

BUSINESS MODEL CANVAS
BRIGHTMOOR MAKER SPACE
SECTION FOUR | AUGUST 27, 2015



VALUE PROPOSITION

The Be Moor, Make More product line encourages youth to take ownership of their work, enables them to acquire and share business and technical skills, embraces their desire to integrate their social setting, and fosters their creativity and entrepreneurial spirit. Be Moor, Make More delivers profitable products that are unique, visually appealing, and practical. Our customers are our partners in driving social change within the Brightmoor community.



KEY PARTNERS, ACTIVITIES, RESOURCES

PARTNERS

- ♥ Labor-Driving Partners: Local students/administrators at Detroit Community High School, potentially local students/administrators from other groups, recent alumni of Brightmoor Maker Space; displaced skilled laborers, local government and educational organizations (PTA)
- ♥ Corporate Partners: DHL, Home Depot, UPS, Lowe's, local hardware stores, Whole Foods
- ♥ Reclamation projects such as Reclaim Detroit who would be able to sell raw materials at low rates and align with our goals to create a sustainable community in Brightmoor and the Greater Detroit Area
- ♥ Detroit Institute of Art and other non-profits



KEY PARTNERS, ACTIVITIES, RESOURCES

ACTIVITIES

- ♥ Improve the Sales Process
 - ♥ Expand student-driven peer-to-peer marketing by using sales as a pipeline into membership in the Brightmoor Makers Space
 - ♥ Create a formal business-to-business marketing campaign with the intent of providing infrastructure support in addition to signage (e.g., retaining walls for urban gardens, etc.)
 - ♥ Build an inventory of non-custom items to meet demand more consistently
- ♥ Improve Materials Acquisition Process
 - ♥ Engage with Home Depot/Lowe's to obtain existing non-profit discounts
 - ♥ Partner with corporations, such as PwC and GM, to obtain donations (material and funds)
 - ♥ Take advantage of reclamation projects such as Reclaim Detroit
- ♥ Improve Production Process
 - ♥ Maximize value of new facility to alleviate resource and space constraints
 - ♥ Maintain relationships with recent BMS alumni for quick re-assimilation into program
 - ♥ Engage alumni, local schools, and qualified residents
 - ♥ Consider steps to streamline production and assembly process (specialization)
 - ♥ Set quality production standards in line with potential partners' expectations



KEY PARTNERS, ACTIVITIES, RESOURCES

ACTIVITIES (CONT.)

- ♥ Improve the Fulfillment Process
 - ♥ Implement and use free inventory software platform such as InFlow Inventory Free Edition to ensure orders are completed and delivered in a timely manner
 - ♥ Engage with DHL to obtain existing non-profit discounts
 - ♥ Establish corporate checking account for BMS to utilize technology such as Square and Venmo to process and track payments in order to receive revenue directly
- ♥ Engage New Sources of Labor
 - ♥ Connect interested students with local craftsmen
 - ♥ Encourage students to stay in the program and lead functional groups
- ♥ Improve Customer Engagement
 - ♥ Include hand-crafted postcards/notes from students who build each product to create a more personal connection between the buyer and the organization



KEY PARTNERS, ACTIVITIES, RESOURCES

RESOURCES

♥ People

- ♥ Organizational management to support owner Bart Eddy (short term – additional instructors from the community; longer term – add product function leaders, bookkeepers, administrators)
- ♥ Expand labor force by engaging with recent Detroit Community High School alumni and community members

♥ Finance

- ♥ Obtain corporate sponsorships to fund the initiative. BMS can print corporate logos on t-shirts and include sponsors' logos in personalized postcards upon delivery
- ♥ Engage with the University of Michigan to sponsor workshops and defray costs of other initiatives
- ♥ Raise private funding where possible by engaging with institutions that are well connected in the non-profit community such as the Detroit Institute of Arts



KEY PARTNERS, ACTIVITIES, RESOURCES

RESOURCES (CONT.)

♥ Material

- ♥ Seek discounted sources of raw materials (wood, metal, apparel) and equipment via non-profit pricing and/or community grants from Home Depot, Lowes, etc.

♥ Access

- ♥ Access to the newly commissioned facility that will allow BMS to expand its number of participants and offerings
- ♥ Customers will access the company and products via multiple platforms
 - ♥ Direct peer-to-peer or business-to-business sales
 - ♥ Online marketplace such as Etsy
 - ♥ Wall or shelf space with local institutions such as the Detroit Institute of Arts, art galleries, and speciality grocers
 - ♥ The BMS website (<http://brightmoormakerspace.com/>) with links to Etsy marketplace



CUSTOMER SEGMENTS, RELATIONSHIPS, AND CHANNELS

CUSTOMER SEGMENTS

Short Term

- ♥ Local Detroit residents
- ♥ Brightmoor residents
- ♥ Friends, families, and classmates of employees
- ♥ Local Detroit area businesses and restaurants

Long Term

- ♥ Former Detroit residents
- ♥ Art galleries
- ♥ Online marketplace
- ♥ Local retailers and boutiques
- ♥ Speciality grocers
- ♥ Tourism agencies/tourists



CUSTOMER SEGMENTS, RELATIONSHIPS, AND CHANNELS

CHANNELS – CUSTOMER ENGAGEMENT CHANNELS

Short Term

- ♥ Consumer demand-driven just-in-time production collected by BMS leadership
- ♥ Flyers distributed in Brightmoor and Detroit
- ♥ Leverage online marketplaces such as Etsy for small scale direct-to-consumer projects
- ♥ Email marketing campaigns (gather email addresses at Eastern Market, etc.)
- ♥ Radio and social media advertisements (three week lead time for radio ads)
- ♥ Revisit Eastern Market and establish presence at Detroit Urban Craft Fair
- ♥ Utilize Google Grants for search engine optimization

Long Term

- ♥ Partner with retailers such as Whole Foods and Shinola
- ♥ Grow independent online presence (<http://brightmoormakerspace.com/>)
- ♥ Partner with corporations around Detroit and social enterprise alliances for advertising



CUSTOMER SEGMENTS, RELATIONSHIPS, AND CHANNELS

CHANNELS – PRODUCT DISTRIBUTION

Short Term

- ♥ Partner with DHL/UPS for non-profit pricing
- ♥ Have customers pay shipping costs
- ♥ On-site pick up at BMS

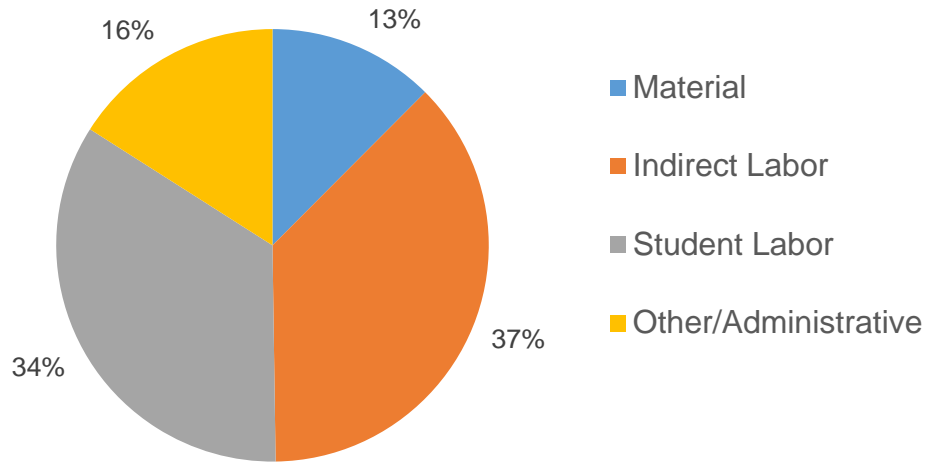
Long Term

- ♥ Fully operational distribution system with DHL/UPS non-profit agreement
- ♥ Public markets and fairs (e.g. Detroit Urban Craft Fair, Eastern Market)
- ♥ Art galleries and specialty grocers



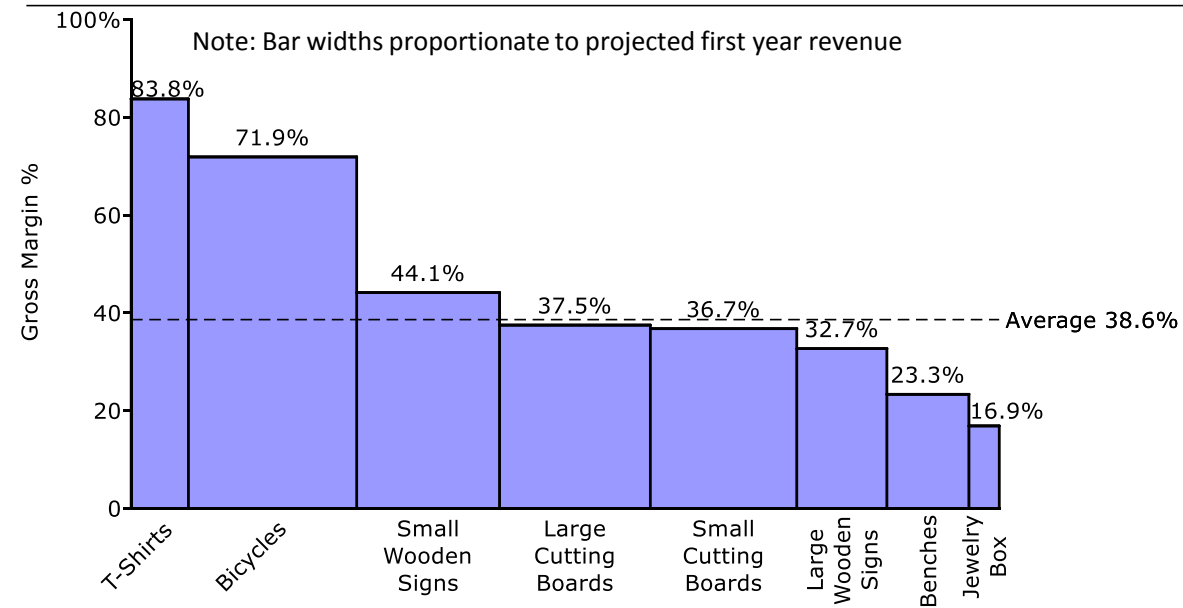
COST STRUCTURES

First Year Brightmoor Maker Space Cost Structure



- ♥ **Indirect labor:** includes four adult technicians as well as Bart Eddy and a part-time marketing coordinator
- ♥ **Student labor:** Leveraging interview time with Bart Eddy to determine labor hours per item . Due to expected increase productivity in production labors we can improve student labor efficiencies
- ♥ **Material:** Through strategic partnerships with wholesale raw material providers material costs can be reduced significantly
- ♥ **Other/Administrative:** Includes utilities, insurance, event fees, & machine repairs

First Year Gross Profit—By Product



- ♥ The product line was priced so that the Brightmoor Maker Space would have a gross margin of 39%, which is in line with the craft industry



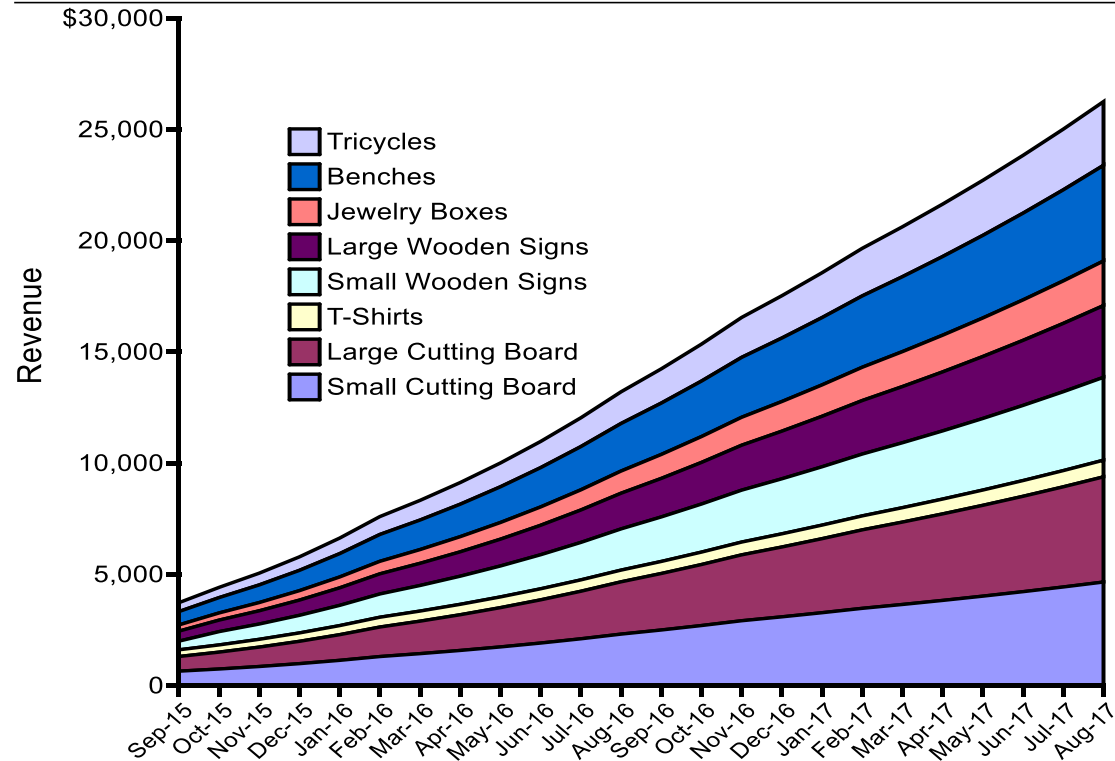
REVENUE STREAMS

List Price—By Product

Products	List Price (\$)
T-Shirts	20.00
Small Wooden Signs	40.00
Large Wooden Signs	150.00
Large Cutting Board	59.99
Medium Cutting Board	49.99
Jewelry Box	40.00
Benches	300.00
Tricycle	400.00

- ♥ Conducted analysis of etsy.com and threadlist.com to determine price ceiling, as well as mean and median, for each product

Brightmoor Maker Space Revenue—September 2015 to August 2017



- ♥ Short term growth will be driven by peer to peer sales and marketing, which will be driven by the students
- ♥ Online platforms will allow BMS to expand to a wider audience
- ♥ eCommerce will be very important to the success of this company, which is why a BMS website has been created and an Etsy store is recommended
- ♥ A part-time marketing manager will help optimize the effectiveness of our marketing channels



DESIRABILITY, FEASIBILITY, VIABILITY

Brightmoor Maker Space can grow sustainably

A sustainable enterprise requires profitable products and customers. We offer social impact products to improve communities alongside higher-margin, scalable products that drive profitability. Our approach positions Brightmoor Maker Space as a community investment opportunity for businesses, resellers, and individuals.

Each piece is made, marketed, and sold by Brightmoor youth

As students join the Brightmoor Maker Space, they can quickly learn to produce and sell these products, which integrate simplicity and creativity. Our new products build on students' existing skills and available resources.

Our customers love to support their community

We meet that need – for businesses, families, and individuals – with visually appealing, functional pieces. It's the perfect investment – in youth, in creativity, in Detroit.

