

QC Collective Business Plan October 12th, 2012

Sarah Ford and Andy Skadberg
Executive Summary

The QC Collective is the portal through which the creative and entrepreneurial energies of friends and acquaintances are gathered and distributed throughout the region. By sharing our ideas and visions, promoting our goods and services, and encouraging our individual and social efforts, we create a business and network dedicated to sharing the good that is going on in our communities, while also supporting each other's dreams and aspirations.

Using a cooperative business model, we are creating a physical place for energies to gather, combined with the power of the Internet to support and promote a collaborative network. As a retail space, the QC Collective (QCC) is an innovative business featuring local handmade products and/or services. I believe that, in helping each other, we ultimately help ourselves, both as individuals and a community. When we gather and spread our collective energies, we can create a collective power for good, while creating the lives we desire to have. We can't depend on the government or corporations to fix our situations, but we can put the power back into our own hands. The QCC aims to create a network for a collaborative, cooperative, and profitable model, and keeps in mind these elements for a more robust Local Economy:

- Local Businesses: We support each other and our creative endeavors.
- Local Foods: We are aware of the source of our food, and make decisions with our values in mind;
- Local Non-Profits: We connect with groups making a difference locally, and volunteer if there is a need;
- Local Experiences: We enhance our connection to our place in space, here on the Mississippi River. We share about our recreational favorites!
- Ultimately, we empower each other to create the lives we want, not the ones the 'powers that were' want us to have. It is up to us to create the change we want to see.

Intentions for QC Collective Artists and Supporters:

- Support each other and our unique contributions, whether through purchasing products, referring others, volunteering, sharing insights, and/or building out our individual networks;
- Exchange valuable and relevant information;
- Link up to local, regional, or national resources that may enhance our endeavors;
- Share events, or plan them in this physical space;
- And feature and promote our businesses and other creative projects.

The QC Collective aims to be a working system of service to each other, the community, and ourselves, while always keeping in mind we're all in this together.

Company Description:

- Issued Illinois Department of Revenue Certificate of Registration on January 2, 2012.
- Officially opened at 101 N. Main Street, Port Byron, IL on February 22nd, 2012.

- Will pursue official LLC status in November 2012.

The QC Collective was created through an inspiration I had in December 2011 to open a retail space to showcase the artistic products of my friends, which included tie-dye clothing, aromatherapy, jewelry, photography, and paintings. Another friend owned the empty Main Street building in Port Byron, just three blocks from my house, and I decided this was my next step to incorporate my ideals and vision in helping revitalize my hometown. I was able to open up the shop within two months of the idea's inception, and with \$350 in a bank account.

The QCC is about tapping into the creative talents and aspirations of my friends, and the larger community, and this has been essential to our success. Some examples include: my friend Doug reducing the building rental rate due to his support of my vision; my friend Anna designing the QCC logo in exchange for selling her digital prints at the shop; and my friend Dustin providing free printing services in exchange for promoting his business. Creative collaboration and networking will continue to be a part of this business, and the "people, planet, profit" model is our guide.

The retail shop works as a cooperative, with three different options for artists to sell in the space. The first is a rental payment of \$20 a month, and 20% consignment on monthly sales. The second is no rental payment, but 40% consignment on sales. The third option is reducing rental or consignment sales by \$5.00 or 5%, in exchange for four hours of volunteer work at the shop per month. This option will be available to artists who have been engaged with the shop for three months, and who have with discretion

Product and Service:

The QC Collective is a retail shop featuring locally made arts and crafts, or other locally sourced goods. I had seven artists selling at the shop when I opened in February 2012, and eight months later, I have over 52 artists represented in the shop. There are a variety of products: a wide array of jewelry, tie-dye clothing, photography, paintings, hair accessories, aromatherapy oils, gemstones, knitted hats and gloves, vinyl decal wall art, garden bugs, purses, woodcraft, soaps, linens, cotton napkins, dog bandanas, handmade cards, flower wreaths, sarongs, wind chimes, glass flowers, tutus, light catchers, books from local authors, wooden toys, jean lap quilts and rugs, hula hoops, doilies, Mississippi mud paintings, bird baths, illustrations, candles and more, as well as seasonal items.

My philosophy is to be open to community members sharing their gifts and talents, whatever they may be. I am happy to provide friends and community members a place to showcase their talents and help them earn some extra money by doing what they love to do. I am also excited to fill a niche in the community by providing a stable location with regular hours for local artists to sell, and for customers to support.

I also believe that part of the shop's appeal is having a photograph and biography of most of the artists. I find it gratifying to help make that connection between the buyer and the seller, even if they can't meet in person. The customer knows that the money they are investing will go to a local person, as well as keeping a local business open. The buyer can get a sense of the artist by viewing their biography, and appreciate the time and local talent that went into their product. Appreciation and gratitude are

I started the QC Collective as a way to provide locally made goods to the community, and to provide an alternative to the Big Box retailers. Buying local is recognized as a way to revitalize

communities, empower individuals, improve quality of life, and contribute to a strong local economy. I believe the grassroots efforts-- the neighborhood and community based initiatives-- are the essential components to a thriving and progressive community

Market Analysis:

Our market focus is on the socially conscious customers who want to purchase products and services from locally-based businesses. These are the people concerned about the products of companies whose business practices do not benefit the people producing the products; who exploit the natural resources and cause environmental harm; who outsource jobs that could be supported in the United States; who value planned obsolescence over quality; who pollute ship from thousands of miles away.

There is a growing awareness, concern and interest in wanting to support locally produced products and services, and that niche is currently open in the Quad Cities. There were two other businesses primarily featuring the works of local artists-- Mudpuddle Roo in Moline, IL and The Crow's Nest in Davenport, IA.

Our market is the entire Quad Cities region, and our primary customers are people who are interested in purchasing locally produced, quality arts and crafts, and who are aware that they are supporting members of their own community. Being located in the downtown district of Rock Island, where an initiative is underway to revitalize the downtown district, we expect to draw from other businesses and attract visitors from other cities.

We have been in business for eight months, and have utilized a number of marketing methods including our website, a Facebook page, Craigslist ads, one newspaper ad, attending festivals and events, distributing postcards, two special interest stories (one in The Dispatch, one in The Review) and word-of-mouth advertising. We plan to offer a quarterly newsletter, participate in downtown Rock Island festivals, and collaborate with other creative initiatives, such as Eco Arts Salons through the Eco Arts Council of the Quad Cities.

Web Plans

Management Team:

Sarah Ford is the founder and visionary behind the QC Collective. As an independent journalist for the Dispatch/Argus and Radish Magazine, she has written numerous articles on key topics related to creative endeavors, environmental initiatives, and human interests. The QC Collective evolved from her passion to be active in her community, to live out her ideals, and to inspire others to pursue their dreams. Sarah received her BA from St. Ambrose University in 2009, majoring in English and Philosophy, and completing minors in Writing and Environmental Studies. She has served as an elected official as Port Byron Township Clerk since 2009, and has been active in the Planning and Zoning Committee since 2008. She completed two years of AmeriCorps service through Big Brothers Big Sisters of the Mississippi Valley. When her contract expired, she realized it was up to her to create the change she wished to see; thus, the QC Collective was born.

Dr. Andrew Skadberg's professional career and experiences have involved many roles and responsibilities in rural economic development, environmental conservation and tourism. Over time, he has gained recognition as an expert on rural issues and solutions, the development of technology tools, and the use of the Internet for the development of information and educational resources to support business development, with an emphasis on the "rural - urban nexus".

Before returning to Texas A&M, Andy helped found AdventGX, a start-up tourism consulting company that spun out of Texas A&M University. More specific to the QC Collective, Andy was the Assistant Director for the Texas Parks & Wildlife Gift Collection catalogue for about five years from 1993-1998. An entrepreneurial venture of the Texas Parks and Wildlife Dept. the business began in an empty warehouse in 1993 and within 4 years was up to a 36 page, full-color catalog featuring more than 150 products, primarily focused on Texas artisans and craftspeople. Andy performed all tasks for the business including warehouse, customer relations, copywriting, managing computer systems and packing thousands of boxes being shipped via UPS. Total sales for the TPWD Gift Collection in the final year was over \$1.5 million. Andy is excited to be part of Sarah's vision to create new ways to gather and support friends, and to stimulate new business. The QC Collective, he believes, represents the essence of what is going to transform the world - vision, passion, creativity and cooperation.

Financial Analysis:

Addendum – more details about marketing, advertising and Web strategies

After nine months of operation we have learned that this model for business development can be successful and grow. We have been using a simple consignment model up until this point but in conjunction with the move to Rock Island we are ready to implement a more cooperative approach, however giving the artists and craftspeople the option for how they want to participate. Our preference is to have all of the artists be part of the cooperative as we intend to expand into other areas of business as part of larger regional strategy related to Dr. Skadberg's work with tourism and regional development.

As part of the process of shifting to the cooperative we will be creating two brochures 1) to invite and describe the cooperative model to potential members (artists), and 2) for the public. The first brochure will describe "added-value" that we can offer through the cooperative to its members including a variety of services such as assistance with getting a web presence, packaging, festival/event participation, etc. All of these offerings will be in addition to sales associated with the QC Collective, but will be aimed at expanding our "word-of-mouth" and networking marketing strategies which we have found to be the most important for the Collective. The second brochure will be less informational and will target retail customers, but will also provide some information about our unique business model. All of this information will be included on our Web site in digital form which we will utilize via the various social and collaborative networking sites that we are working with, and always researching for getting the word out about the QC Collective and future cooperative strategies. The following description provides the basic template that we are using for developing both of these brochures.

Create a Brochure that Sells!

Your business brochure is a key marketing tool.

- ★ **The top front 1/3 must "hook" the reader.** This is often the only part that shows in a brochure rack, so it must be exciting.
- ★ **How do customers describe you?** Use testimonials (quotes from former customers).

- ★ **Make an emotional connection.** Use text and photos that include people enjoying what you are selling.
- ★ **Tell highlights and specifics, such as price, times, etc.** How much detail is required? Remember the brochure is meant to get them to 1) call 2) attend 3) buy/ pay to attend.
- ★ **Use design to strengthen your message.** Use fresh, updated photography that tells a story. Choose a typeface that is distinctive and easy to read against your background color/image. Make sure the size fits the rack!
- ★ **Maps. Maps. MAPS!** Where are you in the world, state, county, city, etc.? Include a map to your site, meeting point, etc. Include a reference to a landmark they can see from the road.
- ★ **Tell them how to get additional information** — phone, email, Web address, mailing address.
- ★ **Create a complete package** so it is easy to say “Yes.” Consider needs for people to sleep and eat.
- ★ **Inquiry** (flyers, etc. intended to stimulate calls for information) **and fulfillment pieces** (intended to complete payment/reservation, what they get when they call for more info) should be consistent in style and information.
- ★ **Your text and photos should sell the experience!** Sell the enjoyment of riding a boat, not the ticket; sell the enjoyment of your dining experience, not just eating a meal.

Soon we will also be conducting surveys of our customers to better serve them and to increase sales. Andy Skadberg has conducted many surveys in many contexts which will provide useful information about what people are looking for which we can then use to target those markets specifically.

QC Collective Web site, social media and collaboration

The usefulness and power of our QC Collective Web site and Facebook presence for marketing and other purposes is very important to our overall strategies. Of all of the ways to promote a business, the Internet provides the most useful and cost-effective ways to inform and attract your customers and answer their questions. We intend to work with other technologies such as smart phone and tablet applications in the next year. Until this time we have been conducting research and gathering information about other networks and resources in the Quad Cities that will bring value to our customers and to our cooperative members (these two groups can have significant overlap).

We see our online efforts as the most important way to leverage our marketing plans. We have begun to identify other businesses and community organizations (e.g. chambers of commerce, regional tourism groups) to create “links” to their Web sites, cooperating with them to promote our shop and also, potentially, as a tourist destination. These linkages then create new “doorways” for people to find our business on the Web.