

PD-ABE-219

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Aid to Artisans

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FINAL REPORT

Project Number: BD/SG/36
Project Name: Aid to Artisans -
Entry into the US crafts market
for products of BRAC/Aarong
Project cost: \$79,380 (\$50,000 from PRIP)

Project duration: 18 months
November 1990 - April 1992

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Aid to Artisans is a
non-profit organization
established to facilitate
the production and
marketing of crafts
made throughout the
world by disadvantaged
artisans.

A tax-exempt organiza-
tion under 501(C)(3) of
the Internal Revenue
Code.

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Summary

This report is the final installment of required documentation for PACT Project Number BD/SG/36, "Aid to Artisans - Entry into the U.S. crafts market for products of BRAC/Aarong" (BRAC is the Bangladesh Rural Advancement Committee). Of the \$79,380 total amount required, \$50,000 was granted through PACT/PRIP; \$29,380 through BRAC/Aarong.

The goal was to create for BRAC/Aarong an introduction to the U.S. commercial craft export market, based on the excellent existing skills and distinctive designs of Bangladeshi artisans. Over 18 months, the project carried out the objectives of the grant agreement:

1. Sent Aid to Artisans product development expert to BRAC/Aarong three times, before each of the three New York trade shows.
2. Introduced BRAC/Aarong's goods to the U.S. market in three New York Gift Shows via the Aid to Artisans' Market Link program, and recruited two dedicated importers and several retailers.
3. Provided on the job training for Aarong export department staff in the work involved in these shows.

Approach

ATA inputs centered on the following "ATA approach," used in all collaborations with crafts cooperatives:

1. expression of local interest
2. feasibility study
3. product development visits
4. market testing via New York Gift Shows
5. further product development, market response
6. production training, technical assistance
7. marketing, seeking long-term customers
8. buyer visits to production sites
9. evaluation

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Introduction

Through 1988-89, Aid to Artisans received inquiries about its "Market Link" program from Zebun Islam, a local Bangladeshi woman, from Susan Davis of the Ford Foundation, Dhaka, and from PACT/PRIP in Dhaka. In response to this interest and BRAC/Aarong requests, a feasibility visit by ATA President Clare Smith in early 1990 resulted in a proposed marketing plan, beginning with Nakshi Kantha embroidery, in order to establish a U.S. market identity for Bangladesh.

This grant agreement began in August 1990, the result of more than two years of correspondence and exchange of ideas between ATA and the Bangladesh Rural Advancement Committee (BRAC). BRAC/Aarong's immediate interest was in a marketing program which would provide their handcraft unit, Aarong, the same rapid scaling-up their other sectors were experiencing: Bangladesh has many thousands of people needing work; therefore, BRAC/Aarong's interest was in very large results, fast.

ATA conveyed to BRAC its interest in introducing Bangladeshi crafts to the U.S. crafts market through the proven success of the Market Link program, the careful accessing of a solid, broad-based market foundation. During the 18 months of the project, this process was initiated through a close working relationship between ATA and BRAC/Aarong. Now at the completion of the agreement, ATA has sent product development specialists to BRAC/Aarong to train production personnel and develop saleable items; appropriate buyers have committed to long-term relationships with BRAC products.

PACT/PRIP in Dhaka was the third component involved in the creation of this project. Special interest came from Richard Holloway of PACT/PRIP, Dhaka. Holloway provided a framework against which ATA and BRAC/Aarong set objectives to be met during the project. He also conveyed his interest that ATA work with the Bangladesh handcrafts collective, ECOTA, which represents all the major handcrafts producers. Accordingly, part of each product development specialist's visit was spent with the other handcraft production centers.

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**Input 1: Product development specialist visits to
BRAC/Aarong November 1990; April and October 1991**

To support the priority on export-oriented production, ATA scheduled three product development visits just before the New York Gift Shows, where much of the marketing was to be accomplished. The first of consultant Docey Lewis' three visits to BRAC/Aarong handcraft production sites took place in the midst of political upheaval, in which the president of Bangladesh was deposed.

Though one week of the four she was in Bangladesh was lost to these problems, Lewis identified several products (Nakshi Kantha embroidery; jute, woven, and leather products; silk) which could be made quickly and shipped to ATA for display at the February 1991 New York Gift Show. With BRAC/Aarong design managers, Lewis edited existing designs, selected the most saleable, and created standard sizes to meet U.S. market expectations.

Upon her return, Lewis and ATA reiterated these first necessary steps to BRAC/Aarong: to concentrate on building a readily exportable product line so that products could be matched with appropriate importers and buyers at the New York Gift Show.

Though the first order of samples was made during this visit, they were delivered to the U.S. incorrectly (incorrect samples were sent in huge quantities). Other delivery problems arose due to political problems in Bangladesh and the Gulf War; Aarong's necessary priority to its domestic market during Eid holidays delayed delivery of orders to buyers, thereby slowing U.S. market response to BRAC/ Aarong products. ATA recommended to BRAC/Aarong that approaching larger buyers be put off until orders could be met in a correct and timely fashion.

By the second trip to Dhaka in April, 1991, the Product Development Specialist had created, with BRAC/Aarong, a total of 96 items (skus) for export. Her primary task on this trip was to edit the design of items ordered at New York Gift Show. Lewis also worked with BRAC/Aarong to lower the prices on certain products by limiting color and embroidery on bedspreads. She introduced bags and a mouse doll during this visit, and created a bedroom line by designing dust ruffles and bedside

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table covers. Part of Lewis' attention went to the design of looms so that BRAC/Aarong could mass-produce large quantities of silk, cotton, and jute more easily. Her visit confirmed that BRAC/Aarong could meet and build on ATA's expert recommendations.

Lewis visited the other production sites (Nashindi, Manikganj, Kumudini) during this visit to better understand the relationship between them and the role of ECOTA. In a meeting with Richard Holloway of PACT/PRIP during this time, Lewis discussed the idea of producing a catalog of Bangladeshi crafts as a more comprehensive marketing approach.

Scheduled to take place just before the February 1992 NYGS, Lewis' third visit to BRAC/Aarong was spent mainly in the design and export departments following up old designs, implementing new ones, and laying the groundwork for BRAC/Aarong's further commitment to export marketing. She focused primarily on textiles, both embroidered and block printed, with continued emphasis on Nakshi Kantha. This work was in support of ATA's interest in locating openings in each of the U.S. market categories for BRAC/Aarong: Gifts & Decorative Accessories; Fashion and & Boutique; Bed, Bath & Linen; and Home Furnishings.

With these markets in mind, Lewis culled the pillow line to reflect the input of the ATA design committee and the interests of the "key" buyers. Leather boxes with Nakshi Kantha embroidered tops and cloth cosmetic zippered cases had sold well, and production was extended for boxes and bags in block printed cottons. New items were added, including a new line of gift boxes of hand woven silk.

Lewis again visited production sites outside Dhaka: Manikganj, where block printing is done; and Nashindi, Aarong's main fabric supplier. Orders placed at Nashindi were correctly delivered to Dhaka three days later, underscoring BRAC/Aarong's ability to implement suggestions in quality and design changes. In the last scheduled visit to BRAC/Aarong, the Lewis worked to steer BRAC/Aarong toward the Bed, Bath and Linen Shows, which would offer a market different than the 40,000 registered shoppers at the NYGS.

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Input 2: An introduction of Aarong's goods to the U.S. market in three New York Trade Shows, via the ATA Market Link program

In the Market Link program, ATA's familiarity with the producer and the importers determines the appropriateness of an importer. In this critical phase, ATA matches BRAC/Aarong only with buyers it is confident will be interested in working with BRAC/Aarong over the long term. Orders garnered from Mission Imports, Asian Sources, and the Colbert Collection during BRAC/Aarong's first New York Gift Show in February 1991 matched this description. The interest reflected BRAC/Aarong's appeal to buyers, and indicated steady success for the future.

Following the second display of BRAC/Aarong handcrafts in August 1991, orders amounted to \$20,000. Commitments were made by upscale mail order companies such as The Hemmeter Collection. Importers such as the Colbert Collection; Putamayo, the Art Institute of Chicago, and UNICEF were other first-time buyers.

Wholesale orders reflected early market interest by these importers, and ATA reiterated its interest in working alongside BRAC/Aarong to access these importers: production was to concentrate on Nakshi Kantha and handwoven silk boxes, products with demonstrated market successes, in preparation for the third New York Gift Show.

Meanwhile, the production of earlier product designs continued successfully. Orders from the August NYGF were filled by mid-November, in time for Christmas sales. After the initial difficulties, ATA found BRAC/Aarong to be a well-organized and responsive shipper, providing samples and new designs on time and meeting ordered quantities, and communicating directly, promptly and appropriately to buyers. ATA credits BRAC/Aarong Export Manager, Minhaz Chowdhury, with this efficiency.

In January 1992, orders taken at the ATA booth at the third New York Gift Show again emphasized the NYGS's usefulness as a matching facility for handcrafts with appropriate buyers. Orders totaled more than \$19,000. Asian Sources and Colbert each ordered \$6,000 and additional orders were expected to be between \$5-8,000. Following the last product design specialist visit to

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BRAC/Aarong headquarters, ATA recommended that two more years of product development and marketing would place BRAC/Aarong in an independent, solidly-established and recognized position in the U.S. market.

In the last months of the project, ATA continued to emphasize appropriate buyers for BRAC/Aarong, and is pleased with the response of The Hemmeter Collection, The Colbert Collection, Putumayo, Asian Sources, and Mission Imports. ATA is confident that, with ensured timely production and delivery, each of these importers could increase orders to approximately \$50,000 USD per year.

Input 3. BRAC/Aarong staff participation at New York Gift Show

At ATA's suggestion, BRAC/Aarong Design Manager, Chandra Shekhor Shaha, attended the August 1991 NYGS, who aside from learning about the trade show process, was an excellent ambassador for BRAC's mission. BRAC/Aarong sent M. Sajid, Aarong's Marketing Manager, to the next New York Gift Show, who concluded that the first three shows should be considered "just the beginning."

Preparing BRAC/Aarong for life beyond the ATA collaboration, Lewis worked on new product lines during her second visit to Dhaka, developing prototypes to be ready for August NYGS. She worked closely during this trip with BRAC/Aarong Export Manager Minhaz Chowdhury. At this stage, ATA suggested two new elements: buyer visits, where interested buyers travel with ATA to production sites; and the option of marketing products through export catalogs, possibly an easier approach for buyers bombarded with product possibilities.

On completion of the ATA/BRAC collaboration, ongoing efforts to improve the technical quality of BRAC/Aarong goods, increase the perceived value by U.S. importers, and present traditional Nakshi Kantha motifs in ways that harmonized with Western experience have all succeeded in the production of a line of sophisticated and polished new products.

In April 1992, ATA funded a fourth product development specialist visit in order to maintain momentum and discuss further collaboration. During this visit, Lewis addressed problem areas. Product lines were edited to emphasize quality and reduce export prices. The pillow line was limited

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to 8 designs and sizes, and motifs were slightly changed.

Conclusions:

In 18 months, Aid to Artisans has facilitated the introduction of a broad-based U.S. market for BRAC/Aarong. Substantial progress was made in addressing the needs identified in ATA's original project proposal to AID, mainly in joining BRAC/Aarong with appropriate importers, through product development and export marketing.

BRAC/Aarong is an ideal partner for ATA collaboration. Their products are well-made, unique, and well-priced; the target group is large, vast numbers of artisans can be helped. Still, one and one half years is too short a time for full project realization. ATA may not be able to meet BRAC/Aarong's immediate expectation of rapid large-scale growth for handcraft exports, but ATA's commitment to BRAC/Aarong to help build long-term buyer relationships projects would continue, with BRAC/Aarong gaining understanding of the demands of the U.S. market and in the fundamentals of export and market response.

Evaluation

Executive Director of BRAC, Mr. F.H. Abed and Mrs. Shilu Abed met with ATA in Connecticut in June, 1992, to review expectations, performance, and plans for the future. While not a formal evaluation, this meeting followed many earlier discussions and correspondence, and led to a request for proposal from Mr. Abed to ATA.

It was agreed by Mr. Abed and ATA that the performance had been good, the quality excellent on both sides, and that only the quantity of export sales had been disappointing to BRAC. It was agreed that more market exposure was needed, more buyer contacts needed to be made and nurtured, that specific expert technical assistance was needed and that ATA should prepare a short proposal for continued Marketing Assistance over a three to five year period.

"Breaking the Cycle of Poverty"

The meeting also coincided with U.S. publication of a new book on BRAC, Catherine Lovell's "Breaking the Cycle of Poverty", Kumarian Press, and the publishers, whose offices are near Aid to

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Artisans, were also able to meet with Mr. Abed and to discuss how this export project for Aarong fits into BRAC's broad and ambitious goals.

The Textile Museum, Washington, D.C.

During this meeting, Mrs. Abed mentioned her discussions with the Textile Museum in Washington. ATA followed up and has been able to arrange for a Nakshi Kantha Exhibit in Washington which will be based on the catalog prepared for the exhibition in Bangladesh, the loan of various Nakshi Kantha samples from Aarong's inventory at ATA, as well as pieces already in the collection of the Textile Museum. It is this sort of close connection and fast action between ATA and BRAC/Aarong that makes this collaboration both effective and gratifying.

The project was an introduction, now the action can begin. ATA is currently proposing to BRAC, at BRAC's suggestion, a three-year continuation of the most appropriate program elements (Buyers-to-Bangladesh, U.S. trade show exposure, Product Development, Recruiting technical and marketing specialists).

Recommendations

Lasting relationships with importers requires time. In an extension of this project, Aid to Artisans would:

1. continue product development
2. recruit of expert consultants
3. assist BRAC/Aarong to establish enduring markets and lasting relationships with U.S. importers.

Specifically, BRAC/Aarong silk production can lead to a major market success and will be developed by Jack Larsen, longtime ATA associate and world famous textile designer. Also exciting is the interest of leading fabric specialist and fashion designer, Marian Clayden, who will be creating resort and beachwear from the Nakshi Kantha.

ATA's program element, "Buyers-to-Country," will escort selected buyers, such as Hemmeter, AMC, Palms & Pomegranates, and Esprit, to BRAC/Aarong operations in Dhaka, and in the production centers.

FINAL FINANCIAL REPORT
BD/SG/36

1. Personnel		
a. Produce Dev. Specialist	\$20,782	
b. ATA Management	<u>\$10,000</u>	
		\$30,782
2. Program		
a. NY Gift Shows	\$7,500	
b. Aarong Training	\$1,000	
c. Customer Relations	\$9,000	
d. ATA Direct Expense	\$4,845	
e. Training Aarong rep.	<u>\$1,000</u>	
		\$23,345
3. Travel		
a. Product Dev. Specialist	\$8,413**	
b. Aarong Rep.	<u>\$4,000*</u>	
		\$12,413
4. Per Diem		
a. ATA Rep.	\$2,880**	
b. Aarong Rep.	<u>\$2,700*</u>	
		\$5,580
ATA Overhead	<u>\$11,800</u>	
		\$11,800
TOTAL EXPENSES		\$83,920
Amount paid directly by BRAC		\$9,580
Amount paid by ATA		<u>\$74,340</u>

* Expenses paid directly by Aarong, at least at budgeted level.

** Per diem amounts paid by ATA are included under "Travel, Product Development Specialist." Estimated per diem amounts paid directly by BRAC/Aarong are included under "Per diem, ATA Rep."

7/7/92