reductions in capital and investment allowances will be delayed to April 2012, said Mr Osborne.
- The Government will create a Regional Growth Fund to provide finance for regional capital projects over the next two years and for the next three years anyone setting up a new business outside London, the South East and the Eastern region will be exempt from £5,000 of NI payments for the first 10 workers.
- On January 4 next year, the main rate of VAT will rise from 17.5% to 20%.
- The VAT rise will generate more than £13 billion a year by the end of this Parliament and zero-rated items will remain exempt from VAT over the course of this Parliament.
- Capital Gains Tax remains at 18% for low and middle-income savers but from midnight taxpayers on higher rates will pay 28%.
- The 10% CGT rate for entrepreneurs which currently applies to the first £2 million qualifying gains will be extended to the first £5 million.
- Personal income tax allowance to be increased by £1,000 in April to £7,475. Some 23 million basic rate taxpayers will gain up to £170 a year.
- The higher rate income tax threshold will remain frozen to 2013/14, with a long-term objective to increase the personal allowance to £10,000.

The current economic climate also means that less people are moving house, and so are looking more to decorating their homes, and having some unique features that allows them to feel proud of their home.

Social

These are forces that shape who we are as people, the way we behave and ultimately what we purchase. For example within the UK consumers' attitudes towards purchasing are changing. As a result of the economic downturn, the UK is seeing an increase in people making their own items, and buying items that have a homemade feel to them.

Population changes also have a direct impact on organisations. Changes in the structure of a population will affect the supply and demand of goods and services within an economy. Falling birth rates will result in decreased demand and greater competition as the number of consumers fall.

Technological

Technologies are constantly advancing, with new process and manufacturing techniques. This will allow the products to be manufactured in reasonably low quantities but still for a low cost.

The increase in online shopping gives a low cost outlet to increase sales.

Environmental

Global warming has meant increased temperatures which is leading to a greater tourism industry. Consumers also have a greater awareness of the environment and are supporting small local businesses… buy local!

Law

- Consumer laws; these laws protect customers against unfair practices such as misleading descriptions of the product. As there will be a large focus on the traceability of the products. A lot of care will have to be taken in making sure all information is correct.
- Competition laws; There are laws that will protect small businesses like this one against bullying by larger firms and ensuring customers are not exploited by firms with monopoly power.
- Employment laws; these laws cover areas such as redundancy, dismissal, working hours and minimum wages. As this will be a not for profit company, wages will be low and will also be dependant on funding and sales profit. So care will need to be taken to make sure if staff needs to be let go, that its done within the law.
- Health and safety legislation; These laws cover making sure that the workspace is a safe place to be. They also cover issues such as training, reporting accidents and the appropriate provision of safety equipment.

Appendix Two - SWOT Analysis

Strengths	**Weaknesses**
- Strong brand image - Strong USP's - Eligible for public funding - Good network of makers in Manchester - Creative and Motivated Workforce	- Will reply strongly on promotion - Reliability on public grants - Staff paid low wages
Opportunities	**Threats**
- Good potential distribution network - Trends are showing an increased popularity in handmade products. - Consumers looking for products to be proud of - Consumers are supporting local businesses.	- A new competitor could enter the market. I.e. a franchise of Hidden Art - Price wars could begin with competitors. - Competitor releases a new, innovative product or service. - Competitors have superior access to channels of distribution.

Appendix 3 - Competitors

- **Thorsten Van Elten**

http://www.thorstenvanelten.com/

Thorsten Van Elten is a producer of design; he manufactures products to form part of his branded range. Out sourcing all the production, he essentially brings together the designer and the appropriate supplier. Thorsten's ethos and attitude towards design is 'buy less and buy better.'

- **Habitat**

Habitat is a large chain of retail outlets selling home wares in the UK and Europe. They have an in-house design studio, which sets them apart from their competitors. The products are both design and manufactured by Habitat, which means that they have full control over all aspects of the creation of the products, both aesthetically and technically. Habitat often commission individual design-makers to create products for them, which they manufacture and market under the Habitat brand. These have included makers like Chris Keenan and Corina Ciscato.

- **Hidden Art Select**

Hidden Art helps designer-makers and designers "transform their passion into products." They do this through promoting and supporting members to place their products both nationally and internationally through international trade fairs, the Hidden Art E-Shop, global press coverage, Hidden Art Awards and an annual pre-Christmas Open Studios event.

Hidden Art Select invites members to submit expressions of interest for the production of a range of design collectables each year. They then aim to successfully market a range of products retail and wholesale on the Hidden Art E-shop and other outlets.

- **Craft and Design Centre**

Manchester's Craft and design Centre is situated in the heart of the Northern Quarter. It is home to 19 studio boutiques, where talented artists and designer-makers produce and sell their work to the public 6 days a week. It includes jewellers, furniture designers, interior products, ceramics, glass etc. They also have several exhibitions throughout the year, which particularly aims to support recent graduates.

- **Royal Exchange Theatre**

The Craft Shop was established in October 1981 within the Royal Exchange Theatre building. They sell quality handmade crafts by makers working across the U.K, including Manchester. The Royal Exchange also arranges a number of craft workshops throughout the year, with makers introducing customers to how they work.

- **Bridgewater Hall**

Bridgewater Hall sells unique jewellery, contemporary gifts, CDs and unusual greetings cards in the shop, some of which are made locally.

- **Noise Lab**

Noise lab is a pop-up shop in Manchester City Centre, which offers creative under the age of 30, the opportunity to sell their creative work, be it fashion, print, ceramics etc. Noise lab is a registered charity and is one parts of the organisation Noise Festival, which provides a series of events and initiatives engaging young people with the arts.

John Lewis

The Trafford Centre's John Lewis is one of the lead retailers in house wares and carries a wide range of goods extending from the functional to highly stylish. Products include cookware, tableware, cutlery, household textiles, cushions, rugs, curtains and blinds, vases, bowls, candles and candleholders, photo frames, mirrors, clocks, bedlinen, pictures, bathroom linens and accessories and lighting. Products are predominantly John Lewis-branded, but the stores also stock some of the leading house wares brands such as Meyer, Tefal, Le Creuset, Royal Doulton, Denby etc. In September 2009, the company launched its own-brand value range of 100 items, including a box of four wine glasses for £4. The range is set to grow as John Lewis communicates to customers that it can offer quality at low prices, making it every bit as competitive as the supermarkets.

Ikea

In addition to its iconic furniture ranges, IKEA offers a wide range of well-designed and functional kitchenware, tableware, household textiles, bathroom accessories and lighting products all at low, affordable prices. Each product area usually starts with a budget price point ranging up to more expensively priced goods, but still remaining in the low to mid-market category.

House of Fraser

House of Fraser in Manchester stocks many premium range brands such as Le Creuset, Dartington and Villeroy & Bosch, as well as mid-market brands like Jamie Oliver and Pyrex, but its products are predominantly under its own-label Linea brand, which covers everything from fashion to products for the home.

Debenhams

Debenhams has 'Designers at Debenhams' ranges, which are being used to create a point of difference in the home area, but the choice is by no means as wide as some of its competitors.

Marks and Spencer

All ranges are own-brand and follow the M&S brand hierarchy with the Autograph brand in tableware, cookware, bedding and home accessories. Their products target the mid- to top end of the mass market, are stylish and presented in an inspirational way. Ceiling lights cost from £5 for a Cotton Square Panel Shade right up to £99 for an Elegant Droplet 5-Bulb Chandelier.

Next

Based in the city centre, and the Trafford Centre, most of Next's home wares items are Next-branded and include some premium Next ranges under its Next Signature brand. These are accompanied by brands such as Meyer, Tefal and Le Creuset in cookware and Denby and Royal Doulton in tableware. Prices in tableware for example start at £20 for a 12-piece white porcelain dinner set, rising up to £45 for two teacups and saucers in the Denby white bone china range.

Appendix 4 - Survey

What is your age?

Under 18
19-25
26-35
36-45
45-55
Over 55

Are you male or female?

Male
Female

What is your profession?

Unemployed
Student
Arts
Sciences
Education
Health
Public Services
Other (Please State)

Where do you live? Please click carefully!
(Heat map)

Name 3 Words you would associate with the word 'Craft'

Name 3 words you would associate with the word 'Design'

To what extent do you think it is important to support local businesses?

Not at all Important
Very Unimportant
Somewhat Unimportant
Neither Important nor Unimportant
Somewhat Important
Very Important
Extremely Important

Where do you mainly buy your products for the home?

	Never	Once a year	Once a Month	2-3 Times a Month	Once a Week	2-3 Times a Week	Daily
Department store eg. John Lewis							
Supermarket							
Ikea							
Independant shop							
Craft Shop							
Highstreet Shop eg. Marks and Spencer							

Where do you normally by gift products?

	Never	Once a year	Once a Month	2-3 Times a Month	Once a Week	2-3 Times a Week	Daily
Department Store eg. John Lewis							
Supermarket							
Ikea							
Independant Shop							
Craft Shop							
Highstreet shop eg. Marks and Spencer							

What characteristics make up the perfect gift?

	Not at all Important	Very Unimportant	Somewhat Unimportant	Neither Important nor Unimportant	Somewhat Important	Very Important	Extremely Important
Personal							
Well Made							
Handmade							
Quirky							
Unique							
Fashionable							
Relevant to their personality							

How often do you buy gift products?

Never
Less than Once a Year
Once a Year
2-3 Times a Year
Once a Month
2-3 Times a Month
Weekly

I am more likely to buy a product from a local maker

Strongly Disagree
Disagree
Neither Agree nor Disagree
Agree
Strongly Agree

I am more likely to buy a product, when I know who made it or how it was made

Strongly Disagree
Disagree
Neither Agree nor Disagree
Agree
Strongly Agree

Survey Powered By Qualtrics

Appendix 5 – Survey Results

Initial Report

1. What is your age?

#	Answer		Response	%
1	Under 18		1	1%
2	19-25		51	49%
3	26-35		29	28%
4	36-45		15	14%
5	45-55		5	5%
6	Over 55		3	3%
	Total		104	100%

2. Are you male or female?

#	Answer		Response	%
1	Male		32	31%
2	Female		72	69%
	Total		104	100%

3. What is your profession?

#	Answer		Response	%
1	Unemployed		8	8%
2	Student		27	26%
3	Arts		20	19%
4	Sciences		2	2%
5	Education		11	11%
6	Health		5	5%
7	Public Services		8	8%
8	Other (Please State)		23	22%
	Total		104	100%

Other (Please State)
Retail Sector
Fashion Business
Manufacturing
warehouse manager
Engineering
Self-employed
Business
Arts + Education + Public services
Chemical Engineer
engineer
admin
engineer
design
NDPB
Housewife
Discourse
retail
manufacturing
Engineering / Manufacturing
Management consultancy
finance
Media
Commodities

4. Where do you live? Please click carefully!

Statistic	Value
Total Responses	104

5. Name 3 Words you would associate with the word 'Craft'

Text Response
wood, jewellery, art
Art, Making, Design
homemade, unique, fun
hand-made, independent, unique
handy, work, art
arts, materials, assembly
art, effort, handmade
chisel, brush, wood
art, creating, tissue paper
textiles, independent, design
art, pottery, handmade

Creativity, Personal, Fun
jewellery, embroidery, paint
Skill Artistic Create
design making items
Art make skill
Crochet knitting beads
hand-made, practical, artisan
Skilled / Creative / Passionate
Creative, art and style
Book, shop, arts
Handmade, thoughtful, unique
art, handmade, artisan
handmade, professional, unique
handmade, contemporary, design
individual, sociable, process
glue, glitter, creative
Boring Old Home-made
knife, bench, shop
Aesthetics, skill, traditional
Witch, wood and green
hand made, rustic, skill
DIY, Art &, wood
boat arts witch
artisan, handmade, luxury
textiles, ethnic, country
Home, Handmade, Feminine
Sew, Make, Glue
indie handmade homely
Create, Make, Construct
hobby, art, design
art design manual
ship hobby art
skill art handmade
hobby, art, skills
War, Art, Hobby
witch, tradition, skill
build assemble make
skill, art, tactile
painting, jar, plate
Skill, detail, art
make, create, glue
Art Make Metal
Boat Make Skill
fun, art, structured
arts, tents, pottery
Art Glue Materials
witch, arts, air
skill design artisan
Art, WItch, Vehicle
air, witch, shop
arts, diy, homemade

individual, interesting, beautiful
wool, wood, handmade
paper scissors stock
which car wood
Visiual, imaginative & creative
handmade, skill, art
handmade, skilled, materials
make skill service
skill quality creativity
arts, hobby, skill
fascinating, fun, creative
handmade / women / side-line
quirky, love, home
creative handmade sewing
Sewing Knitting Fabrics
knitting, basketweaving, woodwork
wood, art, design
folk, fun, hobby
Art, Skill, Talent
Felt, Wool, Sewing
Artizan, bespoke, folk
knitting, hand made, creativity
clay, interesting, object
difficult, learned, special
handmade quality warmth
art, tools, making
Wood, clutter, tourist
Hands, Art, Wood
art, air, witch

6. Name 3 words you would associate with the word 'Design'

Text Response
function, customer, beauty
Draw, Idea, Plot
style, architecture, modernity
ingenuity, function, brand
make, draw, blueprint
drawing, blueprint, prototype
thoughtful, unique, personal
Apple, art, clothes
art, vision, creativity
industry, considered, stylised
manufacture, mass production, clever
Technical, Architecture, Minimalist
clothes, furniture, crockery
Purpose Function Attractive
furniture fashion labels
Thought original modern

Contemporary modern desirable
graphic, plan, creativity
Creative / Progressive / Useful
comercial, product and creativity
interior, art, clothing
Modern, forward-thinking, graphical
cutting edge, art, designer
intricate, creative, innovative
concept, innovative, craft
product, functionality, slick
Lines, color, creative
Pretentious Shiny
art, graphic, computer
Modern, aesthetics, practicality
web, technology, graphics
conceptual, plan, draft
pencil, colour, shape
graphics textiles prints
innovation, process, user
urban, industrial, graphics
cool, smooth, masculin
Ruler, precise, accurate
graphic hip art
Style, Configure, Compose
idea, create, profit
outrages inovate cool
innovation clothing architect
decorative fashion interior
fashion, inovative, future
Tech, Art, Iteration
art, expense, creative
plan creativity inspiration
engineering, inspiration, planning
penthouse, magazine, museum
detail, research construction
sketch, plan, diagram
Computer Art Draw
Technology Template School
art, creative, concept
computers, web, graphics
Art Drawing Creative
technology, fashion, computer
function aesthetic sleek
Graphics, Fashiojn, Grand
art, technology, clothes
idea, considered, plan, product, production, mass production, concept
exact, thoughtful,creative
new, highprice, fashion
graphic mac adobe
car cool nice
Arts, Science & Planning

manufactured, mass, retail
products, materials, style
create ideas test
fit-for-purpose, innovation, functionality
innovation, plan, idea's
create , invent, type
professional / men / full-time
style, professional, thought
drawing solutions art
Drawing Pencil Paper
furniture, fashion, architecture
create draw fashion
style, fashion, engineering
Innovative, Inventive, New
Graphic, Warhol (Pop Art), AutoCAD
creativity, structure, thoughtful
technology, home, expensive
mac, museum, initiative
clever, considered, effective
modern clean contemporary
creative, original, innovative
Clothes, architecture, city
Computer, Ruler, Pencil
plan, idea, unique

7. To what extent do you think it is important to support local businesses?

#	Answer		Response	%
1	Not at all Important		0	0%
2	Very Unimportant		7	7%
3	Somewhat Unimportant		2	2%
4	Neither Important nor Unimportant		3	3%
5	Somewhat Important		23	22%
6	Very Important		44	42%
7	Extremely Important		25	24%
	Total		104	100%

8. Where do you mainly buy your products for the home?

#	Question	Never	Once a year	Once a Month	2-3 Times a Month	Once a Week	2-3 Times a Week	Daily	Responses	Mean
1	Department store eg. John Lewis	29	56	12	7	0	0	0	104	1.97
2	Supermarket	6	19	22	17	23	15	2	104	3.82
3	Ikea	21	75	5	2	0	1	0	104	1.92
4	Independant shop	4	37	27	20	9	5	2	104	3.15
5	Craft Shop	25	39	30	7	2	0	1	104	2.29
6	Highstreet Shop eg. Marks and Spencer	13	39	23	21	5	3	0	104	2.76

Statistic	Department store eg. John Lewis	Supermarket	Ikea	Independant shop	Craft Shop	Highstreet Shop eg. Marks and Spencer
Min Value	1	1	1	1	1	1
Max Value	4	7	6	7	7	6
Mean	1.97	3.82	1.92	3.15	2.29	2.76
Variance	0.67	2.42	0.48	1.78	1.14	1.49
Standard Deviation	0.82	1.56	0.69	1.33	1.07	1.22
Total Responses	104	104	104	104	104	104

9. Where do you normally by gift products?

#	Question	Never	Once a year	Once a Month	2-3 Times a Month	Once a Week	2-3 Times a Week	Daily	Responses	Mean
1	Department Store eg. John Lewis	22	54	18	10	0	0	0	104	2.15
2	Supermarket	44	25	29	4	2	0	0	104	1.99
3	Ikea	86	13	4	0	1	0	0	104	1.24
4	Independant Shop	2	22	54	22	3	1	0	104	3.05
5	Craft Shop	18	35	37	11	3	0	0	104	2.48
6	Highstreet shop eg. Marks and Spencer	14	36	36	13	5	0	0	104	2.61

10. What characteristics make up the perfect gift?

#	Question	Not at all Important	Very Unimportant	Somewhat Unimportant	Neither Important nor Unimportant	Somewhat Important	Very Important	Extremely Important	Responses	Mean
1	Personal	0	3	2	1	12	51	35	104	6.03
2	Well Made	0	3	1	2	31	47	20	104	5.71
3	Handmade	4	2	9	37	42	5	5	104	4.40
4	Quirky	4	2	7	23	40	21	7	104	4.77
5	Unique	0	2	3	20	39	30	10	104	5.17
6	Fashionable	14	9	15	32	24	9	1	104	3.71
7	Relevant to their personality	0	1	2	1	8	39	53	104	6.32

11. How often do you buy gift products?

#	Answer		Response	%
1	Never		0	0%
2	Less than Once a Year		2	2%
3	Once a Year		1	1%
4	2-3 Times a Year		43	41%
5	Once a Month		43	41%
6	2-3 Times a Month		14	13%
7	Weekly		1	1%
	Total		104	100%

12. I am more likely to buy a product from a local maker

#	Answer		Response	%
1	Strongly Disagree		2	2%
2	Disagree		9	9%
3	Neither Agree nor Disagree		43	41%
4	Agree		40	38%
5	Strongly Agree		10	10%
	Total		104	100%

13. I am more likely to buy a product, when I know who made it or how it was made

#	Answer		Response	%
1	Strongly Disagree		1	1%
2	Disagree		5	5%
3	Neither Agree nor Disagree		35	34%
4	Agree		48	46%
5	Strongly Agree		15	14%
	Total		104	100%

Appendix 6 – Umbro Industries

From: **Industries** (industries@umbro.com)
Sent: 17 February 2010 13:45:08
To: vibevendor@hotmail.com; jack@madferretmanchester.com; kraakgallery@yahoo.com; cma@easauk.net; fergus@dyer-smith.com; sam@samjonesproducer.com; kevjonesy@hotmail.com; beth_@hotmail.com; joe-gavin@hotmail.com; hellokreky@yahoo.com; lauren@finiteproductions.co.uk; eleanor@oddtheatrecompany.com; davidbenigson@hotmail.com
Cc: Sapna Sanghvi (SapnaSanghvi@eartotheground.org)

Hi there,

As you may already be aware, we announced the finalists for the latest round of Umbro Industries yesterday, and unfortunately your submissions weren't picked out by the panel to make it through to this Sunday's events.
However, we wanted to get in touch to let you know that we were impressed by your ideas, so much so that they made it through to the shortlist that was drawn up and then debated by the panelists.

Although it doesn't make up for the disappointment of not being picked for the final, we hoped that this might give you some encouragement to take another look at your idea and then reapply for the next Umbro Industries.

Two of the finalists chosen this time around were shortlisted previously, and have returned this time with an improved submission that's caught the attention of the panelists. Your ideas have already stood out amongst the 80 or so ideas we had submitted last time around, so you're clearly doing something right!

Best of luck with your ideas, and we look forward to hearing from you again,
Thanks,

The Umbro Industries Team

Appendix 7 – Logos

Appendix 8 – Arts Council Interview Transcript

Interview with Jonathan Barford, 27th August 2010

BH: I was wondering if I could tell you about my business, and you tell me whether it might be eligible for funding fro the Arts Council.

JB: Yes of Course.

BH: The business is called Manchester Made, and is a social enterprise, which aims to support local makers in Manchester to find routes to market through a branded collection of interior products. Its non-profit as all income goes towards funding anoher round of manufacturing.

JB: How will it engage the public in the arts?

BH: The project allows consumers to engage with designer-makers in their local area. It also allows them to buy contemporary craft without the high prices found in galleries, and so it opens up craft to a wider audience.

JB: If in your application, you emphasise that the project:

a) Engages the public
b) Is self-sustaining
c) Will benefit the local economy
d) Will advertise the arts in Manchester

Then yes I definitely think that your project will be eligible to receive funding, and it stands a good chance, as it is something different that nobody has done before.

Appendix 9 - Cash Flow

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep	Oct	Nov	Dec
Wholesale sales							1000					
Sales Figure	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 35,000.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00
Website Sales							30	30	34	33	34	39
Sales Figure	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 2,310.00	£ 2,310.00	£ 2,618.00	£ 2,541.00	£ 2,618.00	£ 3,003.00

Receipts, £	**Jan**	**Feb**	**March**	**April**	**May**	**June**	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**
Sales Exc VAT	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 29,166.67	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00
Sales Inc VAT	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 35,000.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00
Website Sales Ex VAT	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 1,750.00	£ 1,750.00	£ 1,983.33	£ 1,925.00	£ 1,983.33	£ 2,275.00
Website Sales Inc VAT	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 2,100.00	£ 2,100.00	£ 2,380.00	£ 2,310.00	£ 2,380.00	£ 2,730.00
VAT collected	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 6,183.33	£ 350.00	£ 396.67	£ 385.00	£ 396.67	£ 455.00
Total Cash In	**£ 0.00**	**£ 0.00**	**£ 0.00**	**£ 0.00**	**£ 0.00**	**£ 0.00**	**£ 37,100.00**	**£ 2,100.00**	**£ 2,380.00**	**£ 2,310.00**	**£ 2,380.00**	**£ 2,730.00**
Payments, £												
Website design	£ 1,440.00											
Marketing	£ 800.00	£ 300.00	£ 300.00	£ 300.00	£ 300.00	£ 400.00	£ 800.00	£ 300.00	£ 300.00	£ 300.00	£ 300.00	£ 400.00
Wages	£ 2,256.00	£ 2,256.00	£ 2,256.00	£ 2,256.00	£ 2,256.00	£ 2,256.00	£ 2,256.00	£ 2,256.00	£ 2,256.00	£ 2,256.00	£ 2,256.00	£ 2,256.00
Mac Computer	£ 2,246.14											
Telephone	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00
Manufacturing	£ 0.00	£ 0.00	£ 0.00	£ 21,372.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 21,372.00	£ 0.00	£ 0.00
Fullfilment	£ 350.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 2,987.00	£ 87.00	£ 98.60	£ 95.70	£ 98.60	£ 113.10
Rent	£ 140.00	£ 140.00	£ 140.00	£ 140.00	£ 140.00	£ 140.00	£ 140.00	£ 140.00	£ 140.00	£ 140.00	£ 140.00	£ 140.00
Royalties	0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 3,965.50	£ 115.50	£ 130.90	£ 127.05	£ 130.90	£ 150.15
Corporation tax												
VAT collected	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 6,218.33	£ 385.00	£ 436.33	£ 423.50	£ 436.33	£ 500.50
minus VAT paid	£ 681.02	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67
Monthly VAT allocation	-£ 681.02	-£ 66.67	-£ 66.67	-£ 66.67	-£ 66.67	-£ 66.67	£ 6,151.67	£ 318.33	£ 369.67	£ 356.83	£ 369.67	£ 433.83
VAT Quarterly returns				-£ 814.36			-£ 200.00			£ 6,839.67		
Total Cash Out	**£ 7,247.14**	**£ 2,711.00**	**£ 2,711.00**	**£ 24,083.00**	**£ 2,711.00**	**£ 2,811.00**	**£ 10,163.50**	**£ 2,913.50**	**£ 2,940.50**	**£ 24,305.75**	**£ 2,940.50**	**£ 3,074.25**
Cash Flows, £												
Opening Balance	£ 20,000.00	£ 12,752.86	£ 10,041.86	£ 7,330.86	-£ 16,752.14	-£ 19,463.14	-£ 22,274.14	£ 4,872.36	£ 4,268.86	£ 3,946.36	-£ 17,818.39	-£ 18,140.89
Net Cash Flow	-£ 7,247.14	-£ 2,711.00	-£ 2,711.00	-£ 24,083.00	-£ 2,711.00	-£ 2,811.00	£ 27,146.50	-£ 603.50	-£ 322.50	-£ 21,764.75	-£ 322.50	-£ 71.25
Closing Balance	**£ 12,752.86**	**£ 10,041.86**	**£ 7,330.86**	**-£ 16,752.14**	**-£ 19,463.14**	**-£ 22,274.14**	**£ 4,872.36**	**£ 4,268.86**	**£ 3,946.36**	**-£ 17,818.39**	**-£ 18,140.89**	**-£ 18,212.14**

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep	Oct	Nov	Dec
Wholesale sales	1000						1000					
Sales Figure	£ 35,700.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 35,700.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00
Website Sales	30	30	34	33	34	39	30	30	34	33	34	39
Sales Figure	£ 2,370.00	£ 2,370.00	£ 2,686.00	£ 2,607.00	£ 2,686.00	£ 3,081.00	£ 2,370.00	£ 2,370.00	£ 2,686.00	£ 2,607.00	£ 2,686.00	£ 3,081.00

Receipts, £	**Jan**	**Feb**	**March**	**April**	**May**	**June**	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**
Sales Exc VAT	£ 29,750.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 29,750.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00
Sales Inc VAT	£ 35,700.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 35,700.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00
Website Sales Ex VAT	£ 1,785.00	£ 1,785.00	£ 2,023.00	£ 1,963.50	£ 2,023.00	£ 2,320.50	£ 1,785.00	£ 1,785.00	£ 2,023.00	£ 1,963.50	£ 2,023.00	£ 2,320.50
Website Sales Inc VAT	£ 2,370.00	£ 2,370.00	£ 2,686.00	£ 2,607.00	£ 2,686.00	£ 3,081.00	£ 2,370.00	£ 2,370.00	£ 2,686.00	£ 2,607.00	£ 2,686.00	£ 3,081.00
VAT collected	£ 6,307.00	£ 357.00	£ 404.60	£ 392.70	£ 404.60	£ 464.10	£ 6,307.00	£ 357.00	£ 404.60	£ 392.70	£ 404.60	£ 464.10
Total Cash In	**£ 38,070.00**	**£ 2,370.00**	**£ 2,686.00**	**£ 2,607.00**	**£ 2,686.00**	**£ 3,081.00**	**£ 38,070.00**	**£ 2,370.00**	**£ 2,686.00**	**£ 2,607.00**	**£ 2,686.00**	**£ 3,081.00**
Payments, £												
Website design	£ 720.00											
Marketing	£ 400.00	£ 150.00	£ 150.00	£ 150.00	£ 150.00	£ 200.00	£ 400.00	£ 150.00	£ 150.00	£ 150.00	£ 150.00	£ 200.00
Wages	£ 2,301.12	£ 2,301.12	£ 2,301.12	£ 2,301.12	£ 2,301.12	£ 2,301.12	£ 2,301.12	£ 2,301.12	£ 2,301.12	£ 2,301.12	£ 2,301.12	£ 2,301.12
Mac Computer												
Telephone	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00
Manufacturing	£ 0.00	£ 0.00	£ 0.00	£ 21,372.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 21,372.00	£ 0.00	£ 0.00
Fullfilment	£ 2,987.00	£ 87.00	£ 98.60	£ 95.70	£ 98.60	£ 113.10	£ 2,987.00	£ 87.00	£ 98.60	£ 95.70	£ 98.60	£ 113.10
Rent	£ 142.80	£ 142.80	£ 142.80	£ 142.80	£ 142.80	£ 142.80	£ 142.80	£ 142.80	£ 142.80	£ 142.80	£ 142.80	£ 142.80
Royalties	£ 3,965.50	£ 115.50	£ 130.90	£ 127.05	£ 130.90	£ 150.15	£ 3,965.50	£ 115.50	£ 130.90	£ 127.05	£ 130.90	£ 150.15
Corporation tax												
VAT collected	£ 6,345.00	£ 395.00	£ 447.67	£ 434.50	£ 447.67	£ 513.50	£ 6,345.00	£ 395.00	£ 447.67	£ 434.50	£ 447.67	£ 513.50
minus VAT paid	£ 681.02	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67
Monthly VAT allocation	£ 5,663.98	£ 328.33	£ 381.00	£ 367.83	£ 381.00	£ 446.83	£ 6,278.33	£ 328.33	£ 381.00	£ 367.83	£ 381.00	£ 446.83
VAT Quarterly returns				£ 6,373.31			£ 1,195.67			£ 6,987.67		
Total Cash Out	**£ 10,531.42**	**£ 2,811.42**	**£ 2,838.42**	**£ 24,203.67**	**£ 2,838.42**	**£ 2,922.17**	**£ 9,811.42**	**£ 2,811.42**	**£ 2,838.42**	**£ 24,203.67**	**£ 2,838.42**	**£ 2,922.17**
Cash Flows, £												
Opening Balance	-£ 18,212.14	£ 9,326.44	£ 8,885.02	£ 8,732.60	-£ 12,864.07	-£ 13,016.49	-£ 12,857.66	£ 15,400.92	£ 14,959.50	£ 14,807.08	-£ 6,789.59	-£ 6,942.01
Net Cash Flow	£ 27,538.58	-£ 441.42	-£ 152.42	-£ 21,596.67	-£ 152.42	£ 158.83	£ 28,258.58	-£ 441.42	-£ 152.42	-£ 21,596.67	-£ 152.42	£ 158.83
Closing Balance	**£ 9,326.44**	**£ 8,885.02**	**£ 8,732.60**	**-£ 12,864.07**	**-£ 13,016.49**	**-£ 12,857.66**	**£ 15,400.92**	**£ 14,959.50**	**£ 14,807.08**	**-£ 6,789.59**	**-£ 6,942.01**	**-£ 6,783.18**

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep	Oct	Nov	Dec
Wholesale sales	1000						1000					
Sales Figure	£ 36,410.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 36,410.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00
Website Sales	30	30	34	33	34	39	30	30	34	33	34	39
Sales Figure	£ 2,403.00	£ 2,403.00	£ 2,723.40	£ 2,643.30	£ 2,723.40	£ 3,123.90	£ 2,403.00	£ 2,403.00	£ 2,723.40	£ 2,643.30	£ 2,723.40	£ 3,123.90

Receipts, £	**Jan**	**Feb**	**March**	**April**	**May**	**June**	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**
Sales Exc VAT	£ 30,341.67	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 30,341.67	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00
Sales Inc VAT	£ 36,410.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 36,410.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00
Website Sales Ex VAT	£ 1,820.75	£ 1,820.75	£ 2,063.52	£ 2,002.83	£ 2,063.52	£ 2,366.98	£ 1,820.75	£ 1,820.75	£ 2,063.52	£ 2,002.83	£ 2,063.52	£ 2,366.98
Website Sales Inc VAT	£ 2,403.00	£ 2,403.00	£ 2,723.40	£ 2,643.30	£ 2,723.40	£ 3,123.90	£ 2,403.00	£ 2,403.00	£ 2,723.40	£ 2,643.30	£ 2,723.40	£ 3,123.90
VAT collected	£ 6,432.48	£ 364.15	£ 412.70	£ 400.57	£ 412.70	£ 473.40	£ 6,432.48	£ 364.15	£ 412.70	£ 400.57	£ 412.70	£ 473.40
Total Cash In	**£ 38,813.00**	**£ 2,403.00**	**£ 2,723.40**	**£ 2,643.30**	**£ 2,723.40**	**£ 3,123.90**	**£ 38,813.00**	**£ 2,403.00**	**£ 2,723.40**	**£ 2,643.30**	**£ 2,723.40**	**£ 3,123.90**
Payments, £												
Website design	£ 720.00											
Marketing	£ 800.00	£ 300.00	£ 300.00	£ 300.00	£ 300.00	£ 400.00	£ 800.00	£ 300.00	£ 300.00	£ 300.00	£ 300.00	£ 400.00
Wages	£ 2,347.14	£ 2,347.14	£ 2,347.14	£ 2,347.14	£ 2,347.14	£ 2,347.14	£ 2,347.14	£ 2,347.14	£ 2,347.14	£ 2,347.14	£ 2,347.14	£ 2,347.14
Mac Computer												
Telephone	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00	£ 15.00
Manufacturing	£ 0.00	£ 0.00	£ 0.00	£ 21,372.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 0.00	£ 21,372.00	£ 0.00	£ 0.00
Fullfilment	£ 2,987.00	£ 87.00	£ 98.60	£ 95.70	£ 98.60	£ 113.10	£ 2,987.00	£ 87.00	£ 98.60	£ 95.70	£ 98.60	£ 113.10
Rent	£ 145.66	£ 145.66	£ 145.66	£ 145.66	£ 145.66	£ 145.66	£ 145.66	£ 145.66	£ 145.66	£ 145.66	£ 145.66	£ 145.66
Royalties	£ 3,965.50	£ 115.50	£ 130.90	£ 127.05	£ 130.90	£ 150.15	£ 3,965.50	£ 115.50	£ 130.90	£ 127.05	£ 130.90	£ 150.15
Corporation tax									£ 3,175.80			
VAT collected	£ 6,468.83	£ 400.50	£ 453.90	£ 440.55	£ 453.90	£ 520.65	£ 6,468.83	£ 400.50	£ 453.90	£ 440.55	£ 453.90	£ 520.65
minus VAT paid	£ 681.02	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67	£ 66.67
Monthly VAT allocation	£ 5,787.81	£ 333.83	£ 387.23	£ 373.88	£ 387.23	£ 453.98	£ 6,402.17	£ 333.83	£ 387.23	£ 373.88	£ 387.23	£ 453.98
VAT Quarterly returns				£ 6,508.88			£ 1,215.10			£ 7,123.23		
Total Cash Out	**£ 10,980.30**	**£ 3,010.30**	**£ 3,037.30**	**£ 24,402.55**	**£ 3,037.30**	**£ 3,171.05**	**£ 10,260.30**	**£ 3,010.30**	**£ 6,213.10**	**£ 24,402.55**	**£ 3,037.30**	**£ 3,171.05**
Cash Flows, £												
Opening Balance	-£ 6,783.18	£ 21,049.52	£ 20,442.22	£ 20,128.32	-£ 1,630.92	-£ 1,944.82	-£ 1,991.97	£ 26,560.73	£ 25,953.43	£ 22,463.73	£ 704.49	£ 390.59
Net Cash Flow	£ 27,832.70	-£ 607.30	-£ 313.90	-£ 21,759.25	-£ 313.90	-£ 47.15	£ 28,552.70	-£ 607.30	-£ 3,489.70	-£ 21,759.25	-£ 313.90	-£ 47.15
Closing Balance	**£ 21,049.52**	**£ 20,442.22**	**£ 20,128.32**	**-£ 1,630.92**	**-£ 1,944.82**	**-£ 1,991.97**	**£ 26,560.73**	**£ 25,953.43**	**£ 22,463.73**	**£ 704.49**	**£ 390.59**	**£ 343.44**

Appendix 10 – Balance Sheet 31st December 2011

Non Current Assets		
Mac		£ 1,292.00
Total		£ 1,292.00
Current Assets		
Cash	-£ 19,912.00	
Stock	£ 21,372.00	
Total	£ 1,460.00	
Total assets	£ 2,752.00	
Less Current Liabilities		
Corporation tax	£0	
Fullfillment	£2,987	January
1 month wages	£2,301	
Royalties	£ 3,605.00	
Manufacturing	£ 21,372.00	
Total current liabilities	£ 30,265.12	
Total assets less current liabilities		-£ 27,513.12
Less non-current liabilities		
Total	£ 0.00	
Net Assets		
Add Profit	-£ 27,513.12	
Total Liabilities	£ 2,752.00	

Appendix 11 – Break Even Analysis

Sales Price	£ 35.00

Royalties	£ 3.50
Fullfillment	£ 2.90
	£ 0.00
	£ 0.00
	£ 0.00
Total variable costs	£ 6.40

Office Rent	£840.00
Marketing	£2,400.00
Telephone	£90.00
Depreciation	£53.83
Wages	£13,806.00
Manufacturing	£ 3,562.00
Total fixed costs	£ 20,751.83

Number of units	Variable costs	Fixed costs	Total costs	Sales	Profit
0	£ 0	£ 20,752	£ 20,752	£ 0	-£ 20,752
100	£ 640	£ 20,752	£ 21,392	£ 3,500	-£ 17,892
200	£ 1,280	£ 20,752	£ 22,032	£ 7,000	-£ 15,032
300	£ 1,920	£ 20,752	£ 22,672	£ 10,500	-£ 12,172
400	£ 2,560	£ 20,752	£ 23,312	£ 14,000	-£ 9,312
500	£ 3,200	£ 20,752	£ 23,952	£ 17,500	-£ 6,452
600	£ 3,840	£ 20,752	£ 24,592	£ 21,000	-£ 3,592
700	£ 4,480	£ 20,752	£ 25,232	£ 24,500	-£ 732
800	£ 5,120	£ 20,752	£ 25,872	£ 28,000	£ 2,128
900	£ 5,760	£ 20,752	£ 26,512	£ 31,500	£ 4,988
1000	£ 6,400	£ 20,752	£ 27,152	£ 35,000	£ 7,848
1100	£ 7,040	£ 20,752	£ 27,792	£ 38,500	£ 10,708
1200	£ 7,680	£ 20,752	£ 28,432	£ 42,000	£ 13,568
1300	£ 8,320	£ 20,752	£ 29,072	£ 45,500	£ 16,428
1400	£ 8,960	£ 20,752	£ 29,712	£ 49,000	£ 19,288
1500	£ 9,600	£ 20,752	£ 30,352	£ 52,500	£ 22,148
1600	£ 10,240	£ 20,752	£ 30,992	£ 56,000	£ 25,008
1700	£ 10,880	£ 20,752	£ 31,632	£ 59,500	£ 27,868
1800	£ 11,520	£ 20,752	£ 32,272	£ 63,000	£ 30,728
1900	£ 12,160	£ 20,752	£ 32,912	£ 66,500	£ 33,588
2000	£ 12,800	£ 20,752	£ 33,552	£ 70,000	£ 36,448

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