

BLACK & WHITE ARTS

CONFIDENTIAL BUSINESS PLAN

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Executive Summary | Black and White Arts

A new paradigm in Social Media, Art & Business

Black and White Arts is here to change the business landscape associated with art. Through a revolutionary new use of Social Media and online art purchasing, Black and White Arts will change the way art is purchased, found and while doing so will keep the focus on the artist.

Creating a web of multiple social media connections all linking back to a main web portal, and through sophisticated automation of this process Black and White Arts will take advantage of Social Media in a way not yet seen before.

Black and White Arts will take advantage of every social media channel available in the modern web landscape to enable an unrivaled manifestation of SMM (Social Media Management) on a scale not seen before. By focusing on the human characteristics of art and the artist, plus the connective power of social media, Black and White Arts will have between 84 and 210 daily active and multi linking streams of content bringing the new media masses to our site to become immersed in the rich art available and regularly created by the 42 artists we will host.

Imagine actively producing content to be published throughout each month to sites like Facebook, Twitter, MySpace, Flickr, YouTube, Vimeo, and many others. This content will all be in an effort to direct people to blackandwhitearts.com and to art and merchandise created by the artists. Every link out, is a link back in, every artist actively creating content is helping every other artist. All content from every artist is brought to the public in an effort to bring them in to support their ability to continue making new art.

Imagine local businesses producing the fine art prints and merchandise that the artists will be selling. Connecting with the artists and being represented on blackandwhitearts.com as a resource not just to the artists, but to the greater local community. The model created by Black and White Arts will enable many people to not only sell art and merchandise, but to develop their own businesses to support creating the resources artists will use to make these things available for purchase.

Nothing like this has happened before. We are at the beginning of a huge wave that is just beginning to grow. Using modern art culture and Social Media models of content distribution and human relations, we will bring art and culture to the masses in a fully franchisable model which will grow to include art markets around the country, to around the world.

Black and White Arts | blackandwhitearts.com

Mission statement:

Black and White Arts goal is to have a robust and thriving art and media web ecosystem designed to focus on the artist and not just on the art.

Objectives:

1. Use social media to bring people to blackandwhitearts.com, and in effect, to all of the different social media profiles an artist has out on the web. The links both in and out of blackandwhitearts.com will grow fast with each new artist and whatever social media they are using. Work with artists to develop a social media strategy to increase exposure and traffic to all of their pages and back to the page they will have on blackandwhitearts.com, creating a very powerful web of connections enabling better exposure and drawing all of the resources available to each artist to every artist on blackandwhitearts.com.
2. Offer merchandise as a way for the artist to promote their style and vision. Using a system like Café Press to make available different items such as shirts, mugs, inexpensive prints etc... This system allows an inventory free approach to sales and does not incur any cost to the artist and only requires a commission percentage be paid on sales, which blackandwhitearts.com will collect.
3. Offer fine art prints to customers of the artists, and the artists themselves. This strategy allows the artist to offer high quality prints to their clients online at no initial cost to the artist. Cost for processing, printing and shipping comes directly out of the price of the art piece itself and a commission percentage is paid to blackandwhitearts.com.
4. Offer a promotional vehicle for many different types of artists. This would range from prints and merchandise, to video podcast streams, music, blogs for writing, poetry and news about the artist, to the ability to sell physical objects like crafts and sculptures.

Business Philosophy:

Black and White Arts goal is to focus on the artist. Too often there are many places which offer creative people a place to show their works, but as these sites grow, the artists themselves get lost in the mix. Black and White Arts wants to be selective, well designed and hassle free, while offering an artist a place to point fans and clients to, so the artists can make a real profit with little hassle and not too much capital investment.

Market:

If Black and White Arts product is the site itself, and the artist is the client, then Black and White Arts is marketing to the artist. If the product is the art for sale, and the buyer is the client, then Black and White Arts is marketing to the web browsing person looking to purchase from the artists. Black and White Arts believes it is marketing to both.

In the current financial paradigm, and as we are rebuilding from a questionably secure economy people are and will be interested in more aesthetic and luxury purchases. An individual selling art through a local gallery, or even a few local gallery's will have a very limited reach to their potential market. At Black and White Arts the market is only limited by our use of the internet. The initial target will be the people who are already interested in any given artists work. Using vehicles such as Social Media, Apps on modern personal devices and a well orchestrated web presence on Black and White Arts, we are defining a much broader opportunity for our artists to thrive in and gain exposure.

As the artists represented by Black and White Arts use the model we have to offer them, the market reach they have grows a couple of orders of magnitude due to the other artists on Black and White Arts actively pursuing connections which bring the eyes interested in any 1 artist on the site to all of them. The focus on the artists and not just the art will be key in customer retention and maintaining interest in not just the artist they have focus on, but on the collection of artists Black and White Arts represents. See Objectives, Business Philosophy and Core Competencies for a more complete understanding of these principals.

Industry:

The arts industry. Dynamic people ranging from outsider artists who have no understanding of business or promotion, to business minded artists who understand the value in having many good places to show their work and be able to sell it. It's a diverse and misunderstood industry not defined by any existing paradigms available. It's an industry so flexible that any business with the right plan can define a unique and attractive way for artists to be represented and sold. But also an industry with no real cohesion or group vision. Black and White Arts is here to fundamentally empower and redefine the potential this industry is capable of. Beyond the core idea of artists creating art are a large subset of individuals with many untapped capabilities which could very easily be more practically utilized to create capital and profit for all involved while enabling a bigger voice to be heard in a misunderstood section of modern culture. This subset of culture is an unrealized potential that Black and White Arts means to actualize.

Core strengths and competencies:

Black and White Arts use of social media marketing, hassle free sales and minimalist design principals will enable us to focus on the artist and their different bodies of work. Success in this model is based on the idea that Black and White Arts is here to focus different new media technologies to bring people to the artists, which brings clients to blackandwhitearts.com. That there is very little overhead and the buy in for the artist is minimal to none will enable us to create a rich collection of works without incurring significant personal loss.

As a model, the use of existing talent available through the artists represented by Black and White Arts to create this diverse marketplace, along with encouraging and enabling small business development and actively connecting with the resources of local pre-existing businesses' resources gives Black and White Arts a robust framework not likely to fail. Any small portion of the model which fails in and of itself is purposefully isolated in such a way as to minimize damage to the larger model. The model also acts in reverse to buffer and support businesses in a larger support network which helps to minimize any smaller connection failing. This is a 'franchise' and 'modular' approach to business. Failure of a part does not hurt the whole, and being a part of the whole reduces likelihood of failure. Double failsafe for participation and association with Black and White Arts for artists, businesses, investors, employees, etc.

Products and services

Location: Black and White Arts product to the artist starts with a vibrant and clean web presence consisting in the infancy stages of 7 to 10 active downtown Phoenix artists. Moving and refining the selection of artists to build to an amount not to exceed 42 artists' collections. These artists' pages will include but not be limited to a portfolio page which represents select arts, music and other products for display and sale. Along with a bio and other general info and links on the artist.

PHASE I:

Products:

1. **Merchandise:** Fan fluff. Using Café Press to start operations as an inventory free option, which will, in Phase II involve local artist's services. Black and White Arts will take different pieces of art or other items the artists are using to brand themselves (logos, brands, etc...) to put on differing types of objects. These can include, but are not limited to T-shirts, mugs, greeting cards, posters, simple framed prints, leather works, custom crafts, etc... This is an inventory free system where all products are created in an on demand fashion. This removes the problems associated with inventory, credit card processing, shipping, etc. As this model develops into Phase II Black and White Arts will create an in house processing model to replace Café Press' inventory free system using local businesses in the arts to create materials and content. In Phase II the inventory free approach will still be in effect for Black and White Arts and the artists represented and will instead be handled by the network of business which are being utilized to produce the content. Black and White Arts will be actively creating the necessary financial transaction processes required to communicate financial obligations to the different businesses in use and will define how allocation of funds will happen in order to effectively distribute payments to the different artists and affiliated businesses.
2. **Fine art:** Using White House Custom Color in Phase I Black and White Arts will be able to offer Black and White Arts artists and their clients very high quality prints of their work. These prints can include, but are not limited to photographic prints, standout prints, float wraps, framed prints, proof books, competition prints, fine art canvass prints (Giclée prints), etc... This again will be an on demand system where there is no upfront cost to the artist or blackandwhitearts.com. See previous list point for next phase development.

3. **Podcasts / Blogs / RSS Feeds:** Here Black and White Arts can offer Black and White Arts artists the ability to represent themselves through writing, poetry, music and video content. This part of the model is purposed around diverse content and giving a real representation of the full talents of the artists. Podcasts will be hosted directly on the site, and through an iTunes store link that can be added to each artists other sites as well through a link. These services will be free initially and on a sliding scale as profit is made from sales of other products.
4. **Music:** There will be an account created with the iTunes music store for music sales. Commission will come out of this in the same fashion as other sales.

Competitive advantages:

What separates blackandwhitearts.com from other places artists go to in order to sell their works and market themselves effectively are 3 main initial points.

1. **Social media integration:** In this new media environment it is vitally important to recognize the power of social media as a core marketing strategy. Black and White Arts and each individual artist will proactively connect with their audience. Each artist will at a minimum have a presence on Facebook in the form of a Fan Page. If they do not they will be instructed on how to create and develop the necessary presence. This will then be integrated as a widget on their profile page on blackandwhitearts.com. There will be share links and like buttons for any and all social networks which are relevant to that artists mediums and talents. Artists will be encouraged to create more channels through sites such as Twitter, MySpace, Flickr, YouTube, Blogger, etc... As is appropriate for the type of art each artist develops. For every link they have on blackandwhitearts.com to one of these sites Black and White Arts will require links back to blackandwhitearts.com. Black and White Arts believes that with this strategy Black and White Arts is taking advantage of this new media to offer Black and White Arts artists something not found elsewhere. This will give our artists an advantage over other sites offerings and ensure that a robust SEO / SMM infrastructure is in place. This is in itself a whole business model and will be described in more detail within the business plan for a partner company called Cohesion to be developed immediately following development of Black and White Arts as a subsidiary business model. All in all the web of connections developed under this strategy will, as was mentioned briefly in Black and White Arts objectives section, create an unrivaled bridge between client and artist, site (blackandwhitearts.com) and social media. Nothing out there has as of yet, taken such a complete and focused approach to using social media to enable such a rich and connective business environment.

2. **Focus on the artist:** When you look at different sites out there that are designed to sell work, the first thing you may notice is how easily the artist gets lost in the site. The focus then becomes just about the art and it starts to resemble a clearing house. This is something Black and White Arts would like to avoid. Black and White Arts believes having too many artists will dilute the purpose of representing them and will instead focus on strong portfolios and a limited number of works represented and sorted by artist. As a franchise model this could eventually lead to the creation of different affiliate site offering the same products and abilities, but perhaps in a different market, or broken down by location, theme, etc... The objective is to never lose the artist in the mix.
3. **Diversity of media:** Black and White Arts believes that only having one type of artist on the site is too limiting. Along with getting lost in the mix, a great deal of art is not just specific to paintings. Black and White Arts wants to offer, both for sale and for general consumption a rich diversity of artist's works. Many artists are good at a number of types of art and need a place where that can be represented and if possibly a model for sales to be used. This includes the traditional visual art types such as Prints, Digital Art and Photography, but them extends to the different writing arts (poetry, stories, etc...), video arts, music, crafts and sculpture. Not all of these models of creation are as easy to monetize as prints and merchandise are. But Black and White Arts believes that the inclusion of all types of media in an artist's portfolio will contribute greatly to the overall strategy of marketing the artist to the world. This is not something easily found online and I think will ensure Black and White Arts is able to stay competitive. This third strategy is directly linked to the first in many ways to increase SEO / SMM potentials organically by having their media represented as many places as are possible on the web.

Social Media in Social Media | Developing the Network

Along with the 3 points above, Black and White Arts will be actively developing a microcosm social network. Through extensive website development blackandwhitearts.com will be user generated. There will be unique log-in and permission systems put in place to enable the artists to update their own content through the use of a regular blogging system, and through the use of existing social media API's which enable automatic rebroadcasting of content to the differing feeds enabled on sites like Facebook and Twitter (etc.), using the API's these sites have available. A universal template will be offered with some basic variables defined by the content to be used.

- a. **Blog Template:** This will give artists (users) direct connections to other social media feeds for automatic repopulation of content, such as mentioned before with sites like Facebook and Twitter. This would also automatically embed an RSS feed into the page.
- b. **Photo Template:** This would act in the same fashion. Enabling an automatic creation of slideshows and tasteful display of static visual content along with repopulation of this media to sites such as Flickr as much as is available through any API's these sites offer. This would enable direct publishing to photo libraries on Facebook and other social media sites as well. An RSS feed would also be automatically embedded.
- c. **Podcast Template:** As with the previous two, there will be automated social media integration. This will also allow for direct publishing of video and music content to the iTunes store in the form of a Podcast. The podcast model is a model based on promotion and distribution at no cost to the viewer. This allows viewers to subscribe to feeds through iTunes and other software packages in a way which automatically downloads content to their computers.
- d. **Video Template:** To be used in conjunction with the Podcast Template if desired. Otherwise allowing for inline video content and republishing to sites such as YouTube and Vimeo automatically.
- e. **Audio Template:** Also used with social media sites which allow for audio content publishing in as automated a fashion as is available. This one also has integration with an iTunes account for sales of audio. This will eventually be replaced with a store model created for local music and musicians to potentially become a separate affiliate or subsidiary business of Black and White Arts.
- f. **Feed Generation and Internal Redistribution:** Each artists main profile page will have on it a news feed similar to a blog format or feed such as sites like Facebook and

Myspace have, or like a WordPress blog enables. These feeds would also, based on views and relevance automatically republish their content to a master feed hosted on the main artists network navigation page. Each time an artist publishes new media or updates these feeds would republish from the main network feed to all relevant social media sites connected to Black and White Arts directly. Black and White Arts will have every possible social media outlet being fully utilized to promote the artists and businesses affiliated with Black and White Arts.

Competitive Disadvantages:

Black and White Arts disadvantage and advantage are the same. Black and White Arts is small. This means there are finite resources at Black and White Arts disposal and very little capital investment. However the model is designed to accommodate this as a core principal and allow us to remain very flexible. By taking advantage of pre-built infrastructures through the use of social media Black and White Arts is 10 times bigger than it is. If a person wants to know why they should try Black and White Arts service we can tell them that first of all, the entry into the system is free. They don't have anything to lose by trying it, and everything to gain. Even if they are not initially able to sell art through blackandwhitearts.com, they will still be greatly increasing traffic to the art they are trying to promote.

Another thing some may consider a disadvantage is that Black and White Arts will have a strict notion of aesthetic vision on the site. There will not be an option for customizing each page to look exactly like what the artist may want. This is not something Black and White Arts finds to be a disadvantage. It reduced complexity and allows for the viewer / buyer to have a consistent and non-confusing browsing experience. The idea is to bring attention to all of the artists without focusing attention on a few, or having an artist's page making it difficult to navigate around. The use of minimalist design and clear forms of navigation that are consistent throughout the entire site will become something people will know us for, and respect, bringing them content without difficulty.

App Development and Portable Content distribution:

Black and White Arts will develop Apps for consumer devices such as Apple's iOS devices and the different Android devices that Google has enabled. These apps will enable Black and White Arts to stay relevant not only using the World Wide Web as a platform, but staying current with the new paradigm currently being developed to browse the internet using the App model. These apps will be offered for free on the iTunes Store and Android Marketplace and enable a 3 tiered approach to use.

The App will be downloaded by 3 types of people:

1. Customers
2. Artists
3. Business Affiliates of Black and White Arts.

This single App will allow you to log in based on what kind of connection you have to Black and White Arts and enable things like

- a. Purchasing of art and merchandise (customer perspective), along with access to different artists direct content through their feeds.
- b. Artist affiliates of Black and White Arts will be able to access their own profiles and moderate and publish content remotely.
- c. Businesses who are affiliates of Black and White Arts will be able to log in and also moderate and publish content remotely.

The only thing not initially possible through the remote apps will be creating of new products for sale, along with pricing and variables about such products. This may be a feature to add if doing so becomes practical and not overly complicated.

The effective concept here is to essentially create a user generated, low maintenance (work is done through user generated content and automatic republishing of content) social web connecting artists with each other and with their fans and customers. Any time content is published and re-published to any relevant social media site, there will be automatically created links pointing to these differing social media sites and links back to the users profile page as well as to the main website of blackandwhitearts.com. This will be the heart of our social media and content publishing system. Using sites such as Facebook, Twitter, YouTube, Flickr, etc. simply as modular content distribution and link generating websites. The SEO / SMM results will be nothing short of revolutionary in their use. Black and White Arts believes it is breaking new ground in a way not yet seen and will excel at not only utilizing these new business and social

constructs, but will be effectively pioneering a new paradigm in how they are used to bring web traffic and customers to our artist clients and any local businesses we will have as network affiliates. This will be a new kind of social media integration that is no less than a game changer and will only be seen as positive use by the different social media companies enabling such integration as it only increases traffic and promotion of their services as well as bringing potentially unprecedented traffic to blackandwhitearts.com.

This initial concept enables between 84 and 210 daily network links and re-links to and from Black and White Arts and any social media outlets being utilized.

Advertising Model:

Black and White Arts will not be using ad revenue generated through use of systems like Google's AdSense. Black and White Arts believes that through the network use of social media there is no reason to damage the aesthetics of blackandwhitearts.com in an effort to increase capital gains. People do not like having unrelated, or even targeted ads constantly barraging them at every turn if possible. The use of such a model also points customers away from the artists content and products being offered on blackandwhitearts.com. Black and White Arts will instead develop an advertising system only for businesses affiliated with and represented by Black and White Arts in an 'In Network' sense. Further promoting local business development. Advertisers do not need to be making money from ad revenue generated by click throughs from blackandwhitearts.com due to the simple fact that they will already be generating ad revenue due to the automatic content redistribution on all utilized social networks. Bringing as much revenue to the artists and businesses affiliated with Black and White Arts is a core ethical principal of Black and White Arts and will be strictly maintained.

Pricing and fees:

This model will use a sliding scale fee structure. On the bottom end will be a free membership, where between 40 to 60 percent of revenue after costs will go to blackandwhitearts.com. As an artist starts to sell more, and such a high percentage going to blackandwhitearts.com makes it less attractive to an artist to retain Black and White Arts services, there will be a switch to a paid membership option. In the paid membership model, as the artist pays a higher monthly membership fee, the percentage going to blackandwhitearts.com will decrease. This could be down to as little as a 20 percent cut going to blackandwhitearts.com after costs, while a monthly fee ranging from \$5 to \$100 per month brings consistent income back to blackandwhitearts.com for maintenance and reinvestment along with payroll and other ancillary costs. The model is designed to be flexible and the artist can decide which way they prefer to go. As blackandwhitearts.com gets more profitable there will be created an automatic

account switch which would use which ever version is best for the artist and can be triggered by a certain predetermined level of sales being generated.

The cost to run the infrastructure and pay the people who are running blackandwhitearts.com will become more important as the model builds into a more mature business. Reinvestment and development of more local business connections will ensure a constant and consistent flow of profitable art sales and local business profit.

More specific pricing structures along with membership benefits need to be worked out in detail.

Merchandise fees:

Sales of merchandise will be price fixed among all of the artists. This is both to reduce accounting complexity, and to not give undue advantage or disadvantage to any individual artist. A T-shirt of the same style and features will cost the same for anyone offering them, as will any of the products sold as merchandise.

Fine art sales:

Here is where the artist will have flexibility. Different artists work will by nature sell for different prices. There will be a basic pricing structure in place for new members, which will suggest pricing that is appropriate for a new artist to charge. If the artist is well known or has some sort of following which increases their value as an artist and affords them to charge more, then Black and White Arts will charge more. Sales prices can be relatively flexible to test the market. Art marketing knows that charging too much is no good. And charging too little shows your audience what value you place on your art in a negative way. Finding the balance will differ by artist, market, and medium for sale. There are no consistent pricing structures easy to find in existing art markets online, so Black and White Arts are going to find a medium level and have to experiment.

PHASE II:

Cohesion / Full Local Business inclusion:

The goal of Black and White Arts is to foster local artist's production of art, and local business production of artists' works. While initially using Café Press and White House Color Copy as the companies for production of artists work in an inventory free approach to business, Black and White Arts is currently fostering connections within the local community and actively finding artists and small businesses in the same community to produce the merchandise and fine art prints needed for existing sales. In this model the intention is to stimulate local producers of arts, crafts and fine art printing to replace all forms of non-local and corporate inventory free systems. Black and White Arts will act as a bridge between the artists and the company which will be known as 'Cohesion'. Cohesion will act as the engine developing the deeper social media strategy with the artists and Black and White Arts, and will also help the differing individuals and undeveloped businesses to fully establish themselves as legitimate and legal entities. Black and White Arts then fully becomes the agency to promote the artists. Cohesion becomes the service entity to enable small business development.

Case 1 binary-chaos.net:

binary-chaos :: media production company :: local artists producing for local arts.

binary-chaos is a collection of local Phoenix artists who are very capable in creation of such things as Audio/Video editing and production, print collateral and marketing materials. Using my own skills and the skills of many local artists in this way binary-chaos will be able to create artists video introductions, podcasts, music, business cards, flyers, commercials, etc...

binary-chaos.net has already been mentioned in the best of New Times 2009 for Best VidCast. Black and White Arts collection of well edited local content showcases Black and White Arts ability to create the content Black and White Arts artists will want. In collaboration with the agency offered by Black and White Arts and the business development offered by Cohesion there will be a small but powerful set of tools available to each artist that are being showcased on Black and White Arts. And as a full production company binary-chaos will be able to also develop content for local businesses in the form of audio/video commercials and any print and design services needed.

Method of development:

Cohesion and binary-chaos are just 2 entities that I would personally be assisting in the development of as a partner. There are many artisans and craftspeople in the downtown Phoenix arts that have a combination of skills and resources required to develop the production infrastructure needed to foster sustainable local economic growth through the promotion of artists on blackandwhitearts.com, and through the local community. Many of these artists and craft people have struggled and have had neither the encouragement nor model by which to pursue and understand how these things work and can be profitable for them. Black and White Arts will start by enabling them through merchandise and art production sales on blackandwhitearts.com. Then using the models created by Black and White Arts and Cohesion, plus the production capabilities of binary-chaos, a model of marketing and advertising begins.

Phase II Part II, Local Businesses on blackandwhitearts.com:

Although Black and White Arts will maintain a limited amount of artist portfolios on blackandwhitearts.com as a way to keep the spotlight on the artist, there is no reason to limit the amount of local businesses Black and White Arts promotes. Black and White Arts will develop a section of the site dedicated to local businesses and what they have to offer. This model will at first start with businesses that have the ability to directly support the needs to create goods for the artists merchandise, fine art sales, or media / promotional requirements.

Building the vision:

As more and more connections are actively being created through the local community to promote, build, foster and invest in small business development as a means to create products needed by blackandwhitearts.com to support the artist's portfolios, there would automatically be the understanding that these businesses can produce content for other local businesses and people. Once the needs of the artists on blackandwhitearts.com are fulfilled and a more robust and mature ecosystem is in production, the ability of these companies to branch out becomes self-evident. At that point blackandwhitearts.com becomes part of the marketing strategy for these small businesses. Services and resources that the whole community can take advantage of will be listed on blackandwhitearts.com in a business directory that is purposed to help create further income for all who are on board. Any local business that uses the services of blackandwhitearts.com will be sure to promote the artists and businesses affiliated on the website, and encourage the development of connections between local artists and businesses to further create a sustainable local economy.

Operations

Black and White Arts

During Phase I, Black and White Arts will act as a recruitment operation as well as a website. I have been and am currently recruiting artists to have their content on blackandwhitearts.com. I am also recruiting local people who are artists and creators of the services and products I am looking to offer. Ideally the artists Black and White Arts finds to be of good quality and caliber will also be people with many skills and connections within the community.

I am currently in contact with 11 artists and businesses which have potential to be both on blackandwhitearts.com and a part of the small business development which will evolve into Cohesion. During this period of time there is no specific daily activity that can be usefully documented.

Regular Updates:

In regards to the artist's pages, the content on the site needs regular refreshing. All artists need to keep content moving and updated so that any clients interested in a purchase will have reason to want to come and visit them often. Part of the social media strategy of Black and White Arts is in understanding that the more content each individual artist is creating, the more content will automatically be available to promote and share throughout everyone's network feeds.

Updates: Strategy

1. Daily small updates of a personal nature by every artist. This can be a few words, or even a piece of art a day. The idea is to have something people want to come back every day to see. Using sites such as Facebook and Twitter to keep active with fans and encouraging fans to want more.
2. Weekly updates by each artist describing projects being worked on. This could entail a snippet of poetry, a photo of a sculpture or painting in progress, a single unrefined photo from a new photo shoot, a rough mix of a song, etc... This part of promotion is designed to keep the audience listening and watching for new things.
3. Monthly production and listing of free items for prospective clients to consume. This includes free low resolution versions of most artwork produced. One or two high res offerings from a collection currently offered or from past collections which have become dated. A track or two from musicians who are producing regular content.

4. Monthly production of new video content hosted on the main blackandwhitearts.com feed, plus any individual artist fees it is relevant to.
5. Monthly / Bi-Monthly: Actual Production of some kind of content for sale and/or exhibition. Blackandwhitearts.com is a site meant to sell art, not just showcase it. Artists who do not have regular sellable items in production will be put on artistic probation and potentially knocked off the site until a space opens up again, or if there is a space, till they produce regular content for sale.

Updates: Rebroadcasting

Every one of these individual and consistent efforts must be backed up through reposts to all of the social media channels each artist has in their arsenal. Examples as follows:

1. Each video created by an artist must be automatically reflected and reposted on all other social media sites and affiliated websites capable of hosting such content. Such as, but not limited to sites like Facebook, MySpace, YouTube, Google Video, Vimeo, etc...
2. Each photo, or photo library must be automatically reflected and reposted on all other social media sites and affiliated websites capable of hosting such content. Such as, but not limited to sites like Facebook, MySpace, Flickr, Photobucket, etc... This includes all static visual content including art and photos of events, sculptures, etc.
3. Each song or audio track by an artist must be automatically reflected and reposted on all other social media sites and affiliated websites capable of hosting such content. Such as, but not limited to sites like Facebook, MySpace, etc...

As well as rebroadcasting all content through social media, taking advantage of meta tags, descriptions, and links back to their main profile page on blackandwhitearts.com are a must. The more actively artists are producing, distributing, tagging, and linking all of these sites together, the more traffic to blackandwhitearts.com will increase. When done effectively this will raise the SEO profile for blackandwhitearts.com on all of the major search engines and organically create a link network pointing all forms of content created by Black and White Arts artists to their place of sale, blackandwhitearts.com.

Formation “Cohesion”:

The initial strategies being created here to build up Black and White Arts as a form of agency and distribution for artists merchandise and sales is the formation of basic business strategies which will be available through the creation of the entity ‘Cohesion’. Black and White Arts and blackandwhitearts.com will continue to be the vehicle for connection of artists, businesses and clients throughout the local area. However, the services used to help the artists and businesses

create effecting marketing and advertising strategies will belong to 'Cohesion'. At what point Cohesion becomes a separate entity will still have to be seen. Just as with binary-chaos as a production company, the scale of the original operation will determine the sustainability of each operation as a separate vehicle and resource. Initially these resources will, for sake of cost and reduction of complexity, all be contained within Black and White Arts. Black and White Arts may also retain top level ownership of these entities and treat the entities as subsidiaries, with the option of each subsidiary to grow beyond the ability of Black and White Arts to effectively sustain them. Or as an option to sell each entity to the local producers and managers interested in what both Cohesion and binary-chaos have to offer.

Other Businesses / Separation of Duties:

Operations of other businesses not directly under the umbrella of Black and White Arts like Cohesion and binary-chaos are also not under daily management by Black and White Arts. The idea of Black and White Arts usage and development of these resources is to enable a "hands off" approach. As with the original concept using Café Press and White House Custom Color, Black and White Arts is not interested in having to support the daily operations of the businesses Black and White Arts is associated with. The use of Cohesion to promote and stimulate local businesses to develop their own systems of operation is within reason. But Black and White Arts is not interested in any form of inventory or production itself. All business created and maintained by Black and White Arts is by definition sustainable without location or material goods. The reason for this is to enable Black and White Arts to concentrate its efforts on site development and artist agency promotion, as well as fostering connections between businesses and artists and clients without taking the work away from any of these entities in the process. Black and White Arts is here to create the connections and enable these businesses and individual artists the opportunity to make profits for themselves while taking a percentage as commission. Any entity Black and White Arts helps to create or own as a subsidiary venture will also be self-sustaining and designed around community income and business development.

Employee Zero | Glen Allan:

Principal owner, founder.

History in Phoenix:

The people who run blackandwhitearts.com are already deeply entrenched in social networking and the arts. Black and White Arts have over 20 collective years of experience in creating art, being in local art scenes in Phoenix, running or affiliating with many different art galleries, and building a following of hundreds of different artists worldwide. My background starts all the way back into the early 80's in junior high school with screen printing, progresses to graphic design and offset printing in high school. Then continues for a number of years in the development of my skills as an outsider artist in the 90's through the use of Adobe Photoshop. I have used Photoshop since version 2.0 and am currently using it and Adobe Illustrator as my primary design tools. My background includes many years in different variations of the publishing industry, including magazine production, production management for graphics brokerages, color separation for screen printing and green screen photo process development. I have been creating art based websites or networks since the early 90's with success and no issue finding good content.

When I moved to Phoenix I was key in starting a gallery in Phoenix called Cone Gallery, developed from the ground up to become a very popular gallery for artists such as Wayne Michael Reich and Luis Daniel Gutierrez to establish themselves.

Had a solo show at a gallery called Thought Crime, which was a very popular gallery and collective living space known throughout the arts and continues to develop forward momentum through other spaces such as The Firehouse Collective in Phoenix and Miami Art Works in Miami Arizona.

Moved into the collective known as The Firehouse as mentioned before where I handled promotion, gallery curation, stage management and had a solo show along with participation in many group shows. Here I developed many connections in the downtown Phoenix Art scene to further the connections I made through Cone Gallery and Thought Crime.

From the Firehouse I met my partner, moved out of The Firehouse to start a gallery we called Chaos. At this gallery we held regular events such as jewelry nights, successful holiday parties, regular monthly art exhibitions and many music and performance nights. This was a live work space which fostered many more connections than were already established and have enabled continued understanding of the downtown Phoenix arts and businesses throughout it.

From there we merged with a café / gallery called Of The Earth to form Chaos Of The Earth and ran it for about 6 months with new partners who had established it on the thriving 5th street area in the Roosevelt District of downtown.

At this time I run a house called The Black & White House with two partners which was purchased instead of rented as a way to create a model which includes real estate and equity leverage to bring more power to the artists involved. This space is a collective living space, performance venue and a place which hosts different events such as our weekly nude art night.

Capabilities and Duties Phase I:

Glen Allan is the creator of the vision known as Black and White Arts, along with its subsidiary concepts Cohesion, and binary-chaos. He will essentially hold all positions necessary until such time as volunteers, partners or employees can have these duties delegated to them. As the business grows, Glen's responsibilities will adapt and change.

Skills and Experience	Capabilities
16 Years Digital Arts Experience	Supervision and Design of Aesthetic Principals
15 Years Art Server / File Server Experience	Supervision and Design of Technology
20 Years Exposure and involvement in Print / Advertising Industry	Print/Media Advertising Engineer
6 Years Work in Creative Industries	Creative Direction and Delegation
30+ Years as Alt / Outsider Personality	Inherent and Intuitive Creative Outlook
5 Years Experience in Artist Recruitment for 4 different galleries including The Firehouse, Chaos, Chaos Of The Earth, and The Black & White House	Using local social connections and social media Glen has created connections with over 2,000 friends, most of whom are artists. Recruitment of artists for sites and in gallery shows enabled to greater ease.
2+ Years Live Stage Management Experience	Tech Assets
5 Years Active Experience in Social Media	Concept development for social media strategies a natural progression. Creative process and drive to make something larger have development into an emergent concept for the next phase of Social Media usage in business.
7 Years Involvement in Local Arts Communities as an active artist, arts collective member (Cone Gallery / The Firehouse) and Gallery owner / partner (Chaos / Chaos Of The Earth / The Black & White House) .	Have direct experience in local art culture, capabilities and an understanding of the many underutilized or non-utilized capabilities in the local arts. Understanding of the desire the arts has on an individual basis to create a local economic system that works.
3+ Years Experience in Podcast Production, Editing, Advertising, Marketing & Distribution.	Advanced marketing and Publishing Understanding. Development of all Forms of Media Content creation, development and distribution.

2+ Years Experience in Production Management for the print industry.	Understanding of practical, disciplined processes to be used in creating systems of management and development.
2+ Years Experience as Art Director for Real Estate Magazine	Understanding of production workflows in process development from initial concept development to basic execution and maintenance of processes.
Remaining Misc skills include, but are not limited to: Jewelry and Human Photography, Green screen photo editing process development and creation, Web Portal site creation management & Development, Mac & Windows tech support & maintenance, Basic business network systems creation & maintenance.	Extremely diverse set of creative and productive skill sets. Glen thrives on turning challenging concepts into understandable concepts that can be practically utilized. Glen continues to advance any process he is involved in into a more productive and efficient engine for creative output.

Duties
Primary Senior Concept Development
Responsible for Website Creation & Maintenance during Phase I.
Responsible for Recruitment of Partners, Investors, Artists, Businesses and Employees or as development proceeds responsible for delegation of these duties.
Primary controller of art direction and interface design for web presence and all print collateral.
Responsible for design and production of print media, such a Business Cards & flyers.
Fully responsible for Social Media Concept Development and Strategies. Will be Primary at 'Cohesion' business development strategies.

~ Insert other primary persons capabilities and Duties here ~

Phase I is an actively evolving process of finding every piece of the puzzle in the existing ecosystem in the Downtown Phoenix Arts. As people, capabilities and duties are added to the company, their profiles will be added.

Capabilities and Duties Phase II Glen Allan:

As Black and White Arts develops, more duties and responsibilities will move into the hands of people other than Glen Allan. The role of Glen Allan is to create, develop and oversee process development. This would include advisory roles in business development of any artist or small business looking to become a connection to Black and White Arts and affiliates.

As the business plan begins to solidify and capable people are put into positions to manage more of the operations for Black and White Arts and the two subsidiaries Cohesion and binary-chaos, Glen Allan will pull back and concentrate on business development and strategy, leaving management and daily production in much more capable hands. Glen Allan will still involve himself in regular creative projects and help to advise or oversee any part of the business which affects the image of the business as a whole, but will assign and delegate capable hires and partners to take over parts of business more fitting to their skills.

Glen Allan will retain a %50+ ownership share of the company in reality, but in effect will only use the final vote if a question arises to negatively affect the company's image, ethical strategy, or financial future. Otherwise, the goal of Glen Allan is to continually develop the business model and process while handing over authority for daily operations to high level management and senior board authority.

Phase II Synopsys:

The objective during Phase II is to fully establish the connections between Black and White Arts, Cohesion, binary-chaos, the 42 artists profiled on blackandwhitearts.com along with the businesses being developed and assisted by Cohesion and Black and White arts. Once the connections are solid, product is flowing and there is a proven social media marketing effort, actual merchandise and art sales using local businesses as the suppliers for these goods and sales have reached a level capable of sustaining operational costs, payroll, R&D for development and the local economy has visibly improved through observations by local media and business. Then begins Phase III.

Phase III | Franchising

Phase I & II Conclusion, leading to Phase III Objectives.

Phase I & II were all designed to develop a successful business franchise model using local artists and businesses to stimulate economy without dependence on larger corporate entities. The efforts were specifically targeted with the intention of encouraging the growth and development of people with skills and resources to establish themselves as viable businesses with services to offer the greater community. Companies such as Cohesion and binary-chaos were designed to be employment opportunities for people in the local communities to build resources for the artists on blackandwhitearts.com and for any business or individual in the local community who would require such services to help promote their own interests as an individual arts or business.

Phase III Intent & Objectives:

Phase III is the idea that with the existing model created by Phase I & II, the model can now be duplicated anywhere there is a thriving local arts community. The intention of Black and White Arts in the beginning of Phase I as a marker of competitive advantage was the self-imposed limitation on the amount of artists so as to be able to keep the focus on the artists, and not just become a clearinghouse for art. Black and White Arts and blackandwhitearts.com the website would now begin the transformation to branching to other areas. The Downtown Phoenix Arts District and its 42 artists start the puzzle. Local businesses are add in components used to support those artists, Black and White Arts and the development of other local arts & business opportunities.

Artists Vs. Businesses in the model:

Whereas artists are by nature limited on the site, businesses are not. Franchising the model to other areas in no way limits the reach of the already existing business models. Whether or not a business is local to you, it is still a small and local business. The inclusion of small business development will reach out to any new areas Black and White Arts is interested in creating a new franchise in, and the existing resources created in Phase I & II will be used to help foster those new businesses. They will of course already be in action to be used to create the content needed in the new areas the franchise moves to.

2 Scenarios | Miami AZ vs. Portland OR:

Portland, OR:

When entering a market such as Portland, there is likely to be a huge pool available of people who are already creating businesses which would be ready for full development to support a local Black and White Arts Franchise's and their local artists. And there would likely be services also not available that a market such as Phoenix would be capable of. In this scenario there would be some completion between areas and an ethical debate over local production will arise. This debate should be encouraged and a natural and organic connection between the two areas will be encouraged. Any tension arising between the different areas will likely be of benefit to both as the competition will only encourage increase in quality and the pricing will naturally be competitive.

Miami, AZ:

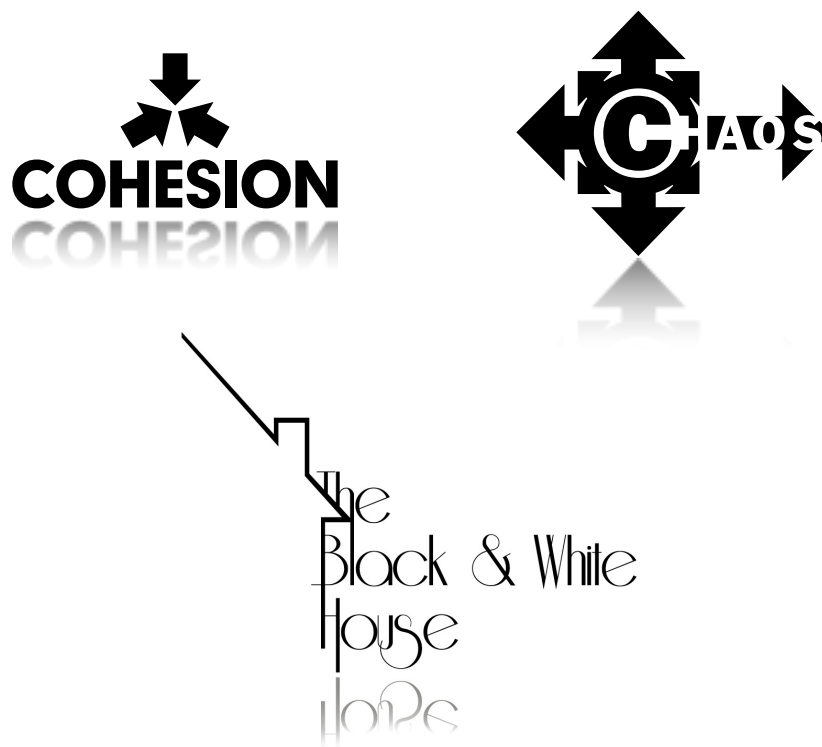
When entering a market such as Miami, the differences in business capabilities would be quite complimentary. Miami, AZ has a thriving community of artists which is already linked to the downtown Phoenix Arts scene in many ways. The opportunity to create a Miami Franchise or artists would easily self-populate the Miami section of blackandwhitearts.com into a rich and diverse collection of artists and egos. There would also be little threat to any existing small businesses, or in fact a boost to local industry as blackandwhitearts.com would feature businesses from Miami to people in local Phoenix as a resource. The mining specialties and metal shops owned by local businesses could be put into greater use creating art merchandise, sculpture and in general just having much greater exposure. This is a prime advantage to such a connection which can only bring better business to both locations while showcasing the local arts and culture of both areas.

Conclusion of Phase III:

The Phase III Model requires some development and it is believed will make itself more apparent as the connections are established through testing Phase I & II. The duties and responsibilities of those who have come on board during the first two phases will be in part to scout the areas and create bridges between these local communities. Specific roles, responsibilities and duties are in active development and will be filled in, in detail as they are understood.

Conclusion of Concept:

This is a concept which will by it's nature be attuned to and constructed around the idea of adaptation and progressive growth. The ability for each franchise to adapt into an ecosystem as unique as the region it is located in. Connection of art, culture and local economic growth are implicit in all construction and development. Much more development of things like Artists Packets and Business Packets is in the concept phase and of high priority. Networking in progress and recruitment of artists in an active process. 16 artists are currently under consideration for recruitment and more are being considered every day. Business plan development progresses next using the services of S.C.O.R.E. and a process of community peer review is already underway with two aspect of feedback having already influenced the current revision you are reading. We are on the way... To a revolution.



Start-Up Costs:

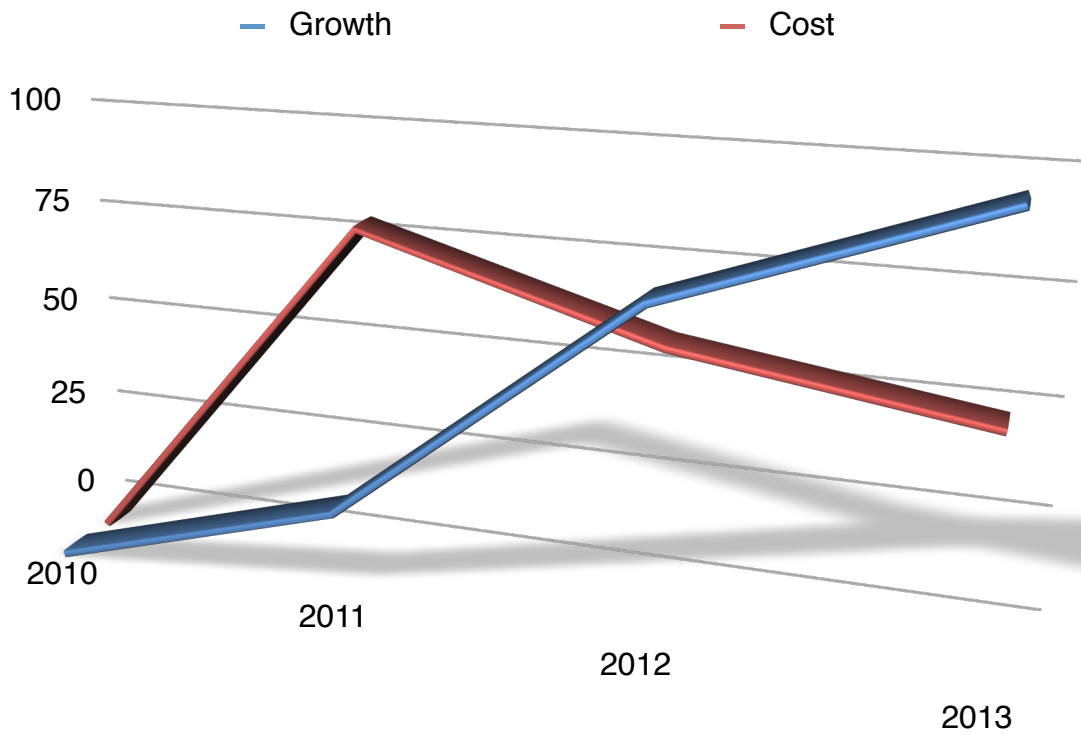
Items	Cost
Rent	\$4,800
Improvements/Build-out	-
Salaries/Wages	\$234,000
Payroll Expenses	\$234,000
Equipment	\$25,000
Furniture	\$10,000
Supplies	\$5,000
Inventory	\$10,000
Advertising	\$5,000
Utilities	\$15,000
Licensing/Permits	\$2,500
Insurance	\$10,000
Accountant's Fees	\$7,200
Attorney's Fees	\$5,000
Web Development	\$3,500
Server Storage	\$15,000
Bandwidth	\$5,000
Total:	\$357,000

Cost Conclusion:

The costs included here are considered a medium estimate only. The actual cost may be considerably less, or more. Payback is projected at between 3 to 9 months for initial growth and through months 12 to 36 growth up to a factor of 10. Actual profit numbers require further development of the business connection elements... To be added soon.

Projected Growth:

Growth Vs. Cost Over 4 Years in Percent



Contact:

Glen Allan Woodford
602.633.3008
glen@binary-chaos.net
www.blackandwhitearts.com

Confidentiality Agreement

This Confidentiality Agreement ("Agreement") is made and effective the _____ **[Date]** by and between _____ **[Owner]** and _____ **[Recipient]**.

1. Confidential Information. Owner proposes to disclose certain of its confidential and proprietary information (the "Confidential Information") to Recipient. Confidential Information shall include all data, materials, products, technology, computer programs, specifications, manuals, business plans, software, marketing plans, business plans, financial information, and other information disclosed or submitted, orally, in writing, or by any other media, to Recipient by Owner. Confidential Information disclosed orally shall be identified as such within five (5) days of disclosure. Nothing herein shall require Owner to disclose any of its information.

2. Recipient's Obligations. A. Recipient agrees that the Confidential Information is to be considered confidential and proprietary to Owner and Recipient shall hold the same in confidence, shall not use the Confidential Information other than for the purposes of its business with Owner, and shall disclose it only to its officers, directors, or employees with a specific need to know. Recipient will not disclose, publish or otherwise reveal any of the Confidential Information received from Owner to any other party whatsoever except with the specific prior written authorization of Owner. B. Confidential Information furnished in tangible form shall not be duplicated by Recipient except for purposes of this Agreement. Upon the request of Owner, Recipient shall return all Confidential Information received in written or tangible form, including copies, or reproductions or other media containing such Confidential Information, within ten (10) days of such request. At Recipient's option, any documents or other media developed by the Recipient containing Confidential Information may be destroyed by Recipient. Recipient shall provide a written certificate to Owner regarding destruction within ten (10) days thereafter.

3. **Term.** The obligations of Recipient herein shall be effective [**Non-Disclosure Period**] from the date Owner last discloses any Confidential Information to Recipient pursuant to this Agreement. Further, the obligation not to disclose shall not be affected by bankruptcy, receivership, assignment, attachment or seizure procedures, whether initiated by or against Recipient, nor by the rejection of any agreement between Owner and Recipient, by a trustee of Recipient in bankruptcy, or by the Recipient as a debtor-in-possession or the equivalent of any of the foregoing under local law.

4. **Other Information.** Recipient shall have no obligation under this Agreement with respect to Confidential Information which is or becomes publicly available without breach of this Agreement by Recipient; is rightfully received by Recipient without obligations of confidentiality; or is developed by Recipient without breach of this Agreement; provided, however, such Confidential Information shall not be disclosed until thirty (30) days after written notice of intent to disclose is given to Owner along with the asserted grounds for disclosure.

5. **No License.** Nothing contained herein shall be construed as granting or conferring any rights by license or otherwise in any Confidential Information. It is understood and agreed that neither party solicits any change in the organization, business practice, service or products of the other party, and that the disclosure of Confidential Information shall not be construed as evidencing any intent by a party to purchase any products or services of the other party nor as an encouragement to expend funds in development or research efforts. Confidential Information may pertain to prospective or unannounced products. Recipient agrees not to use any Confidential Information as a basis upon which to develop or have a third party develop a competing or similar product.

6. **No Publicity.** Recipient agrees not to disclose its participation in this undertaking, the existence or terms and conditions of the Agreement, or the fact that discussions are being held with Owner.

7. **Governing Law and Equitable Relief.** This Agreement shall be governed and construed in accordance with the laws of the United States and the State of **[State of Governing Law]** and Recipient consents to the exclusive jurisdiction of the state courts and U.S. federal courts located there for any dispute arising out of this Agreement. Recipient agrees that in the event of any breach or threatened breach by Recipient, Owner may obtain, in addition to any other legal remedies which may be available, such equitable relief as may be necessary to protect Owner against any such breach or threatened breach.

8. **Final Agreement.** This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

9. **No Assignment.** Recipient may not assign this Agreement or any interests herein without Owner's express prior written consent.

10. **Severability.** If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

11. **Notices.** Any notice required by this Agreement or given in connection with it, shall be in writing and shall be given to the appropriate party by personal delivery or by certified mail, postage prepaid, or recognized overnight delivery services. If to Owner:

[Owner] _____

[Owner's Address]_____

If to Recipient:

[Recipient]_____

[Recipient's Address]_____

12. **No Implied Waiver.** Either party's failure to insist in any one or more instances upon strict performance by the other party of any of the terms of this Agreement shall not be construed as a waiver of any continuing or subsequent failure to perform or delay in performance of any term hereof.

13. **Headings.** Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

[Owner] Signature Block _____

[Recipient] Signature Block _____