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In the conceptualization of the Barbados Human Resource Development Strategy, the reinvigoration of the cultural sector was identified as a critical strategic intervention that would help realize the strategy's important mission of developing national, institutional, and human capacity so that the potential of all Barbadians was fully realized. As an emerging sector, the prospective growth of this industry and the commercialization and export of cultural goods and services generate incredible opportunities for the sustainable diversification of our economy, increased innovation, more internationally competitive businesses and the generation of significant foreign exchange. Additionally the cultural industry provides outlets for a diverse group of talented, out of the box thinkers to express and share their creativity while facilitating viable, gainful employment.

With significant financial support from the European Union and the successful engagement of key players in the cultural sector, including some non-government organizations, my Ministry has supported a number of initiatives as diverse as the cultural sector itself, providing training and facilitating research across its many subsectors. This toolkit is the end product of a partnership with Pinelands Creative Workshop to support efforts to export dance, song and other cultural products from communities across Barbados.

The Ministry of Labour, Social Security and Human Resource Development welcomed this opportunity to support research on the cultural indigenous performance art forms to document the folklore, norms and historical practices that would inform the development of standards for dance and theatre development among community cultural practitioners. Additionally Pinelands Creative Workshop sought to provide intelligence on the tourism market to assess the demand for community based performances and the deficits that community cultural practitioners and their cultural products must address to capitalize on opportunities within this sector. This research informed the toolkit and I hope that it will become an invaluable tool for all enterprises operating within the cultural sector.

In any export strategy, the quality of the goods or services is a key factor to its success. However, when it comes to cultural goods and services, the significance of quality is compounded by their unique nature. These products are more than mere commodities, but rather vehicles of Barbados’ national identity, history, traditions and values. This toolkit provides the means to not only ensure that performances remain true to Barbados’ culture but also establish a clear, concise and consistent identity of these cultural products as they go global.

I must commend Pinelands Creative Workshop for this initiative and acknowledge its continued support of the Barbados Human Resource Development Strategy. This organization is a valued partner in assisting in Barbados’ transformation into a globally competitive, innovation rich nation.
Message from Rodney Grant, J.P.,
Chief Executive Officer, Pinelands Creative Workshop

The global financial crisis has been a major shock to developing countries. Barbados has not escaped the aftershock where job loss is at its highest, a decline in agriculture and manufacturing and tourism struggles to remain the main economic driver. Research has shared that there is a link between unstable environments and improved performance and that planning increases as environmental instability grows. Despite the threat to other sectors, in recent time, there has been serious growth potential exhibited by the creative sector which has been marked as a critical sector to watch going forward. Within the Barbados context, the strength of the domestic cultural sector rests in the provision of cultural services specifically in the area of live performances, tours and concerts. However, for the sector to adequately respond, there has to be a strengthening of human resource skills and knowledge to fully capitalize and participate in this new and emerging economy.

Against this backdrop, the Government of Barbados has responded by implementing its Human Resource Development Strategy 2011-2016, under the Ministry of Labour, Social Security and Human Resource Development and funded by the European Commission. This strategy has been defined as a comprehensive, multi-sector programme that seeks to harmonise HRD efforts and realise the vision of “an efficient, well-coordinated, effective, knowledge-led, and demand-driven HRD system responsive to global conditions and Barbadian aspirations”

In concert with this approach, as cultural professionals and practitioners there has to be a renewed thinking and recognition that Barbados has adjusted its trajectory and sees the cultural industries as a vibrant contributor to the countries sustainability. We have to meet this challenge and the available opportunities head on by tapping into our adaptive and creative capacity; embracing change; by making a mindful effort to synchronise or harmonise the efforts within and among the sector by aligning our internal development plans with that of governments development strategies. As practitioners we have to meet this responsibility with the understanding that we are functioning and existing in a global market place. Therefore there has to be a fundamental understanding that sustainability whether individualistic or collective rests on two main factors:

1. Competitive dependability which relies on the organisation’s capacity to stay one step ahead of global competitors and
2. Environmental consonance which requires any Organisation to continually adapt its business systems to the demands and new opportunities in the market place.

With this as a guide and to further define a clear path, a better understanding of the assets, strengths, weaknesses, opportunities and threats of the sector has to be investigated. Through the support of its partners, the Pinelands Creative Workshop (PCW) undertook the research based initiative “The Internationalization of Community Cultural Performance Arts Products and Services as a Component of a Vibrant National Cultural Industries”. This initiative began in February 2016 with three (3) components: 1: Cultural Products Assessment in the Tourism Sector 2: Research on Indigenous Historical Community Cultural Art Forms; and, 3. Development of Toolkit and Export Strategy. The results have allowed PCW to begin the process of charting a clearer direction for the sector founded on a participatory process using research and consultation resulting in the creation of a toolkit consisting of methodologies and strategies for the improvement of standards required for the export markets as well as the production of a docu-
mentary of indigenous cultural practices to serve as a training tool as well as for further dissemination to the public at large.

As a cultural sector, we have to take a collective responsibility for our own relevance. Our conversations need be around commercialisation, innovation in management and organisational structures; capacity building; improved client services; record preservation; measuring success and even taking a serious look at building a consortium as a further means of sustainability, knowledge building and sharing, and overall improvement and competitiveness for the sector.

This project through research and participatory dialogue has created a blueprint. Let us now begin to use this framework to chart a path towards a vibrant sector that can run parallel to tourism, manufacturing or agriculture as a serious contributor to the economic growth and development of our country.
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This training Manual will provide modules which cover the two main themes captured in the previous sections of this Report:

- Building a strong domestic business in the community cultural performance arts
- Preparing for Internationalization

Building a strong domestic business is critical to the development of a strong business model. So you are offering services in dance, theatre and music. How can we convert those services into a viable business model that generates revenue for the business and its membership? The answers to those questions will be explored in this first section which will serve as the foundation for later internationalization. The training and development approach being proposed is captured in the below model:
In Sections 1 and 2, we create the context for the training which is to be conducted to show stakeholders how to move through the two main steps. The first stage will be developmental in preparation for internationalization and the second Phase, using the pyramid model above, will repeat the steps in an international context.

Phase 1 - Building a Strong Business
Modules
1. Getting Started
2. Assessing the Community Group and Getting started
3. Understanding the business
4. Setting goals and targets
5. Marketing and Market Research
6. Expanding and Financing
7. Finding Capital
8. Preparing for the Export Market
9. Standards
10. Market Entry Strategies

Phase 2 - Preparing for Internationalisation – Specialist Modules
1. Standards (International)
2. Protecting my intellectual property
3. Expanding into new markets (Phase 1 Modules 1-8)
4. Sustaining my business
PHASE 1
Building a Strong Business
The business development training cycle should be looked upon as one phase in an integrated process of consecutive interrelated activities in which each phase is essential to achieve a successful and viable business which is being primed for export activity.

1.1 STARTING THE BUSINESS DEVELOPMENT CYCLE

Group formation – the community group has to be ready and mature enough to embark upon a business venture. A newly formed group needs time to establish cohesiveness and develop adequate and effective management. The objectives for the group should have been clarified and a group fund under the umbrella of the Consortium should have been started.
• Business awareness – the first step for the group/entrepreneur is to identify what options and opportunities there are for starting a business venture and to understand what risks and requirements are involved.
• Business training – intends to give the group a good and realistic understanding on how a community based export oriented business is operated, factors to be considered before starting, risks involved and how to make plans and preparations before start.
• Business startup – For emerging or newer Community Groups a well-organized and arranged start minimises risks and shortens the time before the business will generate income.
• Coaching – it is important to follow up and give support to all businesses whether they are new, have been in the cultural sector for an extended time or if they have done some limited exporting, to ensure consistent development and facilitate further development.

This Training Manual is designed to give Community trainers in business development a better understanding about what is required and what should be done to develop a sustainable and competitive business entity at the community level. It will give some adequate tools to be used when organising and running training for community groups and interested individuals who intend to engage in internationalisation.

It is organised in 6 distinctive steps where each step is a checkpoint. Before moving up onto the next step, the group should fulfil all the requirements needed on the actual step. If yes - then the group can start on the next level. If no – then the group have to re-think, maybe redefine the business idea or elaborate their plans better.

The Checkpoints are:

1. Is your Community Group ready?
2. Is the market you are targeting ready?
3. Have you done your homework?
4. Do you have the resources to undertake the task at hand?
5. What are the profit margins estimated for your idea?
6. Is your community group organized functionally to be able to execute the task?
The success of any business depends largely on the characteristics, skills, experience and the financial situation of the community group. It is important that everybody in the group has thought about, discussed and thoroughly assessed if the group have the capabilities, strength, motivation and group management required to execute on the vision.

**What is a business?**
A business activity is undertaken by a group with the purpose to generate income and a profit. A Business either sells services, or makes or buys goods which after processing are sold to customers.
To make the business successful, the flow of money from the market into the business has to be larger than the flow out for payment of different products and resources. A successful business goes through the business cycle repeatedly and efficiently and continues producing, selling and earning regular income for many years.

**Assessing the group’s characteristics and skills**

Running a cultural group as a business is an important step and it will influence the group and its members for a long time. To run a successful business always means hard work and it can be both satisfying and profitable. But there are risks involved, and the group should be skilled enough to manage the business properly and to continuously improve and develop the scheme to ensure the future income and profit. This is where the respective Clusters to augment to the work of the consortium will come in. All of the skills which the Community group needs to run the business can be drawn from the Business Clusters. The Group itself will focus on the technical skills required for creating a sophisticated cultural arts focus, but the Cluster will add value by bringing skills in business.

The group’s capabilities and skills when the two are combined will largely determine how well the business will develop and thrive. Some of the general characteristics needed for a successful group are;

- **Commitment**
  The group has to be truly committed to start and run a business. Commitment means that everybody involved in the business venture are prepared to work hard, sometimes long hours.

- **Capital**
  Capital is needed to run the business. It also implies that the group is willing to risk some of their own capital to run their business. This is also where the development funds become important. Using development funds to establish and or consolidate a strong base is an essential platform for later business development as preparation for the ultimate goal of exporting.

- **Motivation**
  To succeed in the business, everybody in the group has to understand the purpose, objectives, tasks and
the risks involved in running the business. The challenges which the group has faced over the years may be demotivating but everyone will need to be on board with the new vision and new prospects for success. A true motivation to work hard and to cooperate with the other community group members in the business is required.

- **Taking risks**
  There are no absolute safe business ideas. There are always risks for failures and losing money. The group has to be aware of and willing to take risks. No business idea should be started before a risk assessment is carefully carried out and all the group members have considered the risks involved.

- **Group management**
  The group management has to be capable of analysing different situations and take prompt decisions on how to proceed. The information flow to the group members has to be transparent and the management will have a clear role to communicate information timely. Active and effective group management is essential if the business scheme is going to succeed.

- **Technical skills and experience**
  Technical skills are the practical abilities needed to produce the product or provide the service of your business. Earlier experience of the production or service will facilitate running the business and ensure that the group avoids many mistakes and risks. This is where the Clusters will be most critical.

- **Business management skills**
  Business management skills are the abilities the group needs to run the business. Skills in selling are often the most important but other types of skills such as budgeting, management of staff and record keeping are also necessary.

- **Own Resources**
  A business requires availability and willingness from the group to put in their own resources into the business. Most common is to put in lots of your own time without taking any wages or payment. This is
particularly common in the startup phase when lots of time is required to initiate, get the production started and to be active on the market. So while the Community Groups may have existed for a long time, the conversion of the activities of the Group into a business enterprise can be seen as a startup venture geared towards internationalization.

• **Cash funds**
Depending on the type of business to be started, the financial resources required for a startup varies. Usually input of own resources and money is needed to finance necessary investments and cash running capital. Without any group fund or own resources, it might be impossible to acquire the needed remaining funds. Access to development funds available through business support organizations, regional private sector and export promotion agencies and the State can be critical to this stage of the process.

• **Materials etc.**
Some of the resources might be material, machines or buildings which the group already has. This can facilitate and decrease the necessary input of cash funds.
A successful business begins with a good business idea. Usually a business idea is chosen because some group members might have earlier experiences and skills from the type of production or service planned. Sometimes some group members might have seen some other group having a successful production or service and would like to start something in the same line. A good starting point is when there is an obvious lack of a service or a product in the market. If there exists a verified demand in the market, and the group could meet that demand with a product or service, it could be a good starting point for a new business venture. In this case, we are working on cultural performance arts services and products, establishing a formal business structure for existing products and services and diversifying into higher value added ones for the purposes of export. But what does the market look like? That is an important question to begin with.

Assess your business idea

Once the group has one or several business ideas identified which they want to get started, an assessment of each of the ideas should be carried out to see which one seems to be the most realistic and suitable. So for example, one group of members with technical skills in dance may want to prioritize activity in that area. Another may express a preference for music and theatre and still another may want to promote drama. How do you assess the various ideas for individual merit and or sectoral capacity based on technical skill as well as business and market information and analysis?

In the following chart, we will look at a useful method to assess your group’s business idea. At the same time you will take the first steps in forming the group’s business plan. This method we will call the Success Wheel and it focuses on the following key points:
1. What is your precise business idea? Do you have clarity on what you want to offer and how you want to offer it? What is your area of primary competence? Where can you draw on the highest levels of support?

2. Who is your target market? Will they buy what you want to sell them? At what price will they buy it? Who else is selling similar services to this target market?

3. Resources – to make the products or produce the services, you will need some resources, e.g. machines, vehicle, material, premises, furniture etc. It is necessary to list everything needed and then investigate what it will cost. Some resources might already be a hand with the group, and some resources need to be bought.
4. When we know what resources are needed we can calculate the total financial capital we need to buy the material and equipment and for running capital. Questions we have to answer are; how much of this can the group finance themselves and how much funding is required from outside? Is it possible to apply for development finance, funding targeted at Community based groups or can we go to access export funding?

5. If we can finance the resources needed, we have to calculate an income and expenditure budget to see how much we can sell for and what costs will incur. With the profit and lost budget it is possible to judge if the business scheme will generate any profit or not.

6. Given that the scheme is profitable, we need to decide how to organize the work. What is needed to be done and who is going to do it – and when. Do we have enough skills for all the tasks or do we have to participate in training and get support.

7. All business schemes involve risks. Maybe there is not a sufficient market, something might go wrong with the production or there might be a new competitor which has a new product that is taking over the market. In this step we will try to list all the risks and classify them how potential dangerous they are to the scheme survival and profitability.

8. All schemes started within the project have to be environmentally friendly and contribute to the conservation of the environment. This is a checkpoint to ensure that there are no environmental hazards or dangers which could halt the scheme and damage the biodiversity.

After working through all these eight evaluation criteria the group will be able to make a sensible judgement if the business scheme has a good chance to be successful or not. If there are many and potential high risks it might be too risky to choose this particular scheme. If there are too heavy investments, adjustments in the original plan might be necessary.

Using the checklist above the group can get a good understanding of what is required in order to execute on the various business ideas. Maybe the first idea can be changed to make it more realistic. Or maybe another idea
should be assessed. The above figure is a loop, indicating that the assessment of an idea has to be done repeatedly, altering and developing the idea every time to make the idea as positive and realistic as possible.
Every business starts with an idea. Probably your group has a general idea what the new business will all be about. Now we will define and describe the idea more precisely so it can be a guiding star when we elaborate the business plan.

A written description of your business idea should tell:
• WHAT products or service will your business sell?
• WHO is going to buy your products or service?
• WHERE is your product or service going to be sold?
• WHY are customers going to buy your service or product?
• HOW your business is going to sell its products or service?

What is special with your group’s product or service?
When your group is working on these questions, try to answer on each question what is special with your group’s product. What is the difference between your offer and everybody else’s product, which might already be available in the market? How can your product or service be better and worth more than everybody else’s?

WHAT products or service will your business sell?
Think through exactly what your business will sell. Is it many different kinds of cultural products or services, or just one you want to prioritise? Is your product completely new or is it common and already in the market. Do you have the technical knowledge to produce the product or service? Do you have the business skills to produce and sell the product or service?

WHO is going to buy your products or service?
People who buy your products are your customers. They can be private people or other businesses. Try to describe your typical customer as clearly as possible.
**WHERE is your product or service going to be sold?**

In what market are you going to sell your products or services? Is it primarily going to be domestic? In the Caribbean? What about Europe since there is a trade Agreement? Is your target market traditional or non-traditional? How big will your target group be – are there enough customers to make your business viable?

**WHY are customers going to buy your service or product?**

Try to give a clear answer why your customer will buy exactly your product or service. Are there no competitors around? Why should the customer prefer your product or service?

**HOW your business is going to sell its products or service?**

You can sell your product or service in many different ways. How is your group planning to sell the product? Will it be directly to the customer or will you sell to a retailer? How will you get in touch with the customer and how will you get the customer to know that you have this product or service to sell?

Think through your marketing issues very carefully – it is most important if the business is going to succeed!

**EXERCISE 2 – DESCRIBE YOUR BUSINESS IDEA**
While working with the business idea we have already asked Community group leaders and members many questions about the product and services that you want to sell and the market in which you want to sell them. Next we will further scrutinize and detail your business’ potential market and the conditions for selling the product or service to the customer.

**Who is your customer?**

Who will buy your product or service? Depending on your type of business the customer will vary. A cultural performance arts business may have a wide range of products and services which you may want to sell but who is going to be buying, how often, in what quantities and at what price? Detailed information about your customer is essential to understanding how to market your arts and arts products to them.

FIRST try to define who your regular customers will be. Are there other customers who could be interested of your products and services? Who else have you not targeted that may be a potential customer?

Once you know your customer, you should try to find out what are the most important reasons for your customer to buy from you specifically. After all, the market is all about choice. Is it the price, or is it the quality of your product, or is it the uniqueness of your dance/music/theatre production? Do you also provide good professional services at each of your performances and that is a major drawing card? Is proximity to your customer an asset or challenge? For example moving an entire troupe may be more expensive than moving a single performer.

Once you are clear about your potential customer you should try to estimate how much each customer will buy and when do they want to buy it? This will tell you how big your potential market can be.

**Do you have any competition?**

You are never the only business selling the specific product or service. Certainly in this market alone there are at
least twelve potential groups selling many of the same services in the same genre – Indigenous and African Diaspora cultural arts.

Investigate all your competitors who are selling the same or similar products in the market where you will be active. What is the price of their products, what is the quality and how do they sell it?

Always remember that the customers are the most important people in your business. If you provide them what they want and need at prices they are willing to accept and you are treating your customers with respect, they are likely to stay as your customers!

If you don’t deliver what the customer wants, or if you are late or have inferior quality, they will soon not be your customer any longer but will try to buy from a competitor.

**Why buy your product?**

Usually a customer can choose between different products and different producers. Why should the customer choose your product or service, especially if your business offering is new and there are several well established businesses offering the same kind of products?

There are several things which can be done to improve your sales. We could summarize some of these actions under the four “P”s

**Product** - It is important that your product is fulfilling the customers demand. The product must have the right quality and maybe also the right design. For some products it is important to have good service available.

**Price** - The price is always important when a customer decides to buy from you. Sometimes it is not the cheapest products which sell the most though. Many factors are important e.g. the products availability, quality, design etc.
There are two different and main methods when deciding your product’s price;

• Produce costing method. You must calculate all the costs you will have producing your product/service. In the costs you should include your own wage and also some risk marginal or profit. When you have carefully calculated your costs you also need to know how many products you are going to sell. The total costs divided with number of products sold will give you the minimum price you can sell your product for. If you are selling services, you divide the total cost with the total amount of hours you will sell to customers to get the minimum price per hour.

• Market method. Using this method, you try to determine how much your customers are willing to pay for your product. Maybe your customer can pay a much higher price because of your product’s quality or that the product / service might not be available anywhere else. Sometimes a product or service increases in sales when the price is higher. If you have competitors, what prices do they charge? Can you sell for a higher price or do you have to have the same or even a lower price?

If the market price is lower than your calculated price according to the produce costing method – then you have a problem! Then you have to cut costs or increase your sales (with constant costs) otherwise you will not be able to get a profit from your business.

If the price according to the market method is higher than the costing method, then you should try to use the market method price. If you manage to sell according to budget using a market method price, then you will have a good chance to make a profitable business.

Place - The Place from where you sell your product is important. If you have a product and you intend to open a shop, in a good location where there are lots of people passing every day, sales would certainly be higher. Maybe you can deliver your product directly to the buyer and in that way facilitate for your customer and getting an advantage compared to your competitors; for services it would be different. You are going to be moving your business offering to the Client or to a shared location for which there are inevitably some costs. Those will have to be factored in.
Promotion - Even an excellent product or service can see an improvement in sales with good promotion. Some advertisement can make your business known in the market and speed up initial sales. The very best advertisement is of course when a customer is very pleased with your product or service and tells others about it.

Maybe your cultural product should be packed in a nice box. Handmade products from a community group should have product tags telling a story of who have manufactured the product, what materials have been used etc. A community tourism venture will need an attractive brochure informing about what can be experienced and what is exciting and interesting at your place.

There are many different ways to promote your own business and it does not necessarily need to cost a lot of money. Maybe you can get an article in your local newspaper that your group is starting up a business, telling what you are going to provide as a product or service and where the customers will find your products. It is important that you try to find your own marketing and promotion mix which is suitable and affordable for your community business.

How much will you sell for?
When you know who your potential customer might be, what the competition is like and how your marketing mix should be arranged you are ready to calculate the number of products or service hours you will be able to sell. You have already a good knowledge about the price you can sell your product/service for. Taking the quantity times the price will give you the estimate sales and income for your business.

To calculate the potential income for your business is an important exercise. The more certain you can be of the possible future income for your business, the less the risk to start your business. Usually we are able to calculate the costs in detail, but the income calculation needs serious efforts and a good market research before it can be carefully decided.

With an assumed income for your business we can now start to investigate what costs and investments are needed to start up your business.
A “good” transaction! - Many people think that a good transaction is when they have earned a very good profit on a sale. This might not be a truly “good transaction.” If you have made a good profit on a particular sale and the customer is not pleased with the buy, she/he might never come back. Instead a good transaction is when both the seller and the buyer are pleased and when the buyer wants to come back to you and buy again. This is what we call a Win-Win value proposition.

Domestic Market Research vs International Market Research - When looking at the export market the market research is going to be quite different. In the domestic market your customers will be diverse but the geographic space in Barbados is governed under a single set of conditions. Market research in a foreign market will require you to be able to answer the following questions:

- What are the regulatory requirements for each market?
- Do I need a special visa for travel and performance?
- Are my equipment and my tools of trade subject to bond requirements?
- How will these answers affect my cost to my customers?
- Are there qualification standards which my technical skills are required to meet?
- Who are my competitors in that local market?
- What products or services are they offering?
- Are my products and services differentiated from my competitors?
- What are their comparisons to my price?

When preparing for an internationalized business these are some of the questions which will need to impact on decision making for community arts groups. So for example, a dance troupe performing in Jamaica will have to consider different issues than one targeting the Diaspora in the USA. The group will need this kind of market information for each market on each occasion since regulations often change.
You have a business or business expansion idea and through your market research you know that there are enough customers interested in buying your products or service. Now there is the question of how much money = capital is needed to get your business off the ground.

To define how much capital will be needed we have to calculate the following type of capital requirements:

- **Investments** – these are procurements which will last for several years, office furniture, a performance and stage equipment, costumes etc. You will use these assets many years in your business

- **Running costs** – these are costs for raw material, working material and supplies which are used and consumed all the time you are running your business. To run your business you need enough supplies for the first working period until you have received money from customers and can buy more supplies.

- **Introduction and marketing costs** – quite often you have to spend additional money in advertising or producing marketing materials for the business in order to address the challenge of lack of knowledge in the community particularly locally.
## Capital – How much is required

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<td>Supplies</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>+</td>
<td></td>
</tr>
</tbody>
</table>

**MARKETING COSTS**

<table>
<thead>
<tr>
<th>INVESTMENTS</th>
<th>AMOUNT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pamphlet</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Advertisement</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Information materials / business cards</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>+</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL START CAPITAL**

<table>
<thead>
<tr>
<th>INVESTMENTS</th>
<th>AMOUNT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>=</td>
</tr>
</tbody>
</table>

**EXERCISE 4 – RESOURCES NEEDED**
1.7 FINDING CAPITAL

After calculation of the total start capital required, the question is where it is coming from. First of all – you have to consider what own resources are available. Maybe the community group has some of the items needed, already available and can use those in the business without any initial costs. If there is a community fund established under the Consortium perhaps, maybe part of that fund can be used in financing the capital need.

Own capital and resources are usually always required for a business. First of all it shows that the group is willing to take some risks themselves and that they believe in the future for the business venture. This exists in most cases for community cultural groups. But renovations and upgrades are critically needed in nearly all cases so funds will need to be allocated for that.

External capital is also required. For many groups bank loans are not available. Usually the banks are requiring a registered co-operative. This is possible to accomplish under the new Consortium proposal depending on how the legal structure is organized. The group would need to utilize the available resources outlined earlier in Section 1 to access grant capital and later export capital.

<table>
<thead>
<tr>
<th>SOURCE OF CAPITAL</th>
<th>AMOUNT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own resources - materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Own resources - capital</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>Bank loan</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>Grants</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>=</td>
</tr>
</tbody>
</table>
Having focused on the basic principles of building a business, for the export market we repeat the entire training cycle – with an international focus with additional specialist modules in the following areas:

- Creating Standards
- Market Entry Strategies

As part of the preparation for entering international markets, it is important that your business has been well organized. In some cases, international markets only accept Independent Service Providers or Companies which are formally incorporated. Some require you to partner with local companies or service providers and for products some have extensive and very laborious product labeling standards which can be difficult for small companies to meet. Before you spend any money in overseas markets it is always best to do your research first.
This is a challenging area for many groups, technical and business professionals. Each market has its own domestic regulations which are often specific to each sector. This section of the manual will look at how different standards are set and pose a series of questions that the groups will need to answer in order to develop their export plan.

**Sector Specific Standards**

- Are there sector specific standards for dance, theatre and drama which your market requires you to have?
- Is there a training Program that your technical skills can enroll in to meet those standards?
- Are there continuing education requirements once you have acquired that standard?

**Industry Specific Standards**

- Are there standards which are used as a barrier to entry that are set by groups in the foreign market?
- Are any industry standards in excess of national standards and would pose a barrier to entry?

Where Groups encounter standards requirements, it is important to identify the highest possible international standard, conduct a mapping exercise, for example with the support of the TVET Council to first engage in a mapping exercise to assess what training programs are being offered domestically and then develop the appropriate standard which would allow for a portable qualification. This will need to be done for each subsector under consideration.
There are a number of ways in which a group can enter a foreign market. This can be done by Joint Venture, Partnerships, or as a single individual. In the case of Community Groups services in this case are being provided through the temporary movement of the services of the group to a foreign market. The categories covered in temporary movement are as follows:

Key personnel – this usually means that the person is employed by a legal entity, the Community Group at the end of Phase 1, and are responsible for the setting up, proper control, administration and operation of a commercial entity. Unless Community Groups want to set up overseas offices these categories will not be applicable.

Business Visitors – this means that you are a natural person, as opposed to a company, who is responsible for setting up a business enterprise. These persons do not engage in direct transactions with the public and are not paid from any source in the overseas market. Managers and Specialists are also involved in setting up an overseas business.

The most relevant categories of movement and market entry for groups engaging in the cultural performance arts are:

- Business Services Sellers and
- Contractual Services Suppliers

**Business Service Sellers** – this refers to a person who travels to the overseas market temporarily for the purpose of negotiating the sale of services and or products to a local supplier. They are not permitted to engage in direct sales to customers but it is essentially a business to business transaction, or from one group to the other.
Contractual Services Suppliers – this is a person who has concluded a contract with a customer in the overseas market and they have traveled to the market to provide those services on contract for a pre-determined period of time.

Independent Professionals – This person is self-employed and is contracted by an overseas customer to provide services in the overseas market.

Any of these options can be pursued in partnership with a local group or business which plays a facilitating and market supporting role. It can be quite useful to have a local business or group registered as a business handle all the on the ground requirements in order to smooth market entry.
Most Community Groups will need to learn about the provisions of the Revised Treaty of Chaguaramus and how it affects their rights and obligations when moving in the CARICOM region. Chapter Three of the Revised Treaty establishes the regime governing the movement of persons, services and capital in the Community. It also covers the right of establishment for persons wishing to set up businesses in a CARICOM country. Put simply, you as an individual or a legally registered Community Group can set up a physical presence whether as a store, or an extension of your domestic operations in any other CARICOM nation and that process would be the same as if a national of that country had done it. There is no differentiation in CARICOM law between the rights of a born or naturalized citizen of any country as long as you are a CARICOM citizen. The term used in this case is that you are a CARICOM national.
1.10.2 RIGHTS OF ESTABLISHMENT IN CARICOM

Does your Community Group have an idea for setting up in another island in addition to their operations here in Barbados? Under the Rights of Establishment, you can do this. You are entitled to set up a commercial presence as a self-employed person as long as you are in the following categories:

- Commercial
- Artisanal
- Agriculture
- Industrial/Manufacturing

Under the Provisions of Article 32 of the Treaty, a person is regarded as a National of a CARICOM State and has the right to establish under the following conditions:

→ is a citizen of that State;
→ has a connection with that State of a kind that entitles him to be regarded as belonging to or, identifies as being a native or resident of the State for the purposes of the laws thereof relating to immigration;

or

is a company or other legal entity constituted in the Member State in conformity with the laws thereof and which that State regards as belonging to it, provided that such a company or other legal entity has been formed for gainful purposes and has its registered office and central administration, and carries on substantial activity, within the Community and which is substantially owned and effectively controlled by persons mentioned in subparagraphs i. and ii of the paragraph.

Once you have decided to establish a presence in a CARICOM state, you are entitled to have:

→ Freedom to incorporate or register an incorporated company including agencies, branches and subsidiaries;
→ Freedom to register a business name;
→ Protection of Intellectual Property of the business;
→ The right to engage in non-wage earning activities (as a self-employed person);
→ Freedom of movement, without a work permit, including the freedom to leave and re-enter the host country;
→ Access to land and property for use in that person’s business, other than for speculative purposes or for a purpose potentially destabilizing to the economy;
→ Access to property for use as the person’s residence;
→ Non-discriminatory access to licenses and permits;
→ Access to capital (loans, incentives etc.) in the receiving country;
→ The entry of managerial, supervisory and technical staff to serve the business without a work permit;
→ The entry of spouses and immediate dependent family members of the business person and staff.

There are a number of stages that you will go through in the process of establishment:

**STEP 1: AT THE POINT OF ENTRY OF A MEMBER STATE**
→ Presentation of valid entry documents to immigration
→ Immigration grants six months stay

**STEP 2: PROCEDURE AFTER ENTRY**
→ Registration of new or existing companies
→ Presentation of relevant documentation to competent authority
→ Access to Licenses, Permits and Authorizations
→ Access to Land, Building and Property
→ Access to identified Sectors and Industries

**STEP 3: APPROVAL BY COMPETENT AUTHORITY IN MEMBER COUNTRY**
→ Business established within six months
→ Immigration grants indefinite stay
→ Access to Incentives
→ Movement of Managerial, Supervisory, Technical & support staff and spouses
When entering a country under these circumstances there are a number of steps you need to know:

**STEP I – POINT OF ENTRY PROCEDURE**
- Entry into a Member State requires:
  - Valid Passport;
  - Return ticket;
  - Proof of financial resources for personal maintenance, namely credit cards, travelers’ cheques, cash or a combination thereof.
- Immigration grants the CARICOM National a definite stay of six (6) months.

**STEP 2 – PROCEDURE AFTER ENTRY**
After entry the CARICOM National must submit the following to the Competent Authority:
- Business Names Certificate;
- Certificate of Incorporation;
- Financial Resources sufficient to start a business;
- Business Plan or Project Proposal for a new enterprise;
- Police certificate.

**ACCESS TO LICENSES, AUTHORIZATIONS AND PERMITS**
Incorporation or Registration of a Business, in practice, is on its own insufficient to complete Establishment and start the Business in a CARICOM member states. There are usually other requirements to be completed prior to commencement, such as Building Permits etc. in instances where construction or facilities development is required.

Additional requirements may include:
- compliance with Labour Laws and Codes; building permits; approval of installation and
- connection to utilities;
ACCESS TO LAND BUILDING AND PROPERTY

According to Article 34 (f) of the Revised Treaty of Chaguaramas, Member States are to ensure that nationals of one Member State may have access to land, building, and other property situated in the territory of another Member State, on a non-discriminatory basis, bearing in mind the importance of agriculture for many national economies.

In many cases, access to land and buildings require applicants to qualify under specific laws and regulations. For example, in the OECS Member States, one needs to qualify under the Aliens Land Holding License Laws. However, Saint Lucia has taken a direct step within the Movement of Factor Act to remove restrictions on CARICOM Nationals’ access to freehold property. In Belize, the holding and transferring of land is restricted by the National Lands Act. In Suriname, the Civil Law tradition has made access to State lands (domain) prohibited.

STEP 3 – GRANTING INDEFINITE STAY AND EXTENSIONS

If the business is established within the six-month period, then the CARICOM National must report to the Immigration Department to be granted indefinite stay.

EXTENSIONS

In the event that the business is not established within the six-month period, the CARICOM National should present to the Immigration Department evidence from the Competent Authority that concrete steps have been undertaken to establish the Business. Where such evidence is provided, the CARICOM National is granted an extension.

RUBBER STAMPS FROM IMMIGRATION

Immigration will provide the following stamps depending on the stage at which a CARICOM national is:
→ Right of Establishment – Definite Entry for 6 months;
→ Right of Establishment – Extension, and
→ Right of establishment – Indefinite Entry.

ACCESS TO INCENTIVES
Barbados, Belize, Dominica, St Vincent and the Grenadines, and Trinidad and Tobago have amended their Incentive Laws granting national treatment. This simply means that a national of any CARICOM member state is treated in an equal manner to the nationals of the home state. In other Member States, an established entity must apply to the Competent Authority.

MOVEMENT OF MANAGERIAL, TECHNICAL & SUPERVISORY PERSONNEL, SPOUSES AND FAMILY MEMBERS

Community Nationals who qualify as Managerial, Supervisory and Technical personnel attached to accompany are not required to obtain work permits. However, they must present the following to the Immigration Department:
→ Letter or Contract of employment;
→ List of spouses and dependents ;
→ Valid Passports;
→ Birth certificates of dependents;
→ Marriage Certificate;
→ Police Record.

CAUSE FOR RESCINDING INDEFINITE STAY
If the CARICOM National is no longer operating the business the Competent Authority will inform the Immigration Department, which has the right to rescind the indefinite stay or to indicate to the person that he/she needs to apply for a permit of stay and / or a work permit until such time that there is full free movement in the Community.
PHASE 2
Reversing the Pyramid and engaging in Internationalisation
The cycle which has been presented in this manual provides a suite of support services in order to build a strong domestic market. In typical export development cycles, businesses go directly from this stage to export promotion. In this model, a reversal of the cycle is proposed which applies the same level of training delivered at the domestic development stage to the export development stage with the goal of achieving not only market entry into export markets, but maintaining competitiveness and sustainability.

Once the group has completed Phase 1, Phase 2, will commence with the exact set of training modules being provided – from an international perspective. The additional specialist modules to be covered in this Phase are:

By now, the Group has gone through an exhaustive process of checking and rechecking the checkpoints. Remember, the checkpoints at the start of the Manual keep the process very simple:

1. Is your Community Group ready?
2. Is the market you are targeting ready?
3. Have you done your homework?
4. Do you have the resources to undertake the task at hand?
5. What are the profit margins estimated for your idea?
6. Is your community group organized functionally to be able to execute the task?

This is where you start once you have begun to operate internationally. But you have to also add a more expansive checklist that is tailored to your specific products or service and your expansion plans.

- What has been the growth of the business since we started?
- How have my products and services performed domestically and internationally?
- Is there room for improvement?
- In what areas should we focus resources on as immediate improvements?
- Who have been our most effective partnerships? Domestically and internationally.
- Are there partners whom I have not engaged with that I need to reach out to?
• What is my long term plan for business sustainability?
• What has been the response of the domestic market? Is there greater awareness of my products and services?
• Has there been greater interest in indigenous cultural performance arts by the domestic population?
• What should I be doing next?
CONCLUSION
Conclusion

With this Manual, Community Groups should be in a position to begin the process of building capacity at the internal level and then training others using a train-the-trainers model. Having built a supporting mechanism that gives Community Groups the leverage to use development assistance for the Groups that will focus attention on technical and business/professional skills, this Manual then positions groups with the further tools to engage in internationalization.

If we follow the steps through each stage, domestic capacity building, skills development, standards development, training and export development followed by internationalization, Groups will take the indigenous arts on to the world stage.