

CID Mini Grant Program 2019

Application

Applicant Information

Business: designCraft Advertising
Address: 707 S Park St, Madison, WI 53715
Contact: Andy White, andy@designcraftadvertising.com

Introduction

Yvette Jones founded designCraft Advertising in 1985 and continues as the president to this day. Yvette fully supports the transition of the business to a worker-owned cooperative, with a target transition date in late 2020.

designCraft values local and nonprofit clients. Current or recent examples include Madison Community Foundation, Downtown Business Improvement District (BID), Capital Area Regional Planning Commission (CARPC), Madison Parks Foundation, League of Women Voters Wisconsin, Habitat for Humanity of Dane County, NARI Madison, Bankers' Bank, Home Savings Bank, Union Cab, and bad dog frida. Our business has grown steadily but our rates and focus continue to reflect our support for the many small local businesses in our community and on our client list.

Specifications of Conscience

A unique aspect of our firm is that we operate according to our Specifications of Conscience. There are three parts to the Specifications.

For Our Clients

- We pledge to provide effective, full-spectrum advertising, and promotional services.
- We help craft a budget framework and maximize its impact.
- We plan campaigns to reach diverse communities, use resources wisely, and support good causes.
- We value transparency and prepare regular reports detailing results.
- We support and participate in community organizations, and are active members of Sustain Dane, Downtown Madison Inc., NARI, GMCC, and the Ad Fed.

For Our Community

- We commit to create ad campaigns that are socially just.
- We promote products and services of long-term benefit to consumers and the community.
- Ads are created to help the consumer make wise and satisfying choices.
- Ad placement (media) suggestions include independent and minority-run publications, public broadcasting, and arts and nonprofit sponsorships.
- Employees get fair pay, health and retirement benefits, sick leave, and flexible family leave.

For the Earth

- Our office was remodeled with reused and sustainable materials, and equipment and resources within the office are conserved and recycled.
- The office on Park Street was chosen for its central location, which allows staff to walk, bike, and bus to work on a regular basis.
- We purchase 100% clean energy through the MGE Green Power Tomorrow program.
- We participate in the Wisconsin Green Masters program.

Description of Services

Branding and Graphic Design

New or refreshed branding and graphic design services. Logo, print, digital, outdoor, and social media looks that align with our clients' values, work, and products.

Marketing Plans and Media Buys

We combine traditional advertising with the latest techniques in digital marketing to help our clients spend their dollars wisely. We prefer local, grassroots placements, and we have years of experience with earned media (publicity gained through promotional efforts other than paid media advertising).

Websites and Search Engine Optimization

We build websites to meet clients' needs and place them at the top of online searches. Our in-house web development team has years of experience and can customize your site from the ground up. Digital performance expertise and marketing know-how are baked into every site. We create simple, elegant sites, sites with unique forms and features, and everything in between.

Social Media Management

Our social media specialists are strategists first. The team evolves with social media to quickly adapt to changing trends. They produce creative content, engage the clients' audience and partners, and manage social media marketing budgets to get results.

Signs, Vehicle Graphics, Trade Shows

From business cards to billboards and from banners to bus wraps, our graphic design team works with partner printing companies to ensure excellence in the physical representations of our clients.

Speciality Web Development Services

Our speciality services run the gamut of small to medium web application development, though we have a strong focus on web portals. Custom web portals provide a separate and more focused web experience for visitors. Popular uses for portals include: a) managing complex registration and content for events critical to the business, b) managing complex ordering processes, c) tracking the progress of clients within a program offering, and d) specialty product designers. A portal optimizes the workflow for both the client and the backend office staff, saving considerable time and expense compared to a workflow via email or general-purpose cloud service.

Supporting MCDC's Mission

designCraft will continue to provide top quality marketing services for local businesses and nonprofits. We also plan to become more involved in collaboration with other cooperatives. The marketing services we provide may greatly benefit the local co-op ecosystem. Further, by supporting local businesses and foundations we will help to keep money and investments local and to strengthen Madison's long-term economic health.

It is our goal that all our employees have the experience of thriving in life, both at work and at home. To that end, all employees shall receive the highest wages that the business can reasonably sustain. Furthermore, as members of a co-op, our employees will have their voice heard in major business decisions and about concerns that may arise. As the business grows we will continue to seek talent from Madison's diverse population.

Key Organizers

Our organizers have a strong set of skills from a variety of backgrounds which support the services offered by our company. Several of our organizers have experience with business

management. Our organizers are excited to develop expertise in cooperative operational models and business management.

Jordan Jerabek

Education: BA English, literature

Experience: five years as a professional writer

Specialties: social media, photography

Genna Sticha

Education: BA communication studies, organizational & interpersonal communication

Experience: three years in marketing & fundraising

Specialties: social media, copywriting, graphic design

Andy White

Education: BS computer science

Experience: 28 years of software development, 10+ years experience as a small business owner

Specialties: custom web portals & web applications

Joe Windeknecht

Education: BA visual arts

Experience: 15 years in graphic design, both print & digital

Specialties: layout, typography, color theory

Mike Zydowicz

Education: BBA marketing, BBA management, integrated liberal studies

Experience: eight years of marketing and/or management

Specialties: project management, Google Analytics & Google Ads

We identify the need to learn more about business development and management, as well as learn more about cooperatives.

We are fortunate that the current owner, Yvette Jones, will offer assistance and guidance with business development and marketing plans. She will also likely remain a part-time employee in the years immediately following the transition. The current bookkeeper Sue Cowan will be available to assist with the transition of the fiscal management. Also we will receive business guidance from Michelle Somes-Booher from the Small Business Development Center

(UW-Madison). Michelle has provided consulting for Yvette for many years and is familiar with our company.

Community Partnerships and Involvement

We work to support diversity and strive to make our presence a positive influence in the Madison community and beyond. Our partnerships and initiatives include:

- American Advertising Federation Madison
- Community Shares of Wisconsin
- Dane Buy Local
- Downtown Madison, Inc.
- Greater Madison Chamber of Commerce
- National Association of the Remodeling Industry - Madison
- Sustain Dane and the Sustainable Business Network
- Wisconsin Green Masters Program

Following are highlights of how our employees are involved in the community:

Stacy Harbaugh volunteers with and fosters for Underdog Pet Rescue and regularly donates blood as a cytomegalovirus-negative donor. If you tune in to WORT-FM's Local News on Thursdays, you'll hear Stacy hosting the program as she has done since 2015.

Jordan Jerabek hosts Knobs to Eleven on WSUM-FM, a radio program that explores metal, rock, and punk music. The show has made Isthmus' Mad Faves list several times in the Favorite Radio Show category.

Yvette Jones serves on the boards of Salon Piano Series and Sustain Dane. She is a former board member of NARI of Madison, First Unitarian Society, and the GMCC Small Business Advisory Council. She also served on the board of Dane Buy Local and was honored with the establishment of Yvette's Local Entrepreneur Fund.

Lisa Lombardo volunteers with the Poweshiek Animal League Shelter.

Genna Sticha volunteers with Big Brothers, Big Sisters of Dane County.

Joe Windeknecht is a founding member of EDS Wisconsin, a nonprofit that provides support and resources to Wisconsin patients and medical professionals affected by Ehlers-Danlos syndromes and related conditions via education and research.

Mike Zydowicz is a BJCP-certified beer judge and has judged homebrew in four states. An experienced homebrew community is one of the key elements of a strong craft brewing industry because many craft breweries are started by homebrewers.

Grant Impact and Budget

Our organizers anticipate the following outcomes from funding provided through the CID grant:

Valuation: A key part of our cooperative feasibility study is to determine if we can afford to purchase the company. Partnering with the current owner we will conduct an independent and fair valuation to determine the value of the business. The valuation shall include a thorough review of company history and clients, however no inventory or IP review will be required.

Business Plan: Just as with most small businesses our cash flow is tight. To succeed as a business we need to establish a realistic and thoroughly researched plan. To succeed as a group we need to collect insights and buy-in from all members. Meeting all these requirements is a significant challenge and, therefore, it is critical to have a professionally developed plan utilizing the services of a variety of external firms.

Bylaws: As a group we have little experience with bylaws written for cooperatives. To ensure fair and sustainable business operation we will need to engage the talents and experience of existing experts on the subject.

Education: Our organizers and future members will require further education in cooperative governance, business development, and business management. We plan to utilize educational services provided by the UW Center for Cooperatives such as the Directors Forum and direct in-house consulting. We will also look to the UW's SBDC for educational opportunities such as the four-part Financial Management Series.

| Area | Estimate | Note |
|-------------------------------|----------|--|
| Valuation | \$2,500 | Share the cost with current business owner. |
| Business Plan | \$3,000 | Approx 40 hours at \$75/hr |
| Bylaws, Governance, and Legal | \$2,400 | Approx 16 hours at \$150/hr |
| Education | \$2,100 | Approx 3 series/workshops with each resource |
| Total | \$10,000 | |

Timeline

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|---------------------|---|
| <i>Jul 16, 2019</i> | <i>Andy, Joe and Mike attended a MCDC presentation on co-ops</i> |
| <i>Aug 1, 2019</i> | <i>Jordan, Andy, Joe and Mike attended a Q&A meeting with MCDC</i> |
| <i>Sep 2019</i> | <i>Jordan, Andy, Joe and Mike discussed plans for moving forward Yvette, the current owner, is engaged in discussion</i> |
| <i>Oct 2019</i> | <i>Grant application is drafted</i> |
| Nov 8, 2019 | Grant to be submitted |
| Dec 3, 2019 | Grant approved or denied (additional timeline assumes approved) |
| Dec 9, 2019 | Engage expert to perform business valuation |
| Feb 17, 2020 | Business valuation completed, purchase amount agreed upon Co-op steering committee formed Co-op feasibility study started |
| Mar 2, 2020 | Joint letter of commitment to purchase Co-op feasibility study preliminary results Financing search started |
| Mar 16, 2020 | Co-op feasibility study completed Co-op conversion plan started |
| Mar 30, 2020 | Co-op conversion plan drafted Financing applied for |
| April 13, 2020 | Co-op conversion plan completed |
| Apr 27, 2020 | Mission and Vision Drafted |
| May 11, 2020 | Mission and Vision Complete Governance / Articles of Incorporation started |
| Jun 15, 2020 | Bylaws started Governance / Articles of Incorporation drafted |

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| Jul 6, 2020 | Governance / Articles of Incorporation completed Bylaws drafted |
| Aug 3, 2020 | Bylaws complete Employee handbook and company policies started |
| Aug 24, 2020 | Marketing plan drafted Financing Secured Employee handbook and company policies complete |
| Sep 7, 2020 | Legal requirements in progress Budget drafted |
| Sept 21, 2020 | Marketing plan completed |
| Oct 26, 2020 | Legal requirements completed Budget and cash-flow statement complete |
| Nov 9, 2020 | Finalize bookkeeping, management, website, and scheduling |
| Nov 23, 2020 | Transition to Co-op Management |