

Transforming “Artists-2-Entrepreneurs”: The experience of integrating effectual logic and storytelling

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Artist-2-Entrepreneur is an entrepreneurial training program delivered by practicing entrepreneurs to support local artists in the commercialization of their unique genius. Beginning with self-described ‘artists’ the program is based on the principles of effectuation developed by Dr. Saras Sarasvathy (2001) complimented with storytelling basics from the workbook, *Storytelling4Entrepreneurs* (McDonald, 2013). The program was initially conceived to grow our regional ‘creative economy’ on Vancouver Island, building on an opportunity to boost the local economy through testing new approaches to commercialization strategies.

We learned early on from our participants that the *Artist-2-Entrepreneur* program was catalyzing self-realization, validation and and belief in making one’s future. As we reflected on this experience, we considered how such entrepreneurial training could be used in other circumstances where creative talent is commercially unrealized. Expanding beyond artists, our thoughts have grown to encompass other local creatives and local brands as we envision a self-sustaining, island-based economy deeply rooted in principles of sustainability, culture and place. This paper summary reflects our early experience delivering the *Artist-2-Entrepreneur* program, including reflections and next steps.

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- A feature summary on local GO TV: <http://bit.ly/1qFmxmH> (Youtube)

This is our story

I am artist, an entrepreneur, and doctoral student studying entrepreneurship in Nanaimo, a town on Vancouver Island in the most western region of Canada. I co-developed the *Artist-2-Entrepreneur* program with my business partner, Angie Barnard.

Like many communities, our town of Nanaimo struggles with building an entrepreneurial culture. We speculate that this is largely due to a historical political environment rich in the provision of social services with a service-driven economy, the high density of our not-for-profit sector, and the laid-back, leisurely island lifestyle that Islanders enjoy. In short, culturally we have not been motivated to develop a local, sustainable, entrepreneurial community. Yet, as is common with global trends, we are also experiencing a transition to shrinking, more liberal governments, less funding for social support systems, and the pressure on not-for-profit organizations to develop more enterprising, earned-revenue streams. Many entrepreneurs have incorporated some aspect of 'social' in their agenda to either address or capitalize on a social gap unfilled in the intersection of private enterprises and public services.

By all accounts, the outlook for local entrepreneurship is good. Arguably, entrepreneurship is being called upon as a solution to many of our regional, unsustainable practices including unemployment, social funding, dysfunctional relationships with our First Nations communities and a general sense of being fed up with waiting for others to solve our problems. In a local economy demanding of change, self-sufficiency and identity, we realized a unique opportunity to plant a seed, which became the *Artist-2-Entrepreneur* program.

Our starting point for the *Artist-2-Entrepreneur* adventure began at a coworking space called The Network Hub in Nanaimo. I originally joined The Network Hub as a tenant because I wanted my communications and training company, Glue, to thrive in an environment of like-minds and community builders. Angie, the founder of The Network Hub, and I instantly bonded and shared a vision for building strong, healthy, entrepreneurial communities. We knew we could do this together with our shared aptitude of developing entrepreneurial programs through Glue and facilitating the community and space requirements through The Network Hub. It didn't take long for us to become intertwined in each others' business interests to accelerate this vision.

Independently, Angie and I also shared a vision to create an artisan marketplace, specifically, the type of environment that would provide retail space to artists and be a place where they could grow, thrive and realize their financial success by commercializing their art. Angie's motivation was to create retail space and foot traffic within The Network Hub. My motivation came from a long-term dream of creating, working and living in a working artisan community. Together, we imagined an economic hub and tourism destination centre that celebrates local talent, vision and locally-created goods.

Things happened quickly. By February 2016 Angie had launched the artisan pop-up shop and attracted participating artists that demonstrated their wares in the entry of The Network Hub. In conjunction with this, we planned to offer the artists a marketing program based on a book that a colleague of mine wrote called *Storytelling4 Entrepreneurs* (McDonald, 2013); however, it was also right around this time that I had stumbled on the work of Dr. Sarasvathy and effectual logic as part of my doctoral research. Angie & I both quickly resonated with the principles of effectuation (Sarasvathy, 2001) and The Effectual Cycle (Sarasvathy, 2011) and it became inevitable that anything we did moving forth to train entrepreneurs would need to use effectual logic as a foundation.

As entrepreneurs ourselves, we recognized an opportunity to break the mold of causal logic and emphasis on ‘business planning for an unpredictable future’ that is predominant in the universities and government-led business training programs in our region to offer our community something new and inspiring. We suspected that artists would be especially well-suited to apply effectual logic given their resourceful way of bringing ideas into creation and the common stigma that artists are not business-oriented despite a high drive to make a living through their art. In addition to our enthusiasm, I was invited to present this experience in Norway at the Effectuation Conference in June 2016, which provided some additional motivation to see it through in an accelerated timeline.

Methodology

The name ‘*Artist-2-Entrepreneur*’ framed our intent for the program. Our goal was to provide entrepreneurial training to artists that had existing investments in the business of being an artist (e.g. inventory, studio space, online sales platforms, etc.); specifically, our objectives at the outset were to assist them in exploring new opportunities, make smart business decisions and sell more.

The methodology that we used to put together the *Artist-2-Entrepreneur program* was The Entrepreneurial Method with a dominant effectual logic (Sarasvathy & Venkataraman, 2011). As new adopters of effectual logic, Angie and I saw the value of building the program out of our own ‘bird-in-hand’ considering *who we were*, *what we knew* and *who we knew*. We defined ourselves to be community-minded entrepreneurs interested in developing entrepreneurial culture. From our previous backgrounds we were experts on business-building, economic development, marketing, sales and branding. We used our local connections to promote the *Artists-2-Entrepreneur* program among the media, local artist organizations and other intermediaries such as the local Chamber of Commerce. We were forced to use the *Affordable Loss* principle when we were not able to generate initial interest in program funding or sponsorship from banks or other business lending institutions, namely because we were not a not-for-profit organization and did not have time to exhaustively explore funding. We applied the *Lemonade* principle to turn the lack-of-funding challenge into motivation to ‘be the change’ and demonstrate community goodwill through our commitment and faith in the process. Our application of The

Entrepreneurial Method (Sarasvathy & Venkataraman, 2011) also meant that while delivering the program we remained open to incorporating new means and redefining goals along the journey as different resources, input and people entered our field of vision.

Methods

On March 11, 2016, we held an open house to launch the pop-up store and introduce the *Artist-2-Entrepreneur* program. We received some local media coverage and endorsements and were thrilled that four artists signed up to be part of the experience. The artists included:

- A silversmith who made high-end jewelry
- A local landscape photographer
- A maker of handcrafted bath products
- A macro-photographer

Three of the artists were well-developed in their art, which they sold for secondary income; yet none of them were fully making a living off of their art or realizing their full potential. The fourth artist was at a very early stage of deciding how to focus her business intentions.

We decided to offer *Artist-2-Entrepreneur* in a group workshop series. We used a self-defined 'blender' approach to develop the workshop content, working with ingredients that seemed the most relevant and available to our objectives. We put the following into the blender:

1. The Five Principles of Effectuation (Sarasvathy, 2011)
2. Key concepts from the book, *Storytelling4 Entrepreneurs* (McDonald, 2013)
3. The concept of 'maps' as activities, which would provide the layers to visualize and build their business

In addition, we used the books *Effectuation: Elements of Entrepreneurial Expertise* (Sarasvathy, 2009) and the *Effectuation Entrepreneurship* textbook (Read et al., 2010) to further inform our understanding of applying and teaching effectual logic.

A four-part workshop series emerged from the blender with the following sessions:

- Session 1: Unleash your distinctive artist story
- Session 2: The Effectual Cycle (and its relationship to artist-entrepreneurs)
- Session 3: Unveil the characters in your cast
- Session 4: Building your business as an artist-entrepreneur

These covered the core content of the *Artist-2-Entrepreneur* program, to be elaborated on further in the following pages. We also offered three one-on-one business coaching sessions to each participating artist to address their unique needs and concerns.

Before we officially began the program, we asked each artist to complete a ‘kick-off form’ so we could accurately understand what stage they were at and their aspirations for the future. The kick-off form included questions such as:

- What is your story as an artist?
- What does artist mean to you? What does entrepreneur mean to you?
- What are you struggling with most in your venture at this moment?
- If we gave you a magic wand to create your ideal future as an artist, what would that look like?
- How much money do you want to make?

The responses were illuminating. Each artist described their artistic journey in great, personal detail in the form of a story. This led us to an early conclusion that teaching storytelling skills may not be a valuable use of time for this particular group. Instead, we flipped this idea to use the stories that they naturally told to highlight the principles of effectuation. As we suspected, each artist struggled with identifying themselves as an entrepreneur, articulating beliefs around entrepreneurs being certain ‘types’ of heroic, risk-taking individuals. One participant wrote: *“Entrepreneur means a person with super powers! In my mind it’s an individual that balances a lot, gets to call the shots and doesn’t always see great financial reward but has freedoms that an employee doesn’t have.”* To our surprise, a couple of the artists also struggled with identifying themselves as artists.

The key struggle identified by all participants was tied to decision-making, and especially decision-making related to marketing avenues and how best to invest their time and resources. Each remarked that a key draw to the *Artist-2-Entrepreneur* program was to improve their ability to evaluate opportunities and make decisions to grow their business. With respect to the ‘magic wand’ question, responses ranged from earning international recognition to improvement of status quo. Lastly, we found that all of the artists had extremely modest expectations of their earning potential, some of which were well below living wage. Overall, the kickoff form responses helped us to understand expectations upfront and re-iterate the ‘entrepreneurial training’ nature of the program, which was already well-suited to address participant desires.

The following sections detail our experiences of delivering each of the four workshop sessions.

Session 1 - Unleash your distinctive artist story

Purpose: To reflect on one’s personal journey, past and future, to identify the gap of potential they can address in the present.

In a small, intimate setting, Session 1 focused on further elaborating on storytelling as each artist shared their journey with the group. This gave everyone a chance to know each other personally outside of interactions in the pop-up shop. We prefaced the session with an overview intent of the *Artist-2-Entrepreneur* program and review of the five principles of effectuation (Saravathy, 2011), which we had on wall plaques for reference.

Each participant was generous in sharing their personal story of how they arrived at their current art, often embedding elements of a deep sense of purpose and passion. For example, the macro-photographer tied in her passion as a mother to provide nourishing, safe food to her young child, emphasizing the need to appreciate the impact of details in all aspects of life. The artist who created bath products spoke of her background as PhD professional in environmental science who discovered a need for tranquility and stress reduction without the harsh use of chemicals. After each story was told, they had a few minutes to reflect on where the principles of effectuation showed up.

Two activities were assigned as outcomes to bring to the next session:

1. A Personal Map
2. A Personal Manifesto

The Personal Map, of which we left the structure to their own imagination, was based on the *bird-in-hand principle*, namely: *who I am, what I know* and *who I know*. This was a deconstructive exercise to help them realize their foundation and resources that were already available for their success. The Personal Manifesto encouraged them to go back and consider the ‘magic wand’ question. By contrast, this was a constructive exercise to help them conceive of their futures. Angie and I each provided our own manifestos as inspiration, reiterating that a manifesto is more like a north star or compass orientation than a rationally-grounded exercise.

With the Personal Map being a look back and the Personal Manifesto being a look forward, we focused their attention on the ‘gap’ between the two where the work needed to be done to move towards their goals.

Lessons learned after Session 1

1. We realized the transformative and identity-challenging nature of the program (well beyond the ‘marketing’ training we initially planned).
2. Both the Personal Map and Personal Manifesto activities provided teaching moments for the principles of effectuation.
3. The ‘gaps’ became group focal points where participants encouraged and challenged one another in supportive ways.
4. An entrepreneurial community was taking root among our small group.

Session 2 - The Effectual Cycle (and its relationship to artist-entrepreneurs)

Purpose: To choose processes and platforms to use in the future based on a personal evaluation of skills and acumen, as well as the results of past business decisions.

Isotropy occurs when it is not clear what elements of the environment to pay attention to or ignore (Sarasvathy, 2009, p. 70). The Effectual Cycle begins with means and goals, and then considers interactions and commitments that will assist in co-creating a venture (Sarasvathy, 2011). After completing the Personal Maps in Session 1, it was clear that artists had ample means, which manifested as long lists and detailed mind maps. They needed evaluative criteria to determine which skills, resources, platforms and stakeholders to pay attention to or ignore.

We addressed this challenge with the activity of creating a Skills and Acumen Map. The artists were asked to detail their skills, acumen (natural abilities) and various sales platforms they had used in the past. Some examples of skills and acumen were writing, web skills, photography, in-person sales or social media. Some examples of sales platforms were websites, third party sales sites like Etsy.com, social media profiles, farmers’ markets, art shows, studio tours, special events, retailing or wholesaling.

Specifically, we had them label each component of their Skills & Acumen Map as:

- Effortful or Effortless
- Unproductive or Revenue-producing

This simple categorization helped to illuminate the skills that were most innate to *who they were* and *what they knew* that led to producing the most revenue. This may seem obvious to some, but for artists navigating a landscape of options with pressures to be ‘business-like’ from their close supporters without any business training, this proved to be a validating exercise for their decision-making skills. Two examples come to mind. The silversmith felt tremendous pressure to pursue the traditional jeweler route of starting an Etsy store. She had opened an Etsy account in 2007, and nine years later had yet to create an effective Etsy store front. Based on her Skills and Acumen Map we were able to identify more

lucrative venues for her, like high-end gift stores, that were more appealing to her natural way of doing things and letting others take care of the retailing aspect. Another artist articulated a fear of cold-calling, which he presumed to be a necessary criterion for sales. When we looked at where the most revenue showed up in his past business affairs, we discovered it was made through commissioned work that came up in conversations at high-end parties over drinking beer, an activity he found to be effortless and fun.

This simple format was the essence of the technique we used to help the artists process the results of past decisions to make more informed decisions about future activities. Two of the artists had acumen around keeping detailed records and spreadsheets that made the evaluations more considered. The other two were in earlier stages of their business where where it was difficult to tell where the most revenue would materialize, but were still able to hone in on activities and platforms that seemed intuitive with a calculated level of affordable loss that qualified them as worthwhile to pursue. This session bridged into the discussion of interactions and commitments with self-selected stakeholders as a focus of Session 3.

Lessons learned after Session 2

- Some of the Skills and Acumen Maps resembled marketing strategies and activities
- ‘Effortless’ tasks were true to the artists’ way and often generated the most revenue
- ‘Effortful’ tasks were often ‘shoulds’ that the artist needed to let go of
- The group energy evolved to a confidence-boosting dynamic

Session 3 – Unveil the characters in your cast

Purpose: To categorize self-selected stakeholders and identify opportunities to strengthen beneficial relationships.

We began Session 3 with an overview of the Patchwork Quilt principle and some terminology from the Storytelling4 Entrepreneurs workbook that divided characters into three categories:

- The Villain (the problem)
- The Villagers (the target market)
- The Sidekicks (the cheerleaders)

This terminology was less successful for the artists than our previous experience of introducing it to other groups of small business owners. For example, the Villain (the problem) is meant to characterize the problem that the entrepreneur solves for others. The artists initially had a hard time conceiving that they solved a marketplace problem, other than something trivial such as ‘no jewelry to wear’ or ‘no artwork on the wall.’ However, we were able to push this further into the discussion of value

propositions. For example; the silversmith artist was able to articulate a need for high-impact, locally-made, statement jewelry as opposed to 'junk' jewelry that one can buy at the mall. The landscape photographer saw himself as solving the problem of capturing memories associated with place. The maker of bath products reiterated her educational expertise in creating non-toxic, therapeutic products that were safe for people and place.

We were also able to distinguish between Villagers (target market) and Sidekicks (cheerleaders). The Sidekicks are self-selected stakeholders who will always cheer you on individually and promote your business, whether or not they have the skill set or connection to do so. Several identified these as their enthusiastic fan base of friends and family (often referring to these as inactive 'Facebook fans'). Villagers are distinguished from cheerleaders in that they are either customers or prospects. In order to more fully demonstrate this point, we brought out the Profitability & Referability Matrix. In this matrix, Villagers and Sidekicks fell into one of four categories:

1. High profit, high referrals (Villagers/Sidekicks, i.e. Target Market)
2. High Profit, low referrals (Villagers)
3. Low profit, high referrals (Sidekicks)
4. Low profit, low referrals (Neither)

The objective was to identify the Villagers that spent often and referred widely, while avoiding spending time on those who do not spend or refer. With respect to referrals, we also emphasized the need for effective storytelling such that referees are telling the most effective story about the business offer to others, making it easy for them to co-promote.

The connection of characters to self-selected stakeholders was not immediately obvious. Although self-selected stakeholders may be buyers, this seems to be better understood as people who add value to grow your business in multiple ways. To this extent, we added the activity of a Character Map, in which the participants identified current or easily converted self-selected stakeholders where unrealized potential may be realized. Specifically, it was suggested that they reach out to two to four of these characters to explore the relationships further. We also brought up the *Lemonade Principle*, and talked about how to convert relationship obstacles into opportunities for growth. To our delight, each artist explored new relationships in the two weeks that followed to look for new opportunities. We felt a confidence in the room, especially as they were also clear on the best working activities and platforms for them after Session 2.

Lessons learned after Session 3

- Dividing up and labeling character types was unnecessary and confusing
- The Profitability/Referability Matrix was a helpful tool for considering different stakeholders
- There is distinction required between self-selected stakeholders who ‘build your business’ and a ‘target market’

Session 4 – Building your business as an artist-entrepreneur

Purpose: Create a clear path to purchase using your chosen platforms to reach your ideal target markets.

Session 4 was about action and commitment to decisions that were carefully evaluated through the previous three sessions. Once again, the principles of effectuation were reiterated as the artists claimed three to five actions they were going to take over the next thirty-day period to build and promote their business. The comments were more brazen as the artists pushed each other to think bigger. They challenged each other to act in alignment with their Personal Manifesto and critique decisions that did not clearly resonate with the building nature of effectual logic. For example, a recurring theme was participation in summer markets (perhaps due to the timing of our program), in which these venues clearly did not support their identification of effortless, revenue-generating platforms or places to meet their target markets. For example, when consumers go to a farmer’s market it is unlikely they are carrying the cash for a signature piece of jewelry or landscape prints. Similarly, selling one-off packages of bath products to end-users at labour-intensive markets was deemed less lucrative than exploring wholesale opportunities that were identified in earlier sessions. Yet, these were historic behavioural patterns that continued to manifest and be defended. They also appeared to be exciting, and perhaps an opportunity to product test and receive direct consumer feedback. We could only advise to not lose sight of larger opportunities, and explore these other opportunities with a mindfulness of affordable loss so they didn’t become all-consuming.

We also considered our newly bonded group as self-selected stakeholders of each others’ artisan business, mentally mining our own rolodexes for supporting connections to meet the artists’ aspirations. Among us, for example, we had three contacts with interior designers to pass on to the landscape photographer. It was joy to observe the artists actively building each others’ businesses, with the sentiment of realizing it would be our last session together as a group.

Lessons learned after Session 4

- In these early stages, effectual logic was demonstrated more consistently than effectual behaviour
- Ongoing mentoring support to further ideas would be beneficial
- Participants gained the skills to coach one another critically in a supportive environment

Post-Program Reflections

Overall, we experienced more of a gap with the storytelling component that we anticipated. On the one hand, the artists were already great storytellers; on the other hand, there was a resistance in using well-crafted stories to sell their products. Despite ongoing encouragement, few stories emerged beyond biographical accounts. This may also have been due to the intensity of the program and lack of time to be effective in completing this task. Furthermore, whereas our initial intent was to teach storytelling as a mechanism to apply the principles of effectuation, our early experience with this group was that they already had well-developed storytelling skills (perhaps because they were artists?). Instead, we inverted the logic slightly to use the personal stories they readily offered to draw out examples of the principles of effectuation. This was initially disappointing to us as facilitators; however, our own commitment to the Effectual Cycle in delivering the program allowed us to adapt on the fly and re-organize means and prioritize goals.

We found significant value in both the group work and the individual coaching sessions; however most of the 'aha' moments emerged in the one-on-one sessions. The group work facilitated building an entrepreneurial community in which vulnerabilities were tested when other people shared and overcame perceived mind blocks. The participants that gained the most were the ones that diligently did the action items between sessions and took advantage of the pop-up shop because it provided the opportunity to apply the principles of effectuation in real life. Entrepreneurial training for practitioners requires changing thought patterns and behaviours, both of which we observed were the most challenging aspects in converting artists to entrepreneurs.

Lastly, we would like to comment on our firm belief that programs like this work best when they are entrepreneurially-led and the participants are personally invested financially in the process. Without personal investment, there is no sense of affordable loss. Without entrepreneurial leadership, it may be difficult to resonate with the real-world experience of practicing artists (or early entrepreneurs).

Next Steps

The Artist-2-Entrepreneur program earned a generous amount of local attention including three unsolicited articles in local press and a local television spotlight. Many have been encouraging of providing entrepreneurial support to artists and other creatives to promote self-sufficiency and

economic development. The program outline was requested by numerous supporting agencies and the Provincial government for further review. Although it is early to confirm what our next steps will be, we envision the following:

1. Access to microfinance resources so that participants can self-invest in the program with affordable loss
2. Partnership with mentoring services to continue to work with participants and develop their businesses
3. Develop the program as a web platform to be offered in multiple regions
4. Consideration of contextual adaptation to offer the program in different cultures and regions
5. Partnership with arts and culture agencies to deliver the program to their audiences

It's amazing what a seed can produce in three-month period. We learned quickly that this was more than just a marketing program. *Artist-2-Entrepreneur* had become a program that would provide a pathway for artists to rethink their identity, their journey and their potential as thriving artist-entrepreneurs. We will continue to grow and nurture the plant that has now emerged from this seed for other local creatives and brands as we realize entrepreneurial potential in our town. To thrive, we must go beyond creative production to commercializing the best ideas in a contributing effort to build a successful, sustainable, place-based, island economy.

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