

ADVENTURES IN FAIR TRADE

**Helping Laotian artisans find larger markets
to preserve age-old skills and improve living standards**

by Mark Sloneker

Mark Sloneker is a founder of Oriijn: supporting art, fostering education, and sustaining culture by making handcrafted Lao silver jewelry and silk weavings available to the world market.

Background

I grew up on a Mennonite family farm in a small town in Illinois. When I was young, there still was a Mennonite culture that made quilts, wore bonnets, and had events that wrapped around the community and the church. It mostly disappeared with the older generation, and so did the handcrafts. I think that is why I later associated the two.

I was fortunate to have parents who were educated outside the community. My father had a Ph.D. in biochemistry, my mother a degree in Latin. They both had a curiosity for travel and culture, as much as a Mennonite can.

I went to school in pre-med for a couple of years in Iowa, but I was too dyslexic to continue. Then I ran off to art school in Florida and found that lifestyle more comfortable.

My work for five years after school as an art director in Houston advertising agencies gave me a good look at launching brands and products. It was during the recession of the early 1980s, but Houston was booming due to oil. Being in the advertising business gave me a good look at why even some good companies and products can falter. I continued to chase my interest in travel and culture by spending vacation time in Central America because it was cheap and easy to get there from Houston.

I left Houston to work at a London Agency for a couple of months and then bought a Volkswagen Westvalia camper and drove around Europe for the rest of the year.

An advertising job was waiting for me in Dallas, but I moved on to San Francisco six months later and freelanced as an art director and creative director for various agencies. I started my own agency with my future wife in 1990, built the

business, and sold it during the dot-com boom. Then I relaunched a virtual brand consultancy in 2002 called Convergencies.

While in San Francisco, I started exploring Asia and was fascinated by the Eastern view of the world. On 9/11, my wife and I were off for a long trip to southeast Asia. We could not return until three weeks later when foreign planes were allowed to fly to the U.S. again.

We added Laos to our tour on a whim due to a suggestion from a friend. It was the place that captured us more than any other. My chance meeting there with someone from the ministry of education stuck in my mind.

It was five years before I returned to Laos. Up until that time, e-mail was considered “illegal” and frowned upon. It was still rare for anyone to start and run a private Laotian business outside of the local markets. The Lao Government saw what was happening in China and Vietnam, that you could be communist and capitalist, so the barriers started dropping. There were local entrepreneurs, mostly women and investors from China, Japan, and Russia, who were also pushing that transition.

I reconnected with Sombath, my initial contact in the ministry, in late 2006 through some pro-bono consulting work I was doing for a fair-trade Lao coffee. He had left the government and started the first Lao NGO, the Participatory Development Training Centre, which provided community services and an alternative school program with the goal of shaping the youth, the next leaders of Laos. His other goal was to help get revenue to isolated villages by developing markets other than the local villages for their handcrafts. Organizing self-determining co-ops in each village, offering micro loans and financial classes, and supplying materials were to be part of the program.



Silk



Silver

In early 2007, I returned, inspired by Sombath's dream. Initially I did not know what I would do, only that I should go. He asked if I could teach basic business practices, as there was no management-level experience in the past 40 years from which they could draw. After two trips of teaching and seeing little change, I told Sombath the best way to teach is to do, so we built an organization within the NGO to be a profit-center business and use that as the teaching device and revenue generator for the project.

We would brand and market products in the West and help them build a supply chain and business model that would work within the culture. "Productizing" the artisans' crafts to fit Western tastes and setting customer service expectations were other efforts. Aside from the infrastructure, we opened an online store here and one in Vientiane, Laos (Oriijn). We are starting our third year of business and still working out the kinks. On our end, it is a nonprofit, but we have reached the point where the online business pays for all of its expenses and can reinvest in the system. It is also providing revenue to the organization there and a higher, fair-trade wage to the artisans. The initial launch fund came from my own checking account.

A new project in India resulted from a contact made by Doug Tatum [chairholder, Wright Travel Chair in Entrepreneurship, MTSU] on a speaking trip to Kolkata. He approached me through a mutual friend, and I said I would join to see if it seemed worthwhile. We are still in development, so I would rather not provide specific information except that it is a natural product with fair trade goals that will be good for the consumer as well. The goals of this business are different from the Laotian business; the culture and how one maneuvers in it is not the same, either.

Motivation for Making Significant Social Contributions

I have tried not to ask myself *why* too often. At midlife, I decided not to talk myself out of opportunities. When I look back, the things I neglected to do are my biggest regrets. Here is what I tell myself and my friends:

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- In a midlife crisis, I was looking for something more fulfilling than a paycheck.
- I have always had a passion for travel, culture, art, and handcrafts.
- My first experience with the Lao and their culture was endearing and inspiring.
- The opportunity fell from the sky; I recognized it and did not question it.
- I got a sense that, as an individual, I could actually do something for the Lao.
- Helping the artisans involved a move from income of \$1 a day to \$2, which could greatly improve the options for their families and the community.
- It seemed to be a fit for my life experience.
- My Lao partner ensured that all aspects of the culture and law were considered and the business system implemented in a way that was sustainable and self-determining.

• While traveling in southeast Asia right after 9/11, we experienced support and sympathy for the U.S. in large cities and remote villages everywhere we went. But once we entered Iraq, that support turned completely into disdain. Without being too political, I was not happy about it, either. I became bored with my complaining. Laos was a country in which the U.S. had left a terrible legacy, and I saw a way to channel my energy to show that Americans are not all the same. This sounds a little corny as I write it.

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Accomplishments

In Laos, we are constantly evolving and improving the system. The structure is falling into place within Lao culture and on Lao time. One of the bigger challenges is the change of mindset. The Lao have been in survival mode for all these years. How to put food on the table today and tomorrow is as much as most Laotians plan. Helping them move to a long-term vision after years of basically foraging takes time. This is true with both the weavers in the villages and the managers in the city. One has to understand what they have been through. This includes being able to meet Western expectations about time frames, product consistency, and customer service. We tell the managers they must learn to be international during business hours and Lao at home.

Aside from the revenue and market growth, we are seeing improvements in the mindset, awareness of the advantages of a long-term strategy, and more confidence in reaching long-term goals. The Lao have been teaching me some things, too. They know how to live in and enjoy the moment and be thankful for simple things. I have learned that just following a straight line from point A to point B can cause one to miss things one might find if one takes the blinders off and follows a more serendipitous path. A little Buddhism in business can bring rewards.

In India, we are still laying the groundwork. The accomplishments so far have been developing team members and relationships for building the product, the supply chain, and the customer base.

Goals

The goals for the two businesses have some conceptual differences. In Laos, I will know I have reached my goal when the Lao do not really need me anymore, hopefully within three to five years. It is not about my making money, it is about the Lao having and managing their own sustainable business; my reward is the pleasure of being involved. Continued improvements in the system, staffing, and sales channels are the focus. The business in India is based on a different model, shaped by the product, the country's culture, and my partners' goals.

When I started the Lao business, I also started a group in San Francisco of fair trade ventures like mine, the Fair Trade Federation, all based in handcrafts. We would compare notes and share what we learned. The initial goal was to

help each other get certified. One shared agony was that we all wanted to be able to do more for the people with whom we were working, but the revenue margin and volume in the business of handcrafts are limited.

When Doug Tatum brought the original Indian concept to me, I wanted it to be more than a handcraft business. The business skills, community organization, and culture of India would allow that, and the product was a "bottom-of-the-pyramid" commodity with the potential to be embraced by large companies. There would have to be a profit and a large market in order for big companies to take notice. I would like to see fair trade move beyond coffee beans and handcrafts to common commodities backed by larger companies. If done right, this larger scale would help more people, provide a good product, and make the consumer "feel good." A mass-market product would further consumer education and understanding of fair trade.

Tatum has been the founder and advisor who keeps the for-profit business goals on track, and I am very thankful for his guidance. His focus is necessarily on profit. Dr. Jagadish Sheth, an Indian advisor and partner, came to the U.S. early in life. He has a comprehensive background in international marketing and special relationships in India and all over Asia. He would like to help India develop international business channels. I think all of us love the adventure of entrepreneurial pursuits.

Is Social Enterprise a Growing Trend?

I hope so. I think it is feasible to have both a profit and social benefits. It will require more educated consumers that have a conscious preference, just as with the choice to buy "organic." The small focus groups we did showed that much education is still needed. The profit and marketing opportunities must be there for large companies to embrace the concept.

Parting Thoughts

I should mention that my wife joined in the effort after its first year and has focused on the weaving side by developing products and systems for the women involved. I just hope for enough time and energy to do all the things I can see that need to be done out there.

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