



Case Study

Brush Art Corporation

Downs, Kansas
 Doug Brush, Owner/Founder
 Tim Brush, President/CEO

Brush Art Corporation demonstrates the benefits of e-commerce and the Internet in diversifying and expanding the activities of a small advertising agency. The use of e-commerce enabled the company to reduce time required to complete a project from four months to two weeks; significantly reduce expenses associated with travel, communication and shipping; and free resources to investigate new areas of business.

Profile

Brush Art Corporation is a full-service advertising agency that focuses on businesses serving the construction, general consumer and agricultural industries. Services provided by the company include marketing campaign strategies and budgeting, and the development of promotional materials and subsequent direct marketing and sales promotions. The company also designs clients' online catalogs and Web sites as well as radio and television spots. In addition to traditional advertising, marketing and promotional materials, Brush Art provides assistance with demographic and geographic targeting and technical translation services that permit multi-language sales promotions.

In a typical situation, a manufacturing company seeks assistance from Brush Art in media selection, development of marketing materials, and identification of market areas. The company specializes in advertising and marketing services for goods and services targeted at the construction, general consumer and construction clientele. Clients' products include farm implements and construction equipment, hydraulic services, fencing, GPS systems, and financial services. Approximately 50 percent of Brush Arts' sales are media related (TV, radio and industry trade magazines) with the remaining sales divided between printed marketing materials (for example, sales brochures for trade shows) and custom direct marketing programs for dealers (such as ads in regional publications). The company currently employs 32 individuals in graphic design, photography, Web programming, image manipulation, media buying, project scheduling, account coordination, sales, and management.

History

Brush Art was founded in Lawrence, Kansas by Doug Brush in 1962, while Doug was a commercial art student at the University of Kansas. The company was moved to Brush's hometown (Downs, Kansas) in 1963 after he graduated from the university. Initial business activity focused on print advertising, and all clients were in Kansas and Nebraska. By the late 1960s, Brush Art had five employees and business was conducted through phone, fax and significant travel by sales personnel (40,000 to 50,000 miles per year per salesman). In 1988, Brush Art was selected as a pilot site for desktop publishing by Apple Corporation. The second generation of the Brush family (sons Tim and Tom and daughter Heidi) became involved in the company in the early 1990s after graduating from college, and by 1995 firm employment had increased to nine full-time employees. Brush Art moved to a new facility in Downs, Kansas in 1995, and space for the company's local server was provided in the building. The Internet and e-commerce became an integral part of Brush Art's business strategy and process in the late 1990s. The company has experienced rapid growth in business and employment in the last ten years. Company projects increased from 2,250 in 1997 to more than 5,200 in 2006, and the company's workforce expanded to 32 employees over the same period. The 10,000 square foot facility built in 1995 was expanded to 15,000 square feet in 2000, and Brush Art is considering an additional expansion of the facility in the near future.

Business Location

Downs, Kansas was founded in 1879 as junction and roundhouse for the Central Branch of the Missouri Pacific Railroad. Today, Downs is a service and

Year online: **late 1990s**

Area Population: **1,100**

Web site:

www.brushart.com



retail center for the surrounding agricultural economy (wheat, milo, sorghum, alfalfa, and corn). Downs (2000 population 1,100) is in Osborne County, a nonmetropolitan county located approximately 175 miles north of Wichita and 200 miles west of Topeka.

Role of e-Commerce

Brush Art was an early adapter of computer technologies, the Internet, and electronic commerce. The media department led the company's transition to e-commerce, and all of the department's activities are conducted through the Internet. For example, e-mail is used to issue preliminary contracts, negotiate rates, submit final contracts, submit ads for approval with the client, submit approved ads to selected media source (television, magazines, and newspapers), and provide invoices for payments. In sum, almost all of Brush Arts' communications with clients occur over e-mails and most proofs are sent electronically from the company to clients and media sources.

The use of e-commerce for the agency's traditional marketing activities has provided three principal benefits to the company. First, e-commerce reduced the average "cycle time" required to bring a marketing project to completion from four months to two weeks. This acceleration of project completions enabled Brush Art to almost triple annual project completions in the last ten years. Second, the use of e-commerce generated significant cost savings in terms of reductions in expenses associated with travel, phone, fax and shipping. For example, Brush Art contracts with a network of printers and distributes its print marketing products directly to the printers through FTP Internet sites. As a result, UPS shipping dropped from 30 or 40 packages a day in 2000, to two or three packages a day in 2006. Third, the time savings resulting for e-commerce applications enabled Brush Art to free resources to investigate new areas of business (products and clients).

A new product offered by Brush Art is secured marketing Web site development for its clients. These interactive Web sites are designed so that the dealer network for a company (e.g. lawn tractors) can download company approved marketing information yet customize the marketing materials for the needs of an individual dealer. The dealer may select from a menu on the site to tailor the ad to provide information specific to the dealer. Thus each dealer's marketing materials will have a professional appearance and provide specifics pertaining to the local dealer (e.g. store hours and location, dates and times of a sale or product promotion). The use of the interactive company Web site by a dealer is treated as an order from Brush Art.

Brush Art made a significant investment of money and personnel to convert to e-commerce. Initial investments in hardware and software were approximately \$2.4 million, a relatively large expenditure because the software used was very specific to the advertising industry. Brush Art maintains a server at the Downs facility, and the company also contracts with a firm in Colorado Springs, Colorado to provide an external server and monitor all servers and systems. Most IT hardware and software problems are handled internally by Brush Art employees; however, Tim Brush estimated annual expenses of \$40,000 to \$50,000 for external IT services. Two high speed Internet providers (Sprint and NCKCN) are used to ensure that back-up service is available. Finally, Brush Art noted that EDI (Electronic Data Interchange) is not a problem because the company's products are custom designed and the agency will deliver the products on whatever platform the client selects.

Brush Art intends to increase the role of e-commerce in all of its marketing campaigns with the goals of increasing the number of its clients and the growth of each client. Brush Art is investigating the application of analytics to client Web sites that will permit their clients to: (1) identify specific customers and information requested, and (2) conduct e-mail campaigns of customers that selected specific information. Brush Art also is developing "micro" Web sites that address the varied interests of readers of different magazines. Thus, for example, the readers of home landscaping magazines and professional farming magazines would be directed to different parts of a Web site for a farm implement company. As such, the implement company could better differentiate its markets and target its advertising campaigns. Finally, Brush Art hopes to expand its client base to include larger corporations and state and local governments. The company's anticipated rapid growth in the future has created concerns regarding the availability of space, the optimal company size, and maintaining a focus to the firm's products and services.

Challenges and Lessons for Rural Entrepreneurs

The Downs, Kansas location presents two principal challenges for Brush Art:

- The company relies on experienced graphic artists, marketing professionals and IT specialists. Such individuals are not easily attracted to rural Kansas. Telecommuting, which is used by a small number of Brush Arts' employees, may provide a partial solution to the problem of attracting skilled workers.
- It is difficult to convince potential clients (e.g., farm implement manufacturers) and media representatives

(e.g. editors of farm and garden magazines) that a Downs, Kansas company can deliver on their project or that it is worth the travel time and cost to conduct due diligence on the central Kansas company. Larger corporations are especially skeptical that Brush Art has the skill set and resources to handle their marketing projects. Brush Art attempts to overcome the disadvantages of location by owning a company plane that speeds travel and purchasing, and renovating a local motel that ensures quality accommodations for clients.

From *e-Commerce as a Strategy for Improving Business*

***Vitality: Lessons Learned from Small Businesses* by Deborah M. Markley, David L. Barkley, and R. David Lamie**

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