

Ed Scott

COM 538

Business Plan

Gordon Gehrs

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Eureka! Creative Solutions

Business Plan

Ed Scott

Illinois Institute of Technology

Humanities Department

escott8@iit.edu

www.ed-scott.com

1717 S. Prairie Avenue

Apt. 1407

Chicago, IL 60616

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Executive Summary

This plan highlights the potential of Eureka! Creative Solutions (ECS), a proposed small business. ECS will specialize in marketing and technical copywriting for businesses, institutions, organizations, and individuals. The owner's strengths lie in copywriting but the business will offer basic design and publication management services as well. As the owner improves his skills in those areas, or finds competent partners, ECS will become a full-fledged one-stop shop for creation, design, and production of print- and web-based materials.

The guiding principle for ECS at startup can be summed up with one word: simplicity. The business will have one owner/operator and will require no outside investment and little overhead at startup. The startup is structured as a "win-win": the owner will keep his full-time job while starting the business on the side, so if the business doesn't meet expectations it can be closed without much trouble. If the business does well, the owner can transition into running the business as a full-time occupation.

The following study analyzes the industry and market for ECS, describes the proposed business and the entrepreneur, describes how the business will be run and marketed, and presents financial estimates.

I. The Industry and the Market

The U.S. Census Bureau estimates the size of the "independent artists, writers, and performers" industry to be \$12.7 billion (U.S. Census Bureau 2009). The Bureau of Labor Statistics estimates that writers, technical writers, and editors held about 306,000 jobs in 2006, and about one third of those were self-employed. Median annual earnings in 2006 were \$48,640 (Bureau of Labor Statistics 2008–9).

Trends and Market Potential

The BLS anticipates the number of writers' and authors' jobs to grow 13 percent from 2006 to 2016.¹ The number of editors is expected to grow only 2 percent, and the number of technical writers is projected to grow 20 percent (Bureau of Labor Statistics 2008–9), due in part to the increasingly important role of information technology in the U.S. economy and the need to communicate information regarding these technical products to the general public.

1. The average rate of growth for all professions is expected to be 10 percent.

The size of the market for this kind of service is large, as most businesses large enough to have communications or marketing departments hire freelance copywriters, editors, and designers from time-to-time to help in the production of materials. The market is also saturated with businesses similar to ECS, so ECS will seek a competitive advantage by the (1) professional quality of the work produced, (2) comprehensiveness of the service, and (3) affordable pricing of its services.

The Competition

A search of the Chicagoland Chamber of Commerce website for *communications services* reveals fifteen Chicago-based businesses (Chicagoland Chamber of Commerce n.d.).² While of course this does not represent an exhaustive search, the majority of businesses registered are concentrated in the downtown area, which leaves an opportunity for ECS to develop as a neighborhood-based-creative-services firm. Opportunities include Hyde Park, where the owner works and has professional connections, and the South Loop, a rapidly growing area of Chicago where the owner lives.

II. The Idea, the Owner, and the Service

Eureka! Creative Solutions (ECS) will be a company specializing in marketing and technical writing, serving the copywriting needs of individuals, organizations, institutions, and businesses. The owner, Ed Scott, works full-time as an editorial assistant at the University of Chicago Press. He has a certificate in manuscript editing from the University of Chicago Graham School and is pursuing a master's of science in information architecture from the Illinois Institute of Technology (see the appendix for his resume).

The Service

ECS will offer two kinds of copywriting services: marketing writing and technical writing. Examples of deliverables for marketing writing include marketing brochures, corporate image pieces, newsletters, website copy, direct mail campaigns, press releases, annual reports, sales letters, and so on (Bowerman, 2001, p. 16). Examples of

2. *Communications services* seemed the closest to the proposed services that ECS will offer. Searches of *writing*, *write*, and *creative* did not return any results.

deliverables for technical writing include instruction manuals, software manuals, white papers, case studies, and research reports.

III. Organization and Management (Keeping It Simple)

The company will operate as a Sub-Chapter S Corporation with one owner with sole responsibility for running the day-to-day operations of the business. Insurance is not required for this kind of business but the owner will price several plans to determine if limited professional liability insurance would be cost effective. ECS is also currently engaged in a search for a partner with design and publication management expertise. The ability to offer potential clients a complete package, from initial creation to delivery of printed (or web-published) product, should be a strong selling point to clients and is incentive for ECS to continue to search for a viable partner.

IV. Marketing and Sales Management

One challenge facing ECS is that it is an easy-to-copy business. As an imitative business it relies solely on the owner's expertise and marketing and sales ability to establish a market wedge. In order to meet this challenge ECS will (1) be a locally based business, and will advertise this fact in order to attract local customers (for example, by offering to meet face-to-face with potential clients); (2) use niche advertising (trade journals, conferences, and so on), networking, and cold calling to attract clients; and (3) leverage the owner's professional and personal contacts to find clients.

Marketing Strategy and Promotional Materials

At startup, the marketing strategy will be to cold call corporate communications, marketing, and sales departments of Chicago area corporations. In particular, ECS will focus on the University of Chicago community and the communications and marketing departments of its various schools. The process seeks to develop a network of contacts as well as alert companies and departments to the availability of ECS's services. As Peter Bowerman writes in *The Well-Fed Writer*, "when I started my writing business, I made close to 700 calls in one four-week period . . . you make that many calls, and something's going to happen" (Bowerman, 2001, p. 68).

In particular ECS will seek opportunities with graphic design firms, advertising agencies, marketing firms, public relations agencies, and event production companies. ECS will also investigate the possibility of obtaining the

services of a writers' agent or broker to find writing projects for ECS in exchange for a percentage of the fee, typically 10–15 percent (Bowerman, 2001, p. 59).

Once a level of interest has been established over the phone ECS will seek a face-to-face meeting with a client. (Brochures, my resume, and business cards will be available upon request.) At the meeting I will bring my portfolio items and sell the client my services. After a client base has been established ECS will send out direct mail postcards three or four times a year to remind clients of ECS's services.

ECS will have brochures, business cards, and direct mail postcards available as promotional materials. ECS will also have a website maintained and operated by the owner.

V. Financial Projections

Below I offer projections on pricing, sales, and expenses. Of course, these projections are based on estimations and forecasts and so should be viewed as very tentative.

Pricing

Rates for creative writing generally run at \$50–\$125 an hour. Rates for technical writing generally run at \$35–\$60 an hour (Bowerman, 2001, p. 122). ECS will start at \$50 an hour for creative writing and \$40 an hour for technical writing. ECS will offer flat fees for projects by estimating the time to complete a project. For example, a brochure project estimated to take 10 hours to write (including time for second and third revisions) will be priced at \$500.

Sales Revenue Forecast

Since ECS will start as a part-time business, it will not bill more than ten hours per week to start. For the purpose of this plan, I'm assuming the bulk of my sales (80%) will be for creative copywriting (\$50/hour) and the rest (20%) for technical writing (\$40/hour). Assuming I work forty-seven weeks in the first year, that generates sales of \$22,560. If I double my hours to 20 hours/week in the second year I project sales to rise to \$45,120 (assuming the same ratio of creative and technical writing projects).³ Finally, if I increase my billable hours to 30/week in year three, and give myself a raise of 10%, that generates sales of \$74,448.

3. At this point I would transition ECS to my full-time occupation.

Operating Expenses

Operating expenses are structured to be low. They include (1) promotional and marketing materials, (2) software/computer upgrades,(3) office materials, (4) home-based business insurance, and (5) the owner's salary.

1. Since I'll be creating the promotional and marketing materials myself the only expenses associated with them will be office supply costs (paper, ink, and postage). I have website server space already purchased, although I may need to buy an additional domain name (\$10 a year from godaddy.com).
2. Software purchases may be necessary, including Adobe Creative Suite (\$400) and Adobe Framemaker (\$999). Hardware expenses are not anticipated at startup, but it's possible I may need a laptop (\$500).
3. A conservative estimate of office supply expenses is \$20 a month, or \$240 a year.
4. Home-based business insurance (if purchased) is expected to cost \$500 a year (based on a quick Web search).
5. The owner's salary is dependent on the volume of sales. Essentially it will be whatever is left after the other operating expenses have been met.

In sum, I estimate first-year expenses for promotional materials to be \$50, for software/computer upgrades to be \$1000, for office supplies to be \$240, and for insurance to be \$500, for a total of \$1,790 for the first year, which leaves \$20,770 for the owner's salary (pretax).

In the second year I anticipate expenses remaining steady. However, if I transition to ECS being my full-time occupation I would have the additional costs of health insurance (\$2,000/year, including dental) and a retirement savings plan (\$2,000/year), which makes my second-year expenses \$5,790 (with \$39,330 left for pretax salary). I anticipate third-year costs remaining at \$5,790 (increasing the pretax salary to \$68,658). Finally, I plan on donating a portion of my services to local nonprofits.⁴

4. I have already agreed to work on an annual report for Literacy Volunteers of Illinois (lvillinois.org), a Chicago-based literacy organization where I served as an AmeriCorps member.

Appendix 1: Owner's Resume

Work Experience

Editorial assistant

The University of Chicago Press, manuscript editing department, books division. Fall 2006 through present

Responsibilities

Edit and prepare manuscripts for publication; assist editors in department with copyediting, proofreading, and manuscript preparation; communicate with authors, designers, and freelance editors as member of book team

Achievements

- Created a macro in Microsoft Word that automatically instituted the Press's style of inclusive numbering in Word documents and provided the macro to editors in the department, saving the department time and money
- Edited a portion of the 16th edition of the Chicago Manual of Style, considered by many to be the standard style manual for book publishing

Program associate and AmeriCorps member at Literacy Volunteers of Illinois

Fall 2005 to fall 2006

Responsibilities

Edited and generated content for monthly VOCAL and Jump Start newsletters; planned, organized, and facilitated staff development and social activities for forty VOCAL AmeriCorps members; created and disseminated conference, event, and recruitment information to the media; Researched and wrote a grant proposal; taught a weekly class of 15 adult basic education students.

Achievements

- Organized meetings and trainings as one of three team leaders
- Helped win another three-year AmeriCorps grant for Project VOCAL in summer of 2006 because of newsletter and team leader work

Education

Pursuing a **Master's of Science in information architecture** at the Illinois Institute of Technology

Certificate in manuscript editing, University of Chicago Graham School (June 2008)

Bachelor of arts in English, minor in French, University of Illinois at Urbana-Champaign (May 2005)

Activities, Honors, and Service

IIT Merit Scholar. Received a tuition scholarship from IIT for undergraduate grades above a 3.3

AmeriCorps Member and team leader at Literacy Volunteers of Illinois (2005-6)

Dean's list. The University of Illinois at Urbana-Champaign, fall semester 2001 and spring semester 2005

Technical Skills

Microsoft Office Suite (Word, Excel, Access, Outlook), **Adobe Suite** (InDesign, Photoshop, Acrobat 9 Pro), **Mac OSX operating system**, **structural markup languages** (XHTML, CSS, Javascript)

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