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**“FOSTERING CRAFT ENTERPRISE AND THE
VOLUNTARY BUSINESS ASSISTANCE
SECTOR IN RUSSIA”**

FINAL REPORT

Aid to Artisans in collaboration with World Learning's PVO NIS Project.



AID TO ARTISANS, INC.

14 Brick Walk Lane
Farmington, CT 06032

Tel: (860) 677-1649

Fax: (860) 676-2170

E-mail: atausa@aol.com

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ORGANIZATIONAL INFORMATION

Name of PVO: Aid to Artisans, Inc.

Project: *"Fostering Craft Enterprise Development & the Voluntary Business Assistance Sector in Russia"*

Project Dates: October 21, 1993 - February 29, 1996

Office Contact: Tamara Kribs Jarvis, Projects Coordinator

Total Project Funding: \$555,000

Year 1: \$312,256

Year 2: \$242,744

Total Expenditures: \$549,315

PROJECT GOALS

- *To increase alternative employment opportunities for women in Russia by fostering small craft enterprises, and;*
- *To strengthen local non-governmental organizations engaged in voluntary business assistance to the artisan sector.*

YEAR 1 OBJECTIVES

Artisans:

- 200 artisan producers identified.
- 20 product development & business training workshops held for at least 100 artisan entrepreneurs.
- Evidence of workshop usefulness to artisans through continued attendance at workshops.
- A market-ready line of 50 different Russian products for presentation at the New York International Gift Fair.
- Response to Russian products received from US buyers matched with buying commitments from these buyers.
- Measurably increased incomes from craft production for artisan participants.

Partner NGOs:

- Demonstrated commitment to women's employment issues and ability or potential to effect change as an NGO.
- Demonstrated ability to identify craft producers and products.
- Demonstrated commitment to project activities through organization of workshops, attendance at workshops, and willingness to communicate regularly with artisans and ATA staff.
- Demonstrated ability to work responsibly with ATA through production of accurate project reports and monthly accounting of salary and office funds.

YEAR 2 OBJECTIVES

Artisans:

- 175 additional artisan producers identified.
- 10 additional product development & business training workshops held.
- Demonstrated improved understanding of craft marketing and basic business skills.
- A market ready line of 100 Russian craft products for exhibit at the New York International Gift Fair.
- Relationships with US importers and buyers in place.
- Measurably increased incomes for artisan producers and ability to sustain businesses without direct ATA assistance.

Partner NGOs:

- Ability to plan strategically for continued assistance to artisan entrepreneurs.
- Ability to continue operations as an NGO and to access resources crucial to survival.
- Good understanding of the US market, business skills, and program planning.
- Ability to act as a craft exporter or to refer artisans to other Russian exporters.

“Fostering Craft Enterprise & The Voluntary Business Assistance Sector in Russia” was a two year project funded by USAID through World Learning Inc.’s “PVO Initiative for the Newly Independent States.” Total funding for the project was \$555,000.

The project’s goal was to increase employment opportunities for 300 Russian women and 75 men in the handcraft export sector and to contribute to the foundation of a sustainable handcraft export industry in Russia through strengthening local craft-based NGOs. To reach these goals, ATA offered an integrated technical assistance program incorporating:

- ◆ Market-driven product development & design.
- ◆ Business training.
- ◆ Direct market links to US buyers and importers.
- ◆ Local market links and retail outlets
- ◆ Institutional strengthening of non-governmental organizations that assist artisan entrepreneurs.

To support ATA’s NGO development objective all project activities were carried out in collaboration with 6 main partner NGOs in the Moscow and St. Petersburg areas:

The Alliance of American & Russian Women (AARW)

Tvorchestvo

Moscow Crafts Center (MCC, a member of the Russian Association of Women Business Owners)

Irida

International Institute of Entrepreneurship Development (IIED)

Russian Association of Women Business Owners (RAWBO)

ATA work with partner NGOs strengthened their assistance to artisan entrepreneurs and has greatly leveraged the number of artisans reached by project activities. Continued assistance for artisan entrepreneurs has been assured through the development of an NGO network, Irida’s ability to act as a craft exporter and a good understanding of the US market, business skills and business assistance on behalf of the NGO management.

FINDINGS: All project goals and objectives were achieved or exceeded goals set in the project proposal:

- ◆ Increased employment for women in craft related fields.
- ◆ Access to the US market and market driven product designs.
- ◆ Craft-based enterprises able to develop new market-driven products for customers.
- ◆ Strengthened artisan organizations and business assistance services.
- ◆ Increased local and/or export sales.
- ◆ Artisan’s craft-based business network and markets expanded.
- ◆ Increased employment for artisan and community members.
- ◆ Improved artisan incomes.

PROGRAM ACHIEVEMENTS: Project activities resulted in notable successes in terms of generating new business opportunities for a broad cross-section of artisan enterprises and NGOs, most of which employ or are run by women. (*see Achievements by Indicator chart pgs. 7-8*)

- ◆ Over \$169,000 in wholesale sales (*Approximately \$400,000 retail sales equivalent*) for 25 artisan businesses.
- ◆ Business relationships established with 6 US importers & buyers.
- ◆ Approximately 2,370 individuals impacted as a result of partner NGO network.
- ◆ Over 600 products exhibited at 5 New York International Gift Fairs.
- ◆ Partner NGO, Irida, assumed the role of the export agent.
- ◆ Initial development of fee for services and/or fundraising plans for each partner NGO.
- ◆ Increased NGO membership and member services.
- ◆ Provided regular product design and business training for approximately 12-15 small businesses and 8 NGOs and artisan members in: *St. Petersburg, Sosnovy Bor, Orenburg, Nizhny Novgorod, Novgorod, Zagorsk, Moscow, Bogorodskoe*

PROGRAM CONSTRAINTS:

Banking System: Constraints recognized and identified at the beginning of the project have not significantly improved, and in some cases have become worse. Banking is unreliable. Over 150 Russian banks have gone bankrupt in the last year, with more slated to close. Domestic wire transfers are nearly impossible, and can take from 3 weeks to 3 months. Bank credit is non-existent. The system that is in place is one of mistrust and businesses will not keep money in the bank.

Export Agents: Lack of reliable and trained 'middlemen' or export agents continues. As many export orders tend to be consolidated products from several companies, it is in everyone's best interest to deliver products to a central location to pack and ship. Time and space are at a premium. Even those who seem able to take on the job of export agent, are frequently juggling at least three other part time jobs to sustain family and business ventures.

Mafia: The Mafia problem continues to be a threat. Most people have decided to use some form of security. The general decline in services, coupled with an inflating ruble and frozen dollar, continues to cause difficulties though this is changing. The cost of living continues to soar as low rent and lease costs have escalated to over \$500+ per month in the past 2 years. Some towns actually have had their energy cut off for not having paid their bills. Everyone ATA worked with was always conducting business on the edge, for no one has reserves.

CONCLUSIONS:

US New York International Gift Fair Business Training: The impact of this program on all 16 participants was profound. The program brought to life ATA in-country training workshops, product development and business training seminars. Since the

Russians' first trip to the US with this program, ATA expanded and improved the program schedule. As a result, a third US training program for Russian participants was held in January 1996 due to a no-cost grant extension through February 29, 1996. This final US based training program for ATA's Russian participants resulted in focused NGO craft-based management and marketing training for ATA partner NGO management members from: *AARW, Irida, MCC and Tvorchestvo*.

Growth of an NGO Network: As partner NGOs showed eagerness to work together to meet project and individual goals a formal network of craft-based NGOs was organized. The managers and many of the members of these organizations have revealed extraordinary dedication to the cause of artisan entrepreneurship, and in particular women's entrepreneurship, in Russia. Many members consistently cited the importance of these organizations in their lives, not just for the practical assistance they offered but for the support provided by other members in coping with the stress of change and financial instability.

Product Development: The impact of product development assistance was evident through local and export sales, particularly for artisan producers who had not yet produced products specifically for the export market.

Training: The training provided in product design, marketing, business practices and NGO operations were valuable tools for craft businesses to acquire, whether they concentrate on the export of local markets.

Political and Economic Infrastructure: For the most part, infrastructure for small businesses is chaotic and it will be difficult for American companies to do business there until the economic and legal climate stabilizes. Inflation, poor banking systems, unstable raw materials supply, lack of international market awareness, inconsistent communications and lack of packing materials will continue to cause Russian craft-based NGOs and artisan entrepreneurs difficulties in competing successfully in the international market.

LESSONS LEARNED:

Managing growth and opportunities which a project such as this can generate is difficult. Early successes can be misleading, and slow market response may discourage participants. Unrealistic expectations were frequently encountered, and the best antidote to this problem was the open communication network that was established among all project participants and ATA staff. Fostering new business opportunities and working with the private sector raises sensitive issues related to fairness, access, trust and conflict of interest. Much of the former-Soviet Union is still not clear on what constitutes good business practices. It will take more time for the lessons offered by this project to truly be absorbed, as the legacy of 40 years of communism still influences everyday attitudes and assumptions.

ATA PROJECT ACHIEVEMENTS BY INDICATOR

FINAL REPORT

February 1996

	<u>Projected</u>	<u>Actual</u>
Artisans Identified:	375	400+
Product Design & Business Training Workshops Held:	30 workshops for 375 artisans & NGO members	Approx. 43* workshops for 375+ artisans & NGO members.
<i>* Not including the 77+ informal workshops/one-on-one consultations, meetings with export agent, bankers, freight forwarders & factory/production site visits.</i>		
Workshop Effectiveness:	Return Attendance at ATA workshops.	Over 150 artisans & NGO members regularly attended ATA workshops.
Products Developed for Export:	150 products ready for exhibition at the NYIGF.	Over 600 products shown in 13 media at 5 NYIGFs.
Market Receptiveness to Products:	Long-term relationships established with U.S. importers.	Business relationships established with 6 U.S. importers.*
<i>* Over \$100,000 in orders placed.</i>		
Revenues Generated for Artisans:	Measurable increase & ability to sustain small businesses.	Increased revenues of over \$169,000 (wholesale) earned by 25 businesses through ATA related project sales.

ATA PROJECT ACHIEVEMENTS BY INDICATOR
 FINAL REPORT
 February 1996

	<u>Projected</u>	<u>Actual</u>
Partner NGO Development:	Active & sustainable business assistance programs for women artisan NGO members.	<ul style="list-style-type: none"> - Regular & independent business assistance, marketing and product development programs initiated by 5. - Irida, partner NGO, is an established export agent. - Co-sponsorship of 40+ events & seminars. - 100 NGO members trained in marketing, product, business & organizational development.
Total Individuals Impacted Directly:	No Projection	Approx. 2,370 <i>(Partner NGO and network base.)</i>

PURPOSE OF THE FINAL PROJECT REPORT

This final report assesses the progress made during the second year and a half of ATA's project in Russia, as well as the overall impact of the entire project on the lives of Russian project participants, in terms of achieving program goals and objectives.

Originally, ATA was scheduled to conduct a final evaluation that would be a comprehensive analysis of project results and impacts based on final interviews with artisan producers, NGO management members and US buyers and importers involved with project activities. However, in order to effectively meet NGO needs and overall project goals, ATA reobligated funds for the final evaluation to accommodate 4 NGO management trainees for NYIGF business training and specific craft-based NGO and export training, as a result of a no-cost extension through February 1996.

Long-distance interviews and evaluation methodologies were therefore adapted and implemented by ATA Project Liaison, Lena Aloyshina, with direction from ATA's Project Coordinator to produce the final report. The report addresses and identifies the following:

- Current status and successes of partner NGOs.
- Successes and sales of NGO artisan member businesses.
- Overall impact and successes of ATA assistance and training.
- Constraints and unintended side effects encountered by the project and how these affected project participants.
- Remaining challenges facing Russian craft-based NGOs and businesses.

Partner NGOs:

All ATA project activities were implemented by ATA in collaboration with 6 partner NGOs whose missions complement project goals, objectives and methodology.

Originally only 3 organizations were solicited to work with the ATA project:

- ⇒ *Alliance of American and Russian Women (AARW)*
- ⇒ *Tvorchestvo*
- ⇒ *Russian Association of Women Business Owners (RAWBO)*

Three additional organizations were added as main/formal ATA partner NGOs over the course of year one and as project activities expanded outside of Moscow and St. Petersburg areas:

- ⇒ *Moscow Crafts Center (member of RAWBO which is more appropriate for an active ATA partner NGO)*
- ⇒ *Irida*
- ⇒ *International Institute of Entrepreneurial Development*

The project expanded over the 2.5 year period to include informal working relationships and assistance to two other NGOs:

- ⇒ *The Sluzhenye Club of NGOs (Nizhny Novgorod)*
- ⇒ *Renaissance (Sergiev Posad)*

These relationships have helped facilitate the project working with an even wider geographic region as well as significantly increasing the number of program beneficiaries.

The addition of new partners aided project work by leveraging the number of artisans impacted by ATA assistance and by creating a formal network of Russian business assistance NGOs. While groups were initially wary of working together, let alone taking some American advice, trust in ATA and each other is a result of 2.5 years of cultivating working craft-based business relationships.

The specific missions of ATA partner NGOs vary, yet all served as active co-implementors of ATA project activities. Partner NGOs served as vital contact points between ATA and artisan members, as workshop coordinators, translators, production monitors, and as accomplished local trainers in NGO and craft-based export related issues. Partner NGO's services to members were strengthened by the inclusion of ATA workshops for craft-producing members and by the training managers received in the export process. NGOs also received small grants and financial assistance from ATA to support operational expenses, marketing activities, workshop expenses, equipment and special organizational needs and promotional material.

Artisan Producers:

Though partner NGOs are the primary recipients of project assistance, the ultimate beneficiaries of project work are the artisan producers and businesses who are the members of ATA partner organizations. This community includes individual producers, small business managers and employees, product designers, and small factory managers, each employing between 10- 200 people. Participants ranged from producers seeking first-time exposure to export markets or increased local sales to businesses already possessing limited export success but in need of technical assistance.

Producer participants ranged in age from 18 -70, possessed varying degrees of craft production skills and techniques and/or business management experience. However, due to project time constraints all project participants were originally chosen for their basic craft skills and determination to increase earnings and craft-business potential through export or local sales.

Indirect Beneficiaries:

In addition to partner NGOs and artisan producers who directly benefit from ATA assistance, there are many businesses and individuals who indirectly benefit from the success of ATA project work:

- Employees of cottage industry businesses.
- Russian exporters, packing material suppliers, shippers and other individuals in the export related industry.
- Vendors of craft materials used in craft production.
- Employees and owners of Russian retail stores that carry ATA related craft products.
- Families and communities of project participants whose standards of living have been or will be affected by earnings generated by project activities and contacts.
- US importers/buyers of Russian products who are assisted by ATA in identifying producers, developing marketable products, and in monitoring production of crafts for export.
- A variety of US businesses (retail stores, galleries, import/export agents, etc...) who have experienced considerable sales increases through ATA's network of Russian sources.

I) PARTNER NGO DEVELOPMENT

1) NGO Regional Craft Network: Working with our partner NGOs throughout Russia, ATA laid the ground work for a Russian NGO Craft Network that is bringing business associations together across Russia to collectively solve problems and increase opportunities for citizen entrepreneurs throughout Russia. NGOs are already collaborating on coordinating different local market outlets and fairs. Meetings, both formal and informal, are held at these marketing/sales events between artisan NGO members to discuss areas such as marketing, legal policy, and NGO program development. Other NGOs not actively working with ATA but representing artisans have also been invited to participate in these networking opportunities and sales.

NGOs who worked with ATA are already cooperating in inter-regional marketing of member products. Independent visits and contact between the members of NGOs has become more and more frequent. Membership has also increased for ATA partner NGOs during the life of the project, in part, due to the initial successes of many ATA Russian artisan entrepreneurs.

The NGO network continues to expand as partner NGOs develop branch offices outside major urban areas. IIED will soon open branches in Novgorod and Sosnovy Bor as a result of networking through ATA project activities. AARW, MCC and IIED are currently working on expanding their artisan membership and outreach through a grant proposal with the European Community. Irida has made initial plans to work with artists from Georgia and artisan members of Tvorchestvo have received employment due to Galina Maslennikova's rapidly expanding Russian doll business. AARW just opened a business incubator in Volhkov where ATA partner NGO management members are sharing lesson learned with Volhkov artisans, small craft oriented businesses and organizations.

2) Improved and Continued Assistance to Members: All ATA workshops and seminars on product development and design, marketing and business training was aimed to be "learn as you earn" assistance. All project work complemented existing services offered by NGOs to members and served as logical and practical expansion to existing programs. All 16 participants of the NYIGF Business Training program commented on how they now have experience and an understanding of the US market and international trade shows. Training and hands-on market experience gained through ATA assistance has enabled many NGOs to expand their current services to members to include: export facilitation and documentation, business training, consultations on product development & design, and assistance in tapping domestic and international marketing outlets.

3) Understanding of the US Market & Increased Business Skills:

- **US MARKET & BUSINESS TRAINING:** All NGO managers actively assisted ATA in planning and conducting ATA workshops, seminars and follow-up consultations with artisan NGO members. Through these experiences NGO management now have hands-on experience and a solid foundation with the export process and international business and market standards. ATA's style of participatory training was supplemented by one-on-one consultations with NGO management members about specific issues relevant to their members and organizational development, such as order production, quality control and fee for services.
- **CASE STUDY BOOK:** *"We give Matryoshka in Marriage is the first attempt to discuss the problems of Russian decorative applied art as a viable export product for the American market."* -- Tatyana Ryabikina, Tvorchestvo

ATA contracted Tatyana Ryabikina of Tvorchestvo, a former nationally known journalist, to write a case study of her own and participating artisans' experiences with the ATA project. The book is an effort to share professional experiences, educate and encourage other NGOs and artisans in their activities. The book explores and identifies the difficulties in the emerging Russian market economy, information sharing and the effectiveness of US assistance in craft enterprise development. The book is currently being published in Russia. Printing was delayed to allow for corrections, re-writes and/or approval of interviews by interviewees, as well as finding a cost effective printing/publishing means. The final English draft was edited to make the document more readable to a western audience, as her Russian journalistic style was difficult to justify at times, due to the fictitious nature of writing. Tatyana's impressions and expression are uniquely Russian and though editing was needed to make it appealing to both Russian and US readers, her style has a charm of its own that clearly expresses the many issues involved with the changes in Russia and US assistance, though not representative of all ATA project beneficiaries.

A final copy of Tatyana's book will be sent to World Learning/USAID upon completion.

4) NGO Craft Exporter: As a result of ATA training, Irida has taken on the role of export agent and assisted ATA affiliated artisan entrepreneurs and NGOs in successfully exporting over 4 orders to the US. Irida now functions as the primary export agent for most orders with Volga River Trading Company, SERRV International and Sieglinde Importing. As the primary agent, Irida is responsible for: banking and customs documentation, as well as packing and shipping of products delivered by artisans for export, distribution of orders, consolidation of products, payment and quality control. All artisans are paid in full by Irida through transferring money to bank accounts upon delivery of goods to Irida. To assist with the export process Volga River Trading Company installed a satellite telephone service which is toll-free to any artisan who needs to communicate problems to Irida/Volga River. However, poor communication channels continue to be a constraint in the export process.

Due to current political and economic conditions Irida's role as export agent was desperately needed, as one of the projects major constraints was the lack of a reliable export agent. Though export business relationships have not been without conflict, Irida is trusted and proven capable of the job by artisan entrepreneurs and US importers. The NGO network which has been established as a result of ATA assistance has improved communication between NGO members and US importers which has created an educational atmosphere to expand and improve the export process. However, if Irida continues as a primary exporter of Russian handicrafts, communication and business systems will need to be updated and/or revised as they are outdated and unreliable at times.

In addition to Irida's export capabilities, several other ATA partner NGO members were trained and are equipped to export directly themselves: *Stil Birch Bark Company*, *Enterprise Souvenir (glass factory/IIED member)* and *Galina Maslennikova (doll producer/AARW member)*.

5) Funding & Organizational Support: Partner organizations were given direct access to ATA funding assistance in support of workshops costs (staff/office), operational expenses, marketing and/or sales events and specialized projects. In all, approximately \$53,650 in grant money was awarded to partner NGOs (*See organizational profiles for specific amounts of grant support to partner NGOs, pg. 33*). ATA provided strategic planning assistance by helping NGO management members prioritize activities and goals when applying for ATA and other grant monies. As a result of ATA's grant writing and NGO funding workshop given by Lena Aloyshina in January 1996, partner NGOs Irida, MCC and Tvorchestvo are all pursuing additional grant support for special projects from other international funding sources such as: Soros Foundation, Eurasia Foundation and the European Community. Also in January 1996, ATA's New York International Gift Fair (NYIGF) training program for ATA partner NGO management members focused heavily on grant writing and accessing additional resources.

6) NGO Newsletter: Initial plans were made with partner NGO, Tvorchestvo, during the January 1996 NYIGF for the development of a craft-based Russian NGO newsletter. Tvorchestvo plans to submit a proposal to the Eurasia or Soros Foundations to gain the necessary financial support to produce a quarterly newsletter publication. A craft-based newsletter will keep artisan members updated on market trends, prices and will provide a formal communication network and market outlet. The newsletter will allow NGO management to increase their membership, promote member crafts and increase their business assistance services and NGO network. A specific training session on how to develop a craft-based newsletter was held during the NYIGF training program with Tvorchestvo member participant, Natyala Burmistrova.

7) AARW/Program Management: Lena Aloyshina

" I realized what my role should be while attending the first seminar--a conference, to be precise-- watching what was going on in the conference hall. Four inspiring Americans from ATA tried to explain to the puzzled audience of 100 people the essence of their craft business project. They spoke in English, and

while the Russian interpreters were thorough in translating, it was like the dumb talking to the deaf. The American speaker, sharing information that to them seemed quite obvious, were unable to understand why their audience was so indifferent and even suspicious. To the Russians, however, these might as well have been aliens from another planet, talking about their civilization. What did all this have to do with our life and our everyday problems?

...Feelings of misunderstanding and mistrust hung in the air....And here is where I came in, I realized my role---the role of a person who could bridge this gap rather than being just a coordinator, interpreter, organizer." ---Lena Aloyshina, AARW/ATA Project Liaison

As ATA's Project Liaison, Lena Aloyshina participated in the organization and implementation of nearly every workshop held by ATA in Russia. Lena's role as Project Liaison included: translator, co-trainer in NGO development, business training and marketing topics, follow-up on production and delivery of all sample and export orders. In order to assist with these processes, Ms. Aloyshina is not only familiar with the overall export and NGO management fields, but an expert in such specific issues as export documentation requirements, packing and shipping procedures and export-import business relations.

As a result of participation in ATA project activities and trainings, World Learning, Save the Children and USAID NGO development trainings, Lena is an established NGO trainer and expert on issues involving NGO development in the NIS. Not only have her management and organizational skills expanded, but her vision for her own work and development (AARW) have expanded significantly. Lena has already participated as a trainer of trainers in World Learning workshops in Georgia and various sites within Russia. She is scheduled to train NGO members in Central Asia Spring or Fall of 1996. As a result of her experiences and training, she continues to be a valuable resource for NGO management members and key to organizing and informing members of NGO networking and grant opportunities. Lena has been instrumental in bridging the gap of communication between ATA, US importer/buyers and Russian artisans and NGO management members. Because of her strong management role, Lena will continue to be a vital resource for Russian artisans and NGOs wishing to expand their organizational capabilities and target export markets.



**ATA partner NGO network meeting prior to the
Moscow International Gift Fair**



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II) PRODUCT DEVELOPMENT & BUSINESS TRAINING

"I used to compare that first seminar with an unexpected ski jump on the skier's way, as if you were going along a never-ending plain, moving your skis with difficulty in sticky snow, pushing them forward with the help of sticks, tired and exhausted. And suddenly your skis began to slide along the hill slope and brought you to the ski-jump, which like elastic spring throws you up into the air, and you are flying now. Straighten you shoulders, look around you, feel yourself not as a tired doer, but as a master of the situation." ---Tatyana Ryabikina, Tvorchestvo (Matyroschka in Marriage)

1) Product Development & Design: ATA exceeded all product development and business training objectives for the project by holding 43 workshops (formal and informal) and 77 one-on-one consultations for over 375 artisan NGO members. Overall, ATA reviewed product lines of approximately 375 producers and identified over 600 products in 13 craft categories with potential in the export market. Over 20 businesses, representing approximately 336 employees, most of them women, received orders for their products as a result of ATA training efforts. The majority of ATA business training was conducted in conjunction with product development workshops and activities.

Creating products for an international market was one of the most difficult challenges facing the project because of its size, competitiveness and pricing. As a result of ATA NYIGF business training, artisans and NGO management members were more attuned to US market trends and business practices, as well as more open to modifying designs to increase product salability for both local and export markets. During the initial phases of the project there was resistance or refusal to vary from traditional craft design and products. With ATA product development workshops, one-on-one consultations and US market exposure that allowed traditional products to acquire new looks, artisans became more comfortable in looking to market trends, as well as their cultural heritage for product design inspiration. ATA market visuals such as catalogs and slides were shown to inspire and teach Russian artisan entrepreneurs about the vastness and competitiveness of the US market. To maintain a library of market visual materials, ATA partner NGO, Tvorchestvo, is working on a grant proposal to develop a craft-based resource library .

2) US Holiday Market Focus: ATA focused much of its product development work with artisans around the US holiday market due to the high US market demand for holiday gift products. The strength of the US holiday market proved successful for 25 Russian craft-based businesses. Products developed for the US holiday market and as a result of ATA training include:

Mohair Shawls

Folk Dolls

Wooden Eggs

Bookmarks

Santa Matroyshkas

Glass ornaments

Papier-mâché ornaments

Painted wood ornaments

Pillow covers

Glass figurines

Carved wood ornaments

Christmas stockings

Various birch bark products

Many products modified for the US holiday market resulted in successful sales at 4 NYIGFs and local holiday fairs. These business successes reduced overall resistance among artisan producers to design assistance that resulted in new confidence in ATA

designers and market expertise, as well as new and innovative designs on the part of the Russian artisans.

3) Workshop Effectiveness: “ *We learned to make Russian styled American things.* ”--- Tatyana Khokhryakova, IIED

Project participants report that the most useful things addressed during ATA workshops were:

Customs procedures

Banking and financial procedures necessary to conduct an export business

Product pricing

Shipping

Product display

Market competition

Customer service issues

NGO management issues and organizational planning

Western businesses concepts

Out of all seminar topics and issues addressed during ATA training, all NYIGF participants felt the hands-on experience with the US market and businesses practices were by far the most practical received. Participants believed that NYIGF training also assisted in translating previous ATA workshops topics and methodologies into tangible concepts.

According to ATA project participants, practical and useful suggestions from ATA consultants included: Working relationships with US importers/buyers, wholesale and retail pricing, business and price negotiations, how to make a unique market-driven products and product lines, current American market trends and how to incorporate these trends into traditional Russian product designs and crafts, as well as exposure to the US Christmas/Holiday market demands. Organizational services were expanded as a result of ATA training (see partner NGO profiles) as well as enhanced participation and cooperation among the partner NGO members.

All ATA consultants and staff were well received by all project participants, though some felt that ATA consultants should have had more background and/or experience with the current Russian political and economic circumstances. The least effective workshop series by an ATA consultant was on financial management and accounting, largely due to the differences in accounting procedures currently used in the US and Russia, and not many Russian businesses keep detailed accounting records and/or have different record keeping systems based on their different business transactions. When ATA's small business consultant pointed out to project participants that it is routine for small manufacturing companies to keep a cost sheet on every product, NGO members and artisan entrepreneurs rolled their eyes and said it would be impossible to adjust to inflation on a daily basis and that financial records were kept for tax purposes only. Some had little or no idea if their company had made a profit or loss in the last year.

ATA's Chief Consultant for the project, Docey Lewis, was praised by all NGO and artisan members for her wide-range of experience in the craft industry and assistance in understanding the American market and business practices. Docey was extremely well received and respected by all in the project, though she was often times the deliverer of harsh market truths and sales results. To quote one project participant:

"...Docey Lewis, she opened my mind and the new country--America for me. We made many new product lines, including Christmas lines." ---Victor Kurakin, Stil Birch Bark Factory, Novgorod

4) New York International Gift Fair (NYIGF) Business Training: *As a result of ATA NYIGF Training..... "I reorganized my store, made new packages, keep my files in order, arrange marketing materials--catalogs and brochures, look at my customers differently (with a customer service focus) and have a clear vision of what I want to achieve in my business, as well as acknowledge my business limits (all things that had never happened before)."* ---Victor Kurakin, Stil Birch Bark Factory, Novgorod

Russians chosen for the NY program represented ATA partner NGO management members, small cottage producers and small factory owners. The NYIGF training program, as outlined in the proposal, allows participants to truly get a first hand experience with the US market. All program participants commented on the significant impact that the US training has had on their lives, organizations and businesses. The experience of seeing the sheer size of the US market, the quality of products and number of competitive product lines, as well as the standard of living of the general American population all brought to life concepts and issues discussed in ATA workshops and seminars.

The impact of the NYIGF training program was significant for all project participants. Upon return each trainee has given lectures and workshops, in conjunction with ATA activities and separately, on their experiences and impressions that reinforced previous ATA methodologies. Hearing these same concepts presented and reinforced by Russians made ATA's message more tangible to project participants and significantly expanded the impact of one person's US training experience. The following individuals participated in ATA's NYIGF training program:

Lena Aloyshina, AARW/ATA
Tatyana Ryabikina, Tvorchestvo
Slav Gnedzikov, Enterprise Souvenir
Galina Maslennikova, Doll/Doll House producer
Victor Kurakin, Stil Birch Bark Factory
Tatyana Khokhryakova, IIED
Svetlana Dubrovskaya, Svetyolka
Olga Verzhibickaya, Svetyolka—(*funded independently*)
Maria Esmont, Irida
Raisa Emelyanova, MCC
Raisa Glotova, AARW
Natyala Burmistrova, Tvorchestvo

The NY program includes a unique curriculum and experience in the US market and includes the following components:

Seminars & Workshops

- Import/Export Regulations and Documentation.
- Customer Service
- Packing and Shipping
- US Customs Regulations
- Developing a Handcraft Business
- Cottage Industry Production
- Craft-based Newsletters
- Marketing via the Internet
- US Market Trends
- Marketing Handcrafts in the US
- Booth Display
- Developing Craft-based Associations and Cooperatives

Buyer Appointments: ATA made appointments with targeted buyers and wholesalers who were appropriate for Russian NGO member artisans (exporters/producers), either at the show or at buyer offices in New York City.

Retail Store Tours: Visits to specific retail stores in New York on Fifth Avenue, Soho and the village as well as specialty shops for bed and bath and holiday products. These visits are coordinated by the ATA staff and consultants and allow producers to see how products are displayed, the depth of lines, prices, color, and design of product. With ATA introduction, producers were often able to show their presentation materials to shops and get immediate feedback.

Show Tours: Program participants were able to take a tour of the show with an ATA consultant or staff member. The tour allowed ATA staff and consultants to target specific booths and products towards each artisan's media and/or marketing needs.

Product Development: ATA Chief Consultant, Docey Lewis, and ATA staff provided one-on-one consultations with artisan producers to discuss current market trends as well as assisted in developing new market-driven product designs.

Packing & Shipping: Connecticut based Trade Network members hosted visiting NGO artisan members at their warehouse facilities. This visit and meeting permitted visitors to see an importer's warehouse, inventory systems, as well as how to address packing and shipping issues.

NGO Development: ATA's last group of Russian program participants targeted management members of ATA partner NGOs, many of whom have assumed additional marketing and organizational roles from export agent to marketing representative. In response to their growing responsibilities and already diverse duties, ATA's US training program in January 1996 included visits to Watermark, a US craft association, and to

Volga River Trading Company, an ATA Trade Network member which has been successful in importing Russian products through ATA partner NGO artisan members. The NGO managers' visit to the US in January allowed them to see how successful craft marketing and educational associations have combined needs-based service programs with effective marketing strategies and export practices that benefit members and achieve organizational and business goals. Much of their training outside the NY show program focused on and addressed organizational development issues such as:

- Financial management & Accounting
- NGO management
- Communication and services to members
- Work with Volunteers
- Staff and Board development
- Leadership & team building
- Fundraising
- Small business management
- Strategic planning

ATA Product Development Workshops



Workshop involving the Ministry of Culture



Product Development with Docey Lewis, Anna Tsimbal and Lena Aloyshina

2011

ATA Product Development Workshops



ATA partner NGO artisan's product design modification



**ATA's New York International
Gift Fair Training Participants**

Top: August 1995
Middle: January 1995
Bottom: August 1995



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III) Craft-based Business Success Stories: Profiles on ATA NGO Artisan Entrepreneurs

1) **SVETYOLKA:** AARW/Moscow member, Svetyolka is a combination business and non-governmental training organization developed by two women, Svetlana Dubrovskaya and Olga Verzhibickaya, in an effort to help themselves and other women succeed in a market economy. Svetyolka specializes in producing and designing unique appliquéd and patchwork textile products, including home accessories, Christmas stockings and apparel. The organization offers classes for women in the community interested in learning sewing production skills then employs trainees as cottage producers. During the life of the ATA project and as a result of ATA assistance, Svetyolka's business grew significantly from 50 cottage producers to over 200. ATA assisted in expanding and marketing new product lines developed for the holiday market that significantly contributed to their increased local and export sales.

Training topics that addressed fabrics, color pattern and market segments, pricing, competition and packaging were cited as most helpful in assisting Svetyolka in finding their market niche and in the company's expansion. The most important things addressed by ATA according to Svetyolka were sales and how to be flexible and change with the market and customer. Both Svetlana and Olga believed that concepts presented by ATA were best learned during their US training experience. ATA buyer visits were reported as useful training tools even if no orders were placed because...

"When you communicate just through fax and phone and it is not our language it is difficult to understand what our buyer wants. When he comes to the production place, he can see fabric available, various designs, catalogs, brochures, technology and what is available. During the negotiation process together we came up with new ideas. It is easier to agree on something or compromise when you are face to face with your customer." ---Svetlana Dubrovskaya

As a result of ATA project assistance, Svetyolka has established solid business relationships with 2 US importers, Volga River Trading Company and SERRV International that have resulted in over \$2,500 in export orders (*Note: Not retail prices*) outside of ATA project samples and sales activities. Local retail sales have also increased dramatically in the last 2 years. Notable marketing activities included: Products displays at the NYIGF, AWO Holiday sales and participation in the Moscow International Gift Fair. Olga and Sveta's business success has produced tangible results for their families. As a result of increased sales and productivity, these two business partners are now able to afford a centrally located Moscow apartment and better services and support for their children and family members.

2) **GALINA MASLENNIKOVA:** Galina, AARW/Moscow NGO artisan member, was active with ATA project activities throughout the life of the project. Starting out as a one-woman business her doll and doll house business has grown to incorporate 5 other ATA producers, 3 members of Tvorchestvo, as well as successful ATA producers, Anna Cimbali and Sergeiv Skakovsky who assist Galina when they are not busy with export orders themselves. Galina currently employs 50 people on a regular basis. Galina's

success with export orders has encouraged her to consider exporting directly on her own, though other producers are not as eager to attempt this process.

Prominent product displays and marketing initiatives for Galina during the life of the ATA project included: ATA displays at the NYIGF, Chicago Art Museum doll house display, AWO Christmas sales and participation in the Moscow International Gift Fair. Initial encouraging local sales resulted in a \$13,000 doll order for the Duty Free Moscow stores. Strong US buyer relationships have been established with Volga River Trading Company, Mountcastle Intern, and SERRV International which have resulted in over \$6,000 in export orders with additional orders are expected (*Note: Not retail prices*).

Assistance and market information provided by ATA noted as the most beneficial to Galina's business were: Business/export contracts, shipping (quality control, labeling and packing), pricing and product display as well as use of the producers own creativity in product design. To quote Galina, the most useful thing learned by working with ATA was "...that the US market is very competitive and it is necessary to distinguish your product, make it unique and at the same time keep folk Russian style. Be creative and keep on working on new designs."

3) STIL BIRCH BARK COMPANY: IIED artisan member Victor Kurakin is the Founder and President of Stil Birch Bark Company located near the birch forests of Novgorod. Victor, and his partner, a women birch bark producer, have seen significant growth in the size of their business operations and staff, as well as increased local and export sales as a result of working with ATA for the past 2 1/2 years.

ATA Chief Consultant, Docey Lewis, attests to the fact that product development was successful for Victor and his company due to his design sense and willingness to work through new and difficult communication and business procedures with 4 US importers. As a result of ATA marketing activities Victor is currently doing regular business with 4 US importers: Midwest of Cannon Falls (large Christmas accessories supplier), Volga River Trading Company, Serrv International and Sieglinde Importing/Fine Artifacts. Working with these companies has resulted in over 10 orders totaling approximately \$26,000. Stil felt that buyer visits were useful because they allowed the buyer/importer to see the production facilities in order to better understand the Russian producers circumstances and improve working relationships already established.

At the onset of ATA activities Stil produced only traditional birch bark items. With ATA assistance product development and design ideas were inspired and expanded. As a result, Stil most popular export items are holiday ornaments and accessories. The most popular items on the domestic market are traditional boxes and jewelry. Victor commended partner NGO, AARW for all their assistance in : Communication with US buyers/importer, business documentation, local/Moscow marketing efforts and exhibits/sales, retail store contacts and information on craft sales/events.

The Stil Workshop is still facing problems with communication costs and language barriers that have resulted in non-communication or miscommunication with buyers and

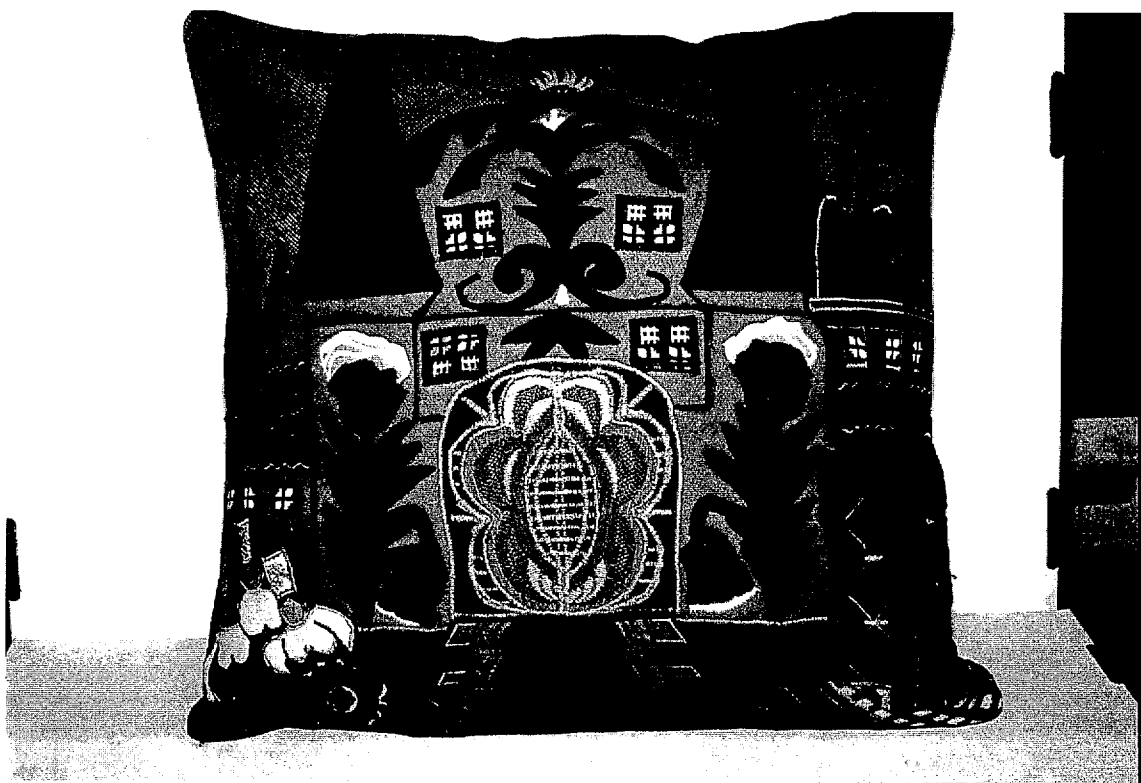
importers. Pricing is not fixed with constant inflation and bookkeeping appears to be something that has to be done for tax purposes only (as with many of our partner NGOs and artisan enterprises). Victor complained to Docey Lewis on her last trip in November 1995 that heating costs were up 400% over last year. Victor must forgo staff salaries when order payments are late or changed. Though Victor's business has greatly expanded and experienced initial success, his business must stay competitive with ongoing product development to expand the domestic and export markets. When asked how ATA could do a better job, Victor's response was: *"Be happy and healthy, so you have enough strength to do the useful things, which you are doing in the World for artisans and their families!"*

4) ENTERPRISE SOUVENIR: IIED artisan member Enterprise Souvenir is an innovative glass production company located in the town of Sosnovy Bor formerly a closed city due to the nuclear power reactors. The glass factory is located in a factory complex that before 1991 made agricultural equipment and employed 2,100 people. Slav Gnedzikov, co-founder of Souvenir and former factory social services manager, originally obtained permission to set up shop in an unused section of the factory without charge for rent and utilities. Glass was decided as the media for production due to the factory being built on what was once a famous 18th century Venetian glass production site and sands along the riverbank are extremely well-suited for glass production.

Souvenir began its production making replications of Russian glass eggs, matroyshka dolls and flowers. These items were unsuccessful in the domestic market and as a result Souvenir began producing what they are still known for today, small cartoon-like animal figurines made of fused glass. The company employs approximately 70 people, all but three of them are women, and has received strong support from local government and the community. Souvenir donates a portion of their sales proceeds to support services for the disabled which enables them a tax break and the company to continue to grow.

Docey Lewis, ATA Chief Consultant, began working with them largely due to their employment of women and production capabilities. With the capabilities of the workers and their factory they were able to successfully develop a line of blown glass Christmas ornaments for US importers/buyers. Since their initial successful order with a US importer, Zrike, the company has experience difficulties with production, paying employee salaries, obtaining raw materials and specifically their source of power. Their power, the source for melting the glass for production, was turned off by the Russian government for several months because the town of Sosnovy Bor had failed to pay their utility bills. As a result, Souvenir lost approximately 45 million rubles in business. To ease economic hard times and lack of export orders, Souvenir is discussing working with Victor Kurakin of Stil Birch Bark Workshop to retrain glass workers in birch bark production techniques. Souvenir, with AARW assistance, is planning to open a retail store to help ease cash flow problems. They will do a combination of consignment and outright buying in a prominent tourist location in Sosnovy Bor and once again rent free from the local government as a response to growing tourism in Sosnovy Bor.

Though Souvenir is currently facing rough times, they have successfully fulfilled orders for 3 US importers/buyers: Mission Imports, Volga River Trading Company, Serrv International and Sieglinde Importing/Fine Artifacts which resulted in over \$12,000 (FOB) in export orders. Slav Genzdnikov reported that he would have like more time and assistance in establishing business relationships and market contacts, but that most useful things learned through ATA assistance were: how to conduct international business and knowledge of western business relationships, problem solving and how to motivate staff and focus on overall goals. The most successful products selling domestically and to Germany and Japan continue to be the small glass figurines, despite the high breakage percentage (up to 70%). US export sales continue to be focus on their blown glass Christmas ornaments.



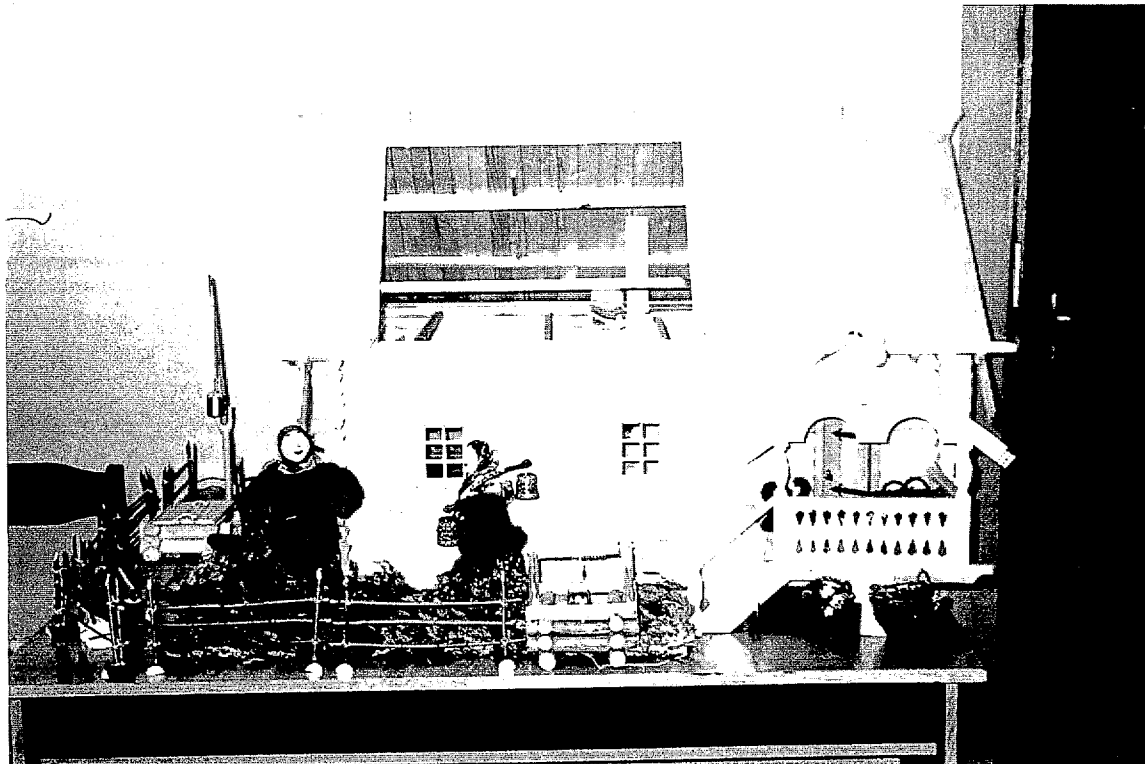
SVETYOLKA

Top: Svetyolka pillow design

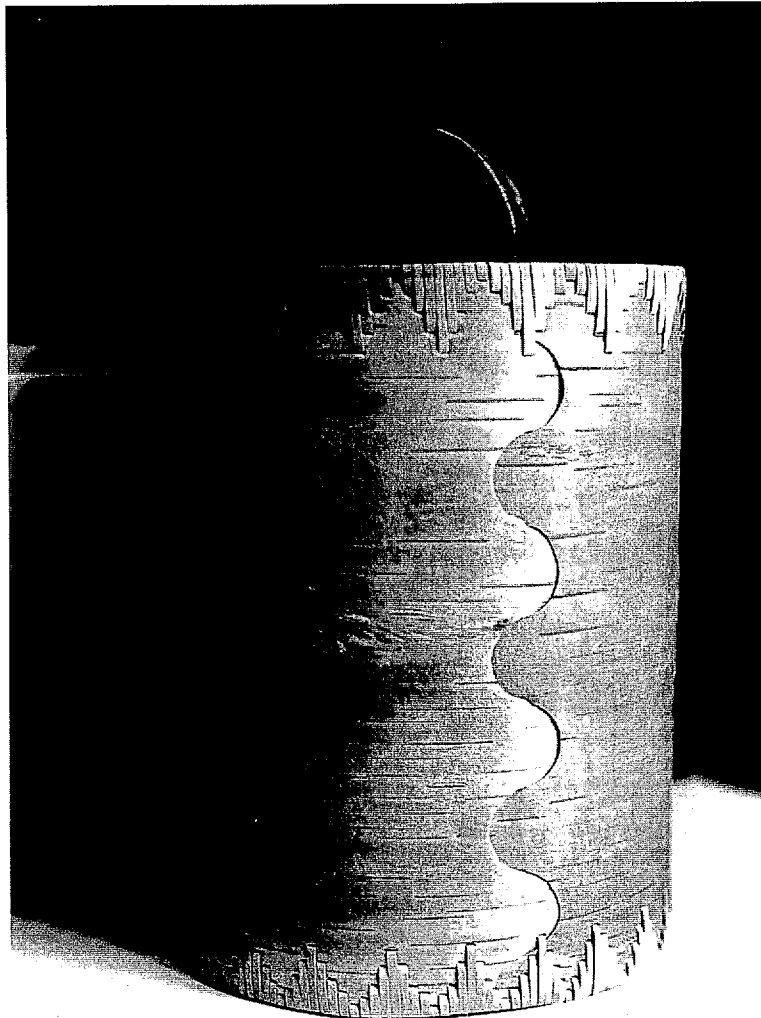
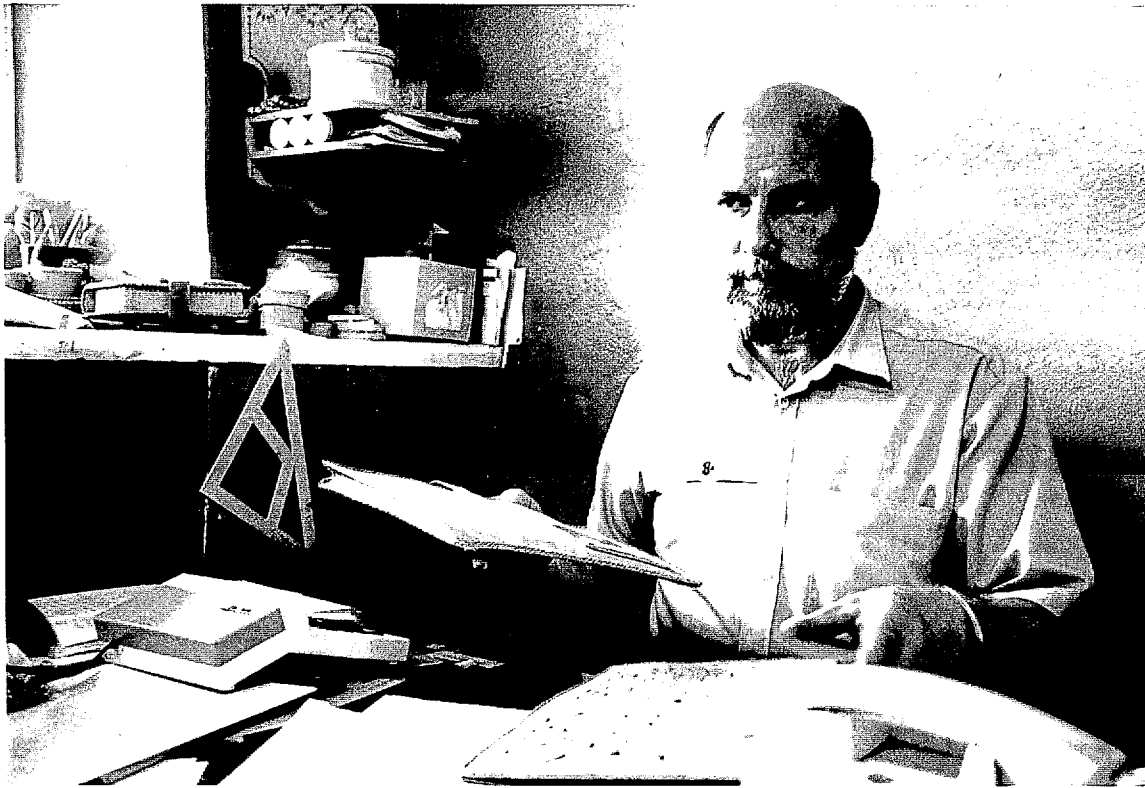
Bottom: Co-owner, Svetlana Durbrovskay



GALINA MASLENNIKOVA
Galina and doll house



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STIL BIRCH BARK COMPANY

Top: Owner, Victor Kurakin

Bottom: Modified design of a birch bark container



ENTERPRISE SOUVENIR
Top: Hand-blown glass ornaments
Bottom: Co-founder, Slav Gnedzikov

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IV) MARKETING

"I've learned that our US style of business can seem pretty aggressive at times, certainly self-centered, and obviously materialistically oriented. The market economy may be the most powerful force in the world, but learning to operate in it after seventy years of communism is no easy prescription." ----Docey Lewis, November 1995 Trip Report

"And it was the first time we heard the figure 5.6. This figure is the ratio of the retail price somewhere in an Arkansas or California shop to a selling price here. This is if the Russian folk doll is sold in a US shop for \$56, the artists would get only \$10. This news stunned us. The figure 5.6 is a result of all intermediate expenses. At the seminars we saw all the figures in tables. I hope, all this information, for those who wish to join the Association, can be published along with this book." ----Tatyana Ryabikina, Tvorchestvo "Matyroska in Marriage"

As a result of ATA marketing initiatives and training ATA partner NGO artisan members demonstrated an improved understanding of craft marketing and basic business skills, provided over 600 market ready products for exhibit at 5 New York International Gift Fairs and local marketing events, established relationships with US buyers and importers, all of which resulted in a measurable increase in artisan incomes and the ability of Russian craft-based NGOs to have a good understanding of the US market and business practices.

US MARKETING

Marketing Terms:

NYIGF (New York International Gift Fair): A gift and decorative accessory international trade show held twice annually that attracts over 40,000 buyers and importers.

F.O.B. (Freight on Board): The cost of the product in country (artisan price, shipping/packing and freight).

Wholesale: Approximately 2-3 x F.O.B.

Retail: Approximately 2-3 x Wholesale.

1) US Exhibits and Major Buyers:

- The following are significant *ATA Trade Network* members and other *US importers and buyers* who conducted business with ATA project participants or continue to do business with ATA NGOs and artisan members:

*Sieglinde Importing

*Volga River Trading Company

*Serrv International

*Midwest of Cannon Falls

Mission Imports

Little Souls

Art Alliance

Samii Clothes

Sandor Collection

Sundance Catalog

*(*US businesses that continue to do regular business with ATA Russian partner NGOs and artisan members. Note: This list is not a list of all buyers)*

• **VOLGA RIVER TRADING COMPANY:** Volga River Trading Company (VRTC) is a Russian import company and an ATA Trade Network member. VRTC has been importing crafts from Russian since 1992. They became involved with ATA during August of 1994 and then assisted selling Russian products in ATA's booth at the August and January 1995 NYIGFs. VRTC currently has their own booth at the NYIGF where they continue to display ATA partner NGO artisan members crafts. VRTC continues to work and do business with a plethora ATA affiliated Russian artisans and NGO management members. Primary Russian business partners include:

Moscow:

Galina Masleninkova
Anna Cymbal
Sergiev Skakovsky
Raisa Emelyanova/MCC
Maria Esmont/Irida
Olga Nikiforeva
Nainia Velitchko/Tvorchestvo
Svetyolka/AARW

Sergiev Posad:

A group of NGO artisan member producers.

Novgorod:

Stil Birch Bark Company

Promotshy Promosel:

A group of NGO artisan member producers

Sosnovy Bor:

Enterprise Souvenir

VRTC has first hand experience now in dealing with difficult Russian custom, shipping and packing operations as well as finding reliable and long-term local staff to assist with operations. VRTC has worked with more than one local export agent over the past several years, one of whom is an ATA partner NGO, Irida. Due to problems with past export agents, Irida is now doing much of VRTC's export operations in Russia. Irida, packs the products and then pays the artisans through bank accounts that they have set up for this purpose. Assuming this role has been a learning process for Irida and VRTC has made significant efforts in assisting and teaching them the process. VRTC's collaborative efforts with Irida have enabled them to obtain the necessary skills and knowledge in order to act as an effective export agent for ATA partner NGO artisan members.

VRTC's biggest US customers are museum stores and small retail gift shops. During their involvement with the ATA Russia project, VRTC made approximately \$80,000 as a result of collaboration with ATA Russian partners and two product displays at the NYIGFs. VRTC hopes to double that figure in 1996 and 1997 given the capacity of the Russian producers and opportunities for VRTC to display products at the Chicago, Boston and NYIGF in 1996 and 1997. Ben Bergstien and April Werner, owners, were pleased with the assistance ATA provided to their emerging craft import business. Given ATA's network in Russia, VRTC was able to easily make connections with suppliers and

able display Russian products in ATA's booth at the NYIGF. These opportunities allowed their business and customer base to grow at an accelerated rate.

VRTC agrees with ATA's philosophy on product development, especially in a country where people were awarded for doing the same thing over and over again. VRTC saw product development as a way in each to enable the artisan to try something different and think in new ways. Ben Bergstien noted that ATA consultant, Docey Lewis, was invaluable in communicating these concepts to NGO management and artisan members. VRTC saw few problems with ATA's product development assistance to Russian artisans except in that some artisans believed designs created, or developed in collaboration with ATA were the only designs that should be produced. Though this happened infrequently, it is a concern that ATA must always be aware of.

VRTC has played a vital role as a small US importer. Large scale US importers were not able to invest the proper amount of time and training necessary to do business effectively with Russian craft exporters. VRTC has invested considerable efforts into establishing solid business relationships with their Russian partners by training, providing necessary communication and banking channels, materials and making frequent site visits. VRTC has been instrumental in demonstrating the strength of working together. Individual artisans, NGOs and other loosely affiliate groups saw the results of ATA partners and their strategy of working together.

- **SIEGLINDE IMPORTING:** Sieglinde Wood starting her import company in 1992 and was involved with ATA's Russia project from August of 1994 on. Sieglinde continues to work with some ATA affiliated Russian doll makers and bone carvers, though her work is centered primarily with Victor Kurakin, Stil Birch Bark Company. Sieglinde reported that her business relationship with Victor is excellent. She admires his Victor's design style and innovation as well as good business sense (part of which she contributed to ATA's on going collaboration with Victor and his company). One thing that she commented on about Victor, which she mentioned was not a dominant cultural trait, was that Victor and his company really did something to resolve problems that occurred. If a product was not made according to the buyers specifications they sent another one. "Victor understands that the customer is always right." She adopts this attitude with her customers and expects it from her suppliers as well.

Sieglinde has primarily worked through one local export agent since she started exporting from Russia. She now realizes that if her business continues to grow she will need additional assistance in consolidating, packing and shipping products from Russia to the US. However, Sieglinde prefers to work directly with the artisans, providing product development/design input directly to the artisans and working with middlemen as little as possible.

Sieglinde's customers are small gift and specialty shops, as well as museum stores and catalogs. One of the largest birch bark orders was featured in the *Sundance Catalog* (see

appendix). Birch bark products continue to be her product concentration and best seller. Approximately 15% of her business comes through ATA referrals and since the summer of 1995 approximately \$5,000 in wholesale orders have been a result of ATA artisan and buyer contacts. She expects her birch bark products to gross approximately \$12,000 (wholesale) in 1996. She will also be displaying ATA partner artisan products at the Chicago Gift Show and small craft fairs.

The biggest problems reported by Sieglinde were lack of prototype products from the artisans, pricing, communication and the banking system. Few artisans kept prototypes of their products at first which made reorders and products style inconsistent at times. Pricing is always a difficult concept to understand, especially export pricing. Sieglinde has worked with ATA partner artisan NGO members on pricing issues by offering a price point on products that will result in an appropriate US retail price rather than having the artisan place an unrealistic wholesale price. Communication styles and systems continue to cause some difficulties as mentioned by all project partners and participants. The banking system causes some problems for Sieglinde and other US importer because many individuals still do not have bank accounts, primarily out of lack of trust of the system and tax issues, which makes money transfers difficult as artisan NGO members must receive a cash payment.

- **SERRV INTERNATIONAL:** ATA design expertise and well established relationships with artisan producers was recognized by SERRV International which has contracted ATA consultant, Docey Lewis to continue doing product development and price point work with ATA partner NGO artisan members. SERRV's most recent order this January was placed with Maria Esmont of Irida for \$4,000 (*FOB*) for dolls and Christmas ornaments.

- **American Museum of Natural History & Art Institute of Chicago:** To expand and promote Russian culture and craft products in the US, ATA's Marketing Manager solicited the American Museum of Natural History and the Art Institute of Chicago to host a traveling Russian Doll House exhibit during the November and December 1995. Both Museums assumed financial responsibility for the shipping of the doll house, and credited ATA for the display. As a result, several Russian product orders were placed with Volga River Trading Company and Sieglinde Importing and ATA's partner NGO artisan member's products gained additional cultural and market exposure in the US.

- **Zricke:** The Zricke Company placed an order with Enterprise Souvenir for \$16,000 which covered approximately 3,600 blown glass ornaments. The Zricke company wanted an exclusive deal with Souvenir and initially made strides in assuming their entire hand blown glass ornament production capacity. Due to communication problems, or lack of communication, the negotiations stalled over payment issues. As a result, only a few ornaments ordered were shipped and The Zricke Company decided to withdraw its order. This was an important lesson for Souvenir and ATA artisan NGO members in business communications and documentation. Volga River Trading

Company has picked up many of the Zricke order ornaments, which continue to sell well in the US.

2) New York International Gift Fair: In all, over 600 Russian craft products were introduced to the US market through 5 New York International Gift Fair displays and other ATA project activities which resulted in long term business relationships with 6 US importers for 25 Russian artisan enterprises. As a result of these relationships, over \$169,000 (*wholesale*) in orders were placed with partner NGO artisan members.

3) Tracking Revenue Generation: Several factors contribute to the project's limited ability to document the revenue being generated by export and local sales. First, the sensitive nature of asking what is considered private information to artisan producers and NGO management members. Such inquiries are still not entirely understood, and tend to generate mistrust. Secondly, the project lacked the resources to have a permanent office/staff in Russia to accurately track revenue and track data. And thirdly, US buyers and importers do not always provide ATA with overall sales and order information. ATA is therefore dependent upon anecdotal information and observations to report on marketing activity results. ATA has seen and heard that personal revenue and NGO revenues have increased due to:

- Eagerness of NGO leaders to organize craft fairs/exhibits;
- Comments from participants about how well product designed for export are selling in the local market as well;
- New products introduced by the project are appearing in local and US retail stores.

4) Russian Product Promotion: Nine color tear sheets representing the following products were developed in preparation for 5 NYIGFs and other marketing activities:

Dolls

Doll House and doll house accessories

Birch Bark

Blown Glass ornaments

Christmas ornaments

These tear sheets were (and will continue to be after the life of the ATA Russia project) distributed to interested wholesale and retail buyers, consultants, tour organizations and training providers as price indexes and visual references.

5) Russian Export Manual: ATA converted an Export Manual developed for ATA's "Export Enhancement Program in Hungary" into a Russian context. The manual was developed to fit the Russian context by ATA Chief Consultant to the Russia project, Docey Lewis. Docey presented and trained Russian partner NGO management members and artisan exporters in US business practices and documentation necessary to conduct business with US buyers and importers. The manual is currently being used by ATA partner NGO management members (*AARW, IIED, Irida, MCC and Tvorchestvo*) in

training seminars for other Russian craft entrepreneurs throughout Russia as well as in other ATA NIS projects.

6) Continued ATA Marketing Efforts: Though official project activities were completed as of February 1996, ATA continues to market partner NGO artisan member crafts through on-going ATA marketing efforts. Interested buyers calling ATA for Russian crafts or links to Russian producers will be referred to ATA Trade Network members and other importers that continue to carry ATA Russian partner NGO artisan member crafts. For example, it is expected that in the fall of 1996 the *Discovery Channel* will display Galina Maslennikova's doll house at the opening of their new chain of stores as a result of on-going ATA marketing efforts. These stores are said to be merchandised similar to the Nike World stores throughout the US, each room having a particular theme.

LOCAL MARKETING

1) AWO Christmas Sales: All eight Russian partner NGO artisan members participated in 2 American Women's Organization's (AWO) holiday craft sale held annually at the Raddison Hotel in Moscow. ATA consultant and project volunteer, Holly Holst, was integral in coordinating the overall event and in involving partner artisan members in future sales and exhibits with AWO. Informal training took place in conjunction with these events in: booth presentation, fair organization, promotion, retail pricing, orders and sales, as well as exposure to the Moscow expatriate network. Exact sales figures of artisan producers are unknown, but both sales were reported to be extremely successful by all:

"...all my things sold out before the sale was over..." Victor Kurakin, Stil Birch Bark Workshop

"... she couldn't pull the ornaments out of the bag fast enough for all the women to buy..." Lena Aloyshina regarding Ann Cimbal, St. Basils Christmas ornament producer

2) Partner NGO Retail Stores: Three ATA partner NGOs developed or improved retail store operations as a result of ATA assistance. Retail stores that sell new and innovative Russian crafts are still needed to assist struggling artisan enterprises break into the local and tourist markets. NGOs that offer retail consignment, or buy products for store merchandise from artisan members are offering additional market outlets and exposure to artisan members and small craft businesses throughout Russia. The following ATA partner NGOs currently operate and sustain retail store operations:

Enterprise Souvenir

Irida

Tvorchestvo

3) NGOs promoting members crafts throughout Russia and Europe: As partner NGO artisan businesses and activities expand and US market contacts grow, artisan producers are being regularly represented by NGO management and marketing members to importers and buyers throughout Russia and the European Community.

4) Moscow International Gift Fair: As a result of increased members services, ATA provided partner NGO, Irida with funds to assist in coordinating partner NGOs participation in the first ever Moscow International Gift Fair held December 7 -10, 1995. The fair was organized by a British trade show company, ITT, in conjunction with a two different Moscow show companies. Though the fair was not extremely well attended by those making wholesale orders, over \$1,200 in retail sales were made with 10 ATA participating artisan NGO member enterprises. Training and coordination sessions were held by Lena Aloyshina, Tamara Kribs Jarvis, and Maria Esmont in preparation and follow-up for this exhibition. The exhibit was publicized on TV, radio and in magazines, though not well according to participants which resulted in very poor customer turn-out. However, encouraging results in addition to direct sales were: art shop and craft promotion at the entrance of the show which encouraged buyers to visit the ATA booth, interest by a Russian buyer to purchase Irida post cards in bulk, and networking with other exhibitors from the US, Europe, St. Petersburg, and Siberia.

Many participating artisans complained that the exhibit did not allow enough space per exhibitor, or was unequal in display space. Despite these feelings and minor disagreements over the overall management and coordination of the show, the conclusion was: "... *We must learn to work together—it is more effective and cheaper for us at the fairs if we do so and it is more effective for export.*" Maria Esmont, Irida

The follow NGO artisan member producers participated in the Moscow International Gift Fair:

Irida: Ceramics, porcelain, tapestries, embroidery, napkins, painted wood, jewelry, glass, hand painted silk.

Tvorchestvo: Painted wood, icons, embroidery, ornaments, tapestries.

Moscow Craft Center: Ornaments (papier-mâché), leather, dolls, mittens/wool items.

Svetyolka: Textile products and Christmas stockings/products.

Anna Cimbai: St. Basils Holiday ornaments.

Sergiev Skokovsky: Holiday wooden ornaments.

Andrianova: Orenburg wool shawls.

RAD-Studio: Wool products/mittens.

Enterprise Souvenir: Small glass figurines, blown glass ornaments.

5) Publications: As a result of direct ATA financial assistance, partner NGOs, Tvorchestvo and Irida created 2 separate publications. The publications are and will be used as: promotional tools for artisan producer products locally and internationally, to increase NGO memberships and awareness, and foster cultural relationships between Russian crafts and fine art.

ATA partner NGO publications:

Matyrushka in Marriage, Tvorchestvo

100 Women Artists (Catalog), Irida

Post Card Publications, Irida



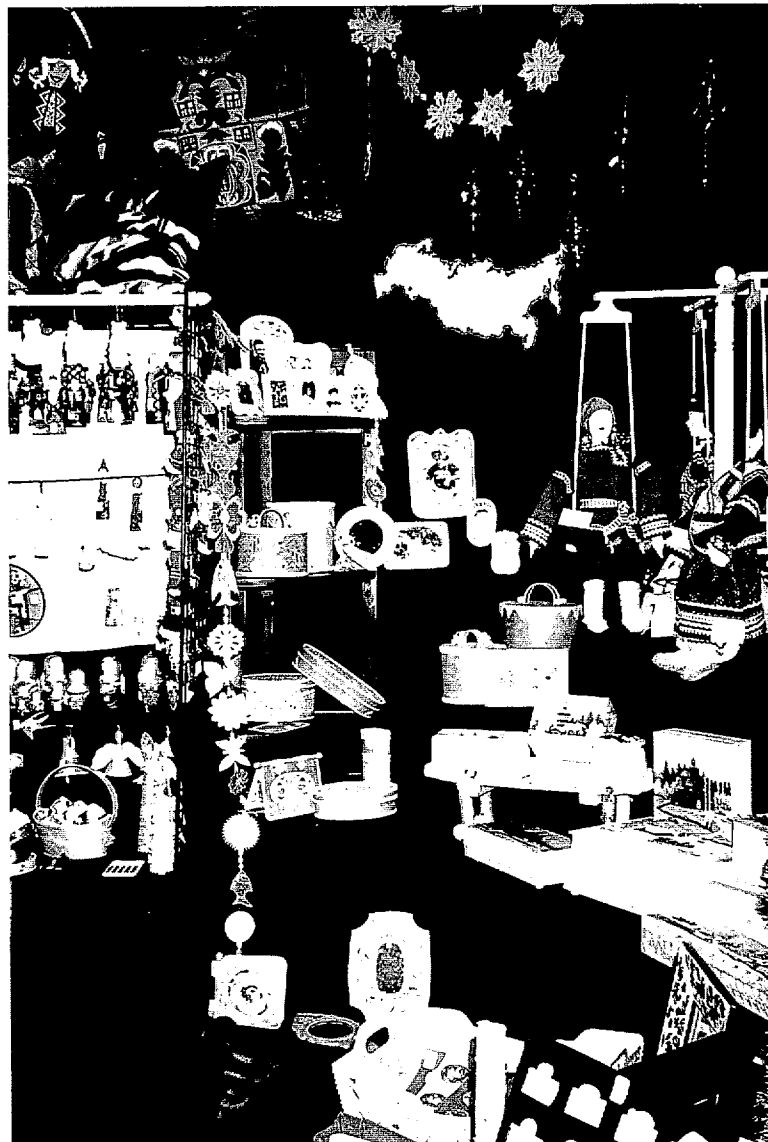
Traditional Russian Local Market Outlets

Top: Artisans selling mohair shawls

Bottom: Moscow open air market



ATA booth display at the New York International Gift Fair





ATA booth display at the New York International Gift Fair



310

IRIDA postcards developed as a result of ATA funding



ТВОРЧЕСКОЕ
ОБЪЕДИНЕНИЕ
ЖЕНЩИН-ХУДОЖНИКОВ
МОСКВЫ
Fax: (095) 230-21-70

"IRIDA" is an association of professional artists, participants of exhibitions in Russia and abroad and winners of art competitions.

Esmont Maria, born 1937.

Graduated from Moscow Polygraphic Institute. Designer of books and magazines. Member of Journalists' Union. As a fine artist took part in art exhibitions in Russia and abroad. Several one-person shows in Moscow, several one-person shows in Shri-Lanka, '89; in France, '92.

Founder and President of "Irida".

Winner of the "Spring Salon-93" competition, Moscow.

"Children's Winter Games", 1985, illustration, mixed technique, 35 x 53.

AID TO ARTISANS



Moscow International Gift Fair
December 1995

V) RECOMMENDATIONS & LESSONS LEARNED

Final Report

- **Market Outlets & Artisan Expectations:** Project activities need to guard against assumptions by artisan producers that one successful sale will result in many successful sales in the future. From the onset artisan producers were constantly warned and advised about customer relations and changing market tastes. It is imperative that the artisan producers understand that competitive market pricing and product development are a necessity to stay active in an export and/or retail markets. ATA worked with artisan producers to explain that an initial small order may result in a sustained and long-term buying relationship.
- **Managing Growth:** With new market opportunities some artisan producers found themselves over-extended due to recent orders with US importer/buyers. Over extended production capacity only has threatened the core of their businesses. To assist in alleviating this problem, ATA partner NGO, AARW provides business counseling so that NGOs and artisan enterprises are able to manage their growth and plan realistic production schedules and costs to customers.
- **Business Risk Level:** Doing business in Russian can be still considered risky by some. The banking system continues to be a constraint along with the lack of reliable and trained export agents, the threat of the mafia, inflation and poor small business infrastructure. All these risks are decreased since the onset of the ATA project, yet still pose a risk to long term sustainability of ATA partner NGOs, artisan producers and US buyers and importers.
- **World Learning:** It has been a distinct program advantage to work with a USAID contractor who understood the need to adapt the program to meet new challenges as they arose for craft-based NGOs and artisan members. This was especially useful for the ATA project which had to interface with the private sector, US market demands, evolving Russian economic and business conditions, as well as varying organizational development needs of partner craft-based NGOs.
- **Project Management:** ATA , Russian partner NGO members, and ATA consultants found it difficult at times to keep up the momentum from one site visit to the next because ATA lacked permanent full-time field management. As a result, Lena Aloyshina's role as project liaison grew so that project activities were better implemented, US export orders received the necessary business assistance and/or counseling, and information was provided to the artisans and NGO management regarding program changes, constraints and opportunities.

APPENDIX

- Partner NGO Profiles
- Docey Lewis: Final Trip Report
- NYIGF Sales/Orders
- Tear Sheets
- Final Report Questionnaires
- List of Individuals Interviewed & Report Methodology
- Project Framework
- Irida's Catalog

PROFILES OF PARTNER NGOS

NOTE: Profiles were developed for the ATA mid-term evaluation. These profiles have been updated to reflect final project results.

Alliance of American and Russian Women (AARW)

Novy Alexeyevskaya

Dom #1, Flat 99

Moscow, Russia

Tel: 095-287-6983

President : Alexandra Chalif

Project Liaison: Lena Aloyshina

"The workshops were extraordinarily successful. The clarity with which ATA presented business aspects of craft production and sales was a meaningful demonstration of the steps involved from creation to payment... They also reinforced the [importance] of developing micro-enterprises to respond to community needs. There is often an unrealistic projection on the part of our Russian members that joint ventures and export represent a quick and easy access to income. A dramatic demonstration of the potential of local markets occurred when, at the end of the workshop, a group of craftspeople from Archangelsk sold almost all of their products to Russian participants!"

-- Alexandra Chalif, President

Organizational Profile: Founded in 1991, AARW Russia is, like its U.S. sister organization of the same name, a non-profit organization dedicated to developing entrepreneurship among Russian women and to promoting joint ventures between American and Russian business women. The AARW Russia office was registered as a non-profit organization in 1992 and now has a membership of approximately 100 members, 4 paid staff members and 1 volunteer. The Russia program is managed by Lena Aloyshina, who also serves as ATA's Project Liaison, coordinating work between ATA and all partner organizations.

In addition to project work, AARW's work involves planning and implementing Roundtable Business Conferences for Russian and American women, maintaining a database of Russian women entrepreneurs (including craft producers), and most recently developing plans for a women's business incubator network in Volchov. A recently approved USAID grant will fund the first two-year phase of this project and will also ensure AARW's continuing presence in Russia as a resource for artisans working with the existing project. Seminars targeting craft-based entrepreneurs have already been conducted by ATA partner NGO members at the Volchov center. Services that are now offered as a result of ATA training are: NGO development, translation, marketing of craft products and business communication services (fax, e-mail and computer). Finding volunteers still remains an obstacle for AARW.

Assistance Received By AARW Through Project

**Product Design &
Business Training:**

9 product design & business training workshops held for 50-100 members. A core group of 10 women regularly attended workshops.

70 formal/informal workshops organized and attended by AARW Program Manager. Program Manager also participated in 4 U.S. business training programs, 1 funded by ATA, 1 by AARW, 1 by USAID/World Learning and Save the Children.

Marketing:

Participation at 2 AWO Christmas Fairs in Moscow for 9 AARW artisan members, generating strong local sales for 8 member businesses.

Exhibition at the Moscow International Gift Fair for 4 AARW artisan members, generating approximately \$280 in retail sales.

Exhibition at 4 NYGFs of wooden boxes, dolls, carved wooden ornaments, birch bark products, and painted wooden ornaments, generating over \$5,000 in wholesale orders and sample orders for 7 member businesses.

**Institutional
Development:**

Improvement & expansion of services to members by offering ATA workshops and marketing & business assistance, funds for staff and office support, office equipment.

Project Liaison's participation in ATA's NYIGF Training program, January 1995. US based NGO training through AARW, USAID/World Learning and Save the Children.

Training of management in export business development and project management.

Craft-based NGO network established. Informal export association established with Moscow artisan NGO members.

ATA Grants:

\$7,200 for computer, telephone, fax, office rental
\$3,500 for workshop organization/presentations
\$2,000 ATA NYIGF Training
ATA project funds also covered salary and office expenses for Lena Aloyshina as ATA Project Liaison.

MOSCOW CRAFT CENTER (MCC):

9 Bolshaya Dekabrskaya St.

Moscow, Russia

Tel: 095-252-1844

Director: Raisa I. Emelyanova

Vice Director: Maria Gubergrits

"Before this project, we never dreamed we could sell to the U.S. market. Learning this is possible has been the most important impact of ATA's work with us. We have also learned what is needed to succeed in this market. For example, the colors that sell here are not the same colors that appeal in the U.S. And sizes are different. This is practical information we could not have known without ATA."

-- Raisa Emelyanova, Director

Organizational Profile: A member of the Russian Association for Women Business Owners (RAWBO), MCC was registered in 1991 as a craft skill training and marketing organization. Members are women, many retired or unemployed, who hope to learn or improve craft skills in order to generate additional incomes for themselves and their families. MCC offers three-month courses in 24 craft media and assists in marketing students' products, mainly at local fairs and through sales to Moscow retail stores. Approximately 300 women take classes each year; 120 members are engaged in craft cottage industry at some level. City and state craft production orders coming to MCC are now distributed to women artisan members. MCC artisan member services have been expanded to include retraining women, consultations on product development and design as well as assistance with international and domestic marketing needs as a result of ATA assistance.

MCC is located on the second floor of a large building on the campus of a teachers' college. The large space, which includes two classrooms, a showroom, and an office, is provided for free to MCC by the college in exchange for letting students of the college attend craft classes without charge. As a result, MCC does not have the large overhead expenses facing many other organizations. However, it is unclear how long their current space and lease arrangements will last. Salaries for five paid staff members are raised through (nominal) course fees and by retaining a percentage of sales. MCC has a board of directors and works primarily with a core group of 50 artisan members.

MCC hopes to open a store and one day a production factory where a large number of members can be employed. ATA has helped them toward this dream by providing funds for knitting machines and a computer and by attempting to connect them with City Socks, a U.S. wholesaler of knitted socks as well as other US buyers and importers. However, production costs (high cost of yarn) made it impossible for MCC to meet most supplier's target prices.

Assistance Received By MCC Through Project

**Product Design &
Business Training:**

9 product design & business training workshops held for 50 members. A core group of 10 women regularly attended workshops.

Conduct marketing and product design consultations/workshops for artisan members based on ATA training.

Marketing:

Participation at 2 AWO Christmas Fairs, generating strong sales for 3 artisans. MCC is working with AARW & Irida to organize similar events in the future.

Exhibition at the Moscow International Gift Fair that generated approximately \$165 in retail sales.

Exhibition of Papier-mâché ornaments at 4 NYGFs, resulting \$486 in sample orders for one producer.

**Institutional
Development:**

Improvement & expansion services to members through ATA workshops and marketing activities.

Training of management in export business development and budget management.

Goal-setting consultations with management.

MCC Director's participation at the January 1996 NYIGF training program.

Networking opportunities expanded with the creation of a Russian craft-based NGO network.

Grant proposal being pursued in collaboration with AARW, IIED through the European Community.

Grants:

\$1,500 provided for planning and hosting of workshops (includes money for staff time).

\$2,000 ATA NYIGF Training

\$3,000 for purchase of 2 knitting machines and computer equipment.

TVORCHESTVO
25 Goseigan St., Dr. 11 #328-13
Moscow, Russia

President/Founder: Tatiana Ryabikina

"Not all the members of our association have been able to attend workshops but those of us who did attend wanted others to learn what we had. I have started to share some of what I've learned in the classes I teach to members and to include new product ideas in the crafts students are learning to make. We are also planning meetings for all members where we will share ideas from the project."

**-- Nayina Velichko, Tvorchestvo Member
and Craft Teacher**

Organization Profile: Founded in 1988 by the former Editor-in-Chief of *Rabonitza (Working Woman)* magazine, Tvorchestvo is a non-profit organization dedicated to helping Russian women develop craft skills and market products. The organization has 12,000 members living throughout Russia although the majority are based in Moscow. Approximately 800 women participate in consultations and workshops. Tvorchestvo has a volunteer base of approximately 80 individuals and a 9 member board of directors. Teachers and four staff members receive modest salaries.

Tvorchestvo offers members classes in production of traditional Russian women's crafts, including lace, tapestry, knitting, batik, embroidery, painting on wood or metal, leather work and how to utilize used clothing to remodel clothing. A school for home design is also offered. To help members market products, the group finds small stores willing to sell crafts on commission and organizes craft exhibitions of student and teacher work. Often lectures on health and other important women's issues are given in conjunction with these exhibits. Celebrities are invited, adding prestige to shows and increasing the self esteem of women exhibiting. Often work not generally considered "art," such as table-cloth making, is featured to enhance appreciation for traditional women's craft in the eyes of the public and women's family members.

Program activities are funded by proceeds from craft sales (8-10% commission), by members who donate products for sale to support Tvorchestvo, and by nominal course fees. Tvorchestvo also appraises fine art and holds private consultations on a fee-for-service basis. Though Tvorchestvo's main assistance to artisan members is in the form of marketing and retraining employed women, ATA assistance has expanded the services they offer to members to include consultations on product development and design for US export.

Assistance Received By Tvorchestvo Through Project

Product Design & Business Training:	<p>9 workshops held for 50-100 women members. A core group of 15 women regularly attended workshops. Others are hired for production as others leave for permanent positions.</p> <p>Conduct marketing and product design consultations/workshops for artisan members based on ATA training.</p>
Marketing:	<p>6+ Tvorchestvo members participated in 2 AWO Christmas Fair and generated excellent sales.</p> <p>Exhibition at the Moscow International Gift Fair for selected members that resulted in generating approximately \$200 in retail sales.</p> <p>Export sales of dymka ornaments, painted wood ornaments, and bookmarks were generated at 4 NYIGFs resulting in increased incomes of 5 women members.</p>
Institutional Development:	<p>Improvement & expansion services to members through ATA workshops and marketing activities.</p> <p>Director's participation at the January 1996 NYIGF training program.</p> <p>Training of management in export business development and budget management.</p> <p>Accounting & strategic planning consultations with management.</p> <p>Networking opportunities expanded with the creation of a Russian craft-based NGO network.</p>
ATA Grants:	<p>\$400 for security door \$2,100 for computer \$1,000 revolving materials fund \$2,000 for staff salary \$1,500 for workshop costs (including staff) \$4,000 ATA NYIGF Training for 2 NGO members \$6,350 for Case Study Book/"Matyroska in Marriage"</p>

IRIDA
68 Prospekt Mira
Moscow, Russia
Tel: 095-971-0328

Director: Maria Esmont
Salon Manager: Ludmila Tutunnik

"Under the old system, artists were members of the Union of Artists. Anyone who wanted to exhibit their work had to work within the official system. It was easy in some ways because there was no competition. The leaders arranged everything. While times have changed, many artists still live in the past. They don't realize they have to adjust their approach in order to succeed commercially. Helping artists understand this need to organize and promote their art is the main challenge before Irida. ATA's seminars have had real impact on encouraging members to change their point of view."

-- Maria Esmont, Director

Organizational Profile: Irida, established in 1989 and officially registered as a non-profit organization in 1991, is a unique organization dedicated to nurturing and promoting the art of Russian women. It fulfills this mission by exhibiting and selling work of its members in a centrally located salon, by promoting Russian work abroad (so far in Germany, France, Georgia and the U.S.) in special exhibitions, and through ongoing promotions throughout the year, but most notably in a highly publicized Spring competition, which in the past was held conjunction with Women's Day festivities. Many of their exhibitions focus on children and elderly special events.

In all of its activities, Irida strives to educate its 100 members about the need to organize as artists, understand market systems, and promote work within these systems in order to succeed commercially as artists. Irida has a paid staff of 5 and an 11 member board of directors.

While the majority of Irida's members are fine artists, and therefore not aiming at the "craft" and "home accent" markets targeted by this project, ATA originally allied itself with Irida in support of this overall mission which so closely complements its own. Founded by a former member of the official press agency, the group also enjoys excellent promotional assets, high visibility, and strong contacts in influential sectors. Thirty percent of Irida's members are craftspeople, and many have eagerly participated in direct project work.

During the second year of the project Irida assumed the difficult task of export agent for ATA affiliated artisans currently involved in fulfilling export orders for ATA affiliated buyers. This role is essential to the sustainability of our Russian partners' businesses. Lack of a reliable export agent in the past was one of the major constraints facing artisan and NGO management members in the export process. With Irida's close connection to ATA and project participants, communication and export business transactions have improved significantly. Many other NGOs are reluctant, or unable to fulfill this role due to the economic and human resource investments initially required. Since Irida started consolidating export shipments they have been in touch with a number of new artisans, most of whom have started selling their products through Irida's craft gallery store. Irida

has now successfully fulfilled order shipments during year 2 for Volga River Trading Company, Serrv, Sieglinde Importing and ATA.

Funding for operational costs and exhibits, is an ongoing challenge for this innovative organization. However, Irida continues to be ahead of many other NGOs in that it can generate modest revenues from a retail sales space and now export facilitation. Goals include increasing sales and sponsorship support and achieving visibility as a resource for Russian artists and international center for the promotion of Russian women's art.

Assistance Received By Irida Through Project

Product Design & Business Training:	<p>9 workshops held for 50 -100 women members. A core group of 10 women regularly attend workshops, including Irida management. Special workshops held in creative display and in the difference between U.S. markets for fine art and crafts.</p> <p>Conduct marketing and product design consultations/workshops for artisan members based on ATA training.</p>
Marketing:	<p>Irida members participated in 2 AWO Christmas Fairs and generated modest sales.</p> <p>Product displays in ATA's booth at 4 NYIGFs.</p> <p>Coordination & participation in the Moscow International Gift Fair. Sales for Irida member artisans totaled over \$300.</p>
Institutional Development:	<p>Improvement & expansion of services to members through ATA workshops and marketing services.</p> <p>Training & management of export facilitation and budget management.</p> <p>Strategic planning consultations with management</p> <p>Director's participation in the NYIGF training program in January 1996.</p> <p>Networking opportunities expanded with the creation of a Russian craft-based NGO network.</p>
Grants:	<p>\$3,000 for producing a catalog profiling Irida's 100 member artists.</p> <p>\$600 for producing promotional postcards from Irida artists.</p> <p>\$2,000 ATA NYIGF Training.</p> <p>\$6,000 for Irida coordination and participation fees at the Moscow International Gift Fair.</p>

**Institute for International Entrepreneurship
Development (IIED)
44 Shpalernaya St., Apt. 28
St. Petersburg, Russia
Tel: 095-167-0770**

**Director: Lia Lerner
President: Tatyana Khokhryakova**

"Although only a few of our members have started to export, the project has helped many women increase domestic markets. And seeing other members start to have success increases everyone's confidence in project work. The woman you heard here today who says her network of producers can produce socks in quantity was very skeptical before. She could not believe ATA was not getting something out of this. We spent a lot of time talking with her. Now she has completely turned around. She has seen people start to have results because of the program, and she wants to be part of it."

-- Lia Lerner, Director

Organizational Profile: IIED is a non-profit association registered in 1992. IIED's mission is committed to helping foster small business in Russia, particularly for women, by providing them with entrepreneurial training. The organization maintains a network of over 1,000 entrepreneurs and a network of Russian business trainers. As many as 300 women are active in organization activities at any one time. Eighty percent of IIED's membership are small business owners. IIED's 3 paid staff members are supported by 20 volunteers.

The institute promotes research, training, information sharing, pilot projects and legal advice in the areas of: Small and media businesses, professional training, women in the new market economy and protection of the environment. As a result of ATA training IIED is now offering design consultations, assistance with local and international marketing as well as export documentation to artisan members. In conjunction with NGOs and local government officials, IIED strives to develop a training center for their artisan members that translates into increased incomes for women artisan entrepreneurs.

Helpful in coordinating St. Petersburg workshops since the project began, IIED asked for a more formal role and was named the official regional coordinating NGO for project work at the end of Year 1. With its extensive network of producers and experience in bringing women together for training, IIED has the capacity to be extremely effective in maximizing outreach in the St. Petersburg region during and after the project term. As a result, IIED is currently expanding their organizational outreach and creating branch offices in Sosnovy Bor and Novgorod with assistance from ATA partner artisan producers in those areas.

Assistance Received By IIED Through Project

**Product Design &
Business Training:**

9 workshops held for 100 members. A core group of 15 to 20 women regularly attend workshops.

Conduct marketing and product design consultations/workshops for artisan members based on ATA training.

Marketing:

Two IIED member businesses, Stil and Enterprise Souvenir, have earned \$34,000 in export revenues through 4 ATA NYIGF displays.

Two IIED member businesses, Stil and Enterprise Souvenir, participated in 2 AWO Holiday Sales. All merchandise was sold by Stil at the 1995 sales.

Participation in the Moscow International Gift Fair resulting in modest sales for Enterprise Souvenir.

**Institutional
Development:**

Improvement & expansion of services to members through ATA workshops and marketing services.

Training & management of export facilitation and budget management.

Strategic planning consultations with management

President and the Director's participation in the NYIGF training program.

Networking opportunities expanded with the creation of a Russian craft-based NGO network.

Organizational expansion through proposed branch offices in Novgorod and Sosnovy Bor and 2 seminar presentations on creating craft associations at the AARW Volchov business incubator.

Grants:

\$2,000 to pay staff person to serve as coordinator for St. Petersburg region.
\$1,500 in office/computer equipment
\$2,000 ATA NYIGF Training

RUSSIAN ASSOCIATION FOR WOMEN BUSINESS OWNERS

Merzlyakovsky, p. 8, Bldg. 5, Room 7

Moscow, Russia

Tel: 095-290-6326

President: Ludmila Konareva

Organizational Profile: RAWBO was formed in 1990 and is a registered non-governmental organization with a goal of promoting the development of business opportunities for Russian women. The organization has 35 members who include women business owners, business managers, and women involved in research and other professional activities. RAWBO has a few volunteer members, a board of directors and provides translation and interpreting services in addition to its primary services: Business counseling, conferences and roundtables, coordination of local craft fairs and exhibits as well as marketing services for artisan members.

Assistance Received By RAWBO Through Project

NOTE: RAWBO's principle craft producing member is the Moscow Craft Center (MCC), which early on became the focus of ATA project work. Because MCC is also an NGO, RAWBO recommended that MCC work directly with ATA in planning and hosting workshops. As a result, MCC replaced RAWBO as an active partner organization.

**Product Design &
Business Training:**

2 workshops held for RAWBO members.
Follow-up workshops organized directly by
MCC, a RAWBO member organization.

**Institutional
Development:**

Improvement in services to members (MCC)
through offering of ATA workshops.

Networking opportunities with other
Moscow voluntary business support NGOs

Grants:

\$1,500 for organizing workshop

Comments:

Overview

This was my seventh and final trip to Russia as a consultant for the Aid to Artisans Project Fostering Craft Enterprise and the Voluntary Business Assistance Sector in Russia. I traveled with CPA and small business consultant Bob Slodowitz and facilitated his seminar presentations and one-on-one consultancies. Unfortunately, Executive Director Bob Chase of SERRV, who was supposed to return to Russia as a buyer for his alternative trade organization, had to cancel his trip at the last moment. I therefore served as Bob's long distance assistant in selecting crafts to purchase for samples and inventory for SERRV. The owners of US import company Volga River Traders, Ben Bergstein and April Werner, overlapped with the Moscow portion of our trip, and together we dealt with export logistics of current and future orders.

ATA conducted two seminars on "The Business of Crafts," hosted by our NGO partners, Tatyana Khochriakova of the International Institute of Entrepreneurship Development (St. Petersburg) and Lena Aloyshina aided by Raisa Glotova of AARW Moscow. Attendance at the seminars totaled approximately forty people. The ATA team undertook seventeen one-on-one consultancies, six with NGOs and eleven with NGO member businesses. We also met with three agent/exporters (Art Alliance, Dima Begunova, and Maria Esmont) a banker (Vitaly Shashko of City Invest Bank), and a freight forwarder (Andrey A. Borzunov).

Among ATA's goals, given this was our last official project trip (with the exception of the final evaluation), were to assess the condition of NGO partners, to sort out any current problems artisans were having with export orders, and to facilitate future plans and activities of project participants, including: newsletter, card project, Moscow International Gift Show (MIGS) attendance, the AWO Christmas Fair, fundraising seminars, January NYIGF Russia participation -- in general to end the project with no loose ends, and to help participants position themselves for future success independent of ATA.

Activities

INDIVIDUAL CONSULTANCIES

One of the most effective and popular ways we have been working with NGOs and their craft member businesses has been by conducting one-on-one consultancies to help the Russians with product development, business planning, the export process, and to listen to difficulties. In the privacy of individual sessions, craft businesses and NGOs have been more willing to

discuss their problems and to brainstorm solutions. During this trip, we scheduled a number of these consultancies with Bob Slodowitz before the seminars, in order to familiarize him with the Russian situation. We were able to have seven meetings in St. Petersburg prior to the seminar held there, and ten meetings prior to the Moscow Seminar.

I had thought by now ATA had the trust of all of the groups we met with, and asking specific business and financial questions would not be too invasive. What emerged is the realization that even after two years of discussing business issues in detail, Russian craft enterprises and NGOs operate on a different level than we are used to. The kind of linear thinking we teach with its attendant systems (bookkeeping leading to financial statements leading to financial analysis and future planning) is not understood, accepted, or even desirable in the eyes of most Russians. Aside from the cultural predilection to intuitive, crisis-related methods of problem solving, the crises themselves are so abundant and the business climate so chaotic as to negate the arguments for implementing Western business practices without significant adaptation. How does one plan in a constant environment of chaos, inflation, and lawlessness?

Constraints recognized at the beginning of the project have not improved, and in some cases have become worse. Banking is unreliable. Over 150 Russian banks have gone bankrupt in the last year, with more slated to close. Domestic wire transfers are nearly impossible, and can take from three weeks to three months. Bank credit is non-existent. In short, businesses don't trust their banks, and will not keep money in them. Most US importers are used to dealing with banks for international transactions, and are uncomfortable with other options. Even though there probably are a few reliable Russian banks (e.g. Most Bank), people are wary. Only Volga River Traders has been willing to circumvent the "system."

The lack of reliable or trained middlemen or agents continues. As many export orders tend to be consolidated products from several companies, it is in everyone's best interest to deliver products to a central location, there to pack and document prior to shipment. Time and space are at a premium. Even those who seem able to take on the job of agent, are frequently juggling at least three other part time jobs, often requiring them to travel.

Most companies have come to terms with the Mafia problem, and selecting "security" (as the Mafia is often dubbed) has become common place. Dishonesty comes in other forms, too. St. Petersburg Customs, notorious for corruption and delays, plagues exporters in that region.

The general decline of services, from health to road repair, coupled with an inflating ruble and a frozen dollar, have had a negative impact on all businesses we spoke to. Problems ranged from formerly free or cheap rent escalating to

\$500/month plus penalties --to certain towns actually having their energy cut off for not having paid their bills. All of the groups we met with are conducting their businesses "on the edge." No one has reserves or back-up plans--only hope that the future will improve.

With this sort of climate, it was no wonder that as Bob Slodowitz and I went from business to business, all we heard were tales of woe. When we asked for copies of financial statements, or current business plans, we encountered cynicism, if not outright derision. Disillusion regarding capitalism was widespread, even among our artisans. The fact that payment had not gone smoothly for the last NYIGF orders through Volga River Trading, added to their discontent. The Russians do recognize that their current situation is not Aid to Artisans fault, and we generally received thanks and praise for helping them to solve their problems. It was gratifying to see how many artisans were networking among themselves, giving each other work, and open to working together in the future.

International Institute of Entrepreneurship Development

Tatyana Khochriakova, the current President of IIED, having replaced Lea Lerner, is still very much under Lea's thumb. Tatyana did her best to organize our St. Petersburg activities, but she was not as effective as Lena Aloyshina. I suspect this was primarily because Tatyana's English was so bad. We would make certain requests or statements which we thought had been understood, only to find out that there was a total lack of comprehension. Added to that was the fact that wherever we had asked for an impartial translator or meeting facilitator, Lea had pushed her way into these "opportunities" for extra pay. I particularly wanted to ensure privacy during Bob's meetings with companies during which we intended to review their financial affairs. We were fortunate to have very professional translators in both Sosnovy Bor and in Novgorod, where Souvenir and Stil had provided their own.

We were unable to extract any definite plans from IIED's President as to its future. Tatyana misunderstood Tamara's fax to IIED stating that ATA had received a "no cost extension." She thought this meant that we had received a fully funded extension to the project. Lea shared Tatyana's misinterpretation, and I had to explain to both of them that the no cost extension through February 1996 would not mean additional funds to their organization. Lea has set up another NGO which has just received funding through USAID (via Chris Lane), so her own future is temporarily assured.

Tatyana put forth an idea for writing a summary of the ATA project experience, along the line of Tatyana Ryabikina's book, and briefly showed me a one-page hastily thrown together chapter outline. I wished her luck, but did not encourage her to believe that funding for this booklet would come through ATA. Tatyana

invited Bob and me to her home in Pavlosk. We gave her several opportunities to discuss IIED's future, but she was more interested in serving us lunch, and in introducing us to her daughter--with whom she is now running a side business of helping Volga River Traders to collect crafts from the St. Petersburg region--a venture which she volunteered Lea Lerner knows nothing about. It was difficult to make headway with Tatyana, given that she had not arranged for a translator to be present during any of our meetings with her. To compound the situation, even though we knew in advance that Tuesday, November 7th was a holiday, we hadn't counted on the holiday extending backwards into an official "long weekend" beginning Friday, November 3rd --nor had anyone else. The local government announced only on Thursday that if workers showed up for a half a day on Saturday, they could take Monday off. It was interpreted to mean that it wouldn't be necessary to work at all from Friday to Wednesday. Bob and I imposed ourselves on people who clearly wished to be celebrating the holiday -- albeit a commemoration of the bitter memory of the Bolsheviks having come to power.

"Zolushka" - Kirov Plant

Even though Zolushka has not been very active in craft export, they have consistently attended our seminars, and seem open to new ideas. Unfortunately, when we visited them this time, it was to learn that their operations at the Kirov Plant had ceased. Their service businesses and retail store had all closed. Not only was the facility unheated, but the businesses had become unprofitable, particularly their cottage industry sewing and crafts. Production rates had dropped off once workers were assigned work in their homes, and there seemed little incentive to continue. They hoped to remodel their retail store and to reopen it, but I suspect it will be filled with used clothing and cheap imports.

Zolushka has lost all funding from the Kirov Plant, and has moved to the nearby House of Culture. It intends to reorganize itself along the lines of the Moscow Crafts Center, holding craft classes for a fee. Two of their first courses will be knitting and sewing. The most popular course at the House of Crafts is one not run by Zolushka, but rather, a course in English taught by Olga Melnikova. We were lucky enough to capture Olga as our translator, and booked her for the next two days. Olga explained that speaking English has replaced joining the Communist Party, in terms of usefulness and cachet. She teaches several sections which are filled to overflowing. Students are so eager to learn English, that even when they have no money, they will bring bread or macaroni with which to pay Olga.

Poteshny Promysel

Galina Varonyuk, General Manager, and Ludmila Zadonskaya, Assistant Director, agreed to meet with us, even though they were officially closed on Friday. They have moved to new quarters and seemed to be prospering. Nineteen full-time staff oversee two-hundred home-workers in the production of handmade dolls. An additional 858 women are wait-listed for training. Production is up to four to five thousand dolls per month. Even though business is good, they are not able to set aside any reserves. They have looked into borrowing funds for expansion, but cannot afford to pay the 140% per year interest rate charged by their local bank. They are applying for funds from the Engagement Fund of St. Petersburg Committee of Social Activities, a sort of social service agency, if I understood correctly. Poteshny Promysel has a quasi NGO status, which allows them free rent along with lower taxes, and in exchange, they agree to train and employ a certain number of unemployed women. Later in our trip, Bob observed that this "loophole" was widely used by a number of the craft businesses ATA was involved with, including Stil, Souvenir, and Svetlyolka.

Poteshny Promysel complained that Volga River had not paid them for their ATA order in a timely fashion, and that they were therefore withholding the second portion of their shipment. Bob tried to discuss business planning with them, but his various questions seemed to be purposely deflected. The most we got out of them was that business was good, they had no cash, and planning was useless in the current chaos. They use accounting only for preparing required tax reports.

Stil Birch Bark Workshop

The good news Victor Kurakin greeted us with was that he is currently at his full production capacity. The bad news was that he never received payment from SERRV (even though they had wired the money to him and sent him the confirmation). The money was somehow lost in the banking system. It appeared that SERRV's bank hadn't filled in all of the wire information completely, and the "filial" bank was missing on the wire instructions. Victor had followed it up once, over a month ago, but didn't want to spend money on a second fax, and had had no word from Serrv. I reviewed Victor's fax to Bob, and found the English translation of Victor's explanation of the solution to the problem to be unclear. We drafted a new fax, and I also faxed Bob myself to let him know the situation. How much misunderstanding occurs due to language.

Serrv instructed me to look at any new samples, particularly in the \$1-\$5 range, but Victor has been so busy with production, that the only product development he had done was in response to a request and suggestions for new ornaments

from Sieglinde. I explained that product development had to be ongoing, if he hoped to expand his business. Victor has a good design sense, and as long as he has a target price, is able to come up with lots of new ideas on his own.

Bob attempted to do a product costing exercise with Victor. It was like pulling teeth. Victor referred to his innate sense of what a product should cost in order for Stil to make a profit, and I don't doubt his entrepreneurial instincts in this area. However, Bob and I both pointed out to him that it is routine in small manufacturing companies to keep a cost sheet on every product. Victor rolled his eyes and said it would be impossible to adjust to inflation on a daily basis. If he had his basic figures computerized, he could at least be able to punch in a cost increase across the board. We tried several times to do a sample cost sheet for just one item, but each entry on the sheet took an hour of explanation on Victor's part. Certain estimates (e.g. glue) were absolute fiction, and getting Victor to guess each and every line item became too painful to continue.

Like Poteszny Promysel, Victor claimed bookkeeping was something that had to be done for tax purposes only. He had no idea whether his company had made a profit or a loss last year, and only looked forward to paying his workers and his utility bills. He complained that heating was up 400% over last year. When asked about his borrowing capacity from friends or the bank, he stated that he was entirely dependent on the 25% deposits of his export orders. When he experiences delays in receipt of monies due (e.g. \$350 from Serrv), his employees forego their salaries until the money arrives. He has been forced into borrowing money at 150% or more to cover utility costs, when he runs short. Luckily, he has free rent. We came away with the uneasy feeling that one canceled export order would put Victor out of business. Victor needs to expand his cash business in the domestic market in order to build some reserves.

When I asked Victor about Midwest, he said he hadn't heard anything from them in a long time. Midwest had told Karen they were having difficulty expressing packages to Victor by courier. In fact, they had sent their last P.O. and set of instructions by regular mail. It had not reached Victor, and may never, considering how bad the Russian mails are. Later in Moscow, I ran across a Russia-American joint venture courier company, Pony Express, through AARW. Pony Express is able to deliver to both Sosnovy Bor and to Novgorod. (We need to get this information to Midwest.) Unfortunately, Victor has been very passive in his communications, due to the high cost of faxing. He waits endlessly before communicating any problems, hoping they will sort themselves out on their own.

Enterprise Souvenir

After accompanying Bob on one-on-one visits which seemed to yield barely enough financial information for him to assist in any planning exercises, I looked

forward somewhat confidently to visiting the Souvenir glass factory. Souvenir has always impressed us with their organization and vision, as well as personnel. I faxed them myself at least six weeks prior to the trip to ask them to prepare for this meeting. We had a few difficulties, even in Sosnovy Bor. First of all, the visas we had so carefully requested through the Russian Embassy in New York, specifically naming Sosnovy Bor as one of our destinations, failed to have Sosnovy Bor stamped on them. When we tried to follow up to find out why we had been denied, we were advised that Sosnovy Bor did not exist on the New York computer, and therefore couldn't be stamped in. In spite of the written requests, we were without visas. We informed Slav, whose response was to describe on the phone to our driver, Yevgenyi, a remote back road leading into Sosnovy Bor. It had been snowing since we arrived, and Slav felt that we wouldn't get caught by the town border patrol, if we took this special route. So, Bob and I became spies overnight, penetrating the home of the Leningrad nuclear power plant, now once again deemed a "closed city" for security reasons (due to Chechen rebel threats). We drove on a snow-covered dirt road, and entered the city through the woods very near the Souvenir factory.

Souvenir informed us that they had had terrible problems. Specifically, their power, the source for running the torches which melt the glass they fashion, had been turned off by the Russian government for two months, because the town of Sosnovy Bor had failed to pay its past due utility bills. The result was that Souvenir had lost 45 million rubles worth of business, and was in terrible financial condition. They had been unable to pay worker salaries or to buy more raw materials (which they said had climbed in cost over 400%). In addition, their glass supplier was going through terrible times, too, and had stopped production of certain colors. One positive result of the gas problem was that Souvenir had worked with an engineer on some sort of a gadget which was powered by the separation of electrolytes in water (?). We had seen the prototype of the "orange box" in June. Now it was fully functional, but only for tiny fused animals, not for blown glass.

In response, Director Vladimir Berkovitch and Manager Slav Gnezdnikov were looking around for other products they could make. They had visited Victor Kurakin just the month before, and Victor agreed to send someone to train Sosnovy Bor artisans in birch bark crafts. Slav commented that they want to make something from raw materials which are easily accessible. Victor agreed to subcontract work to Souvenir, once the artisans are in production. My opinion is that the birch bark workers are even more ill-paid than the glass workers, and this might be because the craft is quite labor intensive. If real cost analyses are conducted, Souvenir might find out that Sosnovy Bor is too sophisticated a town (with a higher cost of living than Novgorod) to take up this craft without making significant improvements to the production process. I hope Vlad and Slav are able to study the situation before raising their expectations too high.

One other solution to Souvenir's cash flow problems was their plan to open a retail store by December 10. Sosnovy Bor has a high rate of foreign visitors, and there is no souvenir shop in which they can purchase small gifts. Vlad and Slav have contacted participants in the ATA/AARW program to source crafts for its new shop. They will do a combination of consignment and outright buying. They showed us all sorts of crafts they were considering, including embroidered linen from Karelia and stone work from the Urals. We visited the store site, located in a high traffic area with plenty of parking. The building was run down (like most of the buildings in Sosnovy Bor--even though it is a model town), but with imagination the large picture window of the shop could be made to be attractive. Bob tried to pin Slav and Vlad down about whether they had made a business plan for the store, if only for internal use. What were projected expenses, projected sales, cost of inventory, etc. They were unable to get specific, and their accountant, Boris was out sick. It turned out that they are getting the building free from the city.

Even though Slav has been through Adrian Ross's display training in New York, he had not made a display layout, or thought out the merchandise scheme in an organized (or budgeted) fashion. It's "retailing-by-the-seat-of-their-pants" Russian-style. I encouraged them to visit the craft shop (of the same name, I think, --"Souvenir") in Novgorod. The ATA team had been impressed with its displays and craft choices. Everything from lighting to painting had been done on a low budget, but done tastefully. When we saw the low drab glass display cases at the proposed Sosnovy Bor shop, I could see they lent themselves to the usual one-dimensional table-top spread. Slav and Vlad were intending to move in without so much as a fresh coat of paint.

Every time Bob tried to circle back to financial or business planning questions, Vlad either evaded giving answers, or said the information was "with Boris." It seemed that Boris has been out for some time, and there was no certain date for his return. A woman bookkeeper who merely does tax reports was seated in his office. One bit of information we did finally extract was that the cost of labor (per man/hour including overhead and taxes) is \$1.60. The break-down of direct costs was explained as: for every 100 rubles total direct costs, 20 rubles went to raw materials, 30 rubles to labor (workers' piece rate), and 50 rubles to taxes! Overhead expenses included administration salaries, phone, milk, and medical care. Even though utility costs have increased, it turned out that rent and utilities of Souvenir are paid by the town of Sosnovy Bor. "Milk" is high on the expense list because with worker wages being quite low, salaries are supplemented with milk rations and medical benefits. There is a clinic inside the factory compound, and if someone becomes ill, they are sent to this clinic.

We dealt again with the problems of breakage, and demonstrated how to pack items properly. Serrv had as high as 70% breakage on the small figures. Volga

River had no breakage on the blown ornaments. Until they solve the problem of raw materials supply, I think they could have trouble meeting export demands. I tried to imagine what business could use intelligent skillful labor costing only \$1.60/man-hour.

Tvorchestvo

Bob and I met with Tatyana Ryabikina to discuss the financial state of Tvorchestvo. Tvorchestvo is in the process of suing the Municipal Department in charge of their building, because the city is trying to charge Tvorchestvo rent on a space they were assured they could have for free. To mollify authorities, Tvorchestvo agreed to a small rental for 100 square meters of space. That rent has been increased five-fold, and they have been told they must pay or vacate. In the meantime, penalties and interest have been charged, equivalent to 1000% per year! They are nearly \$5000 in the hole, with no hope in sight. We tried to find out what their annual sales were, what commission they make from sales, and whether they had a plan for 1996. Tatyana seemed desperate, and somewhat like a deer frozen in the headlights. Every question Bob asked led Tatyana into twenty minutes of circuitous answers which never quite addressed the question. We extracted a figure of \$266 net to Tvorchestvo for commission on sales of approximately \$3,000/month. Tvorchestvo relies on forty craftspeople to supply the fairs they attend. The \$266 must be split between the accountant, the office cleaning woman, and three staff members. The staff members have not been paid in several months, due to the rental situation, and are threatening to quit. We suggested Tvorchestvo take a booth at Ismailova in order to raise more cash, but Tatyana, used to major craft fairs and indoor salons sees Ismailova as a step onto the street. Tatyana noted that local competition has increased immensely.

Bob left Tatyana, Lena and me alone to discuss the "book" situation. (See "Tatyana Ryabikina's Case Study" later in this report.)

Galina Maslennikova, Sergei Skakovsky, Anna Csimbal

Bob, Lena and I met Galina, Sergei, and Anna at Galina's workshop. It was really no coincidence that Sergei and Anna agreed to meet at Galina's, for it turned out that both of them are doing some sub-contracting for Galina's business when they are not busy working on ATA related export orders. Galina has also hired painters through Tvorchestvo to paint doll faces. Two women from Tvorchestvo were diligently working while we held our meeting. Even though Bob's and my main agenda was to discuss business planning and proper costing, the conversation was continually deflected to the topic of the current export order of Volga River. Payment had not gone smoothly, and all three complained. They, and everyone else we have spoken to about this same problems, are eager to resolve the issue and to continue doing business with

Ben and April. Galina thinks she may be ready to learn direct export on her own, but Sergei and Anna are not as eager.

Galina complained of continuing inflation. Her old (August '95 NYIGF) doll price of \$12 each has already risen to \$16. She is holding her old price because Ben received re-orders from the Daily Planet catalog and begged her not to change, but she isn't certain she is making any money now. Duty Free Moscow has ordered 650 dolls and is willing to pay \$20 each. They pay her a deposit, and packing and delivery are hassle-free. She is also sourcing Russian crafts for a German company, and is using many of the ATA project members to supply her. Galina has added a few more products, including a smaller doll house, about 1/6th the original size. However, the price seemed high for export, around \$200.

We estimated that between Sergei, Anna, and Galina, about 100 Russians are being employed. Galina has nearly 50 people working now. Anna has 4 wood-turners and 40 part-time painters. Sergei has 5 carvers and 1 painter (himself). Bob was eager to pin down expenses, but again, it was difficult for any of the three producers to produce numbers. Galina pays \$220 in rent for her work space. Sergei's rent in Ismailova for the month is about \$20. If he rents space on a daily basis, it is \$10-\$12/day. Gross sales in Ismailova for Sergei runs about \$150-\$200/day. Anna can sell \$300 in 4 hours on a Saturday, before she runs out of stock. All three complained that they were not able to save enough to reinvest in their businesses. Galina said that whenever she gets ahead, she stockpiles raw materials to try to beat inflation. A philosophical discussion on the Russian view (or lack thereof) of planning ensued. The litany is that planning during chaos is a waste of time. My position is that the act of visualizing the future may in fact influence the outcome of the future. (This is a theory introduced by "new physics" -- that the observer influences the outcome of the experiment.) Therefore, by sitting down to plan the future, you might actually cause the vision of your own future to happen.

Among the problems Galina, Sergei, and Anna articulated was the concern artisans had about how they were going to communicate with foreign buyers after the project is over. They don't all have fax machines and translators easily available. They are wondering about the possibility of a limited grant to cover a fax machine and a part-time coordinator. (If Irida had its own fax machine in the gallery, this might be enough to allay fears.)

Before we broke up our meeting, Anna shyly asked for opinions and advice about whether she should "legitimize" her business. She is fearful of tax implications, but feels she has grown to a point where she should really consider becoming a visible entity. We discussed her relationship with Art Alliance. She doesn't like doing business with them, and claims they threatened they could copy her designs right off the ATA tear sheet for less money than

they were offering her. She may work with them, but won't sign the exclusive contract they requested.

Bogorodskoe

Our meeting with Alexay Pozdnyakov of the Bogorodskoe toy factory occurred on a day when it had been snowing particularly heavily. The Russian landscape becomes magical in the snow, and sitting in Alexay's office watching the snow whirling outside while we poured through his collection of carved wood mechanical toys made me feel like a big child. Nevertheless, Bob and I were there to help Alexay understand the business planning process.

The first order of business was the same as it had been in our other meetings--a discussion of how to do business with Volga River Trading. Alexay explained that the price of \$3 which he gave for the NYIGF were CIF prices. He also declared that he would be unable to hold that price without losing money. Therefore he could not accept the NYIGF order. Originally I had suggested a "target price" of \$2.00-\$2.50 F.O.B. Moscow. After trying to produce items suggested (e.g. a bear band), he found there was more detail in one of these figures than in his moving toys, and the price would have to be closer to \$4.00 CIF. Ben wanted the target price, and, in fact, can get the same item from Alexay's moonlighting factory workers for \$2-\$2.50 each. I told Ben that it was simply not fair to go around Alexay's company on designs which had been produced by him for the NYIGF display. After all, the company is playing by the rules, offering steady employment, required benefits, and paying it's share of the Russian tax burden. If Ben wants to create new figures on his own after ATA is out of Russia, very well. Our job is not to encourage workers to undercut their employer.

Alexay went on to explain that he was trying to operate as a legitimate business, and that they were receiving some assistance (free rent) from the local government. Again, Bob and I didn't get the sense that Bogorodskoe was doing any sort of financial planning or using accounting as a barometer to determine the health of the business.

We spent quite a bit of time selecting samples for SERRV, and taking photographs for Bob Chase. Alexay has a fairly comprehensive black and white photo catalog, but only the price list was in English, and the quality of the photos was marginal. SERRV will be a good match for Bogorodskoe, if they can agree on payment terms. Alexay claimed that all of his customers are willing to pay a 25% deposit (cash or wire), and the balance of 75% upon delivery to the US. He also said most customers wanted to undervalue the shipment by 25% to simplify paperwork. I explained that this was illegal, and not recommended to SERRV. I went on to suggest that SERRV would be willing to make the 25% advance deposit, but would want paperwork at full value.

Our expectations that the meeting with Irida would help to solve some of the problems artisans were having with the Volga River orders were met. Ben, April, Dima Begunov, Andrey Borzunov joined us to explain why everything from communications to banking had hit snags. The revealing of a combination of circumstances for which no one party was to blame brought about a fresh spirit of cooperation --after over two weeks of tension and accusations.

It was agreed that:

1. Irida will function as the primary agent, handling banking, customs documentation, and all other paperwork. They will also be responsible for packing the goods, as artisans deliver.
2. Irida will get its own dedicated fax line installed at the gallery.
3. Andrey will have full responsibility (with Ben's help) for obtaining correct packing materials and will handle getting goods through Russian Customs.
4. Dima will act in a support role only, helping to round up products from outlying regions.
5. Tatyana Khochriakova will be responsible for collecting goods from the St. Petersburg area and will ship them to Moscow.
6. Volga River Traders has implemented a satellite telephone service which will be toll-free to any artisans who need to communicate problems to them through Irida by fax. They may send faxes in Russian, and Volga River will have them translated in Vermont.
7. All artisans will be paid in full by Irida through transfer of money to bank accounts upon delivery of goods to Irida.

The meeting ended with a surprise Good-bye and Thank You party where ATA and I were generously toasted.

AARW and ARAW

Sasha Chalif was in Moscow during my last several days there, and we met twice with Lena to discuss AARW's upcoming grant proposal to be submitted to Civic Initiative. We explored ways in which ATA might be helpful to further craft marketing development in more remote regions of Russia, including Siberia (where Lena and Sasha will travel in February). I suggested AARW focus on the domestic market first, but teach some of the same topics we did in our export program, including: costing, promotional materials, display, packaging, and effective communication. They should draw upon the Russian speaking ATA

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consideration. They have about seventy employees, and though it was difficult to extract an exact annual gross sales figure from either Sveta or Olga, we calculated that at a minimum they must be doing about \$240,000 and probably more. Twenty-five per cent of their costs are labor.

Olga admitted to doing limited planning and agreed with every other business we interviewed --that long term planning in a crisis economy is a waste of time. They feel no security for the future of their business and worried that they could be out of business tomorrow, particularly if they lost their space at GUM (which accounts for more than 75% of their sales).

When I returned several days later to work with Sveta on product development, I was surprised to learn they were so reverently dependent upon outside designers. I suggested that they hire an artist on staff and let the outside designers supplement their design needs. After working on more than sixty design adaptations to contribute to a new collection for Svetyolka, Sveta sighed that she didn't know how she would cover the costs of making the new designs. Actually, all of the designs were adapted from currently produced items and required little new design work. I concentrated mainly on color palettes and adjusted dimensions. I agreed to ask SERRV whether they might be willing to pay extra for new designs, but encouraged Sveta to absorb R & D as a cost of doing business. (See Appendix 1 for product list). Later Sveta told me she would try to find a way to invest \$470 in the new samples.

Irida

I had hoped to split the agenda of our Irida meeting between Bob's discussion with Maria Esmont regarding business planning and financial issues, and a separate discussion on the role of Irida as export agent. Maria had, however, invited a half a dozen artists to meet with us to show us sample artwork for the printed card project. I explained that we had already selected quite enough work during our last visit, and that the final selection could probably be left to their discretion. Maria was entirely unable to concentrate on any of Bob's questions, and kept coming back to other topics. I have concluded that even though we Americans might feel that planning skills and accounting basics are necessary for small business survival, this sentiment is not shared by the Russians in our project. This must have been particularly frustrating for Bob, who was persistent in a friendly way, but was unable to make much headway.

Maria and I went over details of the Moscow International Gift Show (MIGS). She showed me a copy of the props she needed to order for the booth and claimed that the show organizers were late in getting this information to the participants. We discussed the budget, and I suggested she double check any questions she might have about it to Tamara.

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project participants as trainers more than on an infusion of foreign consultants. (The Civic Initiative grant limitation is \$60,000--not enough to budget international travel and ATA consulting fees). I also suggested they should be sure to budget for fax machines or E-Mail if they hoped to communicate with the remote regions they are considering.

Lena informed me that AARW is now a legal NGO in Russia, registered as ARAW (Association of Russian and American Women). I attended one of ARAW's planning meetings at Sharon Miles. They are seeking new expatriate members in Russia and have already found several eager American women posted with US corporations in Moscow. These new members are the core for a mentor program which will begin in 1996. The idea is pair a Russian woman who wants specific career enhancement training with an American woman who will mentor for six months in areas like marketing, communication, business planning, and customer service. Discussion about the mentor program brought up many issues about the differences between Russian and American women and the potential differences in expectations.

AARW and ARAW clearly seem to have a future beyond the ATA Russia project. They expect to hear soon about whether they will receive a contract from American Express to conduct customer service training. (I suggested they might ask Nordstroms to provide a trainer).

SEMINARS

ATA presented two seminars, one in St. Petersburg and the other in Moscow.

St. Petersburg

Seminar topics in St. Petersburg included: The Business of Crafts: Review of the NYIGF Experience (Tatyana Khochriakova and Victor Kurakin) ; Export - Payment Options and the Russian Banking System (Vitaly Shashko, City Invest Bank); Business Planning (Robert Slodowitz); the Export Process (Docey Lewis).

The St. Petersburg Seminar got off to a slow start. Participants were over an hour late arriving due to a snow storm. Tatyana and Victor were our first speakers, giving their impression of the NYIGF and their US training experience. In fact, we had a hard time dislodging them from the podium, they were so carried away relating their reactions.

Bob Slodowitz explained what success means or could mean to different businesses, and how to plan for it. He discussed producing financial statements and how to use them to make decisions in business. The participants were indifferent to the topic of planning, but luckily Bob's

presentation was quite animated. The example of running a candy business was illustrated with real American chocolates which everyone got to eat. Bob had to shorten his talk to accommodate our fast food chicken lunch.

After lunch, Vitaly Shashko clarified the current state of Russian banking. Frankly, banking is a mess, and his lecture did little to alleviate fears. He droned on about the details and importance of letters of credit, and wound up his talk by stating that his own bank was not in international banking! Actually, he is quite an experienced banker himself, but did not have sufficient background about our project to make a more useful presentation. Lea Lerner apparently had some connection with Mr. Shashko, and that's how we found him.

I handed out the Export Manual to an eager audience. We briefly went over each section of the book, and I explained how they should use it. By the end of my short speech, I was swamped at the podium with requests by the attendees to autograph copies of the manual.

In all, the seminar seemed less dynamic than usual, but that may have been in part to the pall cast over the room by its being our last. It was a bit like ending a love affair when one of the parties doesn't want to. Lena was unable to make it to St. Petersburg, so we closed the final session as we always have --by looking at product. We lifted the usual ban on ATA consultants buying during seminars, and Bob made everybody happy by doing his Christmas shopping.

Moscow

Seminar topics in Moscow included: The Business of Craft Export: NYIGF Report (Olga and Sveta); Business Planning (Bob Slodowitz); Payment Options (Docey Lewis); MIGS (Maria Esmont); present and future orders and the export process (Ben Bergstein); future plans (Lena Aloyshina). The Moscow Seminar was more lively, partly because we didn't have a banker, and partly because what is most popular with attendees is practical information which they can implement immediately.

Sveta and Olga spoke about their impression of the NYIGF and what they learned about marketing. Bob was better received in Moscow, but his final comments were interrupted by a team of Russian policemen and their dogs, who invaded the school/conference center for a surprise drug check. We all had to vacate the building for an hour and a half, while the dogs sniffed the classrooms. Raisa, who organized the venue, the Institute Molodozhy, was understandably apologetic. Bob was not able to resume his lecture after lunch, as he had to catch a plane.

After lunch Maria Esmont gave a short informational session about the Moscow International Gift Fair, followed by an update by Ben and April of Volga River Trading Company (VRTC). The sequence of events related to the current order were discussed, and plans made for improvements on future orders. Artisans who needed payment were paid on the spot, and, business out of the way, Lena and I went on to talk about AARW's future role for artisans. Lena did not promise any artisan activities after February 1996, but we discussed the newsletter, and the idea of holding future seminars hosted by Ben. VRTC would provide a forum for artisans to get together to share useful market feedback up to twice a year. Lena spoke briefly about the fund raising seminars she will conduct for NGOs and about ARAW's plans. Sasha Chalif attended the morning session, but had to depart before I could ask her to say a few words.

Lena, Maria, and I discussed the newsletter idea in the hallway, and Maria has agreed to be responsible for the first issue. Lena may be able to get Serogia to help on the computer. Maria seems to understand the value of sharing information and is comfortable and experienced in the role of organizer. Lena believes it won't be too difficult to find funding for future newsletter issues.

OTHER MEETINGS

Chris Lane - USAID Business Support Center

I tried several times to get together with Chris for more than ten minutes, but we were unable to get our schedules to coincide. We made an appointment for a phone conversation, but some obstacle must have thwarted Chris, as I waited by the phone at the appointed time for two hours. I'm certain this was due to the pressures on Chris of running two large seminars back-to-back. Bob and I were able to attend the art exhibition "Art Means Business" at the St. Petersburg Artists Union Exhibition Center, but couldn't get to the seminars, as we had to leave for Novgorod that afternoon. I was pleasantly surprised that I knew both speakers-- Suzanne Jalbert of Jalbert Consulting (whom I met through Sharon Eng), and Maria Esmont of Irida. The concept of *art as business* caused quite a stir in the St. Petersburg art community. (See Appendix 2). I was able to send Chris a fax before leaving Russia, but received no reply. (See Appendix 3).

Holly Holst and the American Women's Organization Christmas Fair

I telephoned Holly while I was still in Moscow. She was just back from a trip to India and had a terrible cold. She was in the midst of producing the annual AWO Christmas Fair at the Radisson-Slavayanska Hotel. She had invited a number of ATA's project participants, but hadn't done so officially through either ATA or AARW. This was probably due to her not having Lena's new telephone number or address, nor having had much contact with ATA. I offered her a copy

of the ATA Export manual and our best wishes for a successful fair, due to take place on November 22nd.

FOLLOW UP ON EXPORT ORDERS

August 1995 New York International Gift Fair Orders

As far as I know, all orders from the August NYIGF which could be produced were received by Ben. Though nearly all artisans delivered their orders on time, payment and communication did not go smoothly. ATA/AARW might have been able to help more had Lena been in Moscow, but she was at John Hopkins receiving training. All complaints had been handled responsibly and satisfactorily by VRTC by the time I left Russia.

SERRV

Because Bob Chase had to cancel his trip, I acted on his behalf to follow up specific requests. SERRV intends to do business with Svetolyka, Galina Maslennikova, Bogorodskoe, Souvenir, Stil, and Renaissance-Sergiev Posad. (See Appendix 1). Lena visited SERRV during her trip to the US in the fall, and may be able to act as liaison for SERRV's Russian business after our project is over.

Caracol

Michele Whiplinger of Caracol ordered 48 Orenburg scarves through ATA. I asked Karen to issue an official purchase order to Lena for this order. It was agreed that Michele would take the scarves of "as is" raw materials (Natasha claims that they are a mohair silk blend) in custom sizes. Lena still needs to negotiate size and price with Natasha. As there is a balance in our Orenburg budget with Lena, we have the money to follow-up Caracol's order. Whether steady supply of scarves at stable prices is a reasonable expectation is uncertain. Frankly, if it doesn't happen easily in the next six weeks, I would recommend VRTC doing an indent order for Caracol. Forty-eight pieces is really a small quantity to go to all of the trouble of export for. If quantities build to hundreds quickly, then it would make sense to pursue.

TATYANA RYABIKINA'S "CASE STUDY"

To summarize the many verbal and written communications the ATA team has had about Tatyana's book of interviews and opinions:

1. The deadline for completion of the book has been moved to January 1 to allow for corrections, re-writes, or approval of interviews by interviewees. (This

is to accommodate the fact that no one was actually interviewed, and ATA doesn't want to take responsibility for Tatyana's fictional conversations.

2. A better English translation or editing of current translation is required to make the document more readable to Westerners. Russian journalistic style is difficult for us to appreciate. Tatyana's impressions and expression are really very *Russian*, and perhaps we shouldn't alter or sanitize her way of thinking to suit our own literary tastes. When taken in its entirety it has a charm of its own and gives an honest impression of how ATA is perceived by Tatyana, and probably by a lot of other Russians, particularly the older ones involved in our project.

FUTURE STEPS

Training of Russians at the New York International Gift Show January 1995

According to the already approved no-cost project extension, ATA will be having one more group of Russian trainees coming to the US in January, coinciding with the NYIGF. Keeping the goals of NGO strengthening and craft marketing sustainability in mind, I would recommend the following five candidates for the ATA US training:

1. Maria Esmont, Director Irida. Maria has become more involved with all aspects of the ATA Russia project, and has surfaced as the leader most likely to keep the mission of helping artisans active after the project ends. Her current roles as MIGS organizer, export agent, NGO director, (proposed) newsletter coordinator, and trainer qualify her for further specialized training. Her travel experience and fairly good understanding of English would make her a good "mother hen" for the other participants.

2. Ludmila Tutunik, assistant to Maria Esmont, and chief export liaison with artisans. It is really Ludmila who executes the work related to Irida's export responsibilities. She is younger than Maria and apt to take over the role of working directly with Russian artisans. She will become a more effective liaison if she can have first-hand experience of the US market and its requirements. It would be ideal if she could visit Ben and April after the show.

3. Raisa Emelyanova, Director Moscow Crafts Center (MCC). Raisa has devotedly attended all the ATA seminars, has made an earnest effort to implement ATA suggestions, and now has a small presence in the US market with her center's papier mache items. Inviting her would provide some continuity to ATA's original project goals, including working with the MCC as a partner NGO. She should receive both NGO and marketing training. Would there be a

chance of working in a Watermark training session for a couple of hours at the NYIGF?

4. Raisa Glotova, ARAW. Raisa has assisted Lena throughout the project. She is apt to become the project director for American Express funded ARAW Customer Service Training in Russia. Her training in the US would make her more valuable to ARAW in the long run, and hence strengthen ARAW Russia. She could benefit from NGO, craft marketing, and customer service training.

5. Roman Lysenko, Marketing Director of Renaissance-Sergiev Posad. Roman's keen interest in both product development and marketing, combined with his abilities in tourism would make him a valuable addition to the training group. Including a representative from the craft-rich Sergiev Posad region proves that ATA has extended its reach outside of Moscow and St. Petersburg. Roman's close contact with Bogorodskoe should benefit the Bogorodskoe wood carving group as well.

CONCLUSIONS

ATA's project in Russia has given me a better understanding of the cultural barriers which exist between countries with entirely different economic philosophies and conditions. Capitalism is not so easily transported, nor are aesthetic sensibilities when it comes to all types of artistry, whether it be crafts or writing. The misunderstandings between peoples, between countries are very real. It is essential to find common ground, if we are to co-exist, or better still, if we are to evolve as a species -- intellectually, spiritually, economically.

I've learned that our US style of business can seem pretty aggressive at times, certainly self-centered, and obviously materialistically oriented. The market economy may be the most powerful force in the world, but learning to operate in it after seventy years of communism is no easy prescription.

It is a shame that we did not receive further funding to continue in Russia, but I hope that our experience there will make us more effective in other parts of the world. I am certain that the several hundred lives that were touched by our project have been made the better for their experience with us. Many of the NGOs and businesses we've been able to work with will spread what they have learned. What we have really succeeded in doing is investing in talented people.

The less philosophical conclusions are:

1. For the most part, Russian infrastructure for small business is so chaotic, that until the economic and legal climate stabilizes, it will be difficult for American companies to do business there. Inflation, poor banking systems,

unstable raw materials supply, poor English language skills, poor business skills, inconsistent communications infrastructure, lack of packing materials, expensive inter-city transportation, Mafia presence, crime, lack of faith in current leadership -- all contribute to making it difficult to do business in Russia.

2. Training in market-driven design, marketing, business practices and organizational skills are valuable tools for crafts businesses to acquire, whether they export or sell locally.

3. Two full-time on-site project managers devoted solely to the Russia Project (one an ATA staff or consultant and one a Russian) would have been more effective than full-time, long-distance coverage by part-time people.

4. One of the most valuable components of this project was the US based training of Russians. I would do more of this in future projects.

5. ATA's next manuals should be on Product Development and Costing. If we had a good publication showing how products in ATA's projects have been adapted for modern markets, and also explaining how product pricing and product development are related, this valuable information would reach more people.

6. It would be useful to produce a data base of Russia-based craft buying stores, museums, shops, galleries and salons. In other words, information we find out about local markets should be catalogued in a useful way for artisans.

DOCEY LEWIS, Aid to Artisans
HOTEL EAST WEST
14 TVERSKOY BLVD. BLDG. 4 RM 212
MOSCOW, RUSSIA
PH: 7+095+232-2842(direct line to room)
PH: 7+095+290-0404 (switchboard) FX: 7+095+291-4606

TO: Chris Lane
FAX NO.: 812-315-8223
DATE: November 17, 1995

FROM: Docey Lewis

NO. PP.: 1

*CLEAN/SPELL-CHECKED
COPIES SENT TO
OFFICE & GIFT FAIR
TO TAMARA*

Dear Chris,

I have tried calling your office several times, and the line is always busy! As we left St. Petersburg the day after we held our seminar, there wasn't a chance to meet in person again. Sorry for that. As you know, Tamara Kribbs Jarvis will be in Moscow Nov. 20-22. She will be meeting with Jana of Deloitte Touche on one of those days.

In looking over communications between you and Tamara, I see Tamara has outlined the principal services of ATA. To that list I would also add that we have gained a better understanding of the domestic craft market and we could, with the assistance of Russian trainers who have been in our program, develop a seminar addressing "Marketing Crafts in Russia." Many of the topics covered in the export program are very relevant to domestic marketing: pricing, creating promotional materials (brochures, business cards, tear sheets), product development, display, and business planning.

One of the strongest components of ATA's programs is product development. We have quite a number of consultants who know how to motivate and inspire artisans into creating the "next generation" of products.

For individual artisans, direct export (to the U.S. gift market) isn't always feasible or desirable. ATA makes matches between Russian producers with U.S. importers. We have met many artisans whose works are more suitable to craft galleries rather than production oriented importers. There seem to be many of this type of artisan, particularly in more remote areas. Perhaps these artisans would fit somewhere into your program. Lea Lerner certainly knows many of them in the St. Petersburg and northern region. I wish I had had more time to learn about what the Business Development program is doing with artists/artisans. The "team-teaching" you are doing with Russians like Maria Esmont is an excellent approach. Maria may have told you that she has been very involved in the ATA program. In fact, she is now in charge of organizing our artisan groups for the Moscow International Gift Fair, Dec. 7-10. Are you aware of this event? It is an international trade show organized by Blenheim & ITE. It will be held at the Krasny Presnaya International Exhibition Center. Hopefully this will become an annual event at which artisans can display their work for export, domestic wholesale, and retail.

Many of the U.S. importers with whom we have been working are always looking for new products. If one of your services is to develop a data base of artisans who want to sell to importers, ATA could network on behalf of those artisans when feasible.

Hopefully Tamara will have some positive feedback after her meetings in Moscow, and ATA will be able to consider continuing in Russia beyond February 1996, when our funding runs out.

Please give my best to Suzanne Jalbert, if you see her again, and tell her "Thanks for the pen." I'll give her a call in the States.

Best regards and Good Luck with your program.

DOCEY LEWIS

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RUSSIA BIRCH BARK TALLY - NYGS AUGUST 1995

Aid to Artisans, 14 Brick Walk Lane, Farmington, CT 06032 - Tel (203) 677-16

# ORDERS	ATA #	Description	FOB \$	WHSL \$	EXTEND \$
	N 0411	Rounded square box, laced sides		\$16.50	\$0.00
21	NOR-4A	Star tree topper	\$5.00	\$15.00	\$315.00
2	N 34	Round box, bird-carved lid	\$6.00	\$18.00	\$36.00
	N 23	Portfolio, 2 pieces		\$75.00	\$0.00
5	N 37	Round box, plume-carved lid	\$6.66	\$20.00	\$100.00
8	N 64	Cannister, zigzag edge	\$10.00	\$30.00	\$240.00
	NOR-6	Lapti shoes		\$3.00	\$0.00
	N 62	Cannister, stepped diamond edge		\$120.00	\$0.00
		Snowflake Garland		\$48.00	\$0.00
	N 40	Oval pencil box		\$30.00	\$0.00
2	N 63	Basket w/handle	\$3.00	\$9.00	\$18.00
6	N 05	Oval box, carved body and lid	\$15.00	\$45.00	\$270.00
1	N 04	Oval box, w/ scroll handled lid	\$11.00	\$33.00	\$33.00
8	N 03	Oval box w. carved lid	\$8.66	\$26.00	\$208.00
					\$0.00
	N 33	Cut-corner mirror		\$12.00	\$0.00
5	N 20	Hand mirror	\$5.00	\$15.00	\$75.00
	N 22	Round mirror		\$15.00	\$0.00
5	BBF-2	Small frame, zigzag inner edge	\$2.00	\$6.00	\$30.00
10	BBF-3	Small frame, 1.5" x 2" opening	\$3.00	\$9.00	\$90.00
2	BBF-10	Medium frame, 3" x 5" opening	\$10.00	\$30.00	\$60.00
3	BBFR-1	Folding frame, rectangular opening	\$5.00	\$15.00	\$45.00
1	BBF-13	Large frame, 4" x 6" opening	\$10.00	\$30.00	\$30.00
1	BBFR-2	Folding frame, heart opening	\$5.33	\$16.00	\$16.00
17	BBF-1	Small frame, 1.5" x 2" opening	\$3.00	\$9.00	\$153.00
	BBF-12	Large frame, 4" x 6" opening		\$30.00	\$0.00
2	N 21	Folding mirror	\$5.00	\$15.00	\$30.00
1	BBF-7	Medium frame, 3" x 5" opening	\$7.00	\$21.00	\$21.00
					\$0.00
4		Folding frame		\$15.00	\$60.00
	N 19	Folding box		\$35.00	\$0.00
4	N 44	Round box, carved lid	\$2.50	\$7.50	\$30.00
	N 12	Round box, scroll lid		\$7.50	\$0.00
4	N 42	Round scalloped box, knob lid	\$2.00	\$6.00	\$24.00
	N 11	Stamp dispenser		\$7.50	\$0.00
4	N 41	Round box, carved lid w/ knob	\$2.00	\$6.00	\$24.00
9	N 18	Business Card holder	\$2.00	\$6.00	\$54.00
	N 50	Oval box, scroll/knob lid		\$8.50	\$0.00
	N 13	Plain round box, knob lid		\$7.50	\$0.00
	N 60	Deep serving tray		\$45.00	\$0.00
13	N 61	Plain box	\$5.00	\$15.00	\$195.00
	SBB-001	Cow w/ wood stopper		\$6.00	\$0.00
46	SBB-006	Angel, small	\$2.00	\$6.00	\$276.00
8	SBB-007	Angel, medium	\$3.00	\$9.00	\$72.00

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10	SBB-008	Angel, large	\$6.00	\$18.00	\$180.00
					\$0.00
43	SBB-009	Eyeglass case	\$2.00	\$6.00	\$258.00
					\$0.00

TOTAL \$2,943.00

Russia, birch bark

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RUSSIA DOLL TALLY – NYGS AUGUST 1995

Aid to Artisans, 14 Brick Walk Lane, Farmington, CT 06032 – Tel

ORDERS	Ref #	ATA Stock	Description/Name	FOB \$	WHSL \$	EXT \$
Top Row: papier-mache faces						
2	A1	A26-A	Ivan	\$18.00	\$54.00	\$108.00
2	A2	A24	Natasha	\$18.00	\$54.00	\$108.00
	A3	A25-A	Matriona	\$18.00	\$54.00	\$0.00
2	A4	A23	Daria	\$18.00	\$54.00	\$108.00
	A5	A26-B	Vasily	\$18.00	\$54.00	\$0.00
2	A6	A25-B	Tatiana	\$18.00	\$54.00	\$108.00
	A7	A25-C	Katarina	\$18.00	\$54.00	\$0.00
Secomd Row: papier-mache faces						
2	B1	A21-3	Woman w/vine basket	\$13.00	\$39.00	\$78.00
1	B2	A21-7	Woodcutter and props	\$16.00	\$48.00	\$48.00
1	B3	A21-5	Woman w/birch basket	\$13.00	\$39.00	\$39.00
4	B4	A21-2	Man w/ balalaika	\$13.00	\$39.00	\$156.00
4	B5	A21-1	Man w/accordion	\$13.00	\$39.00	\$156.00
3	B6	A21-4	Woman w/water pails	\$13.00	\$39.00	\$117.00
2	B7	D-24	Vasya (boy)	\$11.00	\$33.00	\$66.00
5	B8	A21-6	Girl w/sled	\$12.00	\$36.00	\$180.00
1	B9	D-25	Olga (girl)	\$11.00	\$33.00	\$33.00
Third Row: painted cloth faces						
8	C1		Dancing aunt	\$3.00	\$9.00	\$72.00
7	C2	SPOR 13	Dancing clown	\$3.00	\$9.00	\$63.00
9	C3	SPOR 111	Dancing village girl	\$3.00	\$9.00	\$81.00
13	C4	SPOR 12	Dancing redhead boy	\$3.00	\$9.00	\$117.00
13	C5	SPOR 113	Dancing redhead girl	\$3.00	\$9.00	\$117.00
9	C6	SPOR 1A	Dancing woman, ptd face	\$3.00	\$9.00	\$81.00
8	C7	SPOR 1B	Dancing man, ptd face	\$3.00	\$9.00	\$72.00
Fourth Row: papier-mache faces						
	D1	SPOR 410	Clown, patchwork	\$6.00	\$18.00	\$0.00
	D2	SPOR 48	Clown, veiled	\$6.00	\$18.00	\$0.00
	D3	SPOR 44	Clown, red	\$6.00	\$18.00	\$0.00
8	D4	SPOR 41	Clown, formal	\$6.00	\$18.00	\$144.00
	D5	SPOR 46	Clown, red dress	\$6.00	\$18.00	\$0.00
	D6	SPOR 411	Clown, peach	\$6.00	\$18.00	\$0.00
	D7	SPOR 3	Angel	\$6.00	\$18.00	\$0.00
	D8	SPOR 49	Clown, turquoise	\$6.00	\$18.00	\$0.00
	D9	SPOR 47	Clown, lavender	\$6.00	\$18.00	\$0.00
8	D10	SPOR 45	Clown, dotted patch	\$6.00	\$18.00	\$144.00
	D11	SPOR 42	Clown, hobo	\$6.00	\$18.00	\$0.00
Bottom Row: papier-mache faces						
	E1	SPOR 26	Folk dancer	\$6.00	\$18.00	\$0.00
	E2	SPOR 21	Woman, white apron	\$6.00	\$18.00	\$0.00
6	E3	SPOR 27	Girl w/pails	\$6.00	\$18.00	\$108.00
2	E4	SPOR 2	Schoolgirl	\$6.00	\$18.00	\$36.00
2	E5	SPOR 23	Schoolboy, white shirt	\$6.00	\$18.00	\$36.00
	E6	SPOR 25	Schoolgirl	\$6.00	\$18.00	\$0.00
6	E7	SPOR 24	Schoolboy, red shirt	\$6.00	\$18.00	\$108.00

	E8	SPOR 22	Schoolgirl	\$6.00	\$18.00	\$0.00
	E9	SPOR 43	Schoolboy, red vest	\$6.00	\$18.00	\$0.00
	E10	SPOR 2	Schoolgirl	\$6.00	\$18.00	\$0.00
	E11	SPOR 28	Accordian player	\$6.00	\$18.00	\$0.00
						\$0.00
	Not pictured:					\$0.00
		A21-8	Father Christmas	\$14.00	\$42.00	\$0.00
		A 21-9	Snowmaiden	\$13.00	\$39.00	\$0.00
		A21-10	Angel	\$4.50	\$13.50	\$0.00
						\$0.00

TOTAL \$2,484.00

RUSSIA MISCELLANEOUS PRODUCT TALLY - NYGS AUGUST 1995

# ORDERS	ATA Stock #	Description	Size	FOB \$	WHSL \$	EXTEND \$
PILLOWS						
	ASV2-A	Pillow, Jester	14 x 14		\$24.00	
	ASV2-B	Pillow, snow maiden	14 x 14		\$24.00	
	ASV2-C	Pillow, Christmas boy	17 x 17		\$24.00	
	ASV2-D	Pillow, Christmas girl	17 x 17		\$24.00	
	ASV2-E	Pillow, Russian night	16 x 16		\$24.00	
	ASV2-F	Pillow, Russian palace	17 x 17		\$25.00	
	ASV2-G	Pillow, Bird of Paradise	17 x 17		\$25.00	
	ASV2-H	Pillow, brown peacock	17 x 17		\$25.00	
STOCKINGS						
	ASV1-A	Red wreath	19" l		\$18.00	
	ASV1-B	Yellow brocade stripe	21" l		\$18.00	
12	ASV1-C	Night scene (large boot)	16" l	6.00	\$18.00	\$216.00
14	ASV1-D	Winter night/pond	18" l	6.00	\$18.00	\$252.00
18	ASV1-E	Ornaments	16" l	6.00	\$18.00	\$324.00
18	ASV1-F	Sled scene	16" l	6.00	\$18.00	\$324.00
22	ASV1-G	Tree, decorated	14" l	6.00	\$18.00	\$396.00
18	ASV1-H	Pine cones	16" l	6.00	\$18.00	\$324.00
	ASV1-I	Flower stripe	18" l		\$18.00	
	ASV1-J	Single ornament	16" l		\$18.00	
4	ASV1-K	Two bags	16" l	6.00	\$18.00	\$72.00
12	ASV1-L	Christmas card	16" l	6.00	\$18.00	\$216.00
20	ASV1-M	Patchwork tree	16" l	6.00	\$18.00	\$360.00
BAGS						
Note: all bags ordered before price went up at Show						
	ASV3-A	Accessories bag	13" w x 11" l			
	ASV3-B	Heart and Flowers	13" w x 11" l			
1	ASV3-C	Sheherazade	15" l	11.5	\$33.00	\$33.00
	ASV3-D	Fairy Dancer	15" l			
6	ASV3-E	Church at night	17" l	11.5	\$33.00	\$198.00
2	ASV3-F	Wine tapestry w/fringe	8 x 10"	11.5	\$33.00	\$66.00
	ASV3-G	Gold/blue scene	7 x 10"			
1	ASV3-H	Large shoulder tote	15 x 15	11.5	\$33.00	\$33.00
WOOD/BONE						
7	VAR 001	Whale	7" l	3.00	\$9.00	\$63.00
1	VAR 002	Seal	"	3.00	\$9.00	\$9.00
9	VAR 003	Polar Bear	"	3.00	\$9.00	\$81.00
1	VAR 004	Fox	"	3.00	\$9.00	\$9.00
9	VAR 005	Horse	"	3.00	\$9.00	\$81.00
9	VAR 006	Goatfish	"	3.00	\$9.00	\$81.00
9	VAR 007	Ermine	"	3.00	\$9.00	\$81.00
5	VAR 008	Walrus	"	3.00	\$9.00	\$45.00
3	VAR 009	Moose	"	3.00	\$9.00	\$27.00
3	VAR 010	Caribou	"	3.00	\$9.00	\$27.00
12	VAR 18	Carved Bone buttons	1" diam	.60	\$1.80	\$21.60
12	VAR 22	"	"	"	"	\$21.60

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12	VAR 23	"		"	"	\$21.60
12	VAR 24	"		"	"	\$21.60
12	VAR 26	"		"	"	\$21.60
1	VAR 012, 016,	Carved picture frames	4" x 6"	20.	\$60.00	\$60.00
4	VAR 014	Carved picture frame	2" x 2"	15.	\$15.00	\$60.00
	VAR 30	Bone pencil holder			\$45.00	\$45.00
	VAR 31	Bone bench - style pen h	6" l		\$30.00	\$30.00
	VAR 32	Bone/wood pen			\$6.00	\$6.00
3	VAR 33	Carved bone envelope o	5" l	3.00	\$9.00	\$27.00
1	VAR 34	Wolf bone envelope oper		3.00	\$9.00	\$9.00
9	VAR 35	Lion bone envelop opener		3.00	\$9.00	\$81.00
	VAR 36	Bone paper holder	4" l		\$30.00	\$30.00
WOOD BOX						
4	Z-1A	Market scene	8" x 8" x 4"	20.	\$60.00	\$240.00
1	Z-1B	Monastery w/snow	7.5" x 7.5"	20.	\$60.00	\$60.00
2	Z-3B	Dacha/winter sunset	5.5" x 4"	12.	\$36.00	\$72.00
	Z-5B	Winter sunrise			\$18.00	
	Z-7A	Wood houses in snow	6.5" x 4" x 2.25"		\$30.00	
	Z-7B	Winter church w/people	6.5" x 4" x 2"		\$30.00	
1	Z-8	Stave Church	6.25" x 6.25"	10.	\$30.00	\$30.00
	Z-9	Ringling bells	8" x 6.75" x 2.25"		\$45.00	
	Z-10A	Village church in snow	8.75" x 4.5" x 2.5"		\$36.00	
	Z-10B	Dachas and church	8.75" x 4.5" x 2.5"		\$36.00	
	Z-10C	Dachas in Spring	8.5" s 4.5" s 2"		\$36.00	
	Z-10D	" "	" "		\$36.00	
2	Z-11	Winter Kremlin	3.5" x 12"	15.	\$45.00	\$90.00
	Z-12A	Winter sunset/horse & ca	11" x 8" x 4"		\$75.00	
	Z-12B	Winter sleigh ride	11" x 8" x 4"		\$75.00	
	Z-13	Czar's treasure chest, dbl box			\$60.00	
	Z-14A	People on winter walk	4" diam		\$18.00	
2	Z-14B	Winter church	4" diam	6.00	\$18.00	\$36.00
	Z-15				\$15.00	
	Z-16	Kremlin in Spring	7" x 5" x 2.5"		\$45.00	
MATRIOSHKAS						
3	Z-17	Viking soldiers set/3	7.5" h	12.	\$36.00	\$108.00
2	Z-18	Mother and child	6" h	25.	\$75.00	\$150.00
MISCELLANEOUS						
3	TVOR-201	Painted wood napkin rings		5.00	\$15.00	\$45.00
1	TVOR-202A	Painted buttons		6.00	\$18.00	\$18.00
3	MCC-201	Painted frames		6.00	\$18.00	\$54.00

*Xerox of design sent to Sieglinde

TOTAL \$4,677.00

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RUSSIA ORNAMENT TALLY – NYGS AUGUST 1995

Ald to Artisans, 14 Brick Walk Lane, Farmington, CT 06032 – Tel (203) 677-1649

# ORDERS	ATA #	VRT #	Description	FOB \$	WHSL \$	EXT \$
7	AOR1-9	CR 131	Streetsweeper	\$4.00	\$12.00	\$84.00
13	AOR1-26	CR 132	Soldier	\$4.00	\$12.00	\$156.00
1	AOR1-5	CR 133	Cossack	\$4.00	\$12.00	\$12.00
	AOR1-8	CR 134	Wood Carrier	\$4.00	\$12.00	\$0.00
	AOR1-2	CR 135	Woodcutter w/axe	\$4.00	\$12.00	\$0.00
5	AOR1-6	CR 136	Bishop	\$4.00	\$12.00	\$60.00
11	AOR1-14	CR 137A	Priest	\$4.00	\$12.00	\$132.00
50	AOR1-13	CR 138	St. Nicholas	\$4.00	\$12.00	\$600.00
3	AOR1-27	CR 139	Man w/balalaika	\$4.00	\$12.00	\$36.00
3			New man w/ balalaika	\$4.00	\$12.00	\$36.00
7	AOR1-7	CR 140	Accordian player	\$4.00	\$12.00	\$84.00
6	AOR1-7A	CR 140	Accordian player	\$4.00	\$12.00	\$72.00
6	AOR1-28	CR 142	Concert Violinist	\$4.00	\$12.00	\$72.00
11	AOR1-12	CR 143	Horn Player	\$4.00	\$12.00	\$132.00
2			Flutist	\$4.00	\$12.00	\$24.00
8	AOR1-11		Folk Fiddler	\$4.00	\$12.00	\$96.00
3	AOR1-3		Hunter	\$4.00	\$12.00	\$36.00
21	AOR1-10		Priest w/icon	\$4.00	\$12.00	\$252.00
7	AOR1-4		Fisherman	\$4.00	\$12.00	\$84.00
3			Grenadier	\$4.00	\$12.00	\$36.00
						\$0.00
36	MC3-b	CR 162	Papier-mache angel	\$1.40	\$6.00	\$216.00
	MC3-a	CR 161	Papier-mache girl		\$6.00	\$0.00
6	AOR-2	CR 103	Wood Girl	\$1.42	\$4.50	\$27.00
2	T-06	CR 104	Snow maiden w/F.F.	\$1.40	\$7.50	\$15.00
2	T-06	CR 105	Snow maiden, red	\$1.40	\$7.50	\$15.00
2	T-06	CR 106	Snow maiden, blue	\$1.40	\$7.50	\$15.00
2	MC3-d	CR 163	Papier Mache Santa	\$1.50	\$6.00	\$12.00
69	T10	CR 153	St Basil, large	\$1.35	\$4.00	\$276.00
42	T09	CR 151	St. Basil, medium	\$1.25	\$3.25	\$136.50
10	T08	CR 152	St. Basil, small	\$0.85	\$2.50	\$25.00
19		CR 171	Clay Dimka Bell	\$0.75	\$2.50	\$47.50
		CR 172	Dimka figurines		\$4.50	\$0.00
		CR 173	Dimka primitive animals		\$3.40	\$0.00
						\$0.00
	IROR-4		Large Paisley bell	\$2.25	\$7.00	\$0.00
7			peach/multi			\$0.00
8			blue/green			\$0.00
9			red/multi			\$0.00
1			miscellaneous			\$0.00
						\$0.00
BIRCH BARK						
33	NOR2-1	CR 221	3-D Tree	\$1.00	\$3.00	\$99.00
16	NOR1-12	CR 211	Flat maple laef	\$0.85	\$2.50	\$40.00
	NOR1-13		FLat oak leaf		\$2.50	\$0.00
52	NOR1-14		Flat birch leaf	\$0.85	\$2.50	\$130.00

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42	NOR2-4	CR 222	Bell	\$1.00	\$3.00	\$126.00
10	NOR2-2	CR 224	Woven Fish	\$1.00	\$3.00	\$30.00
55	NOR1-2	CR 212	Bear	\$0.85	\$2.50	\$137.50
12	NOR4	CR 241	Curliques, ass'd	\$0.50	\$1.50	\$18.00
86	NOR1-1	CR 218	Carved heart	\$0.85	\$2.50	\$215.00
30	NOR1-4	CR 214	Gryphon	\$0.85	\$2.50	\$75.00
58	NOR1-10	CR 225	Curly Fish	\$1.00	\$3.00	\$174.00
51	NOR1-3	CR 213	Deer	\$0.85	\$2.50	\$127.50
	NOR1-8	CR 217	Balalaika	\$0.85	\$2.50	\$0.00
51	NOR1-6	CR 215	House	\$0.85	\$2.50	\$127.50
54	NOR2-3	CR 223	Angel	\$1.00	\$3.00	\$162.00
36	NOR1-12		Flat Fish	\$0.85	\$2.50	\$90.00
6	NOR1-7		Church w/burned desi	\$0.85	\$2.50	\$15.00
						\$0.00

\$0.00
\$0.00

TOTAL \$4,355.50

Russ, ornaments

14

RUSSIA ORNAMENT II TALLY – NEW ITEMS, NOT PICTURED

NYGS – AUGUST 1995

Aid to Artisans, 14 Brick Walk Lane, Farmington, CT 06032 – Tel (

# ORDERS	ATA #	DESCRIPTION	FOB \$	WHSL \$	EXTEND \$
3	BOG 1	Carved wood bears	\$3.00	\$9.00	\$27.00
48	BOG 2a	Dancing	\$3.00	\$9.00	\$432.00
41	BOG 2b	"	\$3.00	\$9.00	\$369.00
1	BOG 2c		\$3.00	\$9.00	\$9.00
41	BOG 2d	"	\$3.00	\$9.00	\$369.00
45	BOG 3	with candle	\$3.00	\$9.00	\$405.00
8	BOG 4		\$3.00	\$9.00	\$72.00
1	BOG 5		\$3.00	\$9.00	\$9.00
1	BOG 6		\$3.00	\$9.00	\$9.00
3	BOG 7		\$3.00	\$9.00	\$27.00
40	BOG 8		\$3.00	\$9.00	\$360.00
7	BOG 9a	with harp	\$3.00	\$9.00	\$63.00
18	BOG 9b	with horn	\$3.00	\$9.00	\$162.00
18	BOG 9c	with accordian	\$3.00	\$9.00	\$162.00
21	BOG 9d	with drum	\$3.00	\$9.00	\$189.00
6	BOG 9e	with dulcimer	\$3.00	\$9.00	\$54.00
					\$0.00
8	BOG 10	Carved angels	\$2.50	\$7.50	\$60.00
8	BOG 11	"	\$2.50	\$7.50	\$60.00
12	BOG 12	"	\$2.50	\$7.50	\$90.00
					\$0.00
10	BOG 13	Carved bear on sled	\$3.40	\$10.50	\$105.00
	BOG 14A	Carved bear peasant man			\$0.00
36	BOG 14B	" "	\$3.00	\$9.00	\$324.00
39	BOG 14C	Carved bear peasant woman	\$3.00	\$9.00	\$351.00
	BOG 14D	Carved bear			\$0.00
3	BOG 14G		\$3.00	\$9.00	\$27.00
	BOG 23	Carved bear w/ball			\$0.00
					\$0.00
2	BOG 24	Circus figures	\$3.00	\$9.00	\$18.00
2	BOG 25	"	"		\$0.00
2	BOG 26	"	"		\$0.00
2	BOG 27	"	"		\$0.00
2	BOG 28	"	"		\$0.00
2	BOG 29	"	"		\$0.00
					\$0.00
30	T-08A	Small painted bell	\$0.80	\$2.50	\$75.00
54	T-08B	"Izba"	\$0.80	\$2.50	\$135.00
39	T-09A	Cupola fantasy	\$1.25	\$3.75	\$146.25
19	T-09B	Cupola Vasily	\$1.25	\$3.75	\$71.25
6	"	" red			\$0.00
6	"	" blue			\$0.00
7	T-09C	Bell under dome	\$1.25	\$3.75	\$26.25
98	T-09D	Bell with doll	\$1.25	\$3.75	\$367.50

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18	T-09E	Ball w/ matrioshka	\$1.25	\$3.75	\$67.50
75	T-10A	St. Basil	\$1.33	\$4.00	\$300.00
1	T-10B	Pendant w/bell	\$1.35	\$4.00	\$4.00
65	T-11A	Snow maiden	\$1.80	\$5.50	\$357.50
43	T-11B	Ball	\$1.80	\$5.50	\$236.50
34	T-12	"Church in Field"	\$2.33	\$7.00	\$238.00
34	T-12A	Large ball w/ pendant	\$2.00	\$6.00	\$204.00
7	T-12B	Small ball w/pendant	\$2.33	\$7.00	\$49.00
98	T-14	Chapel	\$3.00	\$9.00	\$882.00
11	T-14A	Ball w/windows/bell	\$3.00	\$9.00	\$99.00
2	T-14B	Ball; w/windows/chapel	\$3.00	\$9.00	\$18.00
22	T-14C	Summer house w/matrioshka	\$3.00	\$9.00	\$198.00
38	?T129	Girl	\$2.00	\$6.00	\$228.00
					\$0.00
	ZX-1K1	Angels, ass'd	\$2.00	\$6.00	\$0.00
	ZX-1K2	Father Frost on Horse	\$3.00	\$12.00	\$0.00
1	ZX-1K3	Father Frost w/child rocker	\$4.00	\$12.00	\$12.00
1	ZX-CB1	3 pc.nested Santa/snowmaid	\$20.00	\$60.00	\$60.00
	ZX-CB4	Standing Wood Santa,small, ass'd		\$4.50	\$0.00
8	ZX-CB5	Standing wood Santa, large	\$2.00	\$6.00	\$48.00
30	ZXYL1	Ceramic angels, ass'd	\$3.00	\$9.00	\$270.00
1	ZX-VE1	Horse with rider	\$10.00	\$30.00	\$30.00
	ZX-VE2	Soldier, ass'd			\$0.00
	ZX-VE3	Circus Figures:			\$0.00
1	"	Red clown	\$1.50	\$4.50	\$4.50
1	"	yellow clown	\$1.50	\$4.50	\$4.50
7	ZX-OR1	Disks, ass'd	\$1.50	\$4.50	\$31.50
					\$0.00
	MCC 203	Peasant girl			\$0.00
					\$0.00
24	TVOR 206	Assorted folk scene eggs	\$2.00	\$6.00	\$144.00
7	"	sled scene "	\$2.00	\$6.00	\$42.00
1	"	dancing bear "	\$2.00	\$6.00	\$6.00
1	"	girl and pails "	\$2.00	\$6.00	\$6.00
1	"	boy and pig "	\$2.00	\$6.00	\$6.00
30	ZX-CB2	Santas, ass'd	\$1.25	\$3.75	\$112.50
9	ZX-CB3	Mrs. Claus, ass'd	\$1.25	\$3.75	\$33.75
	ZX-OR2	Eggs, ass'd	\$3.00	\$12.00	\$0.00
6	#1	1) sun/moon, 2)patchwork cat, 3)butterflies, 4)cat/fish			\$0.00
		6)outlined flowers, white, 7)gold/brown flowers, 8)gol			\$0.00
		9) red flowers, 10) blue/red leaves			\$0.00
					\$0.00
46	NOR1-15	Snowflake birch bark orn.	\$0.83	\$2.50	\$115.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00

TOTAL

\$8,381.50

RUSSIA ORDERS - NYGS AUG 1995 - VOLGA RIVER TRADING CO.

1000	Univ. Of Wyoming Art Museum	\$ 187
1020	(Jeffrey E. Fields) P.O. Box 3807, Laramie, WY 82071-3807 (307) 766-3981	\$ 27
1001	Valentine Museum Shop (Tuckie Paxton) 1015 East Clay St. Richmond, VA 23219 (804) 788-4178	\$288
1080	Mint Museum Shop (Sandra Fisher) 2730 Randolph Rd., Charlotte, NC 28207 (704) 337-2000	\$ 405
1138	Gallery 4 (Mildred Tanofsky) Mt. Carmel Center, 2985 Whitney Ave., Hamden, CT 06518 (203) 281-6043	\$ 292.50
1082	Flower Loft (Nancy Kitchen) 1475 Franklin St., Rahway, NJ 07065 (908) 381-2800	\$ 115
1084	Mission Traders (C.G. Clarke) 705 North Carolina Ave. SE, Washington, DC 20003 (202) 546-3040	\$ 90
1086	Robert Teszar 315 East 57th St., # 2B, NY, NY 10022 (212) 371-9796	\$ 86.25
1094	As Kindred Spirits (Wendy Walker) 1611 Rockville Pike, Rockville, MD 20852 (301) 984-0102	\$ 100
1095	Walker Loden (Peter Loden) 258 Church St., New Haven, CT 06510 (203) 865-8196	\$ 234
1096	Whole Earth Provision Co. (Charlotte Scott) 2410 San Antonio St., Austin, TX 78705 (512) 476-4811	\$ 1150

Russia/ Volga River, p.2

- 1109 Bauer International (Dee Ann Bauer) \$ 72
455 Long Point Rd., Dock J, Mt. Pleasant, SC 29464
(803) 884-4007
- 1122 SERRV (Bob Chase) \$ 1728
500 Main St., New Windsor, MD 21776
- 1123 Ambleside Gardens (Ms. M.B. Scudder) \$ 1878
Rt. 206, Belle Mead, NJ 08502
(201) 359-8388
- 1154 Out of Hand (Katherine Shanahan) \$ 165
P.O. Box 551, Great Barrington, MA 01230
(413) 528-3791
- 1155 Pyramid Shop, Univ. Of Pennsylvania(Susan West) \$ 866
1153 33rd and Spruce., Philadelphia, PA 19104
1156 (215) 898-4022
- 1157 The Clay Angel (Judith Espinar) \$ 300
125 Lincoln Ave., Santa Fe, NM 875-1
(505) 988-4800
- 1158 Blue Sky in the Morning (Colleen Dougherty) \$254
636 Ashbury Ave., Ocean City, NJ 08226
(609) 399-7103
- 1187 Cathedral Shop (Pamela Morton) \$ 160
St. John the Divine
1047 Amsterdam Ave., NY, NY 10025
(212) 222-8200
- 1293 New Jersey State Museum (Molly Merlino) \$ 163
205 West State St., Trenton, NJ
- 1298 Seven Stars Shop (Peg Savage) \$383.75
West Seven Stars Rd., Kimberton, PA 19442
(610) 933-3635
- 1300 Sieglinde Imports (Sieglinde Wood) \$ 50.75
184 8th Ave.,Brooklyn, NY 11215
(718) 49902751

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Russia/Volga River, p. 3

1301	Simple Pleasures 6 Richmond Sq., Providence, RI 02906 (401) 331-4120	(Jean Callghan)	\$ 180
56651	Wolff Design Group 24 Farmstead Lane, Old Brookville, NY 11545 (516) 626-0155	(Susan Wolff)	\$108
56652	Stony Brook Gardens Rt 31 and Yard Rd., Pennington, NJ 08534 (609) 737-7644	(Kristin Willey)	\$116
56653	Tail of the Yak 2632 Ashby Ave., Berkeley, CA 94705 (510) 841-9891	(Alice Erb)	\$150
56654	Seagull Pewter Store 15 River St., Calais, ME 04619 (902) 243-2516	(A.N. Derringer)	\$286
56655	Intermission 8405 Germantown Ave., Philadelphia, Pa 19118 (215) 242-8515	(Terry Marek)	\$ 141
56656	Silver Lining 400 Pine St., -312, Seattle, WA 98101 (206) 464-4262	(Chris Reicher)	\$135
56658	The Best of All Worlds 132 Stanford Shopping Ctr., Palo Alto, CA 94304 (415) 327-6045		\$ 680
56659	Comina Elm St., Rt 1A, Stonington, CT 06378	(Dede Gillespie)	\$1876
56660	Go Outside 111 Morris, P.O. Box 216, La Conner, WA 98257 (360) 466-4836	(Mark Epstein)	\$ 202.50
56661	Inspirations 429 W. Muhammad Ali Blvd., Louisville, KY 40202 (502) 583-3100	(Angie Fleitz)	\$627

Russia/ Volga River, p. 4

5662	Elena's Fine Gifts & Collectibles 310 Bridge St., New Cumberland, PA 17070 (717) 774-7780	(Joseph Filippino)	\$664
1250	American Museum of Natural History	(Ilene Lewis)	\$2244
1251	Central Park West at 79th St.m NY, nY 10024-5192		\$ 564
1252	(212) 769-5733		\$1035
56663	Cedar Chest 150 Main St., Northampton, MA 01060 (413) 584-3860	(Traci Pushkin)	\$198
56664	The Bibelot Shops 1082 Grand Ave., St. Paul, MN 55105-3001 (612) 222-0321	(Peggy Merrill)	\$ 648
56665	The Blue Onion 98 Main St., Tappan, NY 10983 (914) 359-0801	(George Lane)	\$ 178
56666	Childventure Museum Shop 430 Virginia Dr., Ft. Washington, PA 19034 (215) 643-9906		\$ 213
56686	Eagle's Nest Rt. 202, Morristown, NJ 07960		\$90
56688	Simply Splendid 1085 3929 West 50th St., Minneapolis, MN 55424 (612) 922-6830	(Sarah Dornish)	\$ 847.50
56704	Whyevernot 17 West Main St., Mystic, CT 06355 (203) 536-6209	(Martha Hug)	\$ 216
		TOTAL	\$20,546

Fourth Annual

AID TO ARTISANS' TRADE NETWORK DINNER

Please join Aid to Artisans and fellow Trade Network members for the Fourth Annual Trade Network Dinner to celebrate the new year.

Aid to Artisans Board Member and chief consultant, Docey Lewis, will dazzle us with tales and slides of ATA's Russia project. As the project comes to a close, Docey will share the successes that ATA and our Russian counterparts have enjoyed.

Around the dinner tables, artisans from Ghana, Russia, Nicaragua, Romania and Armenia will share stories of their craft traditions with Trade Network members.

Aid to Artisans' rapid growth and remarkable success in Armenia, Central Asia, Ghana, Peru, Russia and our first domestic project in Hartford, CT is made possible by the support and active participation of our Trade Network members. Please join us in celebrating our shared successes and toasting new growth in the new year

Tuesday, January 23rd, 1996
The National Arts Club
15 Grammercy Park
New York City

Cocktails 7:30 - 8:00 pm
Dinner 8:00 pm

R.S.V.P. by January 19th (860) 677-1649

\$30 Trade Network Members \$35 Guests



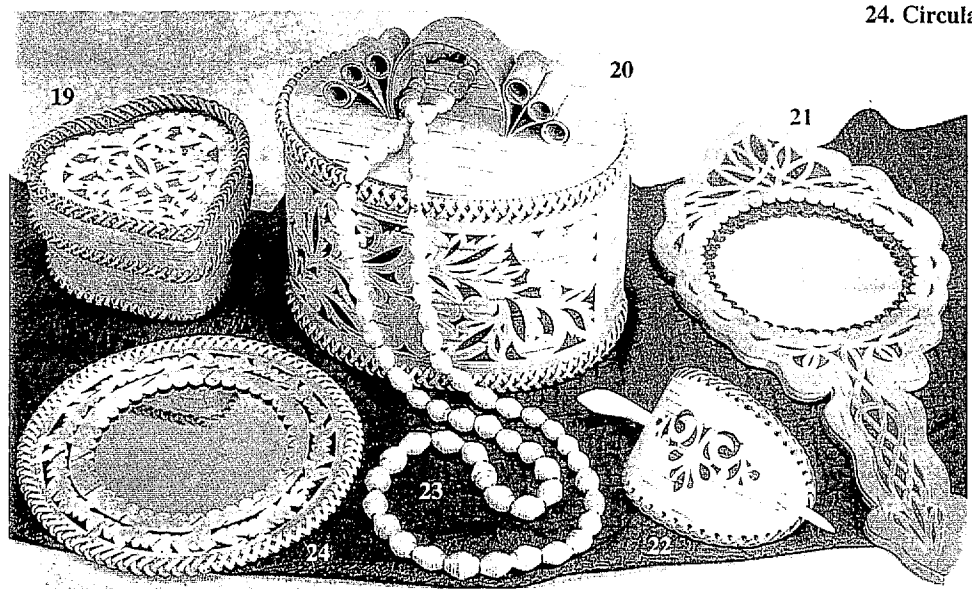
SERRY INTERNATIONAL

VCBS
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 ALOG
 profit
 organization

Fair Trade for the Developing World



- 19. Heart Box: 3 1/2" x 4" x 2" h
78049C 18.95
- 20. Oval Box: 4 1/4" x 5 1/2" x 5 1/2" h
78037C 32.95
- 21. Hand Mirror: 5" x 11 1/2" l
78044C 19.95
- 22. Hair Clip: 2 1/4" x 3" 78051C 8.95
- 23. Necklace: oval beads of rolled, thin birchbark; 30" l 78047C 8.95
- 24. Circular Mirror: 5 1/4" dia. 78046C 15.95



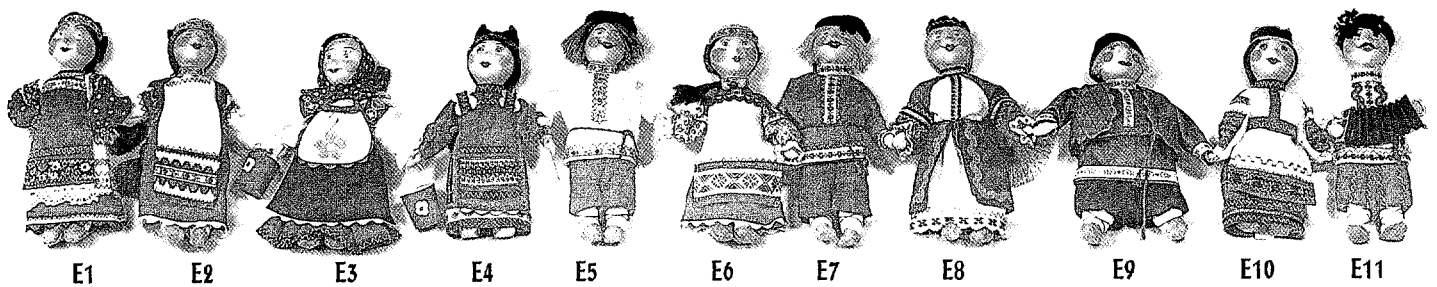
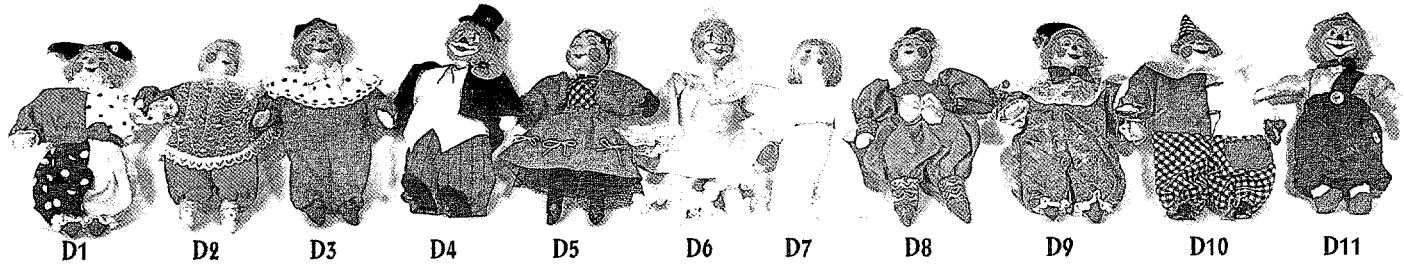
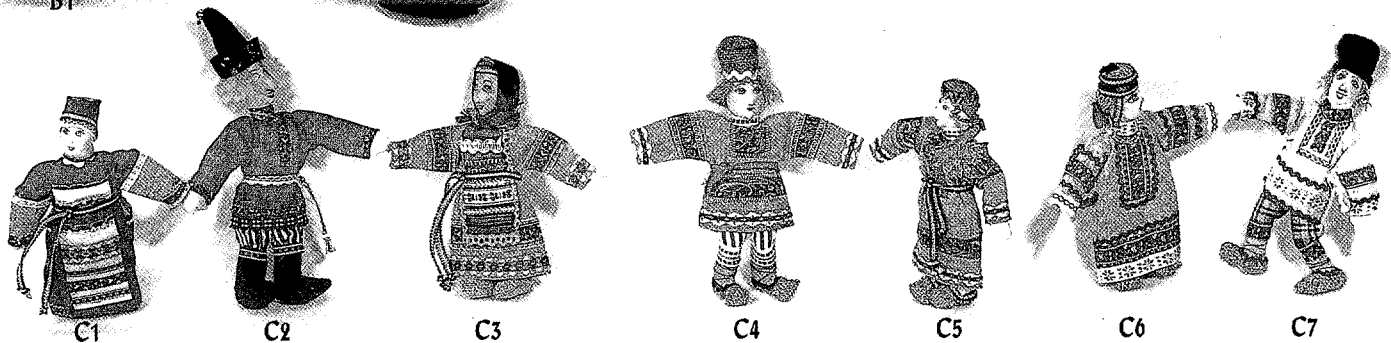
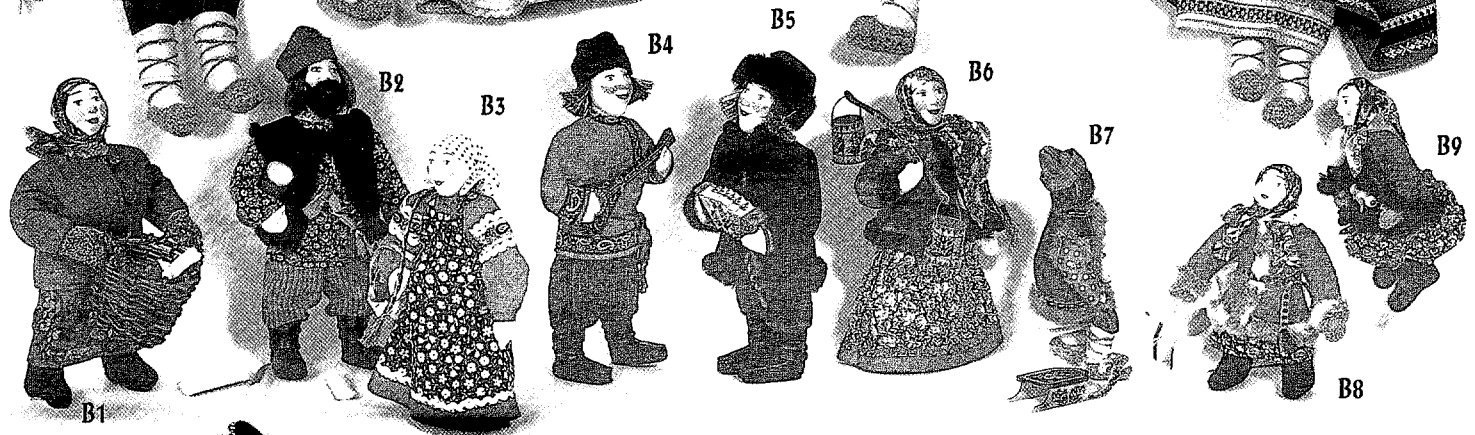
Russian Dolls: dressed in authentic folkloric clothing; carved wood head, firmly stuffed cloth body Russia

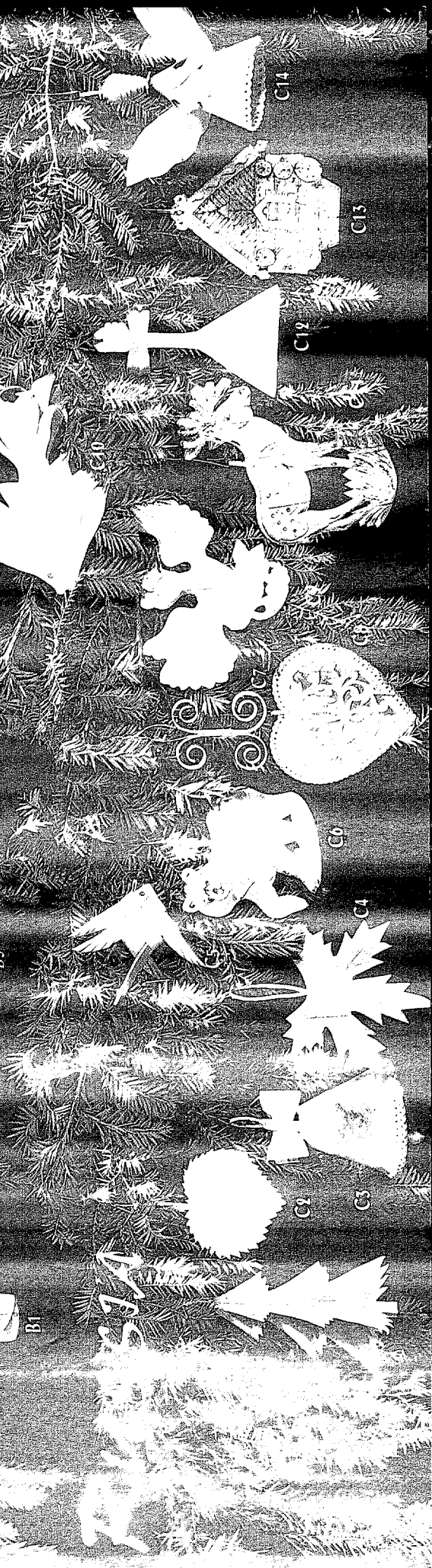
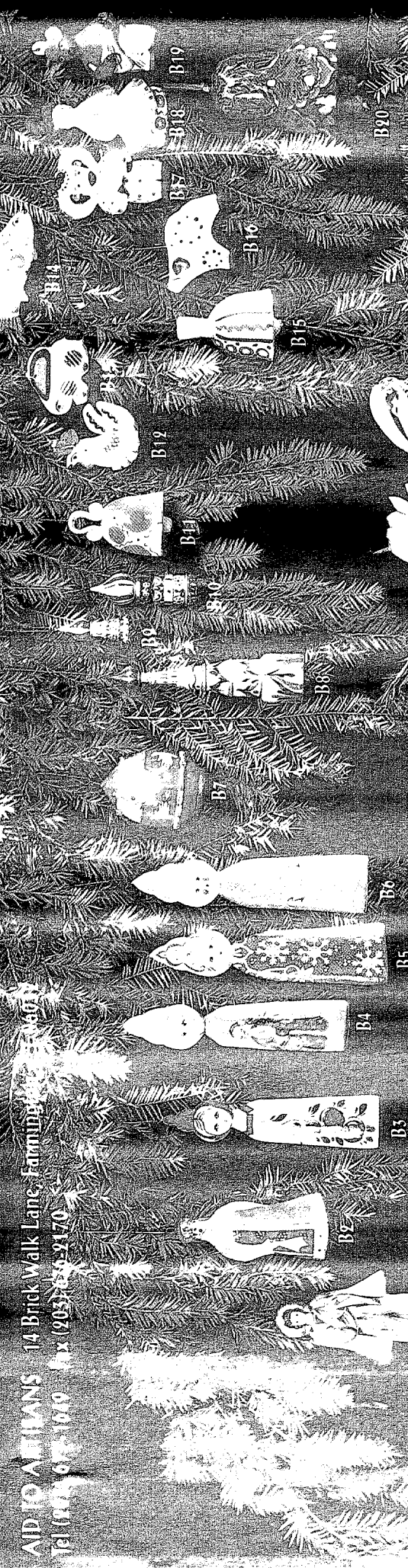
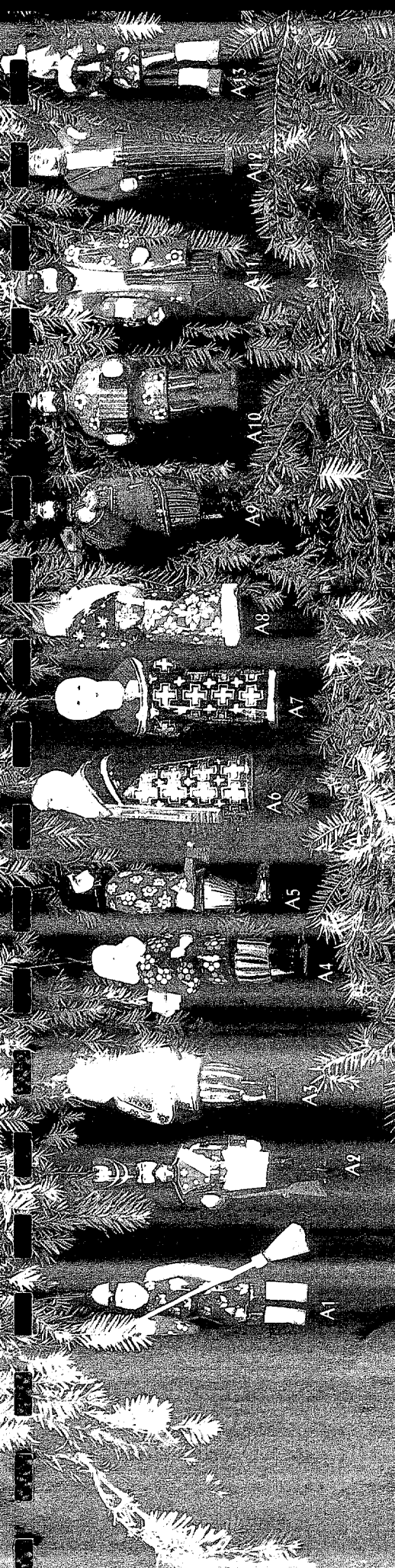
- 1. **Woman:** long dark blonde braid; wears dress w/long print jumper, bloomers, & woven jute shoes; she carries a birchbark market basket; 10 1/2" t 78076C 75.00
 - 2. **Man:** dark blonde hair pokes out of cap, red tunic, striped pants, woven sash at waist, & black leather boots; he holds a painted & stringed balalaika; 12" t 78077C 75.00
- Russian Dolls:** stiffened fabric head, painted features, firmly stuffed cloth body; dressed in folkloric clothing of natural linen w/woven fabric trim; yarn hair Russia
- 3. **Woman:** blonde braid; 8" t 78082C 16.95
 - 4. **Man:** red hair; 9" t 78083C 16.95
 - 5. **Woman:** red braid; 8" t 78081C 16.95



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RUSSIAN DOLLS





AID TO ATHANS 14 Brick Walk Lane, Farmington, CT 06031
 Tel: (860) 678-1619 Fax: (860) 678-9170

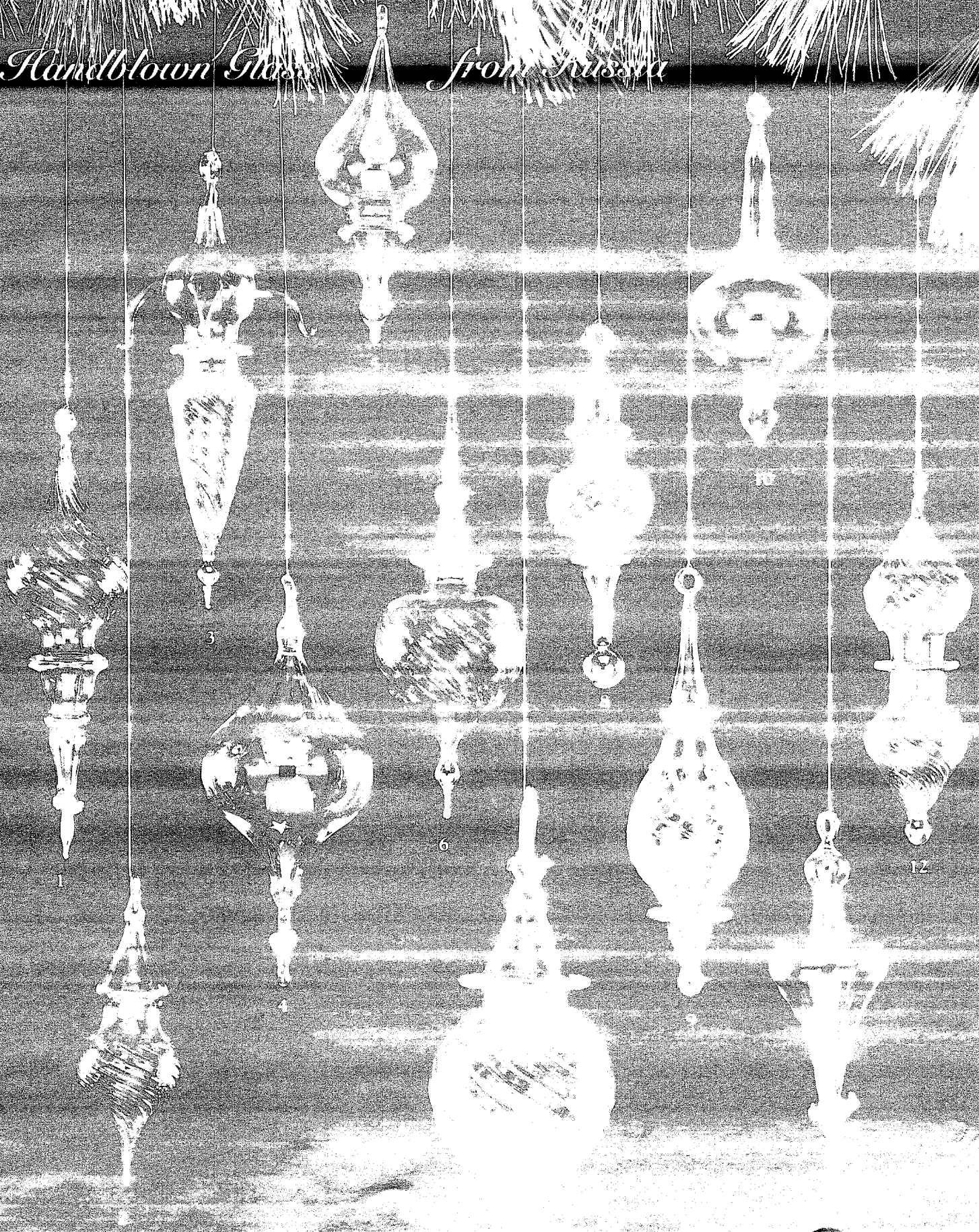
RUSSIA



AID TO ARTISANS

14 BRICK WALK LANE • FARMINGTON, CONNECTICUT 06032 • TEL (203) 677-1649 • FAX (203) 676-2170

Handblown Glass from Russia



AID TO ARTISANS

14 Brick Walk Lane • Farmington, Connecticut 06032 • Tel (203) 677-1649 • Fax (203) 676-2170

Russia Final Report
NGO and Artisan Questionnaire

REPORT METHODOLOGY

1. Review all project documents:
 - Proposal
 - Implementation Plan
 - Log Frame (UPDATE)
 - Cooperative Agreement with WL
 - Reports (Quarterly & Consultants)

2. Interviews with ATA project personnel:
 - Clare Smith, ATA President
 - Docey Lewis, Chief Consultant
 - Ben and April/Volga River Trading Co.
 - Sieglinda
 - ATA partner NGOs:
 - Irida (Maria & Ludmila)
 - AARW (Lena & Raisa G.)
 - RAWBO (need to update, why they stopped participating)
 - Tvorchestvo (Tatyana & Natalya -together)
 - MCC (Raisa E.)
 - IIED (Tatyana and Lia)
 - Select ATA Russian artisan producers:
 - Galina (Dolls)
 - Anna (St. Basils ornaments)
 - Slav (Sosnovy Bor Glass Factory)
 - Victor (Stil Birch Bark Factory)
 - Svetyolka (Olga & Sveta)
 - Dima (export agent)

QUESTIONNAIRE: ARTISAN PRODUCERS

Galina (Dolls)

Anna (St. Basils ornaments)

Slav (Sosnovy Bor Glass Factory)

Victor (Stil Birch Bark Factory)

Svetyolka (Olga & Sveta)

1. What new buyers or other business clients had ATA introduced to you?
2. Has your business profited from business from ATA buyer contacts?
 - If yes, how many orders, dollar amount of order?
 - If yes, do you expect more business from them?
3. Were buyer visits useful, even if orders were not placed? Why?
4. What was the most important thing you learned about the US/International market through ATA project activities?
5. What were the most pressing problems for your business at the beginning of the ATA project? Did ATA address any of these issues? If so, which ones?
6. What are the most pressing problems for you business today?
7. Which ATA consultants did you find the most helpful? Why?
8. What useful things did you learn in working with ATA product designers to adapt your products for the US market?
9. Did the ATA designer include your designs in the product development process?
10. What was the most useful business and organizational management training? How have you used what you have learned-- was it practical?
11. What products are selling best on the domestic market?
12. What products are selling best on the export market?
13. Did ATA assist with export orders?
14. Which NGO do you belong too?
How has this organization assisted you with your business needs?
How could they better assist artisan producers/business members?
15. Has ATA displayed your work in galleries or trade shows? If so, which ones? What were the sales results?
16. Did ATA promote your products?

17. How has your member NGO promoted your products?

18. Did you participate in the Moscow International Gift Show? If so, what are your impressions? What, if any, problems and/or issues were involved?

19. What are your suggestions to help ATA do a better job?

20. Would you be interested in participating as trainers in future ATA NIS projects?

QUESTIONNAIRE: CRAFT-BASED NGOS

Irida (Maria & Ludmila)

AARW (Lena & Raisa G.)

RAWBO (need to update, why they stopped participating)

Tvorchestvo (Tatyana & Natalya -together)

MCC (Raisa E.)

IIED (Tatyana and Lia)

1. What year was your organization established?
2. What is your position in the organization?
3. Is your organization officially registered as a non-profit organization?
4. How many members does you organization have?
5. How many paid staff does the organization have?
6. Do you have any volunteer members? If yes, how many?
7. Does your organization have a Board of Directors?
8. How many ATA seminars did you participate in?
(approximately)
9. Which seminars did you find most useful and why?
10. What types of services does you organization offer to members? Has your service and assistance to members increased with ATA help?
11. Has participation in ATA activities enhanced participation and cooperation among members and other Russian NGOs----How?
12. How does your organization contribute to the community---how does your organization assist artisan and craft-based businesses?
13. What are the most pressing problems for your organization today?
14. Which ATA consultants did you find the most helpful to your organization's development? Why?
15. What was the most useful business and organizational management training? How have you used what you have learned-- was it practical?
16. Did you participate in the Moscow International Gift Show? If so, what are your impressions? What, if any, problems and/or issues were involved?

17. What are your suggestions to help ATA do a better job?

18. Have you applied for a grant independently?

If so, with you?

Did you receive the grant?

If, yes how much was it for and what will you use it for?

19. What do you see is needed by your organization to further develop? Which among the following topics would be most useful for your organization today:

- * Strategic planning
- * Financial management and accounting
- * Human and material resource management
- * Communication with members
- * Work with volunteers
- * Relations with NGOs and government
- * NGO management
- * Leadership training and team building
- * Small business management
- * Fundraising
- * Staff development
- * Board development
- * Other: PLEASE LIST

20. Would you be interested in participating as trainers in future ATA NIS projects?

AID TO ARTISANS
PROJECT FRAMEWORK

FOSTERING CRAFT ENTERPRISE AND
THE VOLUNTARY BUSINESS ASSISTANCE SECTOR IN RUSSIA

SUMMARY	INDICATORS	ASSUMPTIONS
<p>GOALS: PVO/NIS Project: <i>Strengthen and expand social safety net, providing support and assistance to those dislocated by socio-economic changes</i></p> <p>Project Goal: Foster alternative employment opportunities for Russian women, and strengthen local NGOs engaged in voluntary business service to the artisan sector.</p>	<ul style="list-style-type: none"> • Change toward privatization of social services previously provided by government • Measurable increase in employment opportunities • Measurable increase in income generation • Expansion of NGO services for women-owned enterprises 	<ul style="list-style-type: none"> • Voluntarism, as defined in U.S., is a valid concept at this time in NIS • Viable to use PVO/NIS project to impact provision of social safety net • Increased employment opportunities in the artisan sector will generate meaningful income
<p>OUTCOMES:</p> <p>Artisans: Initial target group of 300 women and 75 men assisted to develop profitable craft enterprises based on new markets in the U.S. and the emerging local markets in Russia.</p> <p>Partner NGOs: 3 Russian NGOs whose mission is to expand business opportunities for Russian crafts-women will have been strengthened.</p>	<p>EOPS:</p> <p>Artisans:</p> <ul style="list-style-type: none"> • Increased incomes from craft production enterprise achieved • Ability to sustain small independent businesses • Long-term relationships with US importers are established <p>Partner NGOs:</p> <ul style="list-style-type: none"> • Active, sustainable program of business assistance for women • Demonstrated commitment to women's employment issues and active advocacy role 	<ul style="list-style-type: none"> • Technically qualified, un-employed women artisans are interested in the program • Macro-economic factors do not overwhelm new businesses • US market exists for artisan products from Russia • Public policy promotes NGO sector
<p>OUTPUTS:</p> <p>Artisans Year 1:</p> <ul style="list-style-type: none"> • Appropriate group of artisans & enterprises identified • Enterprises able to develop market-oriented craft products <p>Artisans Year 2:</p> <ul style="list-style-type: none"> • Enterprises able to develop new products for customers • Export orders fulfilled <p>NGOs Year 1:</p> <ul style="list-style-type: none"> • 3 NGOs sponsor training and development programs <p>NGOs Year 2:</p> <ul style="list-style-type: none"> • Strategic Planning capacity • Experience in providing business assistance to enterprises 	<p>SPECIFIC INDICATORS</p> <p>Artisans: Year 1</p> <ul style="list-style-type: none"> • 200 artisans identified • 50 products introduced to U.S. market <p>Artisans: Year 2</p> <ul style="list-style-type: none"> • 175 artisans identified • 100 products in U.S. market • Increased income-generation • Increase in export orders <p>NGOs Year 1:</p> <ul style="list-style-type: none"> • Co-sponsorship of 20 events • 100 artisan trainees <p>NGOs Year 2:</p> <ul style="list-style-type: none"> • Co-sponsorship of 10 events • Independent programming initiated 	<ul style="list-style-type: none"> • Exporting constraints are solved • NGO partnerships are viable • Market interest is sustained • Socio-Economic-Political context is stable

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AID TO ARTISANS
PROJECT FRAMEWORK
 FOSTERING CRAFT ENTERPRISE AND
 THE VOLUNTARY BUSINESS ASSISTANCE SECTOR IN RUSSIA

SUMMARY	INDICATORS	ASSUMPTIONS
<p><u>INPUTS / ACTIVITIES</u> <u>2 Year Program:</u> Grant: \$555,000 Match: \$242,768 (30%) <u>3 NGO Partners in Moscow:</u> Tvorchestvo RAWBO AARW <u>Aid to Artisans, Inc.:</u> US-based management; 32 weeks of in-country presence</p>	<p><u>Marketing Program</u></p> <ul style="list-style-type: none"> • New York International Gift Fair participation • Organized buyer visits to Russia • Organized promotional activities ex. exhibitions & media coverage <p><u>Business Training Program</u></p> <ul style="list-style-type: none"> • Workshops & Seminars in Russia and the U.S. covering product development, exporting processes, and marketing <p><u>NGO Development Program</u></p> <ul style="list-style-type: none"> • Procurement of basic office equipment / resources for main NGO partner(s) • Direct Grants to NGOs for programming activities • Counseling for NGO leaders • Workshops on strategic planning and program delivery 	<ul style="list-style-type: none"> • Continued participation by NGO Partners

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