

ESTABLISHING AND MANAGING
A STUDIO POTTERY

by

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INTRODUCTION

This paper developed from the needs of potters who are interested in establishing a pottery studio. The information contained in this thesis should help the prospective studio potter to organize his thoughts on his new enterprize and assist in the elimination of, or the solution to, the many problems that can occur in any new business.

In as much as most problems occuring in business that can lead to failure have to do with proper management, this paper emphasizes the marketing and management aspects of the studio pottery.

CHAPTER I

AN EXAMINATION OF POSSIBLE LOCATIONS FOR A STUDIO POTTERY

GENERAL SITE LOCATION

A potter's environment has a great influence upon his success, his growth, and his happiness. Each potter will make his own choice of environment and the possibilities are endless. The potter who has traveled extensively, experiencing as many different situations, locales, and working conditions as possible, has a valuable reservoir of information to aid in his decision making.¹ As in any important decision, however, the final choice should be based upon a careful review of available information.

Rural Locations VS Urban Locations

Rural studio sites have advantages over urban sites. Zoning regulations generally do not restrict rural potters in the same abundant and strangling way that they do the city potter.² Rural sites are also

¹ Hal Fromhold, "On Being a Professional Potter, Part II," Ceramics Monthly (June 1970): 31.

² Billie Luisi, Potworks (New York: William Morrow & Co., 1973), p. 53.

picturesque. There is a charm in the remote, untamed country, contrasting with the rather well-organized and very accessible potteries found in most urban locations.³

It is much less costly to live in "exurbia", far outside the cities. This has always been true, and the advantage of urban economics continues to increase. Government statisticians tell us that a family of four with a "good income" can live 18% cheaper in "exurbia".⁴ Ten years ago it was only 14% cheaper. The trend is for further widening of this advantage in the years ahead. Housing, taxes, and food costs are the greatest factors in the cost difference. This could be of substantial importance to a beginning potter with plans of developing and expanding his pottery facilities.

Transportation Considerations

With the rising costs of fuel, transportation becomes an important factor in site selection. While consumers may enjoy a short ride to a studio or shop, they will probably avoid the time and expense of a longer journey. Distances from railroads, postal services and ceramic supply houses are extremely important. Freight costs can make a serious dent in a budget.

³Gerald Carrico, "A Korean Pottery," Ceramics Monthly (June 1973): 30.

⁴The Kiplinger Washington Letter vol. 53, no. 52 (December 23, 1976).

Combining Showrooms, Potteries, and Homes

A showroom should be easily accessible, clearly marked, and attractively located. Combining a studio with a coffee shop or some other business run by a partner may make the difference between success or failure. A situation such as this allows the pots to be seen in appropriate surroundings and gives visitors a breathing spell during which they may have time to consider unusual purchases.⁵

Since ceramic production involves so many changes and waiting periods, some potters find it is a great advantage to have their studio where they live.⁶ Wenford Bridge has been Cardew's home for the past 30 years. Originally a pub, it now contains a complex of sheds, a huge kiln, and his house.⁷ There are many other potters around the world who live where they work.

The studio is often considered a place of retirement. Retirement often means, paradoxically, involvement. A craftsman's workshop becomes his retirement hall; a place to work; a retreat for exploring materials and processes. The physical aspects of the workshop are very important.⁸

⁵Bernard Leach, A Potter's Book (London: Faber & Faber, 1946), p. 214.

⁶Luisi, Potworks, p. 55.

⁷Dave Enna, "Cardew," Ceramics Monthly (March 1972): 29.

⁸Charles Counts, Common Clay (Atlanta, Georgia: Drake House/Hallus, 1971) p. 52.

Associations With a Town or Community

If a potter decides to locate within or near a town, certain factors must be taken into consideration.

1. Selection of a town with a rich historical background as well as scenic beauty is valuable. These towns usually have a quaint atmosphere and entice people. One should select a house or building with ample room for later expansion and development.
2. It may be beneficial to contact the editor of the local newspaper at the earliest possible moment. Usually he can offer direction in locating property and give advice concerning the community.
3. The people should be assured of the potter's complete cooperation with and respect for that community. Good public relations are very important in any new venture.
4. If the community has a flourishing tourist trade, it is wise to know that statistics show that only 1% of visiting tourists will prove to be potential buyers.⁹
5. The community should have both financial and physical resources available for development.

The Value of Aesthetically Pleasing Environment

It must be remembered that a potter spends a great number of hours in the place he chooses and he should be at ease there. Basements, attics, converted garages, and dull, ugly dumps are not usually suitable locations for a creative craftsman. It is a joy to have a studio built to one's specifications in comfortable surroundings. This enhances a person's creative ability.

⁹Franz Kriwanek, Keramos (USA: Kendall/Hunt Publishing Co., 1970) p. 90.

The idea that the artist must live in a garret, starve, and suffer is a myth.¹⁰ A person's workshop becomes an important extension of his personality and should be as pleasant as the potter can afford.

The preference of rural locals, transportation considerations, the combination of spaces, suitability of a community and the value of an aesthetically pleasing environment have been briefly discussed. However, the choice of a location must be narrowed even further.

¹⁰Hal Fromhold, "On Being a Professional Potter," Ceramics Monthly (May 1970): 26.

PROXIMITY TO MINERAL SOURCES

Traditionally, potters have depended upon their environment. They settle where they do because the materials with which they work are near.¹¹ Many potters believe that all or most of the ceramic materials used should be taken from the potter's native area.¹² Potters become so deeply involved with what they are doing that they soon begin to feel a "oneness" with their materials and their environment.¹³

Clay Resources

Philosophical Aspects - Shoji Hamada believes that when a potter discovers a natural clay that suits his work, he should move to the place where that clay is available.¹⁴ A sensitivity or love for clay is the basis for creativity in this medium. A potter can go to a supply house and buy clay already dug, refined, tested, and ready for use. He knows that thousands of others are using that same clay and will be comforted in its safety. He should also realize that thousands of others in their standardaized kilns are going to turn out the same standardized material.

¹¹ Counts, Common Clay, p. 81.

¹² Anna Cohen, "Tatsuzo Shimaoka: Mashiko Folk Potter," Ceramics Monthly (March 1973): 21.

¹³ Mike Edgley, "The Great Barrington Pottery," Ceramics Monthly (October 1974): 21.

¹⁴ Bernard Leach, Hamada Potter (Tokyo: Kodansha International, 1975) p. 100.

There is an almost unanimous agreement among potters that the use of one's own local clay is an important advantage. The involvement with clay prospecting adds depth and meaning to the object created from that clay. The clay a person uses becomes a loyal and personally in the potter's continuing search for form and expression.¹⁵

Financial Aspects - Most clays cost little, but transportation costs are high and constantly rising. Practically every area in the United States provides materials for making satisfactory clay bodies.

There are certain economic factors to be considered in digging and processing one's own clay. What is the potter's time worth? Is the potter physically conditioned and able to cope with the extra labor? Does the potter own the land where the clay is found, or will he have to buy the clay?

Practical Aspects - The potter, interested in clay as a medium of expression, does not appreciate or evaluate clay by its chemical components. Potters are much more interested in the feel of the clay, its color range, its tactile qualities, and its firing range.¹⁶

¹⁵Franz Kriwanek, "Where and How to Find Clay," Ceramics Monthly (January 1971): 16.

¹⁶Ibid.

The clay must have a certain temperature resistance, and sufficient plasticity for throwing or modeling. Within these limits, a potter may use any clay he chooses.

A small seam or pocket of clay, yielding 10-15 tons of clay, will usually be sufficient for most studio needs. Two days digging will often provide a year's supply of clay, depending upon the individual potter's consumption (about 4 tons of crude clay).¹⁷ To find the location of the clays, a potter can contact the state geological survey office. It will have maps of the different formations and strata which will prove to be helpful. Well logs or drilling reports are an important part of a state's geological reporting.¹⁸

The alumina and silica contents of clay remain fairly constant with different deposits across the country. It is the organic matter such as roots, fossils, grasses, and other impurities such as metal oxides and alkalies that vary and change clay appearance and workability from location to location. These variations are of special interest to the potter as this tends to make a clay unique

¹⁷Brian and Montie Van Norstrand, "Using Local Clays," Ceramics Monthly (December 1972): 40-41.

¹⁸Maynard P. Bauleke, "Digging Your Own Clay - A Geologist's Viewpoint," Ceramics Monthly (May 1977): 46.

and typical of a certain location.¹⁹

Before a clay can be used, it should be tested. Digging a foot or two into the deposit should produce a true sample. The selected sample can be rubbed between the fingers. If it has a slick feeling or becomes sticky when a little water is applied, it usually is a clay. The clay will then have to be fired to determine its shrinkage, melting point, and color range. It is almost impossible to determine the fired color of a clay from its color when it is found.²⁰

There are three basic impurities which should be detected: calcite (limestone, CaCO_3), gypsum ($\text{CaSO}_4 \cdot 2\text{H}_2\text{O}$), and iron pyrite (Fool's Gold, Fe_2S). Calcite will cause "lime-blowing" if it is coarse and it will flux the body of it is fine. Gypsum can cause scumming on pots after it is fired. Pyrite has a disagreeable and noxious firing odor from its sulfur content. It can cause excessive spots in reduction firing or if the particles are large it can cause "pyrite-pops".²¹

There are two basic methods of mixing the clay: dry mixing and wet mixing. With the dry method one must first dry grind the clay in some sort of hammer mill.

¹⁹Kriwanek, "Where and How to Find Clay," p. 16.

²⁰Bauleke, "Digging Your Own Clay," p. 46.

²¹Van Norstrand, "Using Local Clays," p. 41.

A corn grinder or garden mulcher will often serve this purpose. Then it will be necessary to sift it through an approximately 61 mesh window screen. A slip can then be made and screened through a 30 mesh screen. The clay is then ready to dry and bag.²²

The second method of mixing clay is the wet mix way. The clay is dug and dried in the sun for a short while before being stored in a bin. 55 gallon drums are good for storage. The clay may soak for a convenient amount of time with enough water to cover the clay. It is then stirred and poured through a $\frac{1}{4}$ inch screen into a mixer. This removes the rocks and roots. After a few minutes mixing it is poured through a 20 mesh screen back into the 55 gallon drums and allowed to settle. In a few days, clear water can be siphoned off the top. Stirring will remix the fine and course particles. This mixture is then placed in brick slip tubs to dry. This is an unhurried process that lets time and nature do most of the work.²³

Using local clays takes a great deal of preparation time. One can usually spend one week three times a year

²²Ibid.

²³Ibid.

for processing. Satisfaction in the work can be derived in that it takes the potter outdoors. The clay usually costs nothing and gives the potter an intimate knowledge of the land and of the clay. There is much satisfaction to be gained in participation in the whole process of clay preparation, from the source of the clay through all its transformations. It intensifies the potter's ties to his location and his work produces an expression of the beauty he has enjoyed.²⁴

Glaze Resources

Potters derive a great deal of satisfaction from their ability to visualize materials in their natural state and then see their transformation in the fired pot. Natural combinations of trace minerals which are always present give rise to very subtle glazes and glaze effects.

Escalating costs of commercial supplies has added impetus to return to original sources. Acceptance of a limitation and a desire to work in depth with what is on hand is necessary for a potter to utilize local materials.

The search for local materials should be directed toward finding sources of alumina, silica, and fluxes. There should be easy access to these sources. They should be reasonably free of iron and other metal oxides, and they

²⁴Elizabeth Powell, "Pennsylvania German Pottery - Tools and Processes," Ceramics Monthly (November 1971): 19.

should be in a fine or crushable form. Many rocks, if first calcined, are easily crushed.²⁵

If the studio potter should decide to locate in or near a mining area, an ideal source of glaze material is available to him. When crushers were active at old mine sites, tons of earth and rock were reduced to sand in the process of extracting the minerals. This sand can be used as a raw material in glazes and possibly in clay bodies.²⁶

The primary methods of finding raw mineral sources are as follows:

1. Consult geological publications issued by state and federal agencies.
2. Question local rock collectors, examine mineral magazines, and visit spelunking clubs.
3. Check with local aggregate manufacturers.
4. Ask for information at crushing and processing equipment manufacturers.
5. Scrounge! Make personal contact with construction bosses, mine owners, foremen of manufacturing concerns, well drillers, etc.²⁷

²⁵Tam Irving, "On Naturally Occurring Material in Glazes," Studio Potter vol. 4, no. 1 (Summer 1975): 44.

²⁶Dennis Parks, "One-Fire Glazing," Studio Potter vol. 3, no. 1 (Summer 1974): 6.

²⁷Richard P. Isaacs, "Stalking the Wild Mineral," Studio Potter vol. 4, no. 1 (Summer 1975): 43.

MARKET RESEARCH

Before investing any money in a studio facility at a given location, it would be wise to do some intelligent market research. One can investigate the local prospects for hand-made pottery. If there is a definite market, what kind of pottery is in demand? What are the average retail prices of pottery at the location? How competitive are those prices? Is there a demand for pottery farther afield? Are there suitable retail outlets for pottery?

Remote VS Populated Locations

There are logical reasons for the superiority of some sales locations. Traffic and activity can be an asset in a studio location. A potter wants as many people as possible to come past, to view his work. An unseen pot, sitting on a shelf, will not bring in a necessary income.²⁸

Population trends from now and up to 1990 show a shift to the South and West which is already underway and due to accelerate. The most spectacular shift in growth will be in the states of Alaska, Idaho, Nevada, Utah, Arizona, New Mexico and Hawaii. The Southeast will shoot up by 20%; Southwest, 25%; Mountain States, 24%; and the far West up 18%. This shows a phenomenal growth of the

²⁸Ruth and Mike Wolverton, "To Market, To Market," Ceramics Monthly (June 1971): 27.

entire West Coast in the next 13 years.²⁹

A location should be chosen near a town with a population of at least 20,000 people. This assures a potter of a reasonable market for his pottery. Consideration must also be taken of fuel and competitive potters in the area.³⁰

On the other hand, sales are not necessarily hurt because a pottery has a remote location. A pottery with a modest amount of advertising will attract visitors, and this in turn will create word of mouth advertizing.³¹ Word of mouth advertisement is probably the best and most frequently used means of advertisement.³²

Combination of Spaces

The actual sales area of a pottery studio may be only an adjunct to the central concern of a group of potters who set up their own pottery. An advantage of having several potters work together is that they can pool resources and equipment. On the other hand, a workshop may not even be in a location where sales are practicable.

It is important to have a good shop location or

²⁹The Kiplinger Washington Letter vol. 53, no. 52.

³⁰Conversation with Angelo Garzio in Fall of 1976 at Kansas State University.

³¹Roger D. Bonham, "Lions Head Pottery," Ceramics Monthly (November 1972): 20.

³²Results of a survey of studio potters conducted by Gerard D. Nervig, Spring 1977.

the pottery will sit on shelves undisturbed. Good locations for a sales shop are small specialty shopping areas, especially those with quality shops featuring various arts and crafts. Areas with heavy tourist or sightseeing traffic are excellent. "Old Town" areas in cities are good choices. Small towns with historical sites or scenic attractions often are arts and craft centers. Which ever location is chosen, it should have a relaxed and unhurried atmosphere. The enticed and relaxed shopper will be more willing to buy. Places such as coffee shops and quaint restaurants place potential customers in the mood to look at and buy crafts.³³

Education as an Additional Source of Income

A last consideration for choosing a studio location is the possibility of giving lessons in the studio. This may be a welcome additional source of income. This is also an opportunity for good additional publicity and may lead to increased sales.

The best time for lessons is during periods when sales are low, such as early Spring. Giving lessons at Christmas time would be a mistake!

If a school is near, there is the possibility of teaching a studio course or giving workshops. Short summer workshops are very popular.

³³Frank Howell, Carol Woodward, and Robert H. Woodward, "Managing Your Own Pottery Shop and Studio," Ceramics Monthly (June 1976): 45.

Craftsmen do not have to teach to survive. Lessons and teaching should be considered a service and a means of promoting understanding of crafts, as well as providing an income.³⁴

The success of a studio pottery will depend a great deal on the location the potter chooses for himself. In addition to a comfortable environment, the potter needs to be concerned with the availability of local mineral resources, and supply houses that will provide him with his necessary materials. A potter, having decided upon a location, would be wise to do some preliminary market research concerned with the feasibility of his choice of locale.

³⁴George and Nancy Wettlaufer, The Craftsman's Survival Manual (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1974) p. 75.

CHAPTER 2

CONSTRUCTION AND DESIGN

OF THE STUDIO

COMPLYING WITH LOCAL ORDINANCES

Before starting construction on a pottery studio, whether constructing a new studio or remodeling an existing building, the potter should become familiar with local zoning ordinances and codes. He should also understand the Uniform Building Code, the Uniform Plumbing Code and the Electric Code. These may be obtained from the following addresses:

Latest edition of Volume VI of
"The Uniform Building Code" (\$1.60)
The Superintendent of Documents
Government Prints Office
Washington, D. C. 20402

Uniform Plumbing Code
The Western Plumbing Officials Association
P. O. Box 247
Pasadena, California 91031

The Electric Code
The National Fire Protection Association
60 Batherymarch Street
Boston, Massachusetts 02110

Building Regulations

Most building regulations throughout the United States are based on the Uniform Building Code, which was established by the International Conference of Building

Officials (ICBO) in 1927. The Uniform Building Code's stated purpose is to prevent people from being hurt physically or financially by providing uniform standards of building construction.³⁵

Building and health codes, much like zoning ordinances, are included in the right of the government to regulate individual land use for the health, safety, and the general welfare of the people. Although fire prevention was the primary issue in the first building codes, today all aspects of construction are regulated by the government.³⁶

The Uniform Building Code sets model standards for: foundation, building materials, design, size and location of rooms, means of exits, windows and ventilation, fireproofing in construction, load and stress of materials for particular purposes, chimneys, stairways and guards, sanitary equipment, plumbing and electricity. Virtually all aspects of building construction are found in the Uniform Building Code.³⁷

The municipality (or county, or state) to which the potter may move, may 1) adopt an entire model code as written, 2) pass part of a model code and substitute its own requirements for certain specific sections, 3) draft its

³⁵Les Scher, "From: Finding and Buying Your Place in the Country," Mother Earth News No. 28 (July 1974): 62-66.

³⁶Ibid.

³⁷Ibid.

own construction, plumbing or mechanical codes, or
4) not adopt any code at all.³⁸

Individual communities may have their own housing, health, and electrical codes. Housing codes are ordinances that generally regulate the living conditions in dwelling units after they are built. These regulations usually set minimum requirements for water, heating and sanitary facilities. Sanitation or health codes are regulations which govern the disposal of human waste and "gray water", which is wash water. The National Electrical Code is the only electrical code in existence in the United States that governs the use of electrical equipment. The electrical codes vary from municipality to municipality regarding who is allowed to do electrical work or wiring.³⁹

Zoning Regulations

A zoning code is an ordinance adopted by a municipality or county that divides a town or county into different land use classifications. Zoning ordinances also specify a minimum lot size for each different use, such as how far a building must be located from front, rear, and sides of the property on which it sits, and the height of the structure. Some ordinances even try to legislate

³⁸Ed Vitale, "Building Regulations," Mother Earth News No. 40 (July 1976): 69.

³⁹Ibid.

aesthetics.⁴⁰

The municipal clerk of the town in which the property is located for the pottery can provide information of zoning ordinances for the municipality or the county. Being familiar with and understanding the zoning ordinance is a good start on learning to read and understand the building codes that are probably also in effect.

Often if the new builder has a problem or specific question about zoning or codes, a visit to the city council will be the only solution. This is also a good opportunity to meet and discuss plans with prominent members of the community.

⁴⁰Ibid. p. 67.

FLOOR PLANS

There is no perfect plan for a small studio pottery since there are so many variables that have to be taken into account for each individual potter. These variables include the site, existing buildings (if any), the climate, personal preferences and the methods of potting to be use.⁴¹

Size

The potter will find that he needs more room for a studio than he imagined. For a one or two person operation, one should plan on having about 1000 square feet plus office space and a store room or gallery for finished ware. The finished ware should be sheltered from clay dust to avoid constant recleaning of the ware.⁴²

Some single potters operating on a full-time, full production basis can function satisfactorily in as little as 500 square feet of space. Keep in mind that certain equipment may require more room than other equipment. If pottery is to be displayed in an adjacent area, a potter should allow an additional 300 square feet of space. This is a minimum.⁴³

If the potter has a loft or attic above the workshops,

⁴¹Michael Cardew, Pioneer Pottery (New York: St. Martin's Press, 1971), p. 213.

⁴²Fromhold, "On Being a Professional Potter," p. 26.

⁴³Roger Harvey and Sylvia & John Kolb, Building Pottery Equipment (New York: Watson-Guptill, Publications, 1975), p. 176.

it may be feasible to use this area as a private gallery. The area may contain the potter's favorite pieces or a collection of pottery by others.⁴⁴

Layout

Most workshops are set up in already existing buildings. Layout decisions involve overall available space and also structural assets and limitations. The shape of the interior space, the sources of light and presence or absence of continuous wall areas can influence decisions on installation of the equipment and storage. The physical environment outside, including climatic conditions can affect indoor-outdoor placement of pottery-making equipment and storage units.⁴⁵

The flow of material into, through, and out of the pottery is a major factor to consider in overall space planning (Plate #1). Raw materials and products should move from storage through the work areas and to shipping or displaying with a minimum of difficulty. Backtracking or lifting and moving items more than once should be avoided.

It is wise to avoid accumulation of items at any place where they become obstacles of circulation, a safety

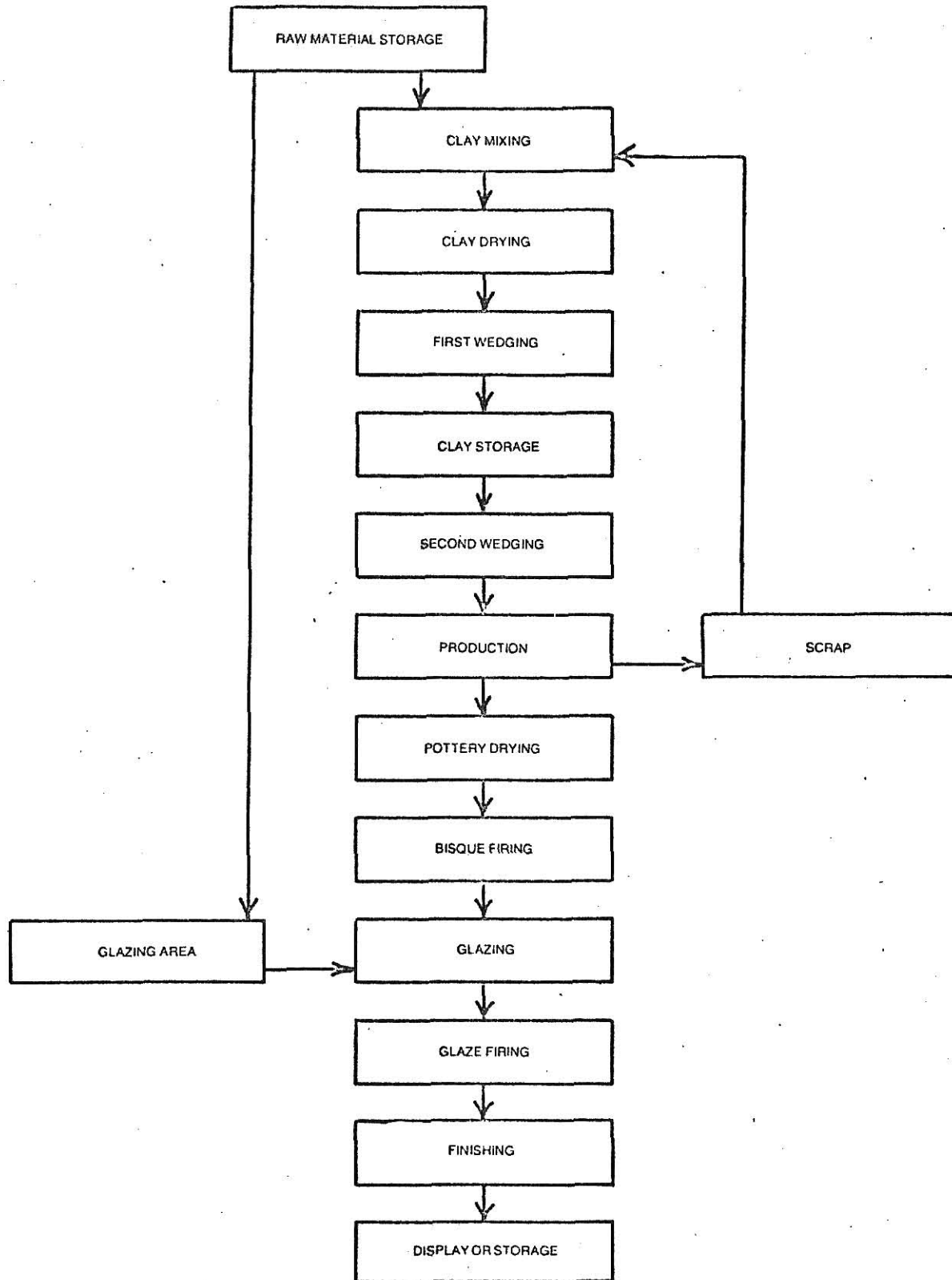
⁴⁴Kay and Ivan Martin, "The Crickdale Pottery," Ceramics Monthly (February 1971): 14.

⁴⁵Harvey and Kolb, Building Pottery Equipment, p. 176.

EXPLANATION OF PLATE I

This is a flow chart by Roger Harvey and Sylvia and John Kolb, describing an efficient flow of materials through a studio with a minimum of wasted effort.

PLATE I



hazard, or a blockage of access to another object or place.⁴⁶

A sample studio diagram where there is a natural flow created is shown in Plate #2 designed by Micheal Cardew. In this design it might be even more practical if the "biscuit store" (N) and the "glazing shop" (K) were combined.

Shops must be enclosed and heated for colder climates. Peripheral areas neither heated nor entirely enclosed can be used for storage and other needs. Structural flexibility should permit adequate ventilation and cooling. Some studio activities may even move outdoors.⁴⁷

⁴⁶Ibid. p. 178.

⁴⁷Ibid. p. 176.

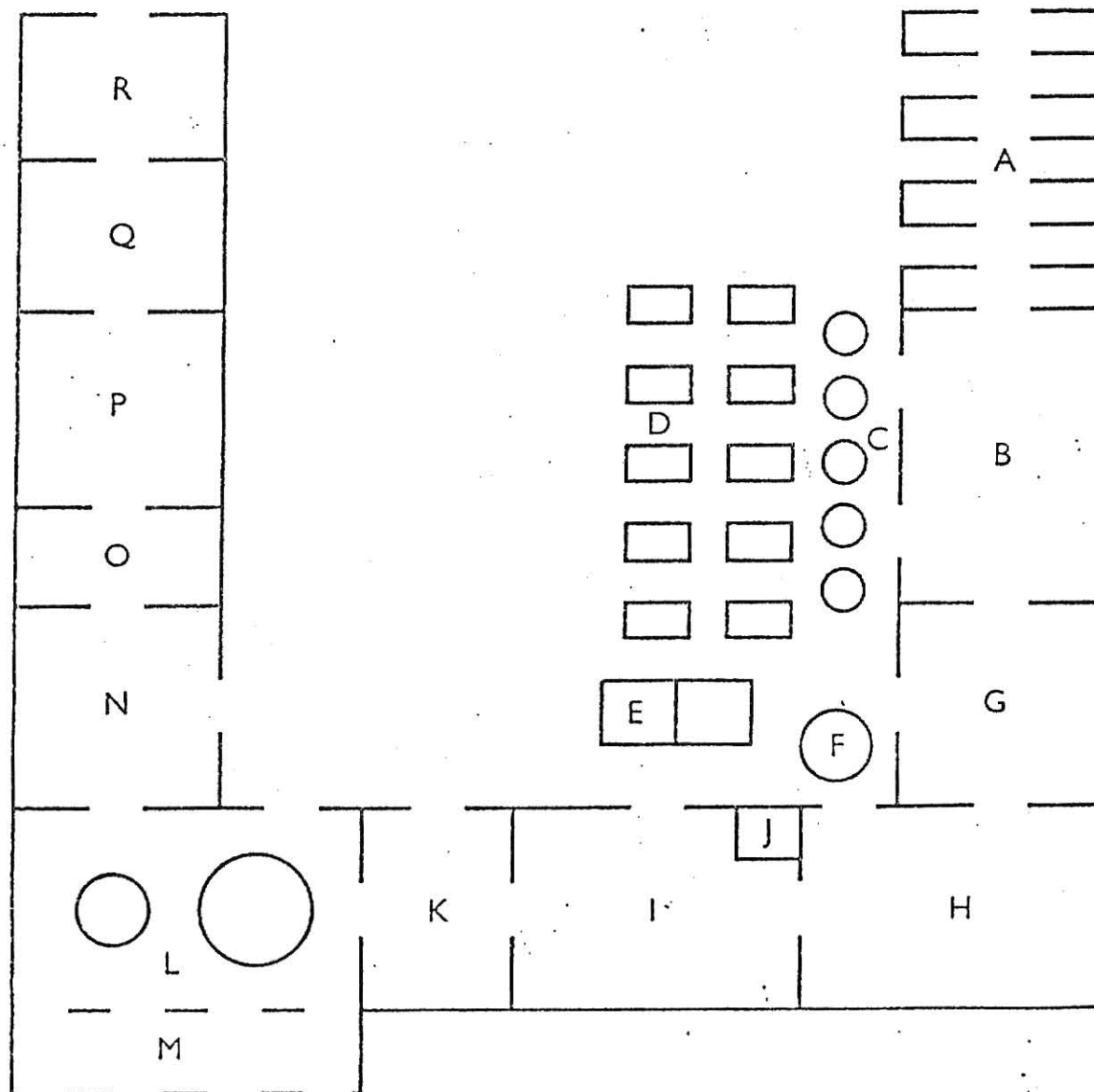
EXPLANATION OF PLATE II

This is an arrangement by Michael Cardew which shows an arrangement for a small sized pottery in which the potter plans to do all his own body-making, glaze-making, and grinding of raw materials.

PLATE II

- A. Open shed for raw materials
- B. Mill and sliphouse
- C. Settling pans
- D. Dewatering tables
- E. Tempering floor
- F. Clay cellar
- G. Milled materials store
- H. Making shop
- I. Dryer

- J. Damp room
- K. Glazing shop
- L. Kiln and saggars
- M. Firewood
- N. Biscuit store
- O. General store
- P. Packing shop
- Q. Finished ware
- R. Office and showroom



CONSIDERATIONS OF VARIOUS AREAS

The areas of a workshop which should be given special consideration are:

1. area for mixing and storing raw material
2. area for wedging and storing wet clay
3. production area (wedging and drying area)
4. bisque and glaze area
5. kiln area

Area for Mixing and Storing Raw Material

The clay processing or clay storage facility should be designed to ensure easy entry, loading and unloading of raw supplies. There, also, should be ample space for the compounded ceramic bodies to be blended in a mixer, pug mill, or heavy duty plunger.⁴⁸

A 4' X 4' pallet of clay, stacked about 3' high, weighs approximately $1\frac{1}{2}$ tons. For this reason the floor of the clay storage area must be able to withstand large concentrations of weight.⁴⁹ The size of the clay storage area will depend upon the maximum amount of clay to be stored there. Enough room must be left to allow for the movement of the clay with a small hand truck or other such cart. Any steps or inclines in this area should be eliminated. The area must be kept dry. Only moderate lighting and ventilation are needed here.

⁴⁸Charles Rash, "Room Design and Curriculum Planning," Ceramics Monthly (September 1971): 30.

⁴⁹Harvey and Kolb, Building Pottery Equipment, p. 160.

Lighter weight materials such as glaze chemicals can better be stored on sturdy shelves above the heavier and greater quantities of clay.

The glaze and clay mixing facilities should be located as near to the storage area as possible to eliminate as much movement of the material as possible.

Good ventilation cannot be stressed enough in the mixing areas. Several exhaust fans to the outside of the building would be ideal.

The floor space requirement of both the clay mixing and glaze mixing rooms will depend on the mixing methods and the equipment preferred. Drainage for cleaning the rooms and a source of water, preferably with a hose, are necessary. Electricity, 110 volt as well as 220 volt outlets for economic reasons, are also necessary.

The glaze mixing room should have a sink. Plenty of shelf space to provide storage for smaller quantities of raw glaze material and suitable storage containers (metal or ceramic cans) are also needed. Adequate work space and counter space are necessary to establish rhythm in mixing routines. A location near the kiln room or actual pot glazing area will ensure better traffic flow.⁵⁰

Area for Wedging and Storing Wet Clay

The wedging table and wet clay storage area

⁵⁰Rash, "Room Design and Curriculum Planning," p. 30.

should be located between the clay mixing area and the production area.

The size of the wedging table, or tables if more than one potter are working, will depend on a personal taste. The table should be strong and capable of withstanding heavy and repeated pounding.⁵¹

Wet clay can be stored under tables or in spaces that might otherwise be wasted. The size of the area will depend upon the amount of clay used by the potter and the length of time the particular clay body must be aged before use. The clay should be kept in a cool, damp place to prolong its storage life (to prevent drying out).

Production Area

The production area should be located centrally between the clay storage areas and the firing area. Sufficient room must be allowed in this room to allow for the making of pots, storage of pots before a trimming process and storage of pots to be dried before bisque firing.

Space requirements will be determined by the methods of pottery making (i.e. handbuilding or wheel throwing); the total number of work tables and/or throwing wheels to be used; the amount of shelf space necessary for the particular

⁵¹Harvey and Kolb, Building Pottery Equipment, p. 160.

type of production; and other necessary equipment needed in the room such as sinks, slab rollers, extruders, etc.

If power equipment is to be used, grounded 110 or 220 volt outlets will have to be placed where necessary.

Good lighting is essential. Fluorescent fixtures assure more even and cooler over-all illumination. Localized light sources may also be advisable to eliminate eye fatigue.⁵²

The use of wheeled carts with adjustable shelves would be an aid to transporting, storing and drying greenware. This type of unit can save time and prevent breakage caused by additional handling of pottery. Room must be allowed for the movement of such ware racks.

Bisque and Glazing Area

The glazing room can be used for both the storage of bisqued pots and the glazing process. Size of this room will be determined by the amount of work produced and the amount of pots to be glazed for each kiln load. Ample room is necessary for the storage of the mixed glazes and an adequate work bench.

This room should be well lighted. If a spray booth is to be used it will need to be well ventilated.

⁵²Ibid., p. 179.

The glazing room should be located close to the kiln area. This will ensure better traffic flow and less danger of pottery breakage.⁵³

Kiln Area

If at all possible, the kiln location should be housed in an adjoining, well-vented compartment, or in a nearby outside building. This is desirable because heat loss often makes this room housing the kiln an uncomfortable place to work. An unhealthy atmosphere can develop around a fuel firing kiln, especially during reduction processes.⁵⁴

Indoors or out, one should use only fireproof materials in the vicinity of the kiln. Good heating in this area will only be necessary in very cold climates.⁵⁵

Finally, the potter should try to set aside a corner of the workshop for just sitting. This should be a quiet place to be still, relax and reflect upon his work.⁵⁶

⁵³Rash, "Room Design and Curriculum Planning," p. 30.

⁵⁴Ibid.

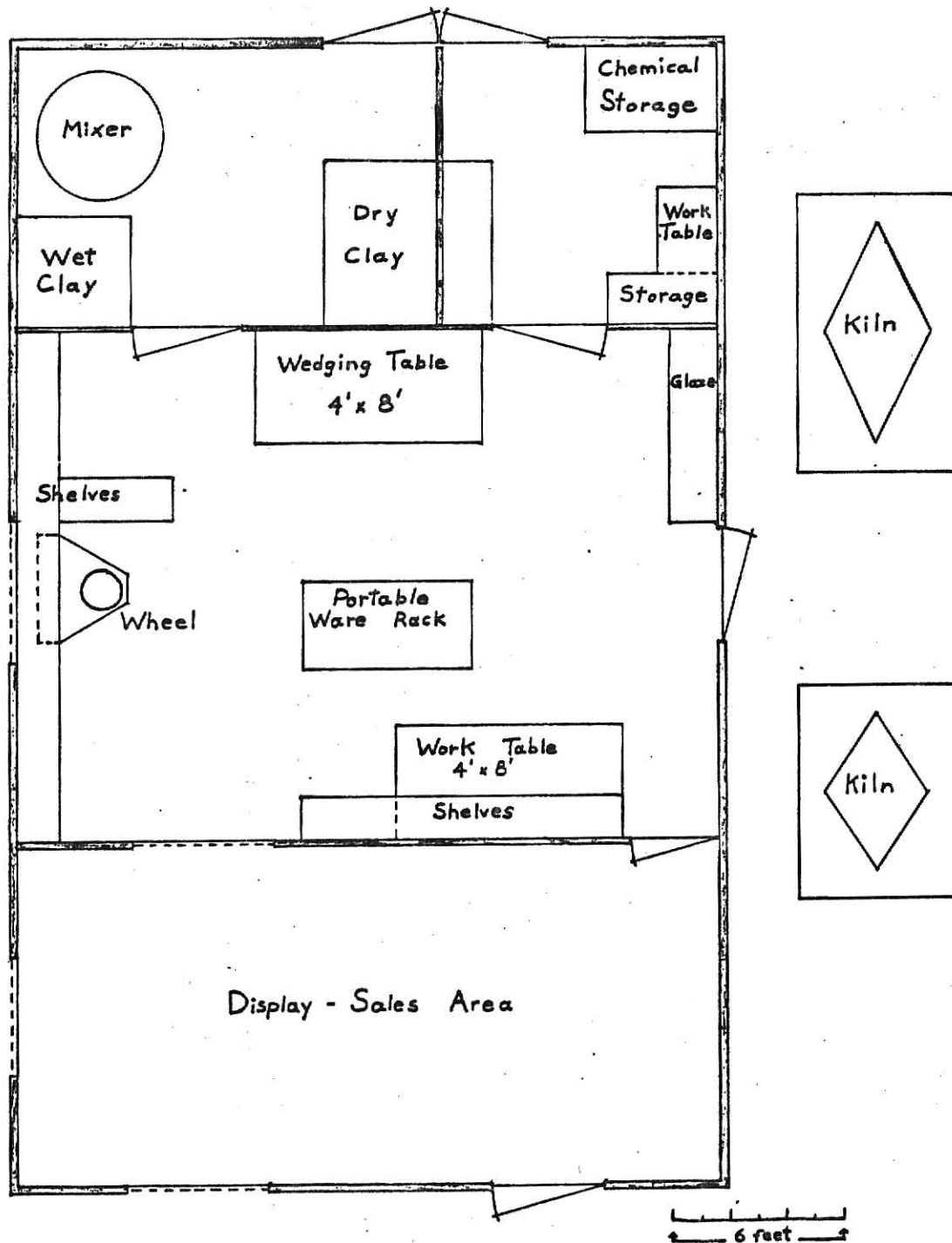
⁵⁵Harvey and Kolb, Building Pottery Equipment, p. 179.

⁵⁶Luisi, Potworks, p. 62.

EXPLANATION OF PLATE III

A possible studio/sales area design that could be a potentially efficient one-man operation is shown in this plate. Outside exits to clay and chemical storage areas could be approached by vehicle to facilitate unloading clay directly into the storage area. The kiln area could be open or enclosed, depending on climatic conditions and additional need for storage space. A window from the sales area to the studio work area would allow customers to view parts of the clay process without disturbing the potter. Sinks, ventilation, and lighting could be placed where the potter felt they were needed. This 25' X 40' structure has approximately 1000 square feet of usable inside space.

PLATE III



CHAPTER 3

MARKETING

UNDERSTANDING THE MARKET

There will always be a market for well made pottery in this country. This market will always exist even though the economy and stock market will fluctuate. People need and enjoy beauty in their lives regardless of the economy's state.⁵⁷

In colonial days there was such a demand for pottery that all the early potter had to do in order to dispose of his wares was to let it be known that a kiln was to be opened and ware taken out on a certain day.⁵⁸ More than enough customers were then on hand to take all of his pots. Orders were taken from stores in neighboring towns later on and the cycle would repeat itself. The same demand is in this country today.

A person who takes up pottery as a career and starts his own pottery must be prepared for hours of hard work, headaches, uncertainty and the possibility of small returns at first. He must persevere. If he succeeds in

⁵⁷Charles Counts, Pottery Workshop (New York: Macmillan, 1973), p. 186.

⁵⁸Powell, "Pennsylvania German Pottery - Tools and Processes," p. 22.

mastering the technical and administrative problems and organizes his business into an efficient unit, then his rewards will be correspondingly higher.⁵⁹

A serious potter can make a good living at pottery without sacrificing his personal aesthetic beliefs and his integrity, but he has to learn the economics of his craft.⁶⁰ He must be deeply involved with his shop rhythm, streamline his production, pay special attention to his public relations, and use learned methods of merchandising and selling.

It makes little difference whether an object is functional or not. A piece of pottery must possess some aesthetic qualities that distinguish it from a mere container. The fact that something is made by hand does not guarantee any kind of aesthetic merit which is superior to that found in a mass-produced object. A handmade pot which is well crafted and exhales an original spirit is beyond the reach of any machine.⁶¹

The art of making pottery is a creative process. From the beginning to the end of this process the potter must not be striving to create an object, but striving to create a thing of beauty.

⁵⁹D. V. Baker, Pottery Today (London: Oxford Press, 1961), p. 126.

⁶⁰Ruth & Mike Wolverton, "Franz Kriwanek," Ceramics Monthly (January 1971): 14.

⁶¹Joseph Sanders, "Strawberry Fields Pottery," Ceramics Monthly (February 1972): 17.

Buyers of ceramics are appreciators of pottery. They will want to know everything connected with the crafted piece. They will want to know its message, the technique used to create it, and information about the material. This is the greatest advantage the studio potter has over his competition. The potter has made the object and he knows more about it than any other individual. To be successful the potter must be willing and able to pass this information on to the consumer.⁶²

Craftsmen must also learn to depend on a prestige market. Often the strongest incentive for a consumer to buy a hand crafted item is the buyer's belief that ownership of that object will culturally or otherwise enhance his standing in society.⁶³

There are few communities that are affluent enough or have evolved toward a "labor deversification" point where they can completely support a pottery or a potter simply for the spiritual luxury of a steady supply of unique, handmade pots.⁶⁴ The potter will have to expand his market place to compensate for this deficiency.

⁶²Kriwanek, Keramos, p. 95.

⁶³Ibid.

⁶⁴Luisi, Potworks, p. 135.

The craft market place is divided into two parts, the male part and the female part. The female part overwhelms the male buying sector in quantity of material bought. Women do most of the purchasing of consumer goods in our society and the proportion is even larger when the product is for use in the home. However, in the craft and folk art field, men do make an exceptionally strong showing. Many craftsmen report that their best customers for higher priced and better quality items are men. They seemingly have more confidence in their own taste than women, and are somewhat more sensitive to the value of handmade work.⁶⁵

The market place has a rhythmic and seasonal aspect that should be used advantageously, such as summer tourism, spring and fall festivals, and, most importantly, Christmas sales. Many shops across the country double their sales in November and more that triple their sales in December.⁶⁶

Eleven percent of all retail sales take place in December. The Christmas season, beginning in late November, accounts for thirty percent of all gift ware sales. In 1976, sixty million dollars worth of retail products were sold during the Christmas season. That averages out to \$290 for every man, woman, and child in the United States.⁶⁷

⁶⁵ Norbert Nelson, Selling Your Crafts (New York: Van Nostrand Reinhold Company, 1967), p. 57.

⁶⁶ Wettlaufer, The Craftsman's Survival Manual, p. 34.

⁶⁷ Edward McGuire, "Ecomonics," Craft Horizons (December 1976): 10.

Of course, only a small amount of this money was spent on pottery, but this shows that Christmas is an all important season for the potter and has tremendous potential for sales.

It would benefit the studio potter to consider this market fluctuation and periodically sit down with a calendar and map out working and selling patterns in order to set a reasonable working pace and to be prepared for seasonal market fluctuations.⁶⁸ The potter must also be aware that these consumer selling patterns can change at any time.

If a potter locates in a rural area, his selling patterns will be effected to the extent that he will sell less out of his studio and may have to either wholesale in goods, or attend a few craft fairs, or in some other way supplement his sales.⁶⁹

The sales of pots, as with any other product on the market, depends not only on the quality and merit of the product itself, but equally on the demand for such a product. Direct contact with consumers allows the potter to hear constructive criticism for all aspects of his work. Often this will bring to light effects the potter never noticed or consciously intended.⁷⁰ One should carefully consider all remarks and learn as much as possible from them. It can

⁶⁸Wettlaufer, The Craftsman's Survival Manual, p. 34.

⁶⁹Ibid., p. 33.

⁷⁰Wolverton, "To Market, To Market," p. 27.

be beneficial to view one's own work from other people's frames of reference.

There is sometimes a tendency among craftsmen to protect their own egos by scorning the taste or intelligence of the average buying public. Craftsmen of longstanding usually tend to gain renewed respect for the consumer. They do not treat the consumer in a condescending fashion. For what ever the reason the consumer buys a potter's work, they are enabling that person to continue to do what he wants to do and helping him to live in a manner he chooses.⁷¹

⁷¹Wettlaufer, The Craftsman's Survival Manual, p. 55.

METHODS OF MERCHANDISING

There are two direct ways of selling work: direct retail and direct wholesale. This chapter deals primarily with selling outright from the potter's studio or his own shop. Other means of selling and exposure will be briefly covered to give alternatives and additions to selling from a retail studio-shop.

A potter should try to sell directly to people if possible rather than through the traditional retail outlet. Retail outlets will usually mark a product up at least 100% over the usually rock-bottom wholesale price to them.⁷² For this reason they have put handcrafted items out of the monetary reach of most people and put heavy production demands and time tables on supposedly individual craftsmen. This is often detrimental to the work produced by individual craftsmen.

It is advisable for the potter not to sell all his work in a retail manner. A sudden shift in buying patterns or local industry slowdown could put the potter out of business. For this reason, also, locating in a tourist area, where tourists are the primary customers, could be risky. A fuel crisis, a new highway, or even a natural disaster could put the independent studio potter out of business.⁷³

⁷²Luisi, Potworks, p. 135.

⁷³Carl Judson "Bluebird Catalogue #4," A Production Potter's Notebook (1977).

The other methods of selling to be covered briefly are:

1. private shows
2. art fairs
3. wholesale arrangements
4. restaurant sales
5. mail order
6. small sales outlets
7. consignment

Private or Studio Shows

Many studio potters have two or more shows or open house sales a year. These are generally held in their homes or in their studio/galleries. This idea for sales can be used quite effectively and at a minimal expense to the potter.⁷⁴ A mailing list of potential buyers can be used to invite people to the show. Often this list is composed of customers who have in the past shown interest or bought pottery from the potters. The show or studio sale can be made into a festive occasion with refreshments and trimmings. If it is a pleasant occasion people will want to come back year after year. Sales from this type of show also help to develop a local market and community rapport.⁷⁵

Art Fairs

Every year there is an increase in the number of art fairs in the United States. There is a tremendous range in

⁷⁴Netthaufer, The Craftsman's Survival Manual, p. 53.

⁷⁵Judson, "The Bluebird Catalog."

terms of size, atmosphere, quality of work, and customers drawn.

Usually each artist will set up his own display and will handle his own sales. Usually they are held outdoors and last from one to four days. Entry fees to these fairs will range from \$5.00 to \$45.00. Rarely is a percentage of sales taken. Many professional potters will depend on up to one half of their yearly sales from art fairs.⁷⁶

An art fair will draw from a few hundred to hundreds of thousands of people, depending on the location and the publicity it receives. Many fairs are juried and the quality of work is high. They often include displays by some of the best artists and craftsmen in the country. Most juried fairs reininvite artists once they have been accepted.⁷⁷

If a potter plans to attend a specific fair he should make up his mind as soon as possible about registering for the fair. Many fairs close registration months before the fair date. Sometimes it is even necessary to join an association or guild to be a part of the fair.

There are certain preparations to be made before the actual fair date.

- 1) All pots must be clearly marked with a price.

⁷⁶Tom & Yvonne Shafer, "Fairs and Festivals for Artists and Craftsmen," Ceramics Monthly (June 1972): 19.

⁷⁷ibid.

2) All pots should be well-wrapped and tightly packed into boxes to prevent breakage.

3) A good location for the booth must be chosen before the day of the fair. It should be a location that will have heavy foot traffic, is close to a refreshment stand, is where walks or paths cross, and is shaded if weather is hot.

4) A display area must be brought that is light weight, transportable, and attractive.

5) A cash box with at least \$20 change is necessary.

6) A craftsman should prepare for his comfort with items such as a chair, umbrella, drinks, food, comfortable shoes and clothing.⁷⁸

A potter who is interested in participating in art fairs should spend time and energy investigating fair circuits within a 50 to 100 mile radius of his studio. The more fairs a potter and others enter, the more money there will be available for publicity of the fairs. This will cause more people to attend and help them to become knowledgeable about pots, which in turn will result in even more and larger fairs, and more prospective customers for pottery.⁷⁹

A potter must make approximately 20 times the retail value of the pots made per day to break even at fairs. Much time is lost attending fairs and this must be taken

⁷⁸Wolverton, "To Market, To Market," p. 21.

⁷⁹Ibid., p. 42.

into consideration in profit margins.⁸⁰

The sale of a pot does not just represent a few dollars. If the pottery gives the owner pleasure, functions well and survives day to day household abuse, the owner will want to purchase another. For this reason, it is important to invest pottery in markets which will allow frequent repeat sales. In order to create a dependable repeat market, the art fair that is one hundred or more miles from the studio/shop is of questionable value.⁸¹

Wholesale Arrangements

A potter may get less for his pots at wholesale than he would be placing them on consignment. However, if he considers the losses from damage, poor or complicated record keeping, the 10% difference a wholesale pot gets over a consigned pot, and the usual delayed payments from items left on consignment, wholesaling will probably benefit the potter more in the long run.⁸²

When approaching retail outlets with pots to be wholesaled, it is advisable to visit the dealers the first thing in the morning or during the midday lull. At this time the retail buyer of the pots will have more time to spend talking with the potter and discussing saleable items

⁸⁰Judson, "The Bluebird Catalog."

⁸¹Ibid.

⁸²Ibid.

without neglecting prospective customers.⁸³

If selling to retailers for the Christmas season, one should deliver the pottery 2 to 6 months early. This is usually when retailers will begin filling and planning their Christmas season orders.⁸⁴

Sales to Restaurants

By bypassing the normal distribution systems a potter can often undercut industrial restaurant ceramics. Restaurant owners are in a highly competitive business and their success will often depend upon the special character of the restaurant. The restaurant suppliers have a very limited variety of mass-produced items for sale. This places the potter in an ideal situation to serve the individual needs of particular restaurant owners. A potter can produce a personal line of pottery for individual restaurants that will enhance the character or charm of the business. Customers of those restaurants served by the potter will also be prompted to buy pottery for themselves from the potter.⁸⁵

Mail Order

The potter who likes to produce some items in a greater quantity than for which he can find a local market may want to consider mail order selling. A sufficient

⁸³McGuire, "Economics," p. 10.

⁸⁴Ibid.

⁸⁵Judson, "The Bluebird Catalog."

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stock pile of pottery will justify running an ad, perhaps in October, to catch Christmas season buyers from the many women's magazines for example. There are also many trade magazines that could be used.⁸⁶

Several small repetitive ads are much more effective than large ads.⁸⁷ When submitting an advertisement in a national magazine, be prepared for a large response. Charge a price which will adequately cover the additional expense of the advertising. One should design the ad to state whether or not there is an additional charge for postage and handling or if that is included in the stated price.

The items chosen for such an endeavor should be items which can be mailed easily at low cost and with little chance of breakage. It is advisable to have the items pre-packaged and ready for U.P.S. or the Post Office so all that is necessary is for the potter to attach an address and send it with a minimal lag in time to the customer.⁸⁸

Small Sales Outlets

Peddling - An interesting possibility of additional sales would be the use of a peddler's wagon. One might

⁸⁶Ibid.

⁸⁷Wettlaufer, The Craftsman's Survival Manual, p. 71.

⁸⁸Judson, "The Bluebird Catalog."

outfit a rather forward young person in a colorful costume with a hand cart and a load of pots and turn him loose on the streets of the community. Usually a 20-30% commission will cover his cost and a great promotional and sales gimmick is underway.⁸⁹

One must be sure to check local ordinances before trying this and obtain the proper licenses or permits.

Business Gifts - There are many small businesses which spend a considerable amount of money for gifts in the two to five dollar range on their established customers.⁹⁰ There is the possibility of making these businesses potential customers for pottery.

Real estate agents will often give housewarming gifts to customers who have bought a house from them. Insurance agencies often give small gifts to their clients to show their good will. There are other possibilities of bosses giving employees gifts, etc. If a year round sale of pottery to small businesses can be established, this can provide some financial relief from the seasonal ups and downs of a potter's income and many of the recipients of these gifts will become regular customers.⁹¹

Consignment

There are many reasons for not selling on

⁸⁹Ibid.

⁹⁰Ibid.

⁹¹Ibid.

consignment. All but the most established consignment outlets are often slow to pay. Many are unwilling to accept responsibility for broken or damaged merchandise.⁹² The potter must constantly be checking consignment shops to be sure that work is being displayed. There is the danger of a shop going bankrupt if they do not have enough money to invest in a potter's work.⁹³ There is no incentive for a shop owner to sell the potter's work if he has no money invested in it and will often use consignment items to fill shelves and push the products he has bought outright at the expense of this pottery.

Selling outright is a much more professional and profitable way of doing business.⁹⁴

⁹²Ibid.

⁹³Wettlaufer, The Craftsman's Survival Manual, p. 60.

⁹⁴Ibid.

A POTTER'S OWN RETAIL STORE

In many respects a potter is best served by having his own store. By selling his own product to the consumer he realizes the total price of the product. This means that his products can more quickly be converted into cash. A potter earning both the manufacturer's profit and the retailer's profit will need to make only about one-half as much merchandise to earn the same total profit.⁹⁵ Selling directly to the consumer also helps the potter learn more about the acceptability of his product because he will be in direct contact with the customer.

According to government statistics, most business failures occur during the first year of operation. The third year is the crucial one for taking the step from mere survival to a recognizable profit pattern. Once one has made it through the fifth year, the small businessman can begin to breathe easy as he should have developed a reasonable clientele by then.⁹⁶

Some retail shops can turn a profit in the first few months, but most take a year or more. Some semblance of a paycheck for the potter's labor can be drawn before he shows a profit, but that will be payment for his time

⁹⁵Nelson, Selling Your Crafts, p. 67.

⁹⁶Elyse Sommer, Career Opportunities in Crafts (New York: Crown Publishers, 1977), p. 71.

and will require his time. Conservative accountants would probably caution a potter to go into retailing only if he can afford to equip his store and carry it for six months to a year without a significant profit.⁹⁷ Examination of the situation realistically and professional assistance on projecting cost of operation of a retail business is necessary. Then if it looks appealing the potter may go ahead.

Most shop owners report that the majority of their customers will travel to get to them. This means that the customer does not necessarily live in the immediate trading area of the shop. The first time that a customer passes the shop, he must be drawn in by the shop's appearance before he can be "sold".⁹⁸

There are several reasons why some shops do poor business. First of all they do very little market research and set up a shop solely on their personal ideas. They are poor record keepers: this lets them forget seasonal buying patterns, taste preference of customers, order sizes, buyers' names, and so on. They do little or no sales promotion. They have poor product pricing fundamentals. They use little discretion in selecting retail outlets outside of their own. They are unfamiliar with sources and methods of obtaining capital for current expenses and for

⁹⁷Nelson, Selling Your Crafts, p. 78.

⁹⁸Ibid., p. 73.

business expansions. Often the credits and accounts receivable practices are erratic and inconsistent, which affects cash flow. Finally the poor business operation has insufficient plans for the future, either short term or long term.⁹⁹

On the other hand there are reasons why some businesses are successful. They have a reasonable but firm shop-rhythm; they have learned to discipline themselves. Successful craftsmen have a basic awareness and knowledge of a craftsman's public relations and a good knowledge of economics.¹⁰⁰

Pottery sales are seasonal. During slow months and good months sales may differ as much as eight times in volume. It is wise to plan ahead and anticipate changes both in volume and in types of sales. It may be possible to supplement slow months by dealing in supplies and equipment for potters. It is possible to become a dealer for potters. It is possible to become a dealer for pottery-making equipment such as wheels and kilns and still maintain a good line of pottery. To keep stocks of smaller craft tools or order them as the customers want them is a good idea.

Profits on pottery sales are not high. It is wise

⁹⁹Edward McGuire, "The Business Side of Crafts," Craft Horizon (October 1976): 50.

¹⁰⁰Kriwanek, Keramos, p. 93.

for the potter to guard against high overhead items like salaried employees, expensive furnishings, or elaborate and costly display shelves and racks.

Any businessman needs to advertise. It is best to keep the advertisement small, frequent, and inexpensive such as business cards, small newspaper ads, radio spot commercials, and posters. At annual open houses both established customers and potential ones should be invited. This is an excellent promotional venture.¹⁰¹ The potter must remember that good wares, a good location, and a good reputation are the best guarantees of sales.

Retailing is a substantial imposition on a potter's time but a store must abide by regular retail hours, generally 6 days a week, and customers must be shown the courtesy and attention they deserve. Specialty merchants are quickly known for courtesy service or the lack of it. The customer who has a pleasant experience in a shop will pass the word.¹⁰²

It is very important that a shop set up "hours" when it is open for business. If a potter can detach the sales portion of the shop from the studio, it is a good idea to set aside one or two days a month for tours of the studio.

¹⁰¹Howell, Woodward & Woodward, "Managing Your Own Pottery Shop and Studio," p. 46.

¹⁰²Nelson, Selling Your Crafts, p. 68.

If possible, it is best to have two people working so that one can run the shop while the other continues to produce the wares. Having no hours can be an infringement on the potter's privacy. It is more considerate both to the potter and to the customers to specify the hours when the customer is welcome.¹⁰³

The average unit of sales goes up later in the day. The percentage of customers will be heavily in favor of women, but men are better craft customers for the valuable merchandise. Men often have greater respect for the work of human hands.¹⁰⁴

It might be wise to take advantage of this by staying open evenings when men can shop. A potter must adapt to his customers' buying patterns instead of expecting the consumer to conform to the potter's convenience in retailing.

By making browsers feel welcome, by making small item buyers feel important, and by being helpful and informative without being pushy, the store owner will create a special feeling for the people who are buying his crafts. These small things will help the shop become a place where the quality and the prices of the product can be

¹⁰³Wettlaufer, The Craftsman's Survival Manual, p. 69.

¹⁰⁴Nelson, Selling Your Crafts, p. 76.

trusted.¹⁰⁵

The quality of the finished pieces should never be compromised in the interest of making more money.¹⁰⁶ The shop should provide a wide range of pottery: small to large, good to excellent, utilitarian, decorative, sculptural, and more. People enjoy a diversity of styles, forms, and colors.¹⁰⁷ The chief advantage of a potter working for himself is that he is able to do things his own way, and the way he feels is best.

A potter is projecting a personality in his shop. The customers' interests can be excited by discussion of the things he buys. One should not forget, though, that selling time can become expensive.

The potter's personality is a definite factor in how much retail selling he can do himself. If he has a strong self-concept so that he can withstand a wide range of comments - critical, complimentary, and inane, if he enjoys dealing with the public and is a good sales person, he should favor selling in any situation. If he is not outgoing, he should probably leave this area to someone else.¹⁰⁸

There are several personal touches that can be brought

¹⁰⁵Sommer, Career Opportunities in Crafts, p. 77.

¹⁰⁶Wettlaufer, The Craftsman's Survival Manual, p. 22.

¹⁰⁷Luisi, Potworks, p. 138.

¹⁰⁸Wettlaufer, The Craftsman's Survival Manual, p. 34.

across to potential buyers. Consumers receive personal satisfaction when they can identify with the artist at a shop. Franz Kriwanek carried out several experiments at his studio at Silverton, Colorado. He found that pots did not sell as well when the potter was not present. Pottery that was personally signed by the artist sold seven to one over those that were merely stamped with an emblem. The customers correlated the signing of the pots with the personal honesty of the artist.¹⁰⁹

The strongest sales stimulators seem to be well organized demonstrations and shop tie-ins. A window to the studio area does not disturb the potter and allows the consumer to see pottery being made. Raku techniques make excellent demonstrations and good sales stimulators. People always enjoy watching pots being thrown and become excited with pottery through studio tours. The strongest sales stimulator, though, is the potter's actual presence and personal involvement with the selling of his ware.¹¹

A great advantage to having a shop is that a potter can display his products to excellent advantage as well as making the craftsman secure in his control over the entire making-selling process.

The first deterrant to having a shop is that few

¹⁰⁹Kriwanek, Keramos, p. 96.

¹¹⁰Ibid., p. 97.

craftsmen have sufficient products of their own manufacture to stock a store and make it interesting. The items are generally all of a type and almost certainly of a single material. A shop must have enough merchandise and a sufficiently broad range of prices and appeal within that merchandise to appeal to a large range of customers.¹¹¹

If necessary, a potter may join with other craftsmen to stock a shop provided the management of the shop is under the control of a single individual. A craftsman can, if he has the capital to do so, buy merchandise to make his shop more varied. Purchase of merchandise, though, should be subordinate to a potter's own ware and selected to compliment his own image.¹¹²

Displays should never overpower a potter's work. Aesthetic imagination and a willingness to experiment are the key ingredients in a well displayed shop. A prominent place in the shop should have a scheduled change of display at least every three weeks. As the seasons change, seasonal themes lend an air of interest to the displays. Small, common place and inexpensive props can suggest possible uses for products such as food, bath accessories, flowers, interesting rocks, weeds, and plants.¹¹³

¹¹¹Nelson, Selling Your Crafts, p. 76.

¹¹²Ibid., p. 68.

¹¹³Ibid., p. 74.

Lights should be used to an advantage. Bright light will bring out highlights on a textured pot. Colored background lights can also be used for special effects. An early investment in a few reflector floods and spot lamps can add measurable to the effectiveness of a potter's presentations for many months to come.

A shop owner must always remember that a clean, shining, well cared for display mirrors the value placed by him for his product.¹¹⁴

Items that establish character and mood for the store should be displayed importantly with a plot of "air" around them. On the other hand, a potter should not hesitate to crowd or group others. Most customers will wish to brouse and make their own discovery. Shops with everything made available tend to eliminate pockets of mystery and thereby lessen a customer's interest and imagination.¹¹⁵

A potter should feel free to look at displays presented by competitors. Even Sears Roebuck does not hesitate to learn from Montgomery Wards or even copy outright a merchandising stratagem that has worked well for their competition.¹¹⁶

A store owner should keep his inventory fresh.

¹¹⁴Ibid.

¹¹⁵Ibid., p. 75.

¹¹⁶McGuire, "Economics," p. 10.

He must add new items frequently. He should test new items by displaying them prominently. If they sell, he can expand his line in that direction. If the items do not sell, he needs to find out why and correct the deficiencies or close out the merchandise.¹¹⁷

A shop must have one or more staple articles for which the shop is known and for which customers will come back. The shop should be set up to be as much of a self-service operation as possible. A customer list should be kept and used profitably for limited mail order.

A potter should only take orders on the basis of specific glaze samples in his work shop and on the basis of the pots on hand. A potter should refrain from taking orders on the basis of a nebulous form and color that may turn out to have been envisioned differently by the potter and the buyer.¹¹⁸

Before the customer makes a choice on a large order, he should spend an hour or so with the potter discussing needs and preferences. The customer should be encouraged to take several samples home to use for several days before making a final decision. The customer may choose from many samples stocked in the shop or show room. These samples should be continually changing since a

¹¹⁷Nelson, Selling Your Crafts, p. 76.

¹¹⁸Luisi, Potworks, p. 137.

decorative pattern may rarely be repeated or a customer may desire a specific decoration with a certain glaze.¹¹⁹

A potter may want to store any extra pieces made with an original set and keep them with a complete record of the pieces made, the sizes, or any decorative design along with the customer's name.

On custom work, it is normal to require a 50% deposit with the order and 50% upon completion. If it is an expensive order it is probably wise to have some kind of agreement in writing as well.¹²⁰

Selling "seconds" provides the buyer with limited funds, who appreciated pottery but cannot afford "firsts", an opportunity to purchase pots at a lower price. Potters should be consistent with these seconds. They should be labeled "seconds", preferably with an explanation. All pieces with glaze defects, surface cracks, or firing accidents, no matter how curious or useful, should be included in this category. These tiny sales add up. Sale of "seconds" also develops a wider audience for pottery because buyers learn much from their purchase.¹²¹

All pots should be labeled: safe for use with food, lead free, etc. Customers should be warned not to

¹¹⁹Tom Shafer, "John Glick - The Plum Tree Pottery," Ceramics Monthly (September 1972): 25.

¹²⁰Wettlaufer, The Craftsman's Survival Manual, p. 23.

¹²¹Luisi, Potworks, p. 137.

place pottery directly over an open flame or heating element. Customers should also be told to place pottery in a cold oven and then heat the oven to the desired temperature. It should be explained that pottery is dishwasher safe. All items should be tested or checked thoroughly before being offered for sale.

Customer satisfaction is the basis for continued success of any business. The people who decide to buy and then buy again are the life-blood of the potter. What the potter tries to do is attract and maintain a clientele of satisfied customers. This may be time consuming, but it is cumulative over the years and well worth the effort.¹²²

There may be booklets of tourist attractions in the shop area in which a potter could list his studio as open to the public: bus tours by museums, senior citizens groups, travel agencies, etc. A potter might arrange for them to tour his studio. Some states put out a booklet of "craft trails" which list what studios are open to the public and where they are located.¹²³

If a potter decides to accept tours he should plan to give a talk and demonstration along with the tour. This is good publicity and serves to educate people in the

¹²²Wettlaufer, The Craftsman's Survival Manual, p. 72.

¹²³Ibid., p. 73.

community in the elements involved in pottery production.

Most buyers appreciate a small pamphlet explaining techniques with their purchase. It helps to suggest to buyers that the item could be purchased as a gift. Printed information with every sale adds the appearance of generosity on the potter's part.¹²⁴

There is specific information that should be included in such a pamphlet. First of all, an introduction to the artist-potter, including any pertinent information on his background, education, etc. should be included. Secondly, his type of ware should be described and the technique explained. And last, a description should be given of the types of glazes used, their composition, and perhaps their origin.¹²⁵

The best promotion to aid the work-of-mouth advertisement of satisfied customers is a small, attractively printed card that tells something about the potter, his crafts, where, how, and why he works. A reputation for good work is earned slowly and deliberately over a period of time. A potter's real work will earn its place by genuine effort and not by purchased publicity.¹²⁶

¹²⁴Kriwanek, Keramos, p. 98.

¹²⁵Ibid.

¹²⁶Counts, Pottery Workshop, p. 188.

The total cost of paid advertising (local paper, printed matter, letter heads, postage, etc.) should never exceed one or two percent of the potter's net income.¹²⁷ Remember also that advertising expenses are tax deductible.

An item of constant trouble to the small businessman is bad checks. One way of decreasing the risk of bad checks is to set up an account with a central charge company, such as Visa or Master Charge. The 4-6% service charge will probably be balanced out, not only by decreased risk, but also by increased sales.¹²⁸

¹²⁷Kriwanek, Keramos, p. 98.

¹²⁸Wettlaufer, The Craftsman's Survival Manual, p. 53.

CHAPTER 4

BUSINESS AND MANAGEMENT

REASONS FOR BUSINESS FAILURE

Before embarking on a business venture, a potter should understand the reasons why many businesses fail. There are several causes of business failure. Steps taken early to correct these causes can mean the difference between success and failure.

1) There are certain highly personal factors to consider: lack of knowledge of the pottery, an unwillingness to accept advice from those with more experience, unwillingness to work long hours, inflexibility or resistance to change, excessive expenditures, and expenditure of operating capital for other things.

2) The second cause for failure might be inadequate planning or lack of foresight regarding location, failure to anticipate emergency financial needs, failure to foresee one major beginning error, or failure to understand that relations between income, sales, and expenditures can quickly close a business.

3) Inadequate financing is another reason for failure: not enough to afford a proper location, nor enough

to weather that "one major error," and not enough to buy sufficient supplies at the best price or in adequate quantities. Any of these can cause failure.

4) Obsolete methods, lack of adequate expense controls, lack of adequate inventory controls, lack of adequate personnel controls or the lack of modern equipment can all be detrimental.

5) As a sole owner to a business the potter must have a multiplicity of duties. He must have the ability to perform a wide variety of business functions equally well.

6) There are also competitive factors to deal with. The potter must keep in mind the possibilities of superior managerial abilities of his competitors or his inability to produce the finest line of products.

7) There are often legal restrictions or legislation and regulations such as licensing, zoning and health to be considered before starting a new venture.

8) Many small items such as taxation, difficulty of building capital for expansion, lack of a need for a pottery in the area selected, or possibly, the lack of adequate patent protection can build a barrier to success.¹²⁹

There is a strong probability, almost a certainty, that the beginning potter as an independent businessman, will make one serious error in judgement during his first year of

¹²⁹Clifford M. Baumbach, Kenneth Lawyer, and Pearce E. Kelley, How to Organize and Operate a Small Business (New Jersey: Prentice Hall, Inc., 1973) p. 21.

operation. This error in judgement will usually lead to his costs exceeding his income.¹³⁰

¹³⁰Ibid. p. 32.

INITIAL MANAGEMENT SUGGESTIONS

There are many requirements for strong management of a new pottery. The most important requirement is the continued ability to satisfy the needs of a clientele. This comes only through a satisfaction of these needs in terms of quality, price and service. These are usually inseparable from the customers attitudes toward the potter. A good manager visualizes his business not only in terms of quality, service, and price, but also in appearance, atmosphere, and attitudes.¹³¹

Assuming that the potter feels he can meet all the before mentioned criteria, he is ready to open for business. If a potter operates under his name and nothing more, he need not take any steps other than to open his door to trade. If he adds the words "Studio", "Associates", etc. to his name he must register it as a business name. This is done at the county clerk's office for a nominal fee. This registration can be given to a bank to open a business account.¹³²

For all but the very small or very new business, and perhaps even then, the most advantageous form of organization today is usually the corporation. A corporation

¹³¹Ibid., p. 46.

¹³²Nelson, Selling Your Crafts, p. 109.

is an entity created under a state statute which prescribes certain requirements. These requirements concern the number of stockholders needed to start a corporation, the number and powers of the directors, the calling of stockholders' meetings, audits, etc. Forming a corporation is a simple matter and should not frighten the new potter.¹³³

The advantage of a corporation are many and they should be discussed with the potter's accountant from the standpoint of taxes as well as with an attorney from the legal standpoint.

In order to cover every legal eventuality a young potter might encounter, it would require a business law library and years of study. For day to day business most people do not think about lawyers or law suits, and the potter, as a businessman, should not be overly concerned with legal implications in his round of daily work. It is a lawyer's function to prevent litigation where possible. A new potter should probably not retain an attorney except for specific matters such as drawing up incorporation papers. A new potter should buy an hour of a reputable attorney's time just to discuss the new business and seek his practical advice. This could be an excellent investment.¹³⁴

¹³³Ibid., p. 110.

¹³⁴Ibid., p. 117.

In beginning the business, a lawyer can file a "d/b/a" (doing business as or under a name). This is the way a business is registered and its name officially entered with the county. A bank must be shown this record in order to get the potter a business checking account.¹³⁵

It would be wise to also discuss plans with a printer who will be able to estimate the expense involved in printing special tags, business letterheads, business cards, price sheets, and order forms and possibly a brochure or catalogue at a later date. Tags and business cards are a good investment in the beginning as they give the potter the appearance of being professional.¹³⁶

¹³⁵Wettlaufer, Craftsman's Survival Manual, p. 15.

¹³⁶Ibid., p. 5.

FINANCE

There are many starting costs that must be considered by the potter in order to realize the amount of financing he will need. The following list will help him itemize his needs.¹³⁷

- 1) Fixtures and equipment including shopping bags, boxes, labels, etc.
- 2) A starting inventory of pottery
- 3) Decorating and remodeling costs
- 4) Installation of equipment
- 5) Deposits for utilities
- 6) Legal and professional fees
- 7) Licenses and permits
- 8) Advertising to a grand opening
- 9) Operating cash
- 10) A rent advance if the potter is renting
- 11) Insurance
- 12) Office equipment including a cash box, stationary, etc.
- 13) Accounting records and possibly the cost of setting up the records with an accountant

A small pottery in a low-rent but good craft area can, with careful planning and a skillful management, be started with an initial investment in the neighborhood of \$10,000.00. A few people have started with as little

¹³⁷Sommer, Career Opportunities in Crafts, p. 74.

as \$8,000.00.¹³⁸

Those potters who expand and grow, particularly those who buy or build their own shops, thus building a sound real estate investment, usually spend many times their initial capital outlay for up to five or six years after they open.¹³⁹

Capital must be regarded as a business tool requiring skill in its use. Pressure on the beginning potter's usually limited funds is so great that he is likely not to reserve enough working capital, and he seldom makes adequate provision for the one serious mistake most new businessmen are likely to make during their first year of operation. No such mistake may occur, but it is better he have and not need it, than to need it and not have it. It is very important to keep a source of extra capital available strictly for emergency use for at least one year.¹⁴⁰

There are two basic types of capital. Assets that will be retained for a long time, such as land and buildings, machinery, furniture and fixtures, and other equipment, are classified as "fixed capital." "Working capital" includes the potter's cash resources and all assets

¹³⁸Ibid., p. 73.

¹³⁹Ibid.

¹⁴⁰Baumbeck, Lawyer, and Kelley, How to Organize and Operate a Small Business, p. 195.

that he can readily convert into cash, such as inventory and accounts receivable. Working or circulating capital is used to buy materials or merchandise and to pay off current obligations such as rent and wages.¹⁴¹

In order to determine his capital needs, the potter must allow for a reasonable period of time to elapse, usually 3-6 months, before income from the pottery, including his estimated needs of a minimum salary or drawing account, is sufficient to provide for his living expenses. He should prepare a budget even before the final decision to start the pottery is made and great care should be exercised to include all expenses and needs for capital, including taxes and other less obvious requirements.¹⁴²

Many small businesses have serious financial problems in at least three respects. The first is in securing long-term equity capital, in contrast to short-term working capital loans. Second, in obtaining greater protection from the calling of loans or stoppage of credit during trying times when outside financial aid is most directly needed. And, finally, in securing funds in small amounts at lower interest rates. To overcome these problems, strong financial management is needed.¹⁴³

¹⁴¹Ibid., p. 199.

¹⁴²Ibid.

¹⁴³Ibid., p. 25.

There is no financial difficulty of any pottery, regardless of size, which cannot be traced to the violation of one or more of these basic principles of financial management. First, the potter must avoid an excessive investment in fixed assets. Second, he must maintain receivables and net working capital in proper proportion to sales. Finally, he must avoid excessive inventories.¹⁴⁴

The potter will be faced with three types of financial needs: the need for initial capital, the need for working capital once the pottery is in operation, and capital for expansion. Initial capital includes that which is necessary to get the pottery started and enough to keep it going until returns from operations provide sufficient funds to meet normal expenses. Working capital tends to increase until a normal level of production is reached.¹⁴⁵

The potter has a number of sources he can tap for funds. From the source's point of view, there are two types of recognized capital - equity and borrowed. Equity capital is that involved in the business with no legal obligation to return the principal together with some interest or other compensation for the use of the funds. This is often called debt capital.¹⁴⁶

¹⁴⁴Ibid., p. 200.

¹⁴⁵Ibid., p. 211.

¹⁴⁶Ibid.

Banks are involved in watching net returns because they loan money to small businesses. A bank can probably give the potter valuable advice if he discusses his business profit margins and other related problems with the bank where he does his banking and borrowing.¹⁴⁷

As a prospective owner of an unconventional business, a potter may have difficulty obtaining conventional business financing to get himself off the ground. Few bankers are willing to risk depositors' funds on loans to independent craftsmen. This is particularly true if the craftsman is just starting out.

If a potter intends to apply for a loan, a written business proposal can help sell his ideas. This should include a description of his work, an analysis of the market and his competition, how much equipment or space he will need, how he proposes to sell his work, and personal and business financial statements. The sooner a potter runs his studio as a business, the sooner the business community, notably banks and insurance companies, will take his needs seriously and begin to provide adequate services such as insurance protection and financial assistance.¹⁴⁸

Equity capital is often relinquished or donated

¹⁴⁷Nelson, Selling Your Crafts, p. 32.

¹⁴⁸Wettlaufer, Craftsman's Survival Manual, p. 15.

by a contributor (frequently this is a parent or close relative of the potter) to the beginning entrepreneur. In most cases funds borrowed to supplement initial owner-equity capital, even when obtained from relatives and friends, are secured with the intention that both the principal and interest will eventually be repayed.

The potter who can obtain capital on reasonable terms within approved ratios to his own equity has advantages. He can deduct interest paid as valid business expense, enlarge the funds under his contract, retain control over his pottery, and take advantage of conditions which will cause more people to be willing to lend rather than to invest savings.¹⁴⁹

Funds received from friends and relatives build a highly personal financial relationship that conflicts with both independence and business. The potter whose backing requires him to weigh personal considerations constantly is in a weak position when he makes decisions for the business itself. These financial associates frequently feel impelled to assert their proprietary interests by offering advice, or by even insisting that certain business actions be taken. Their recommendations may not be in harmony with the wishes and objectives of the potter. It is

¹⁴⁹Baumbach, Lawyer, and Kelley, How to Organize and Operate a Small Business, p. 211.

advisable to make all business loans a business transaction, not a favor. Sometimes, forming a partnership or even a closed corporation is one way of securing financial aid from close acquaintances.¹⁵⁰

Studies by bankers reach the conclusion that ample financing is available for all "creditworthy" enterprizes. The creditworthiness is, however, decided by the bankers, so this conclusion is questionable.¹⁵¹

There are three major areas of assistance to the small businessman provided by the Small Business Administration. These are financial assistance, management and technical assistance, and assistance in processing government contracts.

The SBA participation loan plans provide for cooperation between private lenders and the government in meeting the credit needs of small business. The SBA will grant loans in participation with banks and other lending institutions to small manufacturers, wholesalers, retailers, service establishments, and other businesses when financing is not otherwise available to them on reasonable terms if they meet specified criteria. The amount of the loan cannot exceed \$350,000.00, which is well beyond what a studio potter would need. Complete

¹⁵⁰Ibid., p. 213.

¹⁵¹Ibid., p. 26.

information and eligibility requirements can be found in the following booklet:¹⁵²

Bank/SBA Loans: A Partnership for Small Business Progress

U. S. Small Business Administration
Washington, D. C.

Price: \$1.50

¹⁵²U.S. Small Business Administration, Bank/SBA Loans: A Partnership for Small Business Progress (Washington, D. C.: U.S. Printing Office, 1975), p. 8. -

BUDGETING

When launching a new business, budgeting is the basis for deciding whether the venture should be undertaken, or for satisfying the banker that the potter has a good proposition for a loan. To the established business it means the difference between success and failure.¹⁵³

There are few techniques more vital to the sound management of a pottery than budgeting. Many potters unwisely neglect or ignore this simple, effective tool. Small potteries have a great need for budgeting because of a pressing need for profitable utilization of working capital, and for the development of sound plans for meeting future competition and for expanding.¹⁵⁴

An expense budget is a control device used by management to predetermine what each major class of expenses should be for the period of time covered and is an aid to conducting the business in line with these expenses as planned. It is a valuable management aid.

Control is always exercised in relationship to some goal in modern business. There must be a desired objective, certain standards set or predetermined, current reports or records for comparison with these standards, and

¹⁵³Baumback, Lawyer, and Kelley, How to Organize and Operate a Small Business, p. 467.

¹⁵⁴Howard E. Somner, "Budgeting in the Small Plant," rev. ed., Management Aids Annual No. 1 (Washington, D. C.: Small-Business Administration, 1958): 59.

prompt executive action to keep in line with the planned figures.¹⁵⁵

As applied to the expense budget, the objective may be to achieve a certain volume of business at a minimum cost or to expand volume rapidly even though the cost of doing so will be higher temporarily. In either case, standards will be set in terms of anticipated expenses to the objective planned. Operating reports that show at frequent intervals what expenses have actually incurred will permit the potter to compare his real costs with his planned figures. Appropriate action taken in time to correct a fault will permit the potter to compare his real costs with his planned figures. Appropriate action taken in time to correct a fault will prevent an unsatisfactory condition from continuing.¹⁵⁶

An expense budget is a "must" for every pottery! Depending upon the size and complexity of the pottery, it may be necessary to break down the budget period into short-range budget planning and long-range budget planning. Many potteries will prepare budgets for sales, overhead, cash, etc. for the year. These budgets will then be broken down to shorter periods of possibly 3 to 6 months, and possible even each month. It has been said that the shorter the period the more flexibility the potter has. It is important to review the budgets from time to time to compare actual figures with budgeting figures. If the

¹⁵⁵Baumback, Lawyer, and Kelley, How to Organize and Operate a Small Business, p. 467.

¹⁵⁶Ibid.

budgets are found to be out of line, they will have to be readjusted for future periods. The key is constant review and updating of short term budgets.¹⁵⁷

The long-range budget covers generalities and is not so detailed and specific as the short-range budget. It is very important, in addition to reviewing the short-term budget, to periodically review the long-range budget to see whether there are any changes in the economy or in the potter's competition that will affect the overall long-range plan.¹⁵⁸

¹⁵⁷J. K. Lasser, How to Run a Small Business (New York: McGraw Hill Book Co., 1955) p. 29.

¹⁵⁸Ibid.

BOOKKEEPING

There is no particular system of record keeping that must be used. The government stipulates that records must be permanent, accurate, and complete and must clearly show the potter's income and his deductions.¹⁵⁹

A separate check book is necessary to pay all business expenses. This automatically records them. Wise use of sales in duplicate and invoices to record sales to shops in duplicate will make record keeping much easier. This automatically records all incomes and expenses which serve as proof if the potter should be audited.¹⁶⁰

Good record keeping, a complete and detailed knowledge of expenses, income, and profit or loss, is the first step toward profitable management of the pottery. Any business person knows that it is just common sense to keep an accurate, written record of every transaction. The lack of proper accounting and record keeping in the pottery makes it impossible for the potter to know how his enterprise is functioning and in the majority of cases, the first indication that something is wrong comes too late. Some potters have suffered losses in overpayment of income due to the lack of adequate records. For the potter there can be no wiser expenditure than money spent

¹⁵⁹Tax Guide for Small Business, IRS Publication 334, 1972, p. 10.

¹⁶⁰Wettlaufer, Craftsman's Survival Manual, p. 9.

to maintain accurate records.¹⁶¹

If a potter takes it upon himself to keep all receipts and records of each transaction, an accountant can handle the job of making order out of chaos, usually for under \$200.00 a year.

If the accountant helps the potter set up a book-keeping system the time spent in the beginning will make the job much easier. It will save the accountant time at the end of the year (this is when he charges most because of the heavy demand on his time), when he is figuring how much the government is owed and it will save the potter money. This also tends to force the potter to be aware of how much money is coming in and how much is going out.¹⁶²

For managerial analysis and control of both costs and profit, complete and accurate financial records are necessary. The two basic financial statements are the balance sheet and the profit and loss statement. The latter statement is a summary of business transactions that have taken place during the year (or month) resulting in either a profit or a loss. By careful analysis of the profit-and-loss statement, the potter can clearly see what has happened and determine why the pottery is now where it is. The balance sheet is the statement that shows exactly where the business stands on the last day of the accounting period. The balance

¹⁶¹Baumbach, Lawyer, and Kelley, How to Organize and Operate a Small Business, p. 515.

¹⁶²Wettlaufer, Craftsman's Survival Manual, p. 9.

sheet shows where the pottery is; the profit-and-loss statement shows how it got there.¹⁶³ These two statements will give the potter a good indication of what may be expected in the future.

An accountant can help the potter set up basic records and prepare a simple general ledger to record receipts and disbursements. He will break down expenses by category which will enable the potter to continually review and refine his cost-price structure, prepare a payroll record, pay taxes, and so on. These will show trends in profits and costs and help with pricing. Adverse trends can be corrected before real damage can be done and favorable trends capitalized upon.

A good accountant can save a great deal on taxes. For example, a first year loss can be carried forward against future profits for 3 years or a business loss can be combined with family income in reporting taxes.¹⁶⁴ An accountant can save many times his fees from the start.

Many small businesses use a "one-book" principle of accounting, thus avoiding much duplication of writing.

Several commercial agencies produce simplified one-book systems that can be purchased in most office supply stores. In addition, most stationary stores carry ruled

¹⁶³Baumbach, Lawyer, and Kelley, How to Organize and Operate a Small Business, p. 461.

¹⁶⁴Nelson, Selling Your Crafts, p. 24.

blank forms that may be adopted to the potter's record keeping needs.

If the potter decides to design his own one-book system, he should be especially careful to avoid oversimplified single-entry systems that lack accurate checks and balances. In addition he should make certain that his system will furnish, in easily accessible and useable form, all information required for purposes of taxation and insurance, as well as data actually needed for intelligent operation of the pottery.¹⁶⁵

A one-book summary will supply a cumulative record of all cash transactions (including payments by check) and of all charge sales. The monthly (or quarterly) totals will provide almost all of the information necessary for the preparation of a profit-and-loss statement. The totals may be transferred to an annual summary, in the same form, to obtain totals for the annual profit-and-loss statement and income tax return.¹⁶⁶

Properly kept sales records are necessary for successful business management. Such records provide the means for measuring the efficiency of individual selling methods.

Daily sales figures may be obtained in one of

¹⁶⁵Baumback, Lawyer, and Kelley, How to Organize and Operate a Small Business, p. 520.

¹⁶⁶Ibid., p. 524.

several ways: by totaling the sales slips which are made out for each sale, by taking the total as recorded by the cash register, or by having individual records of sales as a form or pad designed for that purpose.

Many small retailers have found that an easier way to maintain the customers' ledger is to purchase a filing device especially for filing sales slips.¹⁶⁷

One of the best methods of accounting for cash disbursements and receipts in a pottery is to deposit to a checking account in the bank all money taken in and to write a check for each and every expenditure, except for very small items (costing \$2.00 or less). The bank then helps to keep the pottery's records, because canceled checks furnish a complete record of each disbursement.¹⁶⁸

Almost all small businesses do a certain amount of buying on credit. It is more convenient than having to pay for merchandise when ordered, because the potter can make his purchases when necessary and settle for all purchases at one time at the end of each month. An advantage to credit is that it actually amounts to an addition to working capital during the credit period. When the potter buys on credit, he can make purchases that he could not have made if it had been necessary for him to pay cash, and usually by the time

¹⁶⁷Ibid., p. 517.

¹⁶⁸Ibid.

the account comes due he has sold enough of the merchandise to pay the bill.

As invoices come in they should be filed under the date upon which they fall due or when they should be paid to secure cash discounts if offered. After payment, each invoice is filed in an alphabetical file under the name of the company concerned. In this manner a complete record of all purchases is made instantly available at all times.¹⁶⁹

Regardless of the size of the pottery, the potter will need a certain amount of equipment. In many cases he will have to purchase new equipment or larger equipment to keep up with demands on his ware. Much of this equipment will be rather expensive and its use will raise operating expenses, but if it brings in enough business at a gross margin greater than the increase in expenses, it will prove to be a good investment.

Equipment records should be maintained on all equipment owned by the pottery. These records may be kept in book form or on cards in a card file. On each page or card for the individual piece of equipment should be the cost of the equipment, amount of downpayment, monthly payments, balance due, and yearly depreciation. At the end of each year depreciation should be computed and entered on the card. This depreciation is an expense of the pottery

¹⁶⁹Ibid., p. 518.

just as much as rent, utilities, or salaries. The amount of yearly depreciation can be found by dividing the estimated life, in years, into the original cost less the equipment's scrap value.¹⁷⁰

Methods of securing information needed for inventory control are as follows: observation, physical check, and the perpetual inventory record. Observation may be sufficient in a small pottery in which the variety of merchandise is not large, the rate of sale is fairly constant, and the potter keeps in very close daily contact with all ware. Usually a physical check or count is necessary at intervals that vary according to the rate of sale and importance of the merchandise. With a perpetual inventory record the potter knows at all times the amounts of ware that should be on hand. This is a constant written record of all inventory on hand and of those items sold.¹⁷¹

There is one final thought pertaining to accounting. No man can be a capable manager or executive and at the same time personally exercise any effective detail control of his accounting affairs.¹⁷²

It is frequently difficult to say where an accountant's services end and where the attorney's begin, and also,

¹⁷⁰Ibid.

¹⁷¹Ibid., p. 410.

¹⁷²Bernard Greisman, J. K. Lassen's Business Management Handbook (New York: Simon & Schuster, 1976) p. 253.

how an intelligent minimum business insurance program will cover business risks. Generally a lawyer's services can be overlooked or minimized from the start. Services of an accountant or insurance broker should not be put off. A good bookkeeping system and minimal insurance protection can prevent a good deal of energy being expended on worries. Time can be better spent on potting and selling pots.¹⁷³

¹⁷³Nelson, Selling Your Crafts, p. 118.

TAXES

Some of the taxes that may be expected in most states are income taxes, sales taxes, and workmen's compensation and unemployment taxes. A corporation will usually have to pay a capital stock tax, as well as a "foreign" tax if it operates in states other than the one in which it is incorporated. At the county or city level, most businesses will also be required to pay real and personal property taxes.¹⁷⁴ Before going into business one should check with the managers of a few stores and service establishments in the community in which he expects to locate, and find out what state and local taxes he may expect to encounter and what the filing requirements are.

Because of the greater reliance upon the resources of the potter and that of his family and friends as a source of capital, taxation has a greater impact on the small pottery than it does on the larger business. Friends and relatives and other potential private investors are willing to furnish funds on an "all risk and no gain" basis by taking all the usual risks of financing a new enterprise but paying practically all of any possible gains to the government in taxes. The smaller business is also handicapped by existing inheritance and gift tax laws.¹⁷⁵

¹⁷⁴Baumback, Lawyer, & Kelley, How to Organize and Operate a Small Business, p. 504.

¹⁷⁵Ibid., p. 26.

All income is taxable unless expressly exempt by law. For the benefit of the government, a potter must record whatever money he earned as well as his expenses incurred in earning that money. Every dollar taken in is considered by the government, even if a potter has several sources of income. All expenses, though created in trying to obtain that income as the sole proprietor of the pottery, are deductible.¹⁷⁶ Following is a partial list of deductible items: materials, supplies, travel expense, booth rental, transportation, telephone, overhead expenses, professional fees and services, contribution, business insurance, child care, depreciation on equipment and property, etc.

The potter who sells retail will have to add any local sales tax to the prices of his ware, and remit it at a regular interval to the appropriate authorities.¹⁷⁷ Sales taxes are an obligation a potter will incur by the act of selling only if a sales tax applies to his area. It would be well worth the potter's time for him to ask his accountant on his liability for such taxes, or in the absence of an accountant who is knowledgeable in these matters to inquire of his city and state tax departments as to what taxes he must pay.¹⁷⁸

Withholding taxes - federal, state, and city - are

¹⁷⁶Wettlaufer, Craftsman's Survival Manual, p. 11.

¹⁷⁷Fromhold, "On Being a Professional Potter," p. 29.

¹⁷⁸Nelson, Selling Your Crafts, p. 117.

payable either by making semi-monthly or monthly deposits or by filing quarterly or semi-annual returns, depending upon the amount and type of tax the potter withholds from his employees, if any.

Federal unemployment tax is imposed on the potter as an employer. It must not be collected or deducted from the wages of any employees.

Additional information on depositing or filing requirements or determining the potter's tax liability may be found in Circular "E", obtainable from the IRS and the instructions to Form 940, the annual return.¹⁷⁹

The Internal Revenue Service publishes a booklet, Tax Guide for Small Business, IRS Publication 334 (Washington, D. C.: G.P.O., Published annually). This booklet informs businessmen on Social Security, federal income tax, and withholding tax problems incident for conducting a business, and supplies needed information concerning the starting of an enterprise, acquiring a going business, and selling a business. The IRS has also prepared an information kit on tax procedures and requirements, especially for the new businessman. It is entitled Mr. Businessman's Kit, and is available free of charge through local IRS offices.

A potter operating as a sole proprietor, may draw money against profits, but he is not paid a wage or salary for his services. Thus there is no tax withheld from the money

¹⁷⁹Howard Connaughton, "Craftsmen in Business: Taxes," Ceramics Monthly (September, 1970): 29.

drawn. Since federal and most other income taxes are on a pay-as-you-go basis, the potter must estimate and declare his income taxes for the year and pay the estimated tax quarterly on special forms provided by the government.

Federal form 1040ES, "Declaration of Estimated Tax," also includes a worksheet to help the potter with this problem. There are similar declaration requirements by other taxing authorities, such as the state and city, and the potter will have to check out the regulations of his particular locality.¹⁸⁰

A tax-exempt resale certificate obtained from the state tax bureau can exempt the potter from sales tax on anything he buys such as tools, paper, clay, and so on, which goes into the production of saleable items.¹⁸¹ This is a savings of five or six percent, and can quickly add up.

Potters who have a studio unattached to their residence qualify under the principal place of business rule, for a certain group of tax deductions, but the studio should not be used for any purpose other than business.¹⁸²

A potter in business can deduct from his taxable income all "ordinary and necessary expenses" that he incurs even when they exceed his income and thus show a loss. Some example of expenses that the potter can deduct are: cost of goods purchased for production or resale, supplies, repairs,

¹⁸⁰Ibid.

¹⁸¹David L. Davis, "People Pots," Ceramics Monthly (February 1974): 32.

¹⁸²Edwin Marcum, "Taxes," Craft Horizons (March 1977): 41.

auto expenses, local transportation expenses, advertising and other selling costs, insurance premiums, expenses of exhibitions, books and magazines used in his profession, theft and casualty losses, interest on business loans, telephone, depreciation, heat light and power, commissions, taxes other than federal income taxes, bookkeeping expenses, legal expenses, bank charges, cost of cleaning the studio, experimental and research expenses, maintenance, stationary, postage, and travel and transportation expenses.¹⁸³ Unless the potter has extensive training in tax structure it would be to his benefit to consult an accountant or tax consultant on his tax preparation.

¹⁸³Connaughton, "Craftsmen in Business: Taxes," p. 41.

INSURANCE

Before starting a pottery, a potter should consult a reputable local insurance agent to discuss liability and other insurance. Owner-landlord-tenant policies, workman's compensation, product liability insurance and other forms of protection may well be necessary in the potter's situation and will give the potter peace of mind as well as protection.¹⁸⁴

There are two principles that can be applied to procuring insurance. First, a potter should not risk more than he can afford to lose. If a particular loss would put him out of business, the risk should be transferred to the insurance company. Second, he should not risk a lot for a little. If the premiums are very high, insurance may not be necessary if the risk is not of major proportion.¹⁸⁵

Craft organizations such as the American Crafts Council are already procuring some types of group insurance for member craftsmen. A recent policy from this organization will insure unfinished pottery, completed objects, raw materials and supplies, tools and equipment, and other property usual to pottery. The annual premium on this policy ranges from \$92.50 to \$462.50 for coverages from \$5,000.00 to \$25,000.00. Information on this policy is available from:

¹⁸⁴Nelson, Selling Your Crafts, p. 110.

¹⁸⁵Wettlaufer, Craftsman's Survival Manual, p. 14.

Association & Society Insurance Corporation
13975 Connecticut Avenue
Suite 204
Silver Spring, Maryland 20906.

COSTS

A major problem characteristic of a pottery is the importance of time to the potter. With so many essential duties to perform, as supervisor, the number of hours in a day usually is the most serious problem of the typical potter. The solution, at least for a prospective potter, is adequate preparation in advance or a willingness to obtain outside assistance.¹⁸⁶

Costs can be broken down into three parts: material, overhead, and labor. As a seller of pottery, the potter is buying work from himself. His costs here include the cost of buying the finished pots and the costs of operating a shop or going to a show.

Many costs included in margin will be fixed costs such as rent, utilities, and insurance. Other costs will vary with the amount of work the potter makes to sell. These are known as fixed or variable costs. Fixed costs are always there, variable costs, depend on the pots produced and other individual judgements such as phone calls, advertising, supplies needed and so on.¹⁸⁷

A potter must know or project what it will cost him to make his product. Both direct and indirect costs

¹⁸⁶Baumback, Lawyer, and Kelley, How to Organize and Operate a Small Business, p. 23.

¹⁸⁷Wettlaufer, Craftsman's Survival Manual, p. 19.

must be figured. The costs incurred in selling his product must be estimated and later figured from his records. Many of these costs will be unpredictable at first, and almost infinitely variable. If the potter knows what the direct costs going into his product are, labor, material, fuel, packaging, and so on, he should at least double this cost to give himself a minimum wholesale selling price.¹⁸⁸

If materials are in short supply, it would be wise to invest as soon as possible and to buy in quantity. This is insurance against running out of a material at a bad time or running out entirely. The fuel shortage is affecting every one, as are shortages of some raw materials.

There are certain costs in operating a studio that should not be cut. One is studio space. A certain minimum amount of space, apart from a living area, has to be maintained if the potter is to work with any kind of ease and efficiency. Studio safety should not be cut, especially when the public comes into the studio. Costs should not be cut in the area of protecting the environment. A potter should be conscious on his wastes, especially those that might pollute the air or water.¹⁸⁹

¹⁸⁸ Nelson, Selling Your Crafts, p. 29.

¹⁸⁹ Wettlaufer, Craftsman's Survival Manual, p. 22.

PRICING

Social reasons for buying include status and prestige. Pricing does affect this level in that one may feel that if an item is expensive, it is naturally more desirable. In many cases crafts have become a status symbol. In recent years the home has replaced the automobile as the most important status symbol. Crafts that enhance the home are therefore the "in" thing. It is wise for the potter to be aware that the product he is selling is a symbol as well as a product.¹⁹⁰

The buying public expects to pay more for originality or for the extra time taken in designing an individual piece. On custom work it is normal to require a 50% deposit with the order and 50% upon completion. If it is an expensive order, it is probably wise to have some kind of agreement in writing as well. The potter is "worth" what people are willing to pay for his work. No more, no less!¹⁹¹

The price of a piece depends very much on an overall estimate of how much the potter values his time and his investment in machinery over a period of time. If the potter divides this amount by the number of pieces produced he has a reasonable system of pricing. A system in which the potter evaluated each piece on its own aesthetic merits does not work.¹⁹²

¹⁹⁰Ibid., p. 28.

¹⁹¹Ibid., p. 23.

¹⁹²Fromhold, "On Being a Professional Potter," p. 29.

It is important that the quality of the finished piece should never be compromised in the interest of making more money.

If a potter decides upon a price and cannot sell at that price, either one or two things is wrong: the product is not salable or the price is too high. While the aesthetic values of a piece are certainly going to affect its price, for the purpose of pricing against competition the potter should try to refrain from imputing such subjective measurements of value.¹⁹³

The first-year potter, who is pricing by comparing his work to the work already on the market may find he is earning a low hourly wage, but this will improve. The beginning potter is less efficient with his time and will initially have to discard a larger proportion of his work to maintain high quality standards.¹⁹⁴

Pottery can be priced by setting a rough scale according to the going rate of pottery in the potter's area. He should take into consideration the reputations of individual potters and the merits of their work. The potter can then gauge where his work fits into this hierarchy. The potter should then cull out those pots which for some reason have intrinsic value and price them accordingly. Experimental

¹⁹³ Nelson, Selling Your Crafts, p. 30.

¹⁹⁴ Wettlaufer, Craftsman's Survival Manual, p. 23.

pieces will have to be evaluated as to their successfulness, their workmanship, general appearance and size. The remaining pots can then be priced in accordance to size and workmanship as the main criteria giving due allowance for pleasing glaze and form. No potter will ever be adequately compensated for the time, labor and love lavished on his work.¹⁹⁵

It is in the potter's interest to keep his prices as reasonable as possible and still cover all of his costs. In the past, crafts and craft shops have usually been out of the price range of many people. If, being efficient and by cutting his costs, the potter can price his work so that as many people as possible can buy his work, the potter's chances of survival are many times greater. It is usually easier to sell two items for \$10.00 than one item for \$20.00.¹⁹⁶

As a general rule pots should be clearly marked with the price. Customers often have a specific price range in mind when they enter a shop. If the customer can seek out items in the price range without embarrassment they will not be inhibited from further searching.¹⁹⁷

Some price ranges work better than others. For example, items priced at \$13.00 will sell just as well at \$15.00, \$19.00 will bring \$20.00, but \$18.00 may not bring \$20.00.¹⁹⁸ A potter needs to realize the psychological prices

¹⁹⁵Wolverton, "To Market, To Market," p. 21.

¹⁹⁶Wettlaufer, Craftsman's Survival Manual, p. 27.

¹⁹⁷Nelson, Selling Your Crafts, p. 75.

¹⁹⁸Wettlaufer, Craftsman's Survival Manual, p. 24.

and price ranges. The best way to discover these is through experimentation.

Prices should be quoted and published as a "list" of suggested retail prices if a potter is going to sell to outlets other than his own. At any given moment the price list should be inflexible. A fixed price schedule is certainly the business-like way of selling pots, and the law (Robinson-Putman Act) requires that the potter makes the same offer to all purchasers meeting the same conditions at any given time.¹⁹⁹ If a potter tries to be flexible on prices, he will find that purchasers will constantly be trying to bargain for price. When such a situation develops there is no bottom price.

The standard trade discount on pottery is generally a 50% discount for wholesale.²⁰⁰ Another consideration in arriving at a price is based upon the market or consumer demand. When, after analyzing his costs, the potter arrives at a selling price, he must then determine whether or not the market will bear it, and then figure out whether he is covering both the costs of selling and producing.²⁰¹

Both expensive and impulse merchandise will be needed in a retail shop. With only \$1.00 or \$2.00 sales,

¹⁹⁹Nelson, Selling Your Crafts, p. 60.

²⁰⁰Ibid.

²⁰¹Wettlaufer, Craftsman's Survival Manual, p. 19.

unless the potter makes a great number of sales a day, he will fail to make money. Larger sales are necessary for profit. Low priced items trap the browser and the sale of small items is good because the customer takes home a constant reminder that the pottery is there. Many people will not enter a store unless they feel they can purchase some small item. When they know they can pick up some little item, they tend to browse in a relaxed manner.²⁰²

A healthy pottery selling less than \$300,000.00 a year should net between 10% and 15% on its gross volume. This assumes that the potter is drawing a modest salary from the business and employs no other management people above foreman level.²⁰³

A low price can actually injure sales. Something quite cheap compared with other goods which the potter or his competition sells, may seem to the customer to be of little value. If the potter does not feel that he will substantially increase his total profits by a reduced price he should not change it. It is the profit on each piece multiplied by the number of pieces sold that will determine the potter's earnings. If a 5% price cut will triple the volume would but leave the potter with the same earnings, he should leave the price alone.²⁰⁴

²⁰²Nelson, Selling Your Crafts, p. 73.

²⁰³Ibid., p. 32.

²⁰⁴Ibid., p. 33.

A "price leader" is an item which brings customers in because it is attractively priced. A small profit on it may keep customers buying other things which are more lucrative to sell.

If a potter must error on prices, he should price high. Customers do not object to a price reduction but sometimes even a slight price increase can raise quite an uproar. The goal of any potter should not be sales, but profits.²⁰⁵

It is quite possible that an item sold at less than a full-cost price may make a worthwhile contribution to the total revenue if the facilities used would otherwise be idle or less profitably employed or if the sale of the item at a lower price has a favorable effect on other phases of business.²⁰⁶

Profit is the motivating force in a pottery. A business is "successful" only to the degree that it makes a profit; that is, to the degree that it continues to serve its customers so satisfactorily that they continue to support it as an enterprise. Profit may be described as that which is left over for the potter after the ware is paid and the

²⁰⁵Ibid.

²⁰⁶Baumbach, Lawyer, and Kelley, How to Organize and Operate a Small Business, p. 336.

bills are met. It is the businessman's "payoff".²⁰⁷

In thinking "profit" every hour spent on any business-related matter must be accounted for and valued realistically.²⁰⁸ Profits, of course, can be increased by way of a decrease in operating expenses as well as by an increased flow of income. In addition to expense control, methods of determining or evaluating the adequacy of profit must also be used.²⁰⁹

A potter must finally consider the way competitors are likely to react to his prices. If pricing is keenly competitive and price changes take place frequently, it may be risky for the new potter to take the lead in offering lower prices.²¹⁰ On the other hand, the potter must be sure he has a competitor. If there is nothing remotely like his ware in the market place, competition will be of no help and of no importance. In most product areas something else will be competing for the consumers' money. A potter should limit his idea of competitors to those producing pots as nearly like his own as possible, and check competition in the market places where he will be selling.²¹¹

²⁰⁷Ibid., p. 453.

²⁰⁸Nelson, Selling Your Crafts, p. 26.

²⁰⁹Baumbach, Lawyer, and Kelley, How to Organize and Operate a Small Business, p. 461.

²¹⁰Ibid., p. 345.

²¹¹Nelson, Selling Your Crafts, p. 27.

CONCLUSION

The key to success in the establishment of a studio pottery is a methodically thought out and well organized business venture. As many of the problems as possible that can cause failure in a new small business must be realized and considered before they occur.

Careful research of potential locations and environments in which the potter would feel comfortable is of primary importance. The site the potter chooses must meet certain requirements related to potential sales and available material resources.

The design of the physical studio/gallery structure to eliminate wasted time, energy, and excessive cost is very important. Space for the present and for future expansion must be given careful consideration. The studio pottery is an important extension of the personality of the individual potter.

Marketing procedures should be carefully planned and all alternative methods of merchandising used to their fullest potential. The potter should keep in mind that all sources of available income should be realized to their widest extent.

Proper business and management procedures will probably prove to be the most valuable asset the studio potter will have. Careful budgeting, bookkeeping, and pricing for a profit will aid in the elimination of most economic setbacks that could occur.

The creativity and quality of the potter's work will be greatly enhanced if stress and strain, both physical and mental, can be minimized from the onset of his endeavor. The studio potter cannot place too much emphasis on forethought, careful planning and evaluation of his goals and expectations.

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A PORTFOLIO
OF STONEWARE POTTERY

**THIS BOOK
CONTAINS
NUMEROUS
PICTURES THAT
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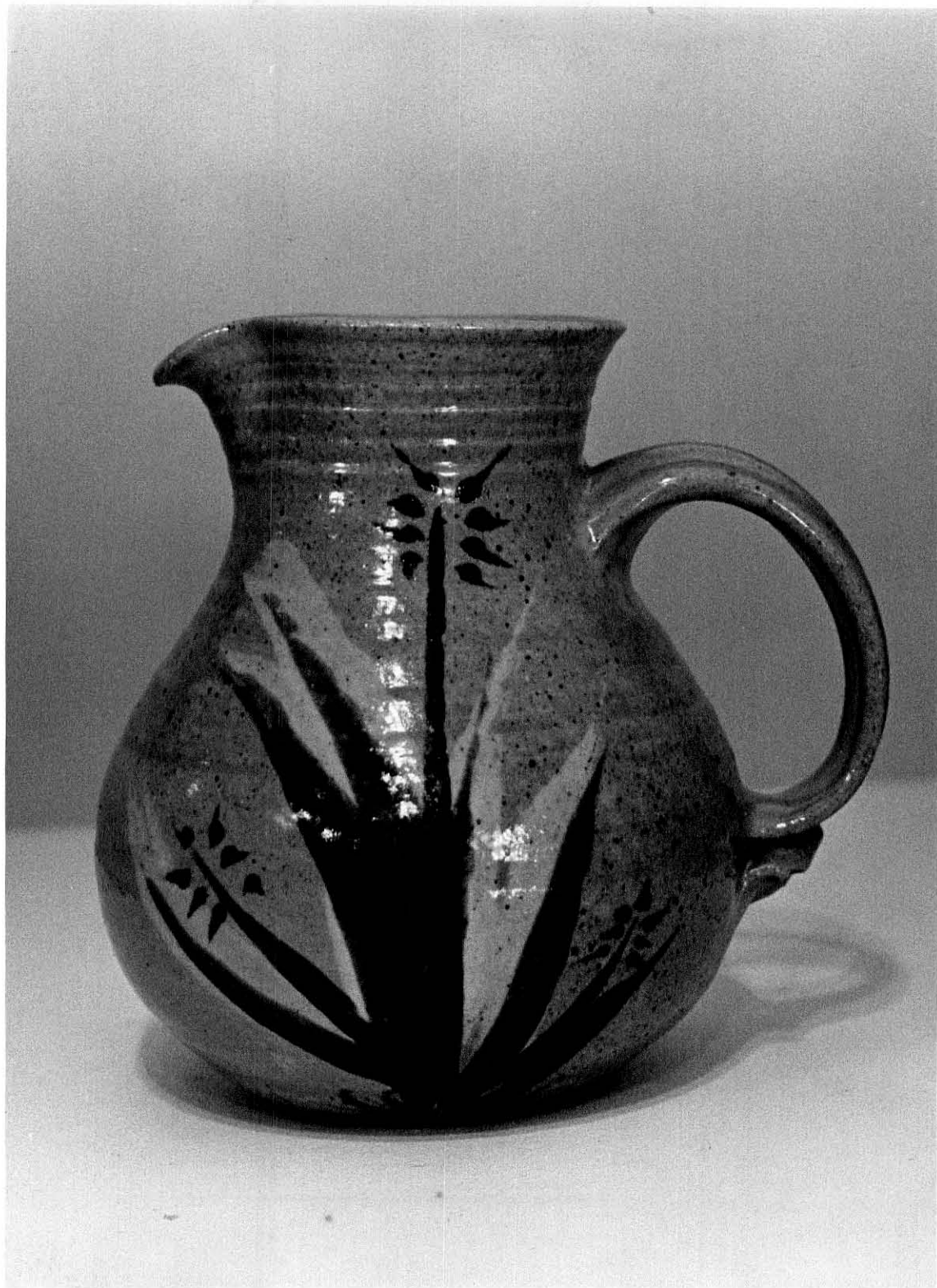
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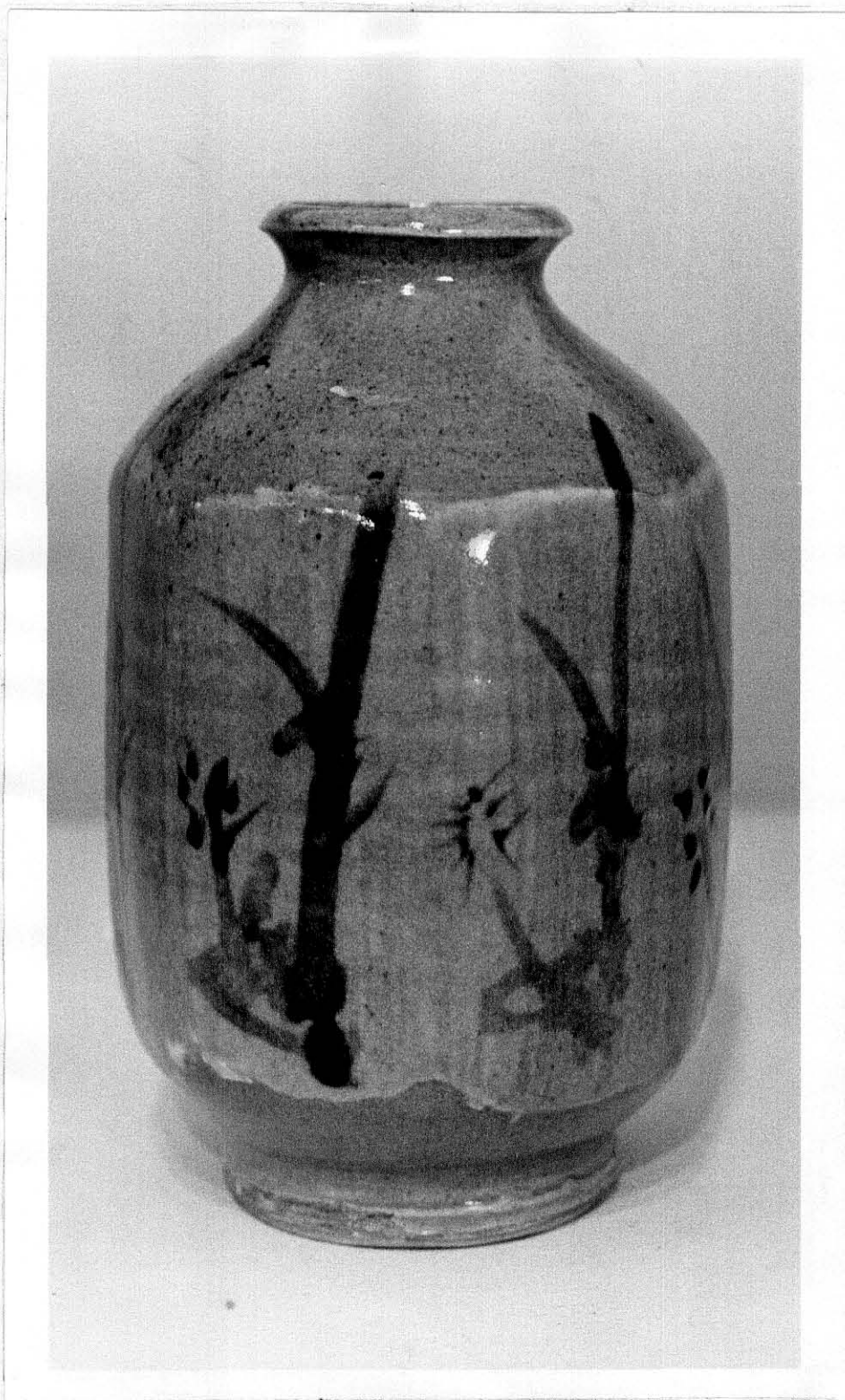
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FLUTED BOWL -- 13 INCH DIAMETER



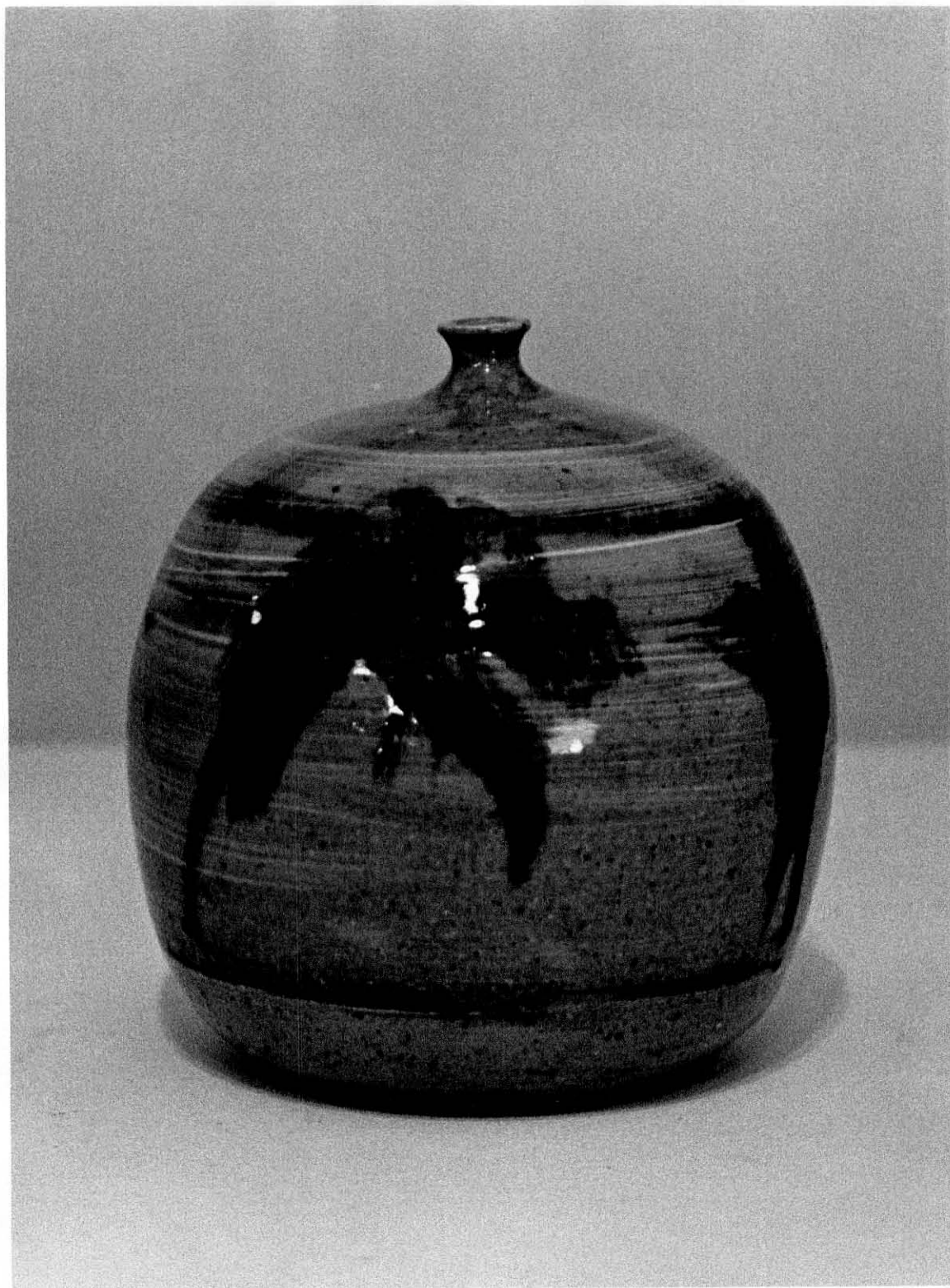
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PADDLED VASE -- 7 INCH HEIGHT



PADDLED JAR -- 8 INCH HEIGHT



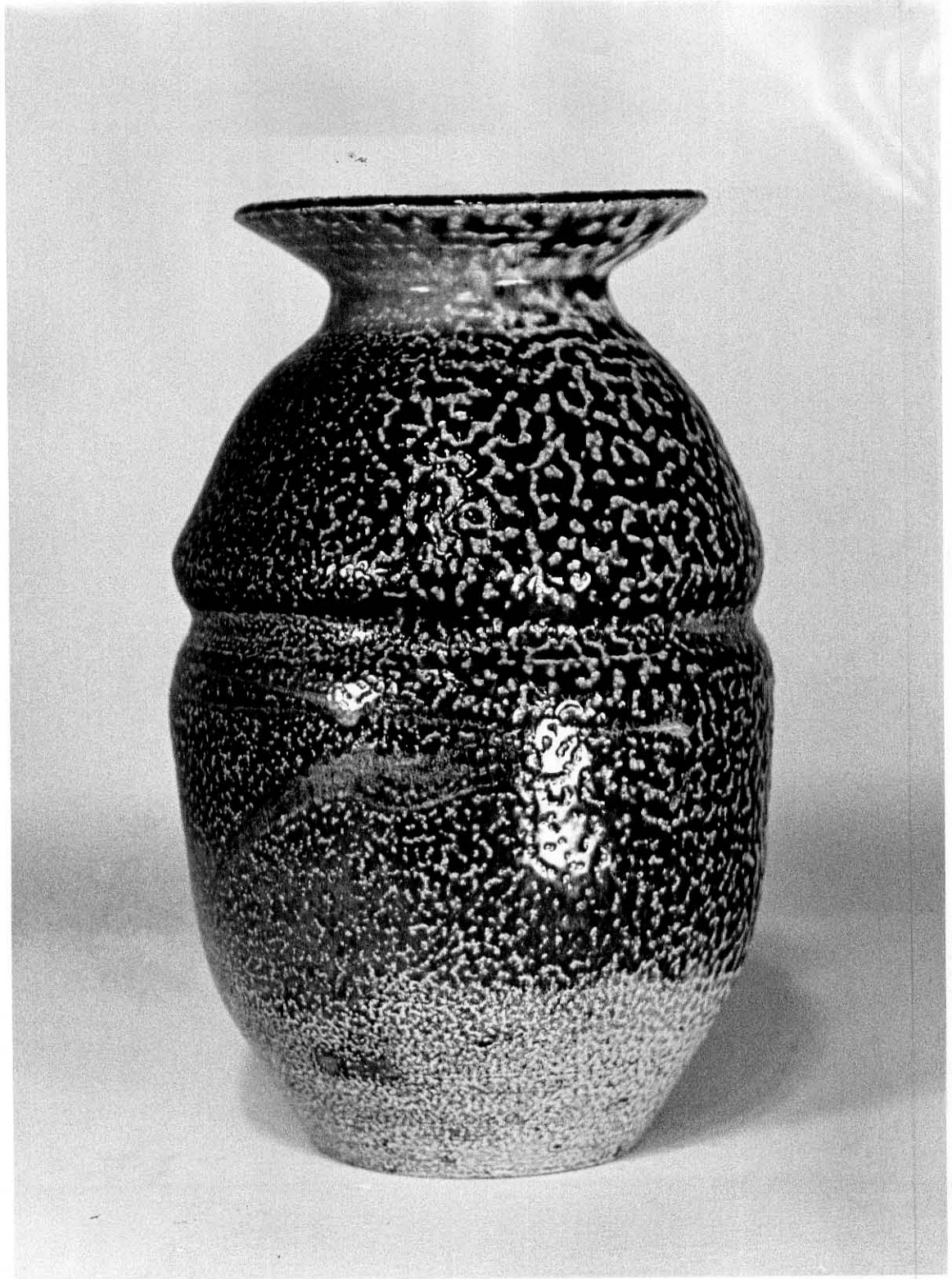
BOTTLE -- 6 INCH HEIGHT



PITCHER -- 9 INCH HEIGHT



BOWL -- 9 INCH DIAMETER



VASE -- SALT GLAZED, 10 INCH HEIGHT



BOWL -- 8 INCH DIAMETER

ESTABLISHING AND MANAGING
A STUDIO POTTERY

by

GERARD DANIEL NERVIG

B. S., South Dakota State University, 1972

AN ABSTRACT OF A MASTER'S THESIS

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requirements for the degree

MASTER OF ARTS

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Manhattan, Kansas

1977

The thesis was written because inexperienced potters need to have available practical information on the establishment of a studio pottery. There are very few sources that give clear, useful information to the potter who is interested in establishing his own studio and sales gallery.

A potter must first select an environment in which to establish his enterprise that will meet his needs well. The site chosen must meet several requirements related to potential sales and available material resources.

Familiarity with zoning codes, building codes, and local ordinances and regulations are necessary before the physical construction of the studio can begin. A practical studio/sales gallery layout is necessary for a smooth, efficient operation. Materials and products must flow through the shop with a minimum of extra handling.

There are many methods of marketing practical to the studio potter. Some methods have the advantage of a higher income realized for the amount of work produced. Consideration should be given to advertising and proper display of the potter's work.

Proper business and management procedures are especially important to the studio potter as a new businessman. This thesis places special emphasis on available financing, bookkeeping, and budgeting methods. Budgeting and pricing for a reasonable profit are very important to the studio potter involved in a new enterprise.

The creativity and quality of the potter's work will be greatly enhanced if stress, both mental and physical, can be minimized from the onset of his endeavor. The studio potter cannot place too much emphasis on forethought, careful planning and a constant reevaluation of his goals and expectations.

This thesis involves a description and understanding of what the author believes can be a rewarding and exciting enterprise.