Facilitator guide: Module 7, The business of the art market

A teacher-facing companion to Module 7. The module is the full lesson; this guide adds the facilitation layer: a preparation checklist, timing cues, guidance for the discussion questions, and notes on what to emphasize and where students get stuck. Slides and a printable version are below.

At a glance

- **Length:** 90 minutes. A 60 minute and a 110 minute variant are noted under Teaching notes.
- **Level:** graduate students in art market or arts management programs, advanced undergraduates pairing art history with business, or professional and continuing-education students entering the trade. No finance background is assumed.
- **Access:** the no-code sandbox at sandbox.altfndata.com, self-registered with a work or school email, auto-approved. An instructor class API key from info@altfndata.com is needed only for the optional code extension, where students retrieve house-level records programmatically and assemble a league-table slice in Python.
- **Goal:** students leave able to build an auction house league table, compute an artist's pricing power and sell-through, and explain what the secondary-market-only nature and recency of the data mean for any conclusion drawn from it.

Before class

- Register your own sandbox account and run all three guided queries (league table, pricing power, sell-through) end to end, so you have known-good results on screen.
- Open the coverage browser beforehand and confirm exactly how your chosen auction house appears in the vendor field and how your chosen artist appears in the designer field. Spelling matters for exact filters.
- Load the slides and confirm the projector or screen share shows the SQL editor and its results clearly, including enough rows to read a league table at a glance.
- Optional: if running the code extension, request the class API key from info@altfndata.com with lead time and test one live request with the Python client beforehand.
- Prepare a short list of alternative houses and artists in case a small group's first pick returns too few records to be useful.

Timed agenda with cues

Time	Segment	What to do	Watch for
0 to 15	The art market as a business	Introduce the auction house as intermediary and the vocabulary of estimate, realized price, and sell-through, and preview the two artifacts the class will build.	Students treating "estimate" and "realized price" as interchangeable. Separate them clearly from the start, since the whole session depends on the distinction.

Time	Segment	What to do	Watch for
15 to 25	Sandbox orientation	Confirm students can open the fine art data table and locate vendor, designer, usd_price_decimal, sale_estimates_high_usd_price, and status in the data dictionary.	Students unsure that designer means artist and vendor means auction house in this table. State the convention explicitly and repeat it.
25 to 45	Guided demo: league table	Run the auction house league table query live, and discuss what a high-value versus high-volume ranking suggests about a house's business.	Reading the current totals as this year's standings. Give the recency caveat before anyone reacts to the numbers.
45 to 60	Guided demo: pricing power and sell-through	Run the pricing power query for one artist, then the sell-through query, explaining each figure in plain business terms.	Students reading pricing power alone as proof of demand. Pair it with sell-through before drawing any conclusion.
60 to 75	Small-group exercise	Groups pick a different house or artist and reproduce one of the two artifacts.	A group's pick returning too few rows for a stable figure. Have them check the row count and switch if needed.
75 to 85	Class discussion	Groups report what their league table or artist view reveals about concentration and demand.	Time running short. Cap each group's report to keep every group heard.
85 to 90	Wrap-up and homework	Restate the one-sentence takeaway and hand out the homework assignment.	Leave the full 5 minutes for homework logistics, since the brief has several required parts.

Guidance for the discussion questions

Use these as the "what to listen for" behind each question in the module. They are talking points, not a graded key.

1. **What kind of business a top-value house runs versus a top-volume house.** Listen for: a high-value, lower-volume house likely concentrates on fewer, higher-priced consignments, while a high-volume house builds its business on breadth and turnover; neither pattern alone is a verdict on quality.
2. **An artist with strong pricing power but modest sell-through.** Listen for: strong demand among buyers who show up, paired with a consignment mix that includes weaker lots; before advising a consignor, you would want to see what specifically went unsold and why.
3. **What the secondary-market-only scope of the data leaves out.** Listen for: gallery and primary sales, private treaty sales, and any transaction that never reaches a saleroom are invisible here, so a conclusion about "the art market" from this data really describes the auction segment of it.
4. **Why value concentrates among a small number of artists and houses, and the risk that creates.** Listen for: reputation, liquidity, and buyer confidence reinforce each other around established names and houses, and heavy reliance on that handful concentrates business risk if demand for them softens.
5. **Separating demand from consignment quality when sell-through falls.** Listen for: compare sell-through against pricing power and lot-level detail for what did not sell; a falling clearance rate alongside strong pricing power on sold lots points to consignment quality, while both falling together points more to demand.
6. **What to look for when advising a mid-size house on where to compete.** Listen for: a specific segment (category, price band, or artist roster) where the house can plausibly build scale, informed by both the league table and artist-level pricing power and sell-through rather than trying to compete broadly.

7. **Why the most recent quarter should not be read as a rising or falling trend.** Listen for: the newest periods are still being ingested, so recent totals understate true activity; rely instead on stable, longer-run measures like the league table and multi-period pricing power and sell-through.

8. **How the estimate shapes bidding behavior, given pricing power is measured against it.** Listen for: the high estimate anchors buyer expectations in the room, so a pricing power figure is not a neutral measure of value but a measure relative to a number the house itself set beforehand.

Teaching notes

- **Most common misconception:** students read pricing power alone as proof of strong demand for an artist. Pair every pricing power figure with the sell-through query so the class sees both the price buyers paid and the share of lots that actually found a buyer.
- **Second misconception:** carrying the fine art table's designer-equals-artist, vendor-equals-auction-house convention into other tables, where those fields mean something different. Name this explicitly once, early, since it recurs whenever a student compares this module's queries to another module's.
- **60 minute variant:** run only the league table and pricing power demos, drop sell-through and the small-group exercise, and move straight to a shortened class discussion using three or four of the questions above.
- **110 minute variant:** after class discussion, have a group repeat the optional API extension for one house, or sketch the one-page saleroom dashboard from the Extension activities as a preview of Module 8.
- **If the sandbox is slow or blocked on the room network:** fall back to the pre-run screenshots you captured in preparation, and assign the guided queries as a take-home exercise before the small-group discussion.

For the full lesson content, queries, and homework, see Module 7. Questions or a class API key: info@altfndata.com.