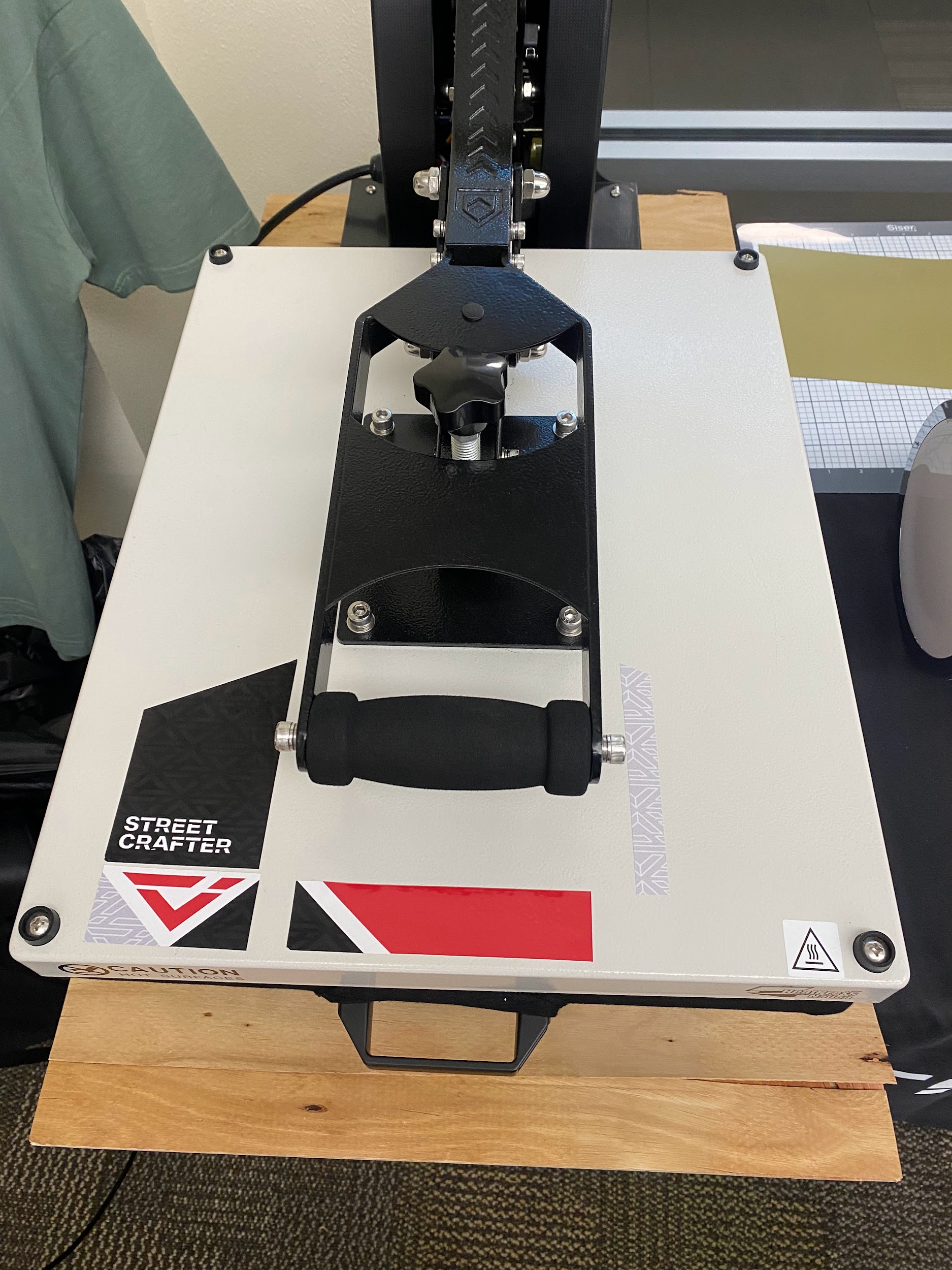
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| Throughout the course, you will interact with Medin, the founder and owner of Streetcrafter. This small business specializes in high-quality, Heat Transfer, Press-Art Sheets and other crafting items. Like many entrepreneurs, Medin has a great deal of experience and expertise in his specific products but needs help understanding the broader business environment. As a student of business, you will find that throughout the course Medin will need your help and ask for your advice. The information contained in this case study is taken from Medin's business operations and is provided to give you the information needed to apply the concepts and theories from your course directly to Medin's business. |
| --- |

## Background[[1]](#footnote-0)

Medin started to make custom T-shirts in 2022. This came about because he noticed a lot of his friends and family would have celebrations and important dates they would commemorate with a custom T-shirt. This could include birthday parties, anniversaries, sporting events, and more. Normally, his customers would want small amounts of custom shirts in a short time. Orders of this size were usually turned away by print shops. Medin fulfilled this need using Press-Art. “Press-Art” is printed designs on a film with a heat-activated adhesive that can be applied to any fabric. Shirts with no art/design are known in the printing industry as “blanks”.

After purchasing the blanks at a lower cost, Medin would then upload whatever artwork his customer wanted to a virtual 5ft x 2ft Heet. That film would be printed out with Medin’s customer's artwork on it. It is then rolled up and shipped to Medin’s door. Then, Medin just cut the designs out of the sheet to iron them onto the T-shirts. Medin can deliver the shirts to his customers in a shorter timeframe with the art requested. See the image below as an example.



This sparked an idea in Medin to start a business that sells Press-Art sheets and other crafting equipment to anyone who wants to make T-shirts. Customers can buy shirt-making supplies from us at a lower cost and turn a profit much faster. See the model below.



Starting from a small warehouse in Las Vegas Medin now ships rolls of Press-Art all over the United States. Usually, Streetcrafters are people who do not have a large print shop operation. They service personal or business customers with smaller and sometimes unique print jobs. This includes Food Trucks, Birthday Parties, etc. This is where the name “Streetcrafter” comes from.

## General Information about

* The business was established in 2023 as a Limited Liability Company. Medin has been claiming all of the income and expenses for his business on Schedule C of his personal income tax return. He uses an accountant to prepare his taxes but maintains daily bookkeeping himself. Streetcrafter has shown a profit since 2023.
* Streetcrafter currently operates out of Medin’s warehouse in Las Vegas. He has the proper fire department regulations and insurance requirements met.
* Streetcrafter has a Federal Employer Identification number for tax withholding purposes, an NV Sales Tax identification number, and is registered with the NV Employment Security Commission to report NV Unemployment Insurance Tax.
* Two of Medin’s friends help him on a part-time basis. They come in a few days of the week as independent contractors dealing with customer concerns and fulfilling orders.
* Medin’s friend, John, manages the website, posting information about his products and keeping the information on the company current.
* Medin spends most nights answering emails and inquiries through Shopify, his social media, and his website while John and Jeff help deliver Press-Art and other products to customers. He is working 15-hour days, 7 days a week, and knows He can’t keep this pace up much longer. He is very reluctant to change how he is doing business. He is afraid that change will interfere with the success He has built.
* He is using the local pack & ship business to get products to his customers, but sometimes He finds himself running to drop off packages more than once a day. He is trying to figure out a better way to handle shipping but hasn’t made any decisions about what would be best.

## Streetcrafter Marketing

### Product

Streetcrafter’s Commitment to **“Zero-Defects”** in Press-ART

Since the beginning, Medin has been committed to providing a faster and inexpensive way to print from home. Consequently, He has been careful about sourcing his Press-Art manufacturing equipment. Safe manufacturing of Press-Art is a top priority for Streetcrafter to prevent injuries or faulty printing for the customers. Also, providing options for blanks that are ethically sourced is very important.

Medin sells the following products: Press-Art, MAKR PAPR (Heat transfer vinyl) Blanks, hoodies, T-shirts, joggers, sweatshirts, and heat presses. He has the following assortments available:

* Press Art: Bulk 5ft x 2ft, 10ft x 2ft
* Makr Papr: 3ft Roll
* Blanks: Red, Blue, Black, Charcoal, White
* Equipment: Heat Presses, Vinyl cutters

### Pricing

Medin has priced his products based on the other craft suppliers. The price point allows the customers and Medin to make a profit. While he has researched his competitors, Medin has not solicited feedback from his customers on the quality of his products in comparison to the price he is charging. He is concerned about just maintaining his margin at this time.

### Place

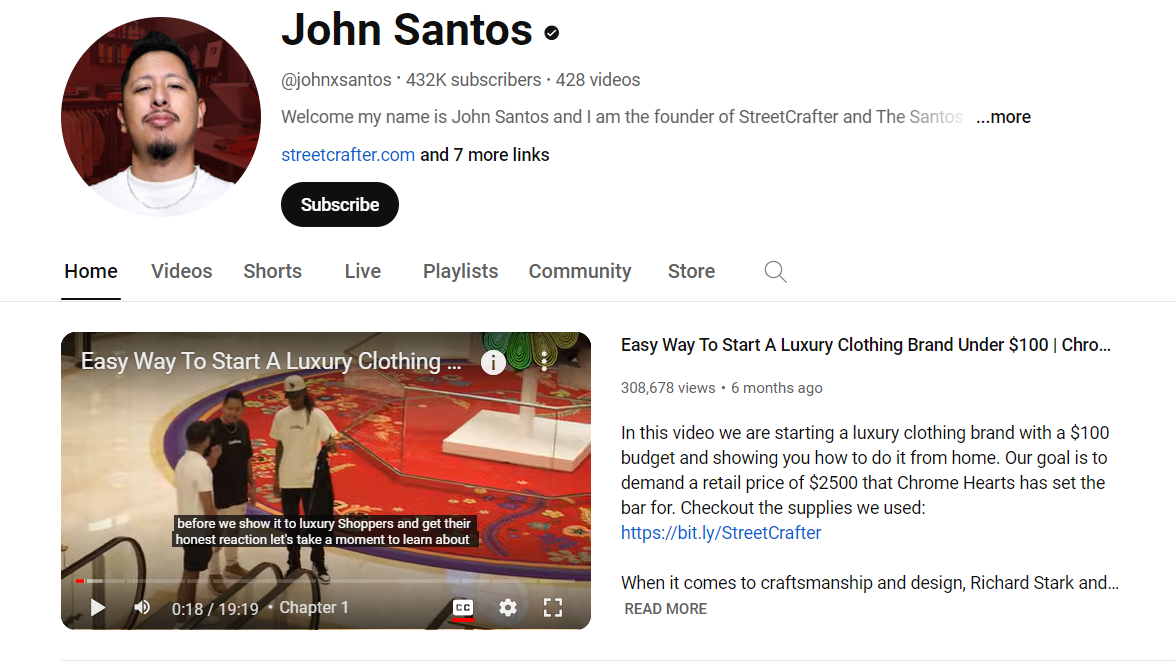
Streetcrafter products are sold via the Internet and all of Medin’s business is conducted through e-commerce. He has products listed on Shopify where they are one of a large variety of craft supplies available. Medin is still getting used to managing the site and promoting his products across more social media channels like Facebook, Instagram, and TikTok. When He gets a message asking how to buy products, He sends the customers to Shopify to complete the purchase because that is what He is most comfortable doing. When He told Medin this John asked, “How are we going to handle local customers who would like to pick their artwork up instead of having it shipped?” Medin had never thought about that.

[[2]](#footnote-1)

### 

### Promotion

John is helping with promotion by making YouTube Videos that describe our product offering. you can check out his videos [Here](https://www.youtube.com/channel/UCqXT5lnIuR8vCQbD9-gkWnA/about). When he drops videos he sends the traffic to the streetcrafter.com website to purchase. However, John’s followers are new to the streetcrafter.com site and it takes time to build trust and convert sales. See Below.



## Streetcrafter Financial Information

### Income Statement

Here is a summary of Medin’s Streetcrafter income information for the past 6 months.

| Income Category | Income in USD |
| --- | --- |
| Press-Art | 40,500.00 |
| Blanks | 16,200.00 |
| Makr Papr | 4,515.00 |
| Equipment (Heat Presses, Cutters) | 28,800.00 |
| Total Income | $90,015.00 |
| Cost of Goods Sold (COGS) |  |
| Press-Art | 21,060.00 |
| Blanks | 8,424.00 |
| Makr Papr | 4,515.00 |
| Equipment (Heat Presses, Cutters) | 15,120.00 |
| Total COGS | 49,119.00 |
| Gross Profit (Total Income - Total COGS) | $40,896.00 |
| Operating Expenses |  |
| Rent | 0 |
| Electricity | 0 |
| Telephone | 600.00 |
| Water/Sewer | 0 |
| Internet | 360.00 |
| Website | 1,050.00 |
| Salaries | 10,000.00 |
| Owner’s Draw | 6,000.00 |
| Office Supplies | 300.00 |
| Loan Payment | 0 |
| Insurance | 510.00 |
| Other | 0 |
| Total Expenses | $18,820.00 |
| Net Income Before Taxes  (Gross Profit - Total Expenses) | $22,076.00 |

Authored by Medin Gebrezgierand Lumen Learning. CC-BY

1. “Press-Art” right “Blanks” left [↑](#footnote-ref-0)
2. Streetcrafter KIT (Heat Press, Cutter) in use at College of Southern Nevada. [↑](#footnote-ref-1)