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THE HAITI HANDICRAFTS VALUE CHAIN

SUSTAINABLE STRATEGIES FOR DEVELOPMENT

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A MARKET-DRIVEN, VALUE-CHAIN APPROACH TO ECONOMIC DEVELOPMENT & POVERTY REDUCTION

Based on

- USAID Global Market Assessment for Handicrafts
- USAID Haitian Handicraft Value Chain Analysis
- Haitian handicraft development projects
- First-hand market experience



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- Co-founder & President of Mélange, an import-wholesale company
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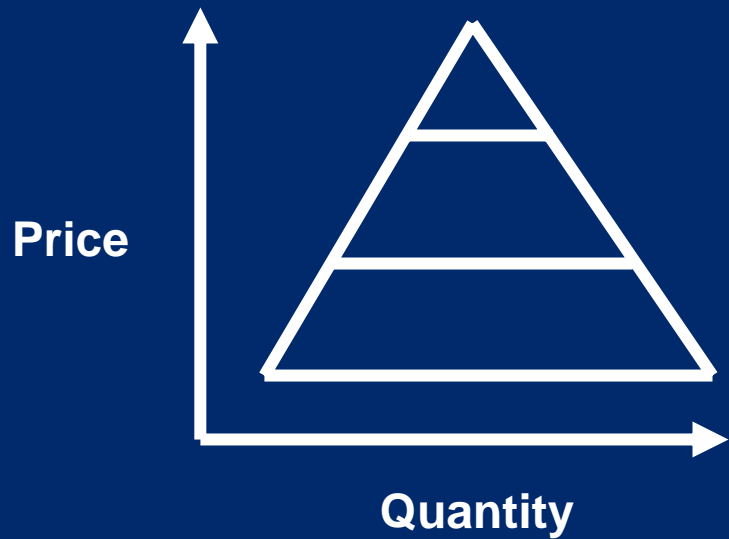
WHAT THE MARKET WANTS: A GUIDE FOR DEVELOPMENT PROJECTS

- Excellent knowledge of market & customers
- Competitively position a handicraft sector development project



KNOW YOUR CUSTOMER

End consumer vs. direct customer



KNOW YOUR CUSTOMER'S NEEDS

Products

Design

Materials

Skills

Quality

Labeling/packaging

Services

COMMUNICATION

Product Development

Customer Service

Shipping/logistics

ADDRESS YOUR CUSTOMER'S NEEDS

- **Recipe =**
 - Identify your customer +**
 - Determine what your customer wants +**
 - Develop what your customer wants +**
 - Deliver what your customer wants**
- **Success = repeat the recipe**
- **First order: 18 months or more**
- **Relationship: 5 years or more**

ONE-TIME PURCHASE OR SUSTAINABLE BUSINESS?

Rwandan Baskets



Original



Improved



**New
Color**



**New
Function**



**New
Line**

VALUE CHAIN ANALYSIS: HAITIAN HANDICRAFTS

“End markets, particularly if they are outside of the country where the study is based, are often ignored or inadequately investigated.”

- **Began with a market study**
- **Homework first!**
- **Interviewed range of market players**

MARKET STUDY FINDINGS

- **Key trends**
- **What buyers want from suppliers**
- **Market's advice**

Haiti

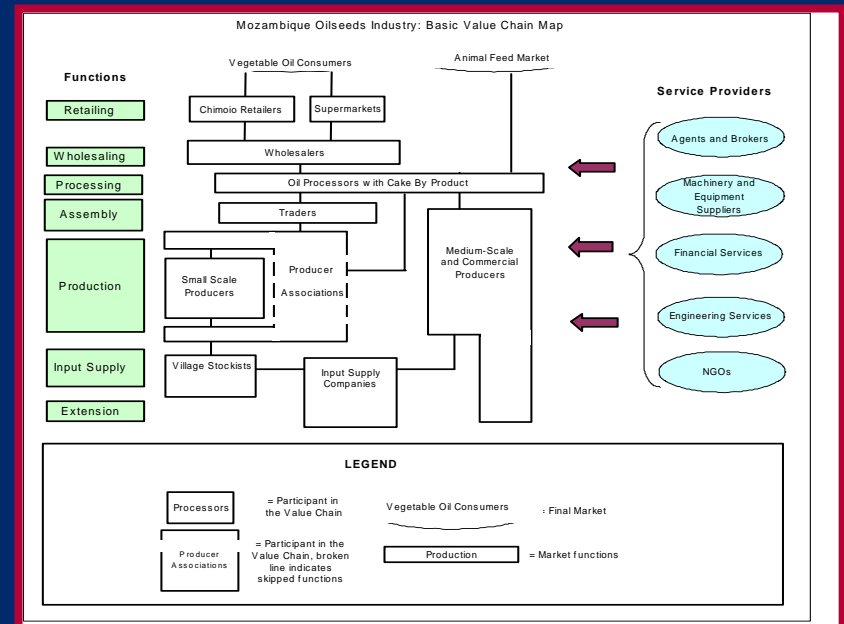
- **Can't compete with China – focus on high-end**
- **Are there qualified agents?**
- **Leverage creativity, handiwork & proximity**
- **Best way to compete: global style**

“The only way for the artisan to survive is to tap into his or her own indigenous culture to find what is really unique.”



VALUE CHAIN ASSESSMENT

- Market side guided supply side
- Interviewed range of actors
- Mapped the sector
- Described roles & relationships



SUPPLY CHAIN FINDINGS

- **Missing actor found – agents exist**
- **Familiar constraints, from market information to raw materials & financing**
- **Surprising opportunity – local lamp-maker**
- **An SME at risk, yet opportunity remains**



THE FULL VALUE CHAIN

- **Treat customer & market as partners**
- **A value chain is a chain of relationships**



ACCURATELY COSTING VALUE-ADDED UPGRADES

- Demands of the “luxury” market are higher than the former “ethnic” market
- Costs of value-added propositions must insure margins sufficient for sustainability



MARKET-DRIVEN, VALUE CHAIN APPROACH FOR SUSTAINABLE DEVELOPMENT

- **Begin & end with the market – what does it want?**
- **Assess the entire value chain – raw materials to final consumers**



“Bottom line is it has to be business, business, business – a business project with a business frame of mind.”



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THANK YOU!

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