

business modeling options

Based on the business consultation process, the artist roundtable feedback, and the pitch session with Stagehand, we adapted the business model to fit the recommendations. Key changes to this model include:

- **Increased expense projections.** We have added and/or increased some expense lines to more conservatively project expenses.
 - The staffing costs have been increased to more accurately reflect the administrative needs of the program, especially as they relate to community outreach.
 - Lawyer fees have been added as upstart costs in year one to overlook licensing agreement templates.
 - A publicity line has been added, namely as an incentivizing tool for venue partners who see brand awareness as attractive.
 - Technical labour fees have been added to better reflect time needed to outfit each new space, as well as site activations labour.
 - Artist activation fees have been added, which will be used to commission artists to create site activations for venue partners seeking tenant experiences.
 - Utility fees have been decreased, now accounting for only 30% of all spaces. This is based on the comment that utilities amount for a small percentage of larger institutions' budgets, and thus do not amount to a significant incentive for their participation. Since utilities amounted to a very large percentage of our operating budget, we have opted to only offer this incentive to a minority of landlord partners.
 - Digital platform licensing fees have been decreased to reflect Stagehand's projections.
 - Additional gear costs have been added to the kit of parts.
 - A materials line has been added to reflect costs of animating spaces.

- **A more robust revenue model.** By adding in additional revenue sources, the model remains sustainable despite increased expense projections.
 - Artist rental fees have been changed to weekly rates to lower the administrative burden, with the tiered rates now sitting at \$350, \$700, and \$1,050 per week.
 - Additional artist rental fees were added for projector rentals.
 - A corporate weekly rate was added, at \$2,100 per week for 10% of available space, to help offset the lower artist rental rates.
 - Occupancy projections have been lowered to a more conservative 77%.
 - An additional programming revenue line has been added, for larger institutional partners who are looking for site activations/tenant experiences and are willing to pay the broker for these services.

Space Project Adjusted Business Model

Account	Sub-Account	Gain/(Loss)	Price	Time	Spaces (Y1)	Spaces (Y2)	Spaces (Y3)	Spaces (Y4)	Spaces (Y5)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
										-\$41,600	\$46,800	\$100,200	\$100,200	\$100,200	\$305,801
Revenues			<i>Price</i>	<i>Time</i>	<i>Spaces (Y1)</i>	<i>Spaces (Y2)</i>	<i>Spaces (Y3)</i>	<i>Spaces (Y4)</i>	<i>Spaces (Y5)</i>	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Earned Revenue															
	Rentals	Artist Weekly Tier 1 - \$5/hr x 10 hours x 7 days	\$350	40	3	6	9	9	9	\$42,000	\$84,000	\$126,000	\$126,000	\$126,000	\$504,000
		Artist Weekly Tier 2 - \$10/hr x 10 hours x 7 days	\$700	40	3	6	9	9	9	\$84,000	\$168,000	\$252,000	\$252,000	\$252,000	\$1,008,000
		Artist Weekly Tier 3 - \$15/hr x 10 hours x 7 days	\$1,050	40	3	6	9	9	9	\$126,000	\$252,000	\$378,000	\$378,000	\$378,000	\$1,512,000
		Artist Weekly Projector Rentals	\$50	40	2	4	6	6	6	\$4,000	\$8,000	\$12,000	\$12,000	\$12,000	\$48,000
		Corporate Weekly Rate - \$30/hr x 10 hours x 7 days	\$2,100	40	1	2	3	3	3	\$84,000	\$168,000	\$252,000	\$252,000	\$252,000	\$1,008,000
		earned revenue subtotal								\$340,000	\$680,000	\$1,020,000	\$1,020,000	\$1,020,000	\$4,080,000
Public Revenue															
		public revenue subtotal								\$0	\$0	\$0	\$0	\$0	\$0
Private Revenue															
	Venue Partners	Programming/Activations Fee	\$1,500	12	7	14	21	21	21	\$126,000	\$252,000	\$378,000	\$378,000	\$378,000	\$1,512,000
		private revenue subtotal								\$126,000	\$252,000	\$378,000	\$378,000	\$378,000	\$1,512,000
Other Revenue															
		other revenue subtotal								\$0	\$0	\$0	\$0	\$0	\$0
Total Revenue										\$466,000	\$932,000	\$1,398,000	\$1,398,000	\$1,398,000	\$5,592,000
Expenses			<i>Price</i>	<i>Time</i>	<i>Spaces (Y1)</i>	<i>Spaces (Y2)</i>	<i>Spaces (Y3)</i>	<i>Spaces (Y4)</i>	<i>Spaces (Y5)</i>	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Operating Costs															
	Personnel Fees	Project Manager								\$25,000	\$50,000	\$75,000	\$75,000	\$75,000	\$300,000
		Operations Coordinator								\$50,000	\$75,000	\$100,000	\$100,000	\$100,000	\$425,000
		Program & Community Outreach Coordinator								\$50,000	\$75,000	\$100,000	\$100,000	\$100,000	\$425,000
		Lawyer Consultation								\$10,000	\$0	\$0	\$0	\$0	\$10,000
		Publicist								\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
		Venue Installation Labour	\$500		10	20	30	30	30	\$5,000	\$10,000	\$15,000	\$15,000	\$15,000	\$60,000
		Artist Activations	\$1,000	12	7	14	21	21	21	\$84,000	\$168,000	\$252,000	\$252,000	\$252,000	\$1,008,000
	Venue Costs	Rentals	Monthly	\$0	-	-	-	-	-	\$0	\$0	\$0	\$0	\$0	\$0
		Utilities	Monthly	\$1,500	12	3	6	9	9	\$54,000	\$108,000	\$162,000	\$162,000	\$162,000	\$648,000
	Digital Platform	Creation/Partnership								\$25,000	\$0	\$0	\$0	\$0	\$25,000
		Licensing Fee								\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
	Materials	Kit of Parts	Overall (per 10 spaces)	\$18,530	1	2	3	3	3	\$18,530	\$37,060	\$55,590	\$55,590	\$55,590	\$222,360
			Per Space	\$2,107	10	20	30	30	30	\$21,070	\$42,140	\$63,210	\$63,210	\$63,210	\$252,839
		Signage		\$50	10	20	30	30	30	\$500	\$1,000	\$1,500	\$1,500	\$1,500	\$6,000
		Key Duplication		\$100	10	20	30	30	30	\$1,000	\$2,000	\$3,000	\$3,000	\$3,000	\$12,000
	Running Costs	Freight & Transport		\$250		10	20	30	30	\$2,500	\$5,000	\$7,500	\$7,500	\$7,500	\$30,000
		Activation Materials		\$500	12	7	14	21	21	\$42,000	\$84,000	\$126,000	\$126,000	\$126,000	\$504,000
		Local Transport		\$250		10	20	30	30	\$2,500	\$5,000	\$7,500	\$7,500	\$7,500	\$30,000
		Covid Supplies	Monthly	\$50	12	10	20	30	30	\$6,000	\$12,000	\$18,000	\$18,000	\$18,000	\$72,000
		Cleaners & Supplies	Weekly	\$150	52	10	20	30	30	\$78,000	\$156,000	\$234,000	\$234,000	\$234,000	\$936,000
		operating costs subtotal								\$485,100	\$840,200	\$1,230,300	\$1,230,300	\$1,230,300	\$5,016,199
Administration Expenses															
	Other Admin Expenses	Insurance								\$2,500	\$5,000	\$7,500	\$7,500	\$7,500	\$30,000
		Liability								\$2,500	\$5,000	\$7,500	\$7,500	\$7,500	\$30,000
		administrative expenses subtotal								\$2,500	\$5,000	\$7,500	\$7,500	\$7,500	\$30,000
Contingency															
		reserve for Misc Expenses								\$20,000	\$40,000	\$60,000	\$60,000	\$60,000	\$240,000
		contingency subtotal								\$20,000	\$40,000	\$60,000	\$60,000	\$60,000	\$240,000
Total Expenses										\$507,600	\$885,200	\$1,297,800	\$1,297,800	\$1,297,800	\$5,286,199
Gain/(Loss)										-\$41,600	\$46,800	\$100,200	\$100,200	\$100,200	\$305,801
ROI %										-8.2%	5.3%	7.7%	7.7%	7.7%	5.8%