

COCKPIT ARTS

Exploring Business Activity & Performance in the Craft Sector

An Analysis of Cockpit Arts Studio Tenants between 2005 and 2008

Executive Summary

- ⇒ The majority of businesses operate in more than one market with predominance in Craft (24%), Fashion (15%), Interiors (15%), Fashion Accessories (12%) and Gifts (12%).
- ⇒ In 2008, an average of 51% of business income was derived from Business to Consumer activity and is highest in businesses of less than 3 years.
- ⇒ Business to Business activity generated an average of 24% of business income and included supply to Interior Designers, Architects as well as trade to galleries and retail outlets.
- ⇒ 30-40% of businesses are exporting, with predominance in years 3, 5 and 10. France, Japan and U.S are the predominant export markets.
- ⇒ Outsource of manufacture rose from 22.7% in 2006 to 35.6% in 2008; licensing is still insignificant at 1.2%.
- ⇒ Employment of others is generally low with between 10-15% of business employing casual or seasonal workers and a declining take up of work experience students.
- ⇒ Between 5%-16% of designer-makers work overtime; approximately 30% work full-time and over 40% work part-time. Jewellery and fashion businesses work the longest hours.
- ⇒ In 2008, 78% of designer-makers were undertaking other paid work alongside their businesses, a rise from 44% in 2005 with the most common sources of other income being Shop/Bar work, Teaching/Lecturing or Freelance Design work.
- ⇒ In 2008, 77% of respondents were working with Architects, Interior Designers or on large-scale commissions and this generates up to a

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quarter of business income for some businesses.

- ⇒ Reported profits have increased between 2005 and 2008, further evidenced by an increase in Payment of Tax from 2.4% to 40% between 2005 and 2008.
- ⇒ 50% of turnover is reported at between £10,000 and £50,000. Ceramics businesses have the lowest average Turnover and Profit (£13,000 and £4,000) and Jewellery and Textiles have the highest average Turnover and Profit (£20,000 and £5,000-7,000).
- ⇒ Average Turnover has a tendency to increase with business age especially in the early years between Year 1 and 4 and then again after year 6. This pattern was not repeated between business age and profit.
- ⇒ Uptake of business development support is highest among businesses with moderate or low Turnover (below £20,000) and moderate or low productivity (below £10,000).
- ⇒ Take up of One to One support has increased between 2006/7 and 2007/8 and is predominant among those businesses with Turnover lower than £20,000 and low productivity (between £1,001 and £5,000).
- ⇒ The businesses taking up more than 5 but less than 19 support activities during the period are in the majority and include a core of businesses that are firmly grounded and operating within a Turnover range of £20,000 to £60,000 with positive Turnover change between 2005 and 2008.
- ⇒ Of the best performing businesses having accessed more than 10 support interventions over three years, all had benefitted from the Cockpit Business Growth Loan Scheme.
- ⇒ In 2008 over 70% of respondents had Business Plans, an increase from 13% in 2005. Likewise those with Marketing Plans have increased from 8% to 64%.

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