



THE MIKONO PROJECT

Through this innovative livelihoods model JRS is taking a whole-of-society approach to create an ecosystem for refugee-made handcrafts.



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I. INTRODUCTION

The last ten years have seen an unprecedented growth of forced displacement. There are now over 80 million people displaced worldwide, including 20 million refugees and almost 40 million internally displaced people.

There is a human story behind every one of these statistics. We can, however, draw some general patterns to these stories: the duration of displacement has grown to an average of twenty-six years as people wait in camps and poor urban areas for resolution of their situations.

As a result of this displacement, young refugees are among the most marginalized and vulnerable populations. 86% are situated in the global south, in many of the world's poorest countries, where governments struggle to provide basic infrastructure for their own populations let alone for large numbers of refugees and migrants.

The Jesuit Refugee Service (JRS) has combined its education and livelihoods sectors into a single strategic priority. Its focus is the development of innovative education, training and livelihoods programs that not only build self-reliance and sustainability, but also enable refugees to contribute positively and fully to their new communities, and in so doing secure their own hope for the future.

The Mikono Project (TMP) reimagines the traditional livelihoods option of handicrafts. Through improved training, better market analysis and use of contemporary technology, Mikono will become an example of transformative refugee entrepreneurship and engagement.

Whole of society:

"Acknowledge the contribution of and important role played by all relevant stakeholders, including individuals, families and communities, intergovernmental organizations and religious institutions, civil society, academia, the media, voluntary associations and, where and as appropriate, the private sector and industry, in support of national efforts for noncommunicable disease prevention and control, and recognize the need to further support the strengthening of coordination among these stakeholders in order to improve the effectiveness of these efforts;"

Source: General Assembly of the United Nations 2011 Political Declaration, (Page 5)

II. CONTEXT

In August 2020, Kenya was hosting a total of 498,422 refugees and asylum seekers, the majority from Somalia, with smaller numbers from South Sudan, DR Congo, Burundi, and Sudan. They primarily live in three sites: Dadaab Refugee Camp in the east of the country (population of 220,519), Kakuma Refugee Camp in the northwest (197,133), and in urban areas, mainly Nairobi (78,912). Over half of these displaced persons are below the age of 17. Notwithstanding small populations of returnees to Somalia, the number of displaced people is expected to remain the same or slightly increase in the coming years (UNHCR, 2019).

Meaningful employment has emerged as the critical need of the adult refugee population in Kenya. The Kenyan Government has endorsed the Comprehensive Refugee Response

Framework (CRRF)¹, committing itself to enhance refugees' self-reliance and inclusion, and create greater access to educational institutions. In practice, however, most displaced people seek employment outside the formal economy, utilizing local networks and continuing to rely heavily on the assistance of multilateral organizations and NGOs for their daily needs (Samuel Hall, 2018).

It is no surprise that high levels of unemployment persist in these populations. **In the Kakuma Refugee Camp, unemployment is estimated to be 62%** (International Finance Corporation - World Bank, 2018). The phenomenon is skewed sharply by gender (75% of women report themselves as unemployed, or working at home without income), ethnicity (people of Somali and Congolese origin are more likely to be employed than South Sudanese), and location (Kakuma's sub-camps 1 and 2 have higher rates of employment, attributed to longer duration of residence) (International Finance Corporation-World Bank, 2018; Samuel Hall, 2018).

Given the more fluid nature of the refugee situation **in Nairobi**, accurate statistics of the refugee population are more difficult to obtain. That being said, **unemployment among the refugee population is estimated at 56%** with the refugee population facing systemic barriers to accessing work, including restrictions to work rights, reluctance of Kenyan employers to hire displaced people and lack of personal access to employer-family networks. In both locations, refugees are more likely to be unemployed than Kenyan nationals (Refugee Economies Project, 2019).

In addition, refugees and asylum seekers in Kenya face two other difficulties in entering the labor market:

- Limited skillsets caused by lack of training;
- Lack of capital to invest in businesses.

With rising unemployment in the informal sector and a loss of livelihoods as a result of the Covid-19 pandemic, many households are now faced with increased unmet essential needs, including food. A survey by Urban Early Warning Early Action Consortium in Kibera slum in Nairobi in April 2020 showed that only one in every five households had at least one stable income earner, reflecting the high level of vulnerability of the majority of slum dwellers (UEWEA, 2020).

III. BACKGROUND

The Mikono Shop was founded in 1993 as part of the **Livelihoods Program** of JRS in Kenya. Its objective was to provide a venue for refugee craftsmen and craftswomen to market their products. The shop operates as a non-profit entity and sells goods both in local markets as well as for export.

The shop began when seminarian James Martin SJ and Uta Fager came up with of showcasing the hand-made products of refugees on the shelves of their JRS office. They both worked at the JRS Office in Nairobi, Kenya with the "income-generating activities" section, helping

¹ The United Nations General Assembly adopted The Comprehensive Refugee Response Framework in September 2016 as part of the New York Declaration for Refugees and Migrants. It contains the provision that "the global community should encourage and support refugee self-reliance." (Hansen, 2018, Vol 31, No 2)

refugees support themselves and their families with small businesses. Many of the refugees, who had settled in Nairobi from all over Africa, made handicrafts.

In this way, the shop provides an important vehicle for refugees to practice their craft and support themselves and their families: Triphose² for example, arrived in Kenya from Rwanda in 1994. Even though she held a university degree and spoke multiple languages, life in exile was not easy. She learned that different humanitarian organizations were supporting artisans with seed funds and tools to produce items to sell; that's how she first heard of JRS. Fast forward 25 years, Triphose's husband and older children work with her at home producing patchwork items, from small cooking gloves, to large quilts. Triphose accounts 40% of her household income from the items sold through TMP.

Handicrafts refer to products that are handmade using simple tools and represent the culture and traditions of a country or region. Their production requires considerable hand-eye coordination and intense concentration. Each handcrafted product is unique as each craftsman applies their strength differently, owing to which every product has distinct qualities.

UNESCO

Although the Mikono Shop has broken even (financially) for over 25 years, the project has not operated to its full potential due to limited investment in business development and marketing, pushing the suppliers to seek other, less formal pathways to sell their products and failing to reach its market potential. Over the last two years, JRS has been rethinking Mikono, and bringing it up to speed with minimum operating standards and increasing the maturity level to become an e-commerce player in North America, Europe and Asia.

In June 2020, the online shop for TMP launched, achieving an overwhelming sales volume 200% higher than the 2 previous years combined. The logistics was made possible through service agreements with a local international shipping company, and a fulfillment service with warehouses in multiple states around the U.S and Canada, as well as in Ireland to serve the European market. Shipping to Asia is currently possible, but at higher shipping rates, expected to reduce once volume of sales increase in this market. The use of fulfillment services and warehousing allows for accessible shipping rates for the end customer.

Production of items has been standardized; TMP works with a portfolio of artisans who are categorized by area of expertise (carving, patchwork, painting, baskets, etc.), the artisans receive feedback from TMP regarding product demand to avoid surplus of items not being sold, or shortage of popular products. TMP is searching for partners to maintain the design and product offer relevant and in alignment with macro trends.

² Triphose lastname has been hidden for her protection.

IV. PROJECT RATIONALE & OPPORTUNITY

1. COVID-19 & Market Shortage

In Nairobi, refugees and asylum seekers have been hit particularly hard by loss of livelihoods due to the COVID-19 pandemic, and many families are in dire need of assistance to meet their basic needs. The majority depend on activities (casual jobs, informal business, and talent based artisanal occupations like carving and drawing) whose markets have been negatively affected by the containment measures put in place. In particular, there has been a sharp drop in local demand for craft products.

Refugees producing and supplying crafts to TMP face the following challenges:

- Most have not managed to sell their products as the market diminishes;
- For what opportunities there are, the lack of funds to purchase materials has limited production;
- They have been forced to draw from savings, leading to a depletion of available cash and the adoption of survival strategies such as changing their diet, borrowing from neighbors, and venturing into businesses that seem more profitable currently (such as hawking food items).

There is a need to build resilience in the refugee community to train and equip refugees **in marketable skills, market linkages, and enterprise support and entry into international markets**. This support will ensure that refugees in and around Nairobi are able to live dignified lives by sustaining themselves and their families through meaningful and dignified economic activities.

2. E-Commerce Market to Handicrafts

In recent years, the global handicrafts market has shifted from ethnic designs to contemporary patterns, coupled with an increasing adoption by customers that would traditionally shop from luxury brands. One of the primary factors catalyzing the growth of the market is a strong demand from offices, hospitals, and hotels. Global handicrafts reached a market value of US\$ 526.5 billion in 2017 and is expected to grow to \$847 billion by 2023, \$100 billion less than the original estimate before COVID-19.³

Although temporarily halted due to COVID, the rise in travel and tourism has greatly influenced the growth of this market. When combined with the low capital investment, the handicraft market provides an entry point to many artisans across the global south. While the market for purely indigenous designs is limited, “global style”—products that combine ethnic elements with contemporary designs—is a growing category and represents an opportunity for handicraft producers.

Distribution channels in end markets are shortening. Large and increasingly mid-size retailers are importing directly, while smaller retailers continue to purchase merchandise principally from domestic wholesale importers. There is evidence that savvy small retailers can compete with distinctive, high-end products. It is important to note that most importers, both wholesale

³ Handicrafts Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2018-2023: COVID-19 Impact in the Handicrafts Industry

and retail, rely on the services of **foreign exporters and agents**, which many market experts see as critical to the success of handicrafts in developing countries.⁴

A more detailed market analysis is available in **Annex I** of this document.

v. THE SOLUTION

The Mikono Project (TMP) enables refugee craft artisans to enhance production, sell their goods, and maintain a steady income to promote self-reliance. Through TMP, refugee artisans—starting with urban refugees in Nairobi and hopefully expanding to Kakuma refugee camp—will increase the sales market from a limited geographic area, to more affluent and populated markets.

Since its foundation, Mikono has been sustained by charitable donations. TMP proposes a new model of financial independence for refugee, host communities, and the project itself. As a social enterprise, TMP is run by and for refugees, aiming to **create employment, provide quality goods and services nationally and internationally, and invest all profits into growing the livelihoods and education programs**. Suppliers of the TMP, or refugee artisans are empowered with skills, income, and the dignity that self-reliance brings.

The Mikono Project (TMP) Model

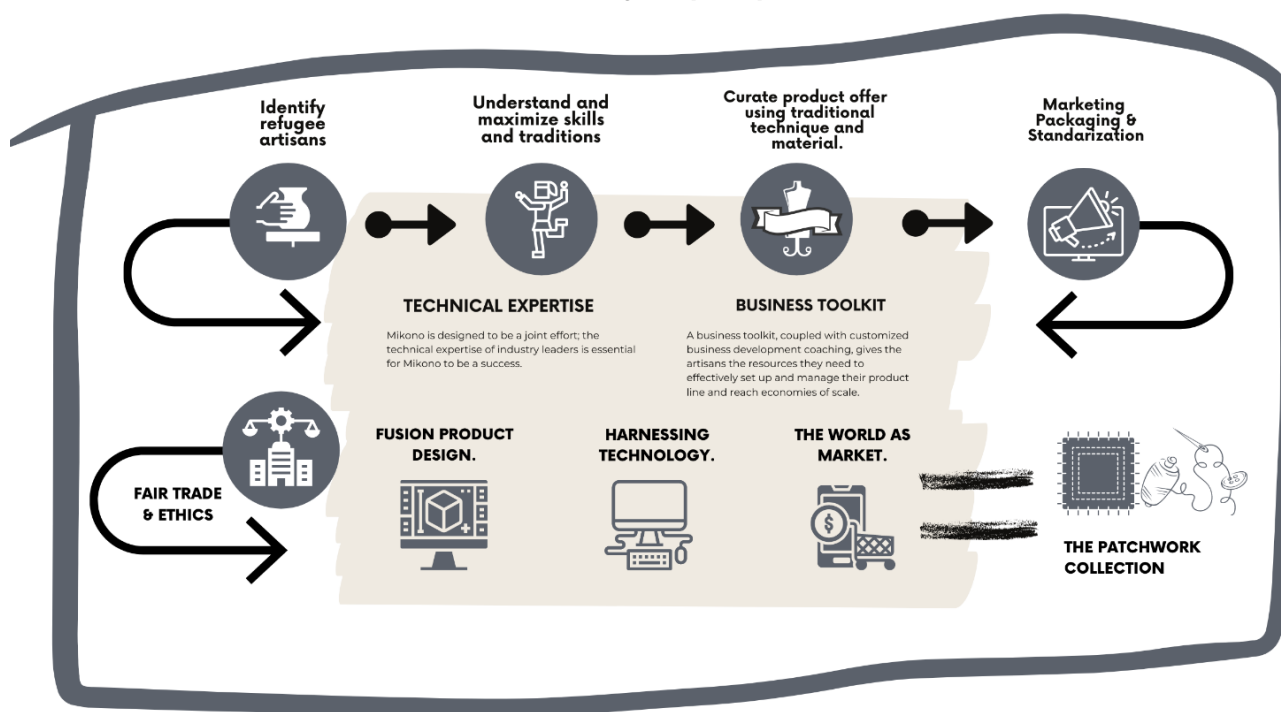


Figure 1

⁴ Barber, Ted, and Marina Krivoslykova. "GLOBAL MARKET ASSESSMENT FOR HANDICRAFTS VOLUME I." USAID, USAID, 2006, pdf.usaid.gov/pdf_docs/PNADN210.pdf.

The TMP has a whole-of-society approach, meaning that it acknowledges the contribution of and important role played by all relevant stakeholders, including individuals, families and communities, intergovernmental organizations and religious institutions, civil society, academia, the media, voluntary associations and, where and as appropriate, the private sector and industry, in support creating an ecosystem of economic inclusion for forcibly displaced people.

It recognizes the need to further support the strengthening of coordination among these stakeholders in order to improve the effectiveness of these efforts and plans to act as a facilitator for partnerships between these stakeholders to be formed. The table below explains the key components of the TMP Model, and how it envisions the relationships and the contributions for the success of the project:

Table 1 – Key Components of the Solution Model

Fusion Product Design	Mikono designs incorporate long-term design trends while introducing patterns, motives, and techniques relevant to refugees' culture. The opportunities to merge contemporary design with time-honored techniques are endless.
Harnessing Technology	Refugee artisans face numerous hurdles in trying to supply distant customers, which can seem insurmountable. Introducing technology offers a multitude of solutions. Apps exist to track timely shipping and handling, and sales forecast can help artisans manage orders and control quality. Remote locations can benefit from e-learning. Read More on Fulfillment & Digital Inclusion.
The World as a Market	TMP introduces buyers to a global collection of refugee artisanal products. Through Mikono, the global collection is branded, launched, and managed. It links makers to markets. TMP aims for consistent orders based on fair terms while also embracing opportunities to create special collections. Read More on Business Website & Shopify.
Fair Trade, Sustainability & Ethics	JRS conducts an assessment to certify that manufacturers of raw materials abide by fair workplace practices, and Fair-Trade standards. JRS continues to monitor workplace practices and measure impact so that the wellbeing of refugee artisans can be ensured. TMP also aims to wholesale to fair-trade shops ONLY across the U.S., Canada, Europe, and Asia Pacific. Read more on Sales Plan.

3. Goals of the Mikono Shop

Refugees carry their skills, traditions, and cultural heritage with them. Given the opportunity, refugees can use these assets to **regain their economic independence and sense of self-worth**. However, they face numerous obstacles upon arrival in a new country, including access to livelihood opportunities and financial tools. TMP aims to address these obstacles through five main goals:

Table 2 – Goals and Related Activities

Goal 1	Goal 2	Goal 3	Goal 4	Goal 5
Promote Financial Inclusion & Literacy	Uplift Lives	Access to Global Marketplace	Preserve Culture & Traditions	Promote Talent & Social Entrepreneurship
Provide the financial tools refugees need to build credit, save money , and elevate out of a cash-only environment.	Uplift refugee artisans through income, skills, and the creation of sustainable networks.	Introduce unique products to a global marketplace .	Keep cultural traditions alive beyond forced displacement.	Reveal refugees as talented, positive contributors to their host communities and societies in general.
Related Activities				
<ul style="list-style-type: none"> • Provide Prepaid Debit Cards to all suppliers. • Train card holders in Financial Literacy to nurture saving habits. • Create revolving fund from which refugees can withdraw seed capital when needed at 0% interest. 	<ul style="list-style-type: none"> • Multiply the number of suppliers profiting from TMP sales. • Train artisans in Basic Business Skills & Supply Chain. 	<ul style="list-style-type: none"> • Launch aggressive B2C and B2B marketing initiatives that increase sales of TMP products in America, Asia, & Europe. • Negotiate with manufacturers to create a sustainable source of raw materials. 	<ul style="list-style-type: none"> • Invite fashion designers to donate their skills to incorporate traditional techniques with contemporary and trending designs. 	<ul style="list-style-type: none"> • Create Skilling Circles where experienced refugee suppliers train a new generation of refugees on their signature skill to respond to the market demand. • Create a production workshop where refugees can work on their crafts.
Cross-Cutting Activity				
<ul style="list-style-type: none"> • Distribution of smartphones & data bundles to suppliers to enable: <ul style="list-style-type: none"> ○ Photos & videos of production activities and products ○ Participation in webinars and digital experiences ○ Distance learning, accessing long-distance training by external consultants ○ Engage in mobile wallet transactions (consistent with the economic eco-system in Kenya)⁵ 				

⁵ **M-Pesa** (**M** for mobile, **pesa** is Swahili for money) is a mobile phone-based money transfer service, payments, and micro-financing service, launched in 2007 by Vodafone Group plc and Safaricom, the largest mobile network operator in Kenya. It has since expanded to Tanzania, Mozambique, DRC, Lesotho, Ghana, Egypt, Afghanistan, and South Africa.

Goal 1: Promote Financial Inclusion & Literacy

Improving livelihoods through economic and financial inclusion is a key component of achieving protection and long-term solutions for the refugee situation. TMP seeks to introduce a **blockchain-based platform** that provides the financial tools communities need to build credit, send money, participate in ecommerce, and elevate out of a cash-only environment. These platforms provide ways for individuals to participate in **secure financial transactions, build credit and access remittance services**. Mass-payouts, linked to a pre-paid debit card, can empower forced migrants by removing the barriers they face joining the formal economy and helping them keep their finances secure throughout their journey.

Mikoko has faced serious challenges paying refugee artisans for products sold due to the limited access refugees and asylum seekers have to financial services. Unfortunately, most financial institutions require identification documents that in most cases refugees and asylum seekers lack. TMP is searching for a solution that allows **mass-payouts** to domestic and international suppliers, vendors, or contractors quickly and securely with low-cost transfer.

TMP can make a difference by ensuring the artisans are included in the financial system, both with the physical tools and the knowledge to allow them to make informed and effective decisions regarding money matters. Through **financial literacy** workshops, artisans will be equipped with a combination of financial awareness, knowledge, skills, attitude, and behavior necessary to make sound financial decisions and ultimately achieve financial wellbeing.

Goal 2: Uplift refugee artisans through income generation

With assistance, refugee artisans have the potential to be incorporated into the global artisan sector. To showcase what an innovative, market-based model for economic inclusion of refugees might look like, we developed TMP, which incorporates capacity building not just in basic entrepreneurial and financial literacy skills, but also **production techniques that reach economies of scale, coupled with design adaptation workshops** to blend traditional handicrafts with products that have market demand in America, Europe, and Asia.

Goal 3: Access to Global Marketplaces

While many refugees bring embroidery, weaving, wood carving and pottery skills to their host nations, they face barriers in getting jobs—from outright bans on working to bureaucratic bottlenecks in attaining work permits. Long-term market access is a major challenge for all artisans. For refugees, especially those in refugee camps, this challenge becomes even more formidable.

The proposal is to tap refugees' existing artisanal skills to create authentic, high quality and sustainably sourced hand-made products for the mushrooming global handicraft market and link them to international markets. By launching an e-commerce site and establishing a solid supply chain that ensures fulfillment to markets with high purchasing power, refugee artisans can access income that would otherwise be impossible given the barriers to entry and size of local markets. The e-commerce site, and other digital sales channels, can enable refugees' access to a market that is expected to reach \$847 billion by 2023.

Goal 4: Preserve Culture & Traditions

One of the less-discussed impacts of mass displacement is the loss of craft talent and tradition. An estimated 22.5 million refugees are currently away from their homes, displaced around the world by war, persecution, and natural disaster. Not only must refugee craftspeople abandon their skills and livelihoods to adapt to life in new countries, but indigenous techniques and processes themselves may be threatened. These products are not just beautifully crafted objects – are often objects from endangered cultures.

Goal 5: Promote Talent & Social Entrepreneurship

Entrepreneurship Capacity Building

From the onset, TMP uses strategies aimed at building the capacity of and empowering the refugee beneficiaries. The project creates awareness among its participants on various aspects related to products, sales, marketing, and finances. This is done through training, meetings, and discussions around issues such as product quality improvement, on-line shops and marketing, business and financial management. Where necessary, the project will also enhance the literacy and numeracy skill of the participants as this forms the basis for empowerment.

Production Workshop

In response to challenges related to rental of production premises, as well as building capacity, the project plans to develop a workshop in Nairobi for use by multiple artisans with business plans. The workshop will provide a space for the artisans to work while they save money and build capital. The exit strategy included in the business plan will be for artisans who use the workshop to raise enough capital to rent their own space and/or buy equipment while working within a given timeframe. The production workshop will also provide an opportunity for the artisans to teach their skills to other refugees who express an interest and willingness to learn their craft.

VI. Operations

While TMP was brought to a different stage in 2020 due to the unprecedented challenges created by COVID-19, Mikono operated for 25 years in multiple ad-hoc ways, fulfilling the mandate of the Global Compact on Refugees, decades before it became a reality. TMP has finally reached a maturity level, product of a long learning process, that makes it ready for an expansion. To reach this maturity level, JRS addressed multiple barriers, and plans to introduce new solutions in the new model, to reach a level that allows for scalability. The way TMP operated in the past faced a series of challenges outlined in **Annex II**. The section below describes the improved operating procedures, and future solutions to streamline the value chain.

Improvements & Updated Operations

Table 3 – Business Units & Updated Operations

	Previous Challenges	Solution	Future Plans
Management	<ul style="list-style-type: none"> TMP had a high staff turn-over, usually ran by one person that managed the store front. TMP lacked defined and documented standard operating processes (SOPs) and leading to many decisions to be made ad-hoc. 	<ul style="list-style-type: none"> Dedicated Specialist from JRS International Office following international operations 5 Remote-Interns supporting specific activities: Logistics, Finance, Marketing, Institutional Strengthening & B2B Sales. 	<ul style="list-style-type: none"> Hire a logistics assistant in Kakuma Hire an operations coordinator in Nairobi Maintain remote-internship program

Production	<ul style="list-style-type: none"> The production process began when the supplier bought raw materials, mainly from a local market. Based on their own skills and perception of demand, the artisan decided what item to produce and started production in their own houses or at a refugee community center. 	<ul style="list-style-type: none"> Production workshop area for artisans missing space Make-to-Order Demand of products drives production 	<ul style="list-style-type: none"> Pricing negotiations with manufacturers and raw material suppliers TMP is also considering sourcing products made by a 15-spot production workshop in Kakuma refugee camp Production workshop made available with tools for new refugee artisans
Consignment	<ul style="list-style-type: none"> After production, the artisan would bring the finished products to JRS and sell them to a JRS employee at a negotiated price on consignment and would be added as accounts receivables to-be-paid after sell. 	<ul style="list-style-type: none"> Website traffic and sales behavior drive Purchase Orders, ensuring that items don't sit in the shop for long periods of time 	<ul style="list-style-type: none"> Categorizing artisans by product type, and train new in-takes of artisans on high-demand items Financing opportunities for new refugee artisans in need of seed funds
Pricing	<ul style="list-style-type: none"> The retail price was set by a JRS employee at between 20%-40% mark-up. However, the exact mark-up for each product is not defined and, in some cases, it exceeds the 50%-mark. The purchase price was generally decided by the supplier based on the expense on raw material plus the hours spent to produce it times an hourly wage rate. 	<ul style="list-style-type: none"> JRS is working on a Purchase price set-up policy, which will be based in the following: $(Supplies \times 4) + Labor + Overhead Rate = \text{Retail Price}$ $(Supplies \times 2) + Labor + Overhead Rate = \text{Wholesale Price}$ 	<ul style="list-style-type: none"> 50-70% margins will be assigned, ensuring that international transfer fees, international shipping costs and warehousing is covered. TMP will work with international retailers for best better price products and avoid losses.
Supplier Portfolio	<ul style="list-style-type: none"> Consistent artisan portfolio for 20+ years No efforts to increase, new artisans came on board through word of mouth 	<ul style="list-style-type: none"> New artisans came on board as demand came to respond to production of popular products 	<ul style="list-style-type: none"> TMP will advertise the training courses and requirements Savings group + revolving fund Production + Economies of Scales workshops
Marketing	<ul style="list-style-type: none"> Presence at fairs in Nairobi Unused Facebook Page. No effort to promote the shop with a structured Marketing Plan. 	<ul style="list-style-type: none"> Website Re-vamped Facebook and Instagram Page with the support of Influencer Fr James Martin SJ TripAdvisor Page Google My Business Validation 	<ul style="list-style-type: none"> Google Ad Grants Shopify Email Marketing Wholesale Catalogue B2B Sales to Fair trade shops Internationally Paid Ads
Sales	<ul style="list-style-type: none"> Main customers were JRS offices globally or via the Mikono Shop physical store at the JRS Kenya's country office. Sales were highest during the Christmas holiday season, 	<ul style="list-style-type: none"> Sales Online through Shopify Facebook Shop 	<ul style="list-style-type: none"> Etsy Page Amazon Handmade Product Offer from Uganda, Ethiopia, Afghanistan, TBD.

	as JRS offices would purchase stock as giveaways to donors.		
Accounting & Financial Sustainability	<ul style="list-style-type: none"> No proper use of POS, and no connection between POS and Financial System of the rest of the organization Cash Tracking 	<ul style="list-style-type: none"> PESAPAL POS On-Site reducing the Inflow of Cash E-Commerce Site for Online Payments, Tracks (Collected at JRS International Office, Non-Profit Status) 	<ul style="list-style-type: none"> Purchase Orders, and Sales Tracking in Microsoft Dynamics NAV – Global JRS Financial System Integration between Shopify and Salesforce to track and steward customers + potential donors
Inventory Management	<ul style="list-style-type: none"> No SOP for categorizing, labeling and managing inventory No web-based storage of transactions Lack of SOPs Inventory placement Defines in-shop item 	<ul style="list-style-type: none"> Inventory management for online items managed by ShipBob + Shopify In-person retail inventory managed through Sharepoint list 	<ul style="list-style-type: none"> Inventory Management Options available in Fulfillment Service, Microsoft Dynamics NAV and Shopify
Supplier Payouts	<ul style="list-style-type: none"> Suppliers don't have bank accounts and it's hard to pay them. Changing regulations limited the options to pay in cash or cashable checks Payment to supplier would take 3 months 	<ul style="list-style-type: none"> Monthly Payouts to refugee artisans through different methods of payment 	<ul style="list-style-type: none"> Monthly mass-payouts to refugee artisans Pre-paid debit cards and financial literacy workshops
Logistics & Shipping	<ul style="list-style-type: none"> Unable to ship small amounts because of elevated prices of shipping, even higher than item itself No capacity to handle volume 	<ul style="list-style-type: none"> Ship Bob Fulfillment Service with warehouses in the United States, Canada, and Ireland. 	<ul style="list-style-type: none"> Fulfillment service to Asia Pacific Sourcing products from other East and Southern African countries.

4. Digital Inclusion

Refugee artisans participating in TMP need to have access to a smartphone with minimum technical specifications. JRS believes that displaced populations and the communities that host them have the right and the choice to be part of a connected society and have access to technology that enables them to build better futures for themselves, their families, and the world.

TMP capitalizes on digital marketing to be able to reach the 800+ billion worth market of shoppers around the world interested in hand-made crafts; for this reason, content gathering is extremely important, as well as connecting refugee artisans with shoppers and potential buyers. Equipping artisans with a smartphone will:

- Facilitate gathering of photos and videos of production of items, and items themselves;
- Enable suppliers to engage in financial transactions with mobile money (the most used method of payment in Kenya and other African countries);
- Participate in online experiences that engage buyers and funders;
- Participate in E-learning opportunities.

5. Supply Chain Model

TMP takes into consideration all the stakeholders in the value chain, starting from the manufacturer, which could be procured either directly by TMP or by the refugee artisan, to the customer, whether it is through a Business to Customer relationship, or a Business to Business relationship with wholesale fair-trade bulk buyers.

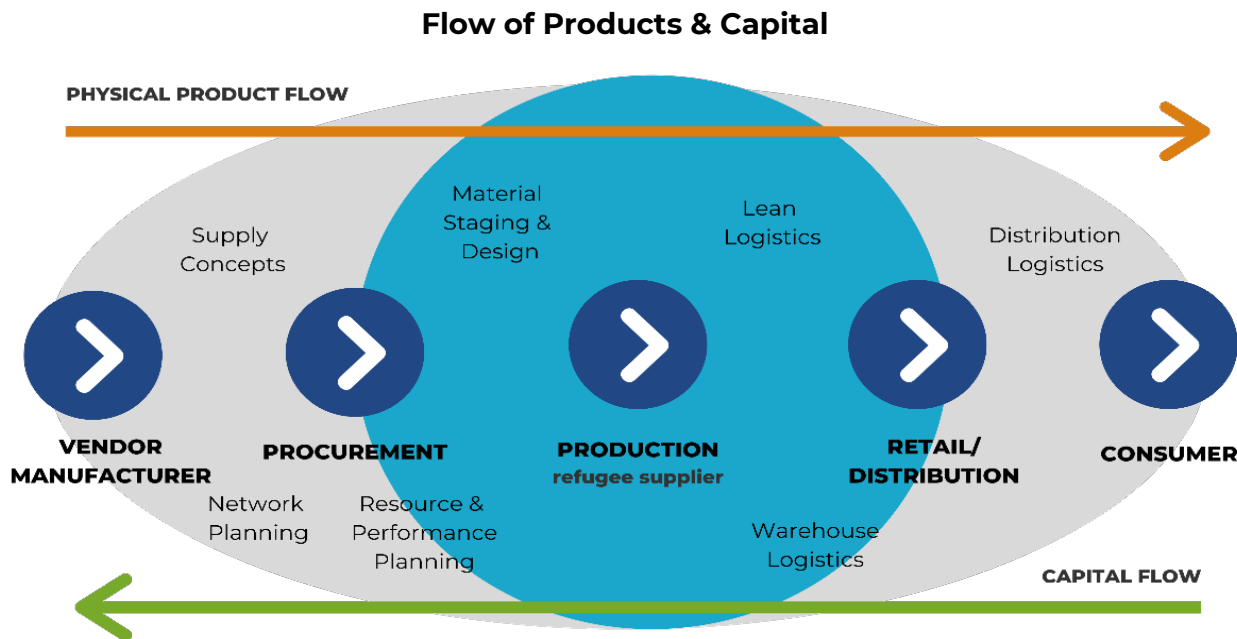


Figure 2

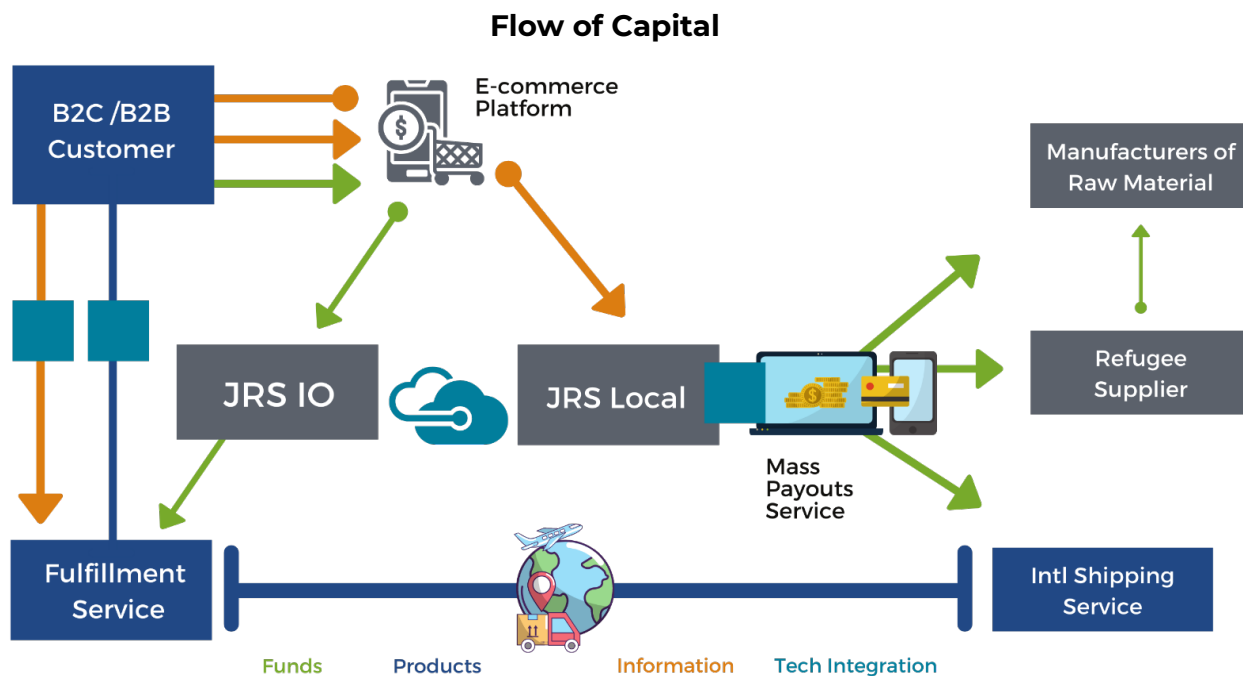


Figure 3

6. Partnerships

TMP is designed to be a joint effort; the technical expertise of key industry leaders is essential for TMP to be successful. JRS is seeking Strategic Partners to complete the project. Private sector companies and development actors are expected contributors.

In addition, JRS will work with **Jesuit Educational Institutions** to establish a network of digital interns and other partners that support the different marketing and business development activities needed to make the business model sustainable.

VII. SALES PLAN

TMP relies heavily on the marketing activities promoting refugee-made products online around the world, and thus the e-commerce platform coupled with other potential platforms are key parts of the sales plan. TMP will market products online and offline, with a heavy focus on expanding online sales:

Business Website: Shopify	In-Person Retail	Wholesales
<ul style="list-style-type: none"> Shopify allows for a small product offer, powerful logistics tools with minimal amount of configuration. It has extra features and functionalities to enhance its value as it grows in product offer, and other markets when, and if desired. 	<ul style="list-style-type: none"> Craft shows, fairs, and festivals are great opportunities to put wares in front of customers, but can be costly in terms of time, fees, and equipment required. Consignment relationships allow for Mikono items to be sold in-store in boutique souvenir shops in Hotels and Lodges around the Safari and tourism industry in East Africa. 	<ul style="list-style-type: none"> TMP is working on a wholesale catalogue to place Mikono products at Fair Trade Shops around the U.S, Canada, Europe, Asia and Australia. Large orders allow for lower price points, and cheaper shipping.

7. Other Online Platforms

Mikono is considering other platforms to expand market access, and is considering the pros and cons of the following alternatives:

Etsy	Amazon Handmade	Facebook Marketplace	Facebook Shop
<ul style="list-style-type: none"> Largest, most recognized online platform exclusively for handmade & vintage goods Small business sales on Etsy contribute \$4.7 billion to US economy Low barriers to entry: no web design required, low costs, low overhead 	<ul style="list-style-type: none"> Curated, makers-only marketplace backed by Amazon's reach and structure Simple fee structure requires payment only when items are sold Requires application and approval to begin selling Currently offers limited options for the types of items that may be sold 	<ul style="list-style-type: none"> Locally oriented (uses location-based searches) No costs through Facebook, but no integrated ecommerce options Not curated or regulated More of a digital classified ad listing than a direct sales option 	<ul style="list-style-type: none"> Minimal native ecommerce options More advanced and effective ecommerce options exist, but require a bit of tech know-how Works best when integrated with an existing ecommerce-capable site

TMP is considering **Etsy and Amazon Handmade** once a production reaches the next level of standardization and volume.

8. Scalability & Expansion

TMP has identified interest and capacity in other countries where JRS offices run livelihood programs similar to Mikono. Given the scalability of the online platform and the logistics network in place, TMP plans to make the platform and operations resources available to other JRS projects in East and Southern Africa initially, and to other regions in the future. Below there is a sample checklist of requirements that a JRS office would need to comply with before joining the TMP:

Table 4 - Scalability & Expansion Checklist

No.	Activity Description	Status
1	Use of Microsoft Dynamics NAV, abiding by minimum Financial Standards established by JRS International	
2	Active Livelihood Program focused on training and production of handcrafts. Vocational training and gender responsive components preferred**	
3	Designated Bank Account for the Project	
4	Presence of Major International Shipping Companies in the country (DHL, FEDEX, Aramex, UPS, etc.)	
5	Ability to produce labels	
6	Ability to procure non-plastic packaging	
7	Ability to order tags and printed material	
8	Camera or smart phone for high-quality photos	
9	Written profiles of at least 3 refugee artisans	
10	Securing steady supply of raw materials to ensure consistency of items produced. Recommended to sign a credit agreement with suppliers or manufacturers	
11	Finance Officer on staff	

VIII. FINANCIAL PLAN

The Mikono Shop has been supported by Jesuit Missions for many years, however due to funding shortages, annual income sources had plateaued, particularly due to lack of investment in marketing activities. Sales were restricted to the expat community in Nairobi, and Jesuit partner visitors of the JRS office.

With the launch of the e-commerce site in June 2020, gross sales took a drastic increase in the summer of 2020. The year is expected to close with a 200% (50k) increase compared with 2019 (10k). With the team, systems, and marketing efforts put in place, growth in sales is expected to continue in the coming years, despite the effects of COVID-19 in the global economy. The sales forecast is conservative, but still projects to generate enough net profits to sustain the model beyond 2023.

Initial funding is key to achieving programmatic and financial sustainability, however, with the support and commitment of the strategic framework of JRS, the model can be show-cased as the first income generating and self-sustainable intervention that can be scaled and rolled out in other countries where JRS works.

Forecasted Balance Sheet

***The sales projections take into consideration challenges faced by COVID-19.*

	2019	2020	2021	2022	2023	Total
Income Sources						
Starting Balance	\$ 6.010,00	\$ 13.879,00	\$ 6.239,00	\$ 4.959,00	\$ 33.279,00	
Gross Sales	\$ 10.426,00	\$ 50.000,00	\$ 90.000,00	\$ 110.000,00	\$ 130.000,00	\$ 390.426,00
Funding Partner 1	\$ 13.979,00	\$ 5.000,00	\$ 20.000,00	\$ 30.000,00	\$ 15.000,00	\$ 83.979,00
Funding Partner 2	\$ -	\$ -	\$ 20.000,00	\$ 30.000,00	\$ 15.000,00	\$ 65.000,00
Funding Partner 3	\$ -	\$ -	\$ 25.000,00	\$ 30.000,00	\$ 20.000,00	\$ 75.000,00
Educational Institution Partner 1	\$ -	\$ -	\$ 5.000,00	\$ 5.000,00	\$ 5.000,00	\$ 15.000,00
Educational Institution Partner 2	\$ -	\$ -	\$ 5.000,00	\$ 5.000,00	\$ 5.000,00	\$ 15.000,00
Total Income	\$ 30.415,00	\$ 68.879,00	\$ 171.239,00	\$ 214.959,00	\$ 223.279,00	\$ 644.405,00
Expenditure						
Cost of Sales	\$ 8.945,06	\$ 54.500,00	\$ 87.200,00	\$ 106.800,00	\$ 126.400,00	\$ 383.845,06
Cost of Items (Payouts to refugee-artisans)	\$ 8.340,80	\$ 30.000,00	\$ 49.500,00	\$ 60.500,00	\$ 71.500,00	\$ 219.840,80
International Shipping	\$ -	\$ 10.000,00	\$ 18.000,00	\$ 24.000,00	\$ 30.000,00	\$ 82.000,00
Fullfillment	\$ -	\$ 12.000,00	\$ 15.000,00	\$ 17.000,00	\$ 19.000,00	\$ 63.000,00
Packaging & Labeling	\$ 500,00	\$ 1.000,00	\$ 2.000,00	\$ 2.000,00	\$ 2.000,00	\$ 7.500,00
Bank Fees	\$ 104,26	\$ 1.500,00	\$ 2.700,00	\$ 3.300,00	\$ 3.900,00	\$ 11.504,26
Management/Operations	\$ 7.540,00	\$ 7.540,00	\$ 34.480,00	\$ 36.680,00	\$ 38.880,00	\$ 125.120,00
Shop Manager (Salary, Pension, etc.)	\$ 6.240,00	\$ 6.240,00	\$ 6.240,00	\$ 6.240,00	\$ 6.240,00	\$ 31.200,00
Livelihoods Officer (Allocated %)	\$ -	\$ -	\$ 4.000,00	\$ 4.000,00	\$ 4.000,00	\$ 12.000,00
Finance Officer (Allocated %)	\$ -	\$ -	\$ 3.100,00	\$ 3.100,00	\$ 3.100,00	\$ 9.300,00
Operations & Finance Officer	\$ -	\$ -	\$ 6.240,00	\$ 6.240,00	\$ 6.240,00	\$ 18.720,00
Business Development Consultant (IO)	\$ -	\$ -	\$ 9.900,00	\$ 12.100,00	\$ 14.300,00	\$ 36.300,00
Shop Utilities/Insurance/Stationary	\$ 1.300,00	\$ 1.300,00	\$ 5.000,00	\$ 5.000,00	\$ 5.000,00	\$ 17.600,00
Marketing	\$ 50,00	\$ 600,00	\$ 10.000,00	\$ 6.000,00	\$ 6.000,00	\$ 22.650,00
E-Commerce Platform/Fees	\$ -	\$ 500,00	\$ 1.000,00	\$ 1.000,00	\$ 1.000,00	\$ 3.500,00
Digital Marketing	\$ -	\$ -	\$ 1.500,00	\$ 1.500,00	\$ 1.500,00	\$ 4.500,00
Content Gathering (Product Photography)	\$ -	\$ -	\$ 2.000,00	\$ 2.000,00	\$ 2.000,00	\$ 6.000,00
Brochures/Flyers	\$ 50,00	\$ 100,00	\$ 500,00	\$ 500,00	\$ 500,00	\$ 1.650,00
System Integrations with Finance	\$ -	\$ -	\$ 5.000,00	\$ 1.000,00	\$ 1.000,00	\$ 7.000,00
Capacity Building	\$ -	\$ -	\$ 11.000,00	\$ 6.800,00	\$ 5.800,00	\$ 23.600,00
Business ToolKit	\$ -	\$ -	\$ 1.000,00	\$ 1.000,00	\$ 1.000,00	\$ 3.000,00
Workshop Equipment (Tools)	\$ -	\$ -	\$ 4.000,00	\$ 2.000,00	\$ 1.000,00	\$ 7.000,00
Workshop Construction/Maintenance	\$ -	\$ -	\$ 3.000,00	\$ 800,00	\$ 800,00	\$ 4.600,00
Lean Production Training	\$ -	\$ -	\$ 2.000,00	\$ 2.000,00	\$ 2.000,00	\$ 6.000,00
Recruitment/ Accompaniment/Transport	\$ -	\$ -	\$ 1.000,00	\$ 1.000,00	\$ 1.000,00	\$ 3.000,00
Financial Inclusion	\$ -	\$ -	\$ 23.600,00	\$ 25.400,00	\$ 29.000,00	\$ 78.000,00
Financial Literacy Manual	\$ -	\$ -	\$ 1.000,00	\$ 1.000,00	\$ 1.000,00	\$ 3.000,00
Financial Literacy Workshop	\$ -	\$ -	\$ 2.000,00	\$ 2.000,00	\$ 2.000,00	\$ 6.000,00
Smartphone	\$ -	\$ -	\$ 8.000,00	\$ 4.000,00	\$ 3.000,00	\$ 15.000,00
Data Bundles	\$ -	\$ -	\$ 9.600,00	\$ 14.400,00	\$ 18.000,00	\$ 42.000,00
0% Loan Revolving Fund	\$ -	\$ -	\$ 3.000,00	\$ 4.000,00	\$ 5.000,00	\$ 12.000,00
Scaling	\$ -	\$ -	\$ 11.500,00	\$ 16.500,00	\$ 19.500,00	\$ 47.500,00
Roll-Out in Other Markets (JRS Offices)	\$ -	\$ -	\$ 5.000,00	\$ 7.500,00	\$ 9.000,00	\$ 21.500,00
Partnership Building	\$ -	\$ -	\$ 1.500,00	\$ 1.500,00	\$ 1.500,00	\$ 4.500,00
International Programme Officers	\$ -	\$ -	\$ 5.000,00	\$ 7.500,00	\$ 9.000,00	\$ 21.500,00
Total Expenditure	\$ 16.535,06	\$ 62.640,00	\$ 166.280,00	\$ 181.680,00	\$ 206.080,00	\$ 633.215,06
Closing Balane	\$ 13.879,94	\$ 6.239,00	\$ 4.959,00	\$ 33.279,00	\$ 17.199,00	\$ 11.189,94

IX. PROJECT SCHEDULE

[illegible]

1.3.3	Vetting and issuing Mikono shop suppliers working capital loan																			
1,4	Mikono shop suppliers products are linked to the market																			
1.4.1	Participation in exhibition quarterly																			
1.4.2	Creation marketing material from production and exhibition sites.																			
1.4.3	Digital Marketing Campaigns to Boost Sales																			
1.4.4	On-Going Customer Service to promote retention and new customer acquisition																			
1.4.5	Global Livelihoods Programme Digital Fundraising Campaigns																			
1,5	Mikono shop suppliers form a savings group and start savings																			
1.5.1	Workshop on group dynamics																			
	By 2023, Mikono will have with a solid and sustainable network of partners that share the vision of the Global Compact on Refugees.																			
2,1	Sign or renew agreements with Manufacturers and raw-material vendors																			
2.1.1	Visit and control production practices of manufacturers																			
2.1.2	Bid to identify most competitive prices																			
2.1.3	Sign agreements with annual agreed prices																			
2,2	Sign or renew agreements with Fair-Trade WholeSale Buyers																			
2.2.1	Research potential wholesales Buyers in the US, Canada, Europe, Singapore, Hong Kong & Australia.																			
2.2.2	Create Wholesale Product Catalogue																			
2.2.3	Cold Call or seek for connections to pitch Mikono Items																			
2.2.4	Sign wholesale purchase agreements																			
2,3	Recruit and On-Board Digital Interns to support operations and expansion of the Mikono Project.																			
2.3.1	Establish relationship with educational institutions and define collaboration agreements																			
2.3.2	Recruit, screen, and on-board bi-annual teams of digital interns.																			
2.3.3	Define deliverables and supervise their completion for bi-annual internship teams.																			
	By 2023, the Mikono Model will have consolidated operations in Kenya, and launced pilots in 2 additional countries.																			

3,1	Advertise among JRS offices Mikono Model & Define Prospective Countries for Expansion																			
3.1.1	Develop checklist of minimum requirements to join the JRS Model																			
3.1.2	Support new project coordinators on compliance with MVP (Minimum Viable Product) checklist																			
3.1.3	Launch Pilots with limited product offer (Christmas Launch)																			
3,2	Agree on Mikono Roll-Out Schedule																			
3.2.1	Evaluate Feasibility for Roll-Out in Ethiopia																			
3.2.2	Evaluate Feasibility for Roll-Out in South Africa																			
3.2.3	Evaluate Feasibility for Roll-Out in Uganda																			
3.2.4	Evaluate Feasibility for Roll-Out in Afghanistan																			
By 2023, the Mikono Model will be financially sustainable, showing consistent increase in Net Sales Quarterly, contributing to the growth and financing of expansion.																				
4,1	Quarter Sales Performance and Income Statement																			
4,2	Quarter Programmatic Performance & Progress Report																			



Other Partners



JRS International Office



JRS Country Office

X. ANNEXES

ANNEX I. History of The Mikono Shop

In 1993, Jesuit seminarian James Martin SJ and Uta Fager came up with an idea. They both worked at the JRS Office in Nairobi, Kenya with the "income-generating activities" section, helping refugees support themselves and their families with small businesses. Many of these refugees, who had settled in Nairobi from all over Africa, made handicrafts. Rwandese refugees made batiks, Ethiopians painted beautiful icons, Ugandans sewed patchwork quilts, Mozambicans carved beautiful sculptures, and so on.

Many of these handicrafts were stored in the JRS offices, often on top of old file cabinets, where they sold instantly. Uta and Jim realized that what was needed was a place where to sell all of them together. In a few months, they opened **The Mikono Center**, how they originally named it, in a Nairobi neighborhood called Kangemi, a few steps away from Jesuit parish. The word Mikono is Swahili for "hands," given they wanted to highlight the work made by the hands of refugees.

James Martin SJ narrates:

*"Mikono had a lot of success from the very beginning, and it helped the refugees in so many ways. First, by helping them earn a living, which they desperately needed. Second, by enabling them to use the skills that they had brought with them from their home countries. And third, by highlighting their own cultural heritage. The shop became our office--where we gave out our grants, met with the refugees, and helped them with their businesses--as well as the marketplace for their crafts. It was also a great financial success, drawing customers from all over the city, especially tourists and expatriates who wanted to help the refugees help themselves. All the profits went back into the refugee businesses."*⁶



Jim Martin SJ and start-up team of Mikono Center

The shop kept funding from different Jesuit organizations to sustain operations and attempted to bring the items online in different occasions without succeeding due to the elevated shipping costs from Nairobi to Europe and the United States. With the progress of technology, and globalization JRS was able to bring the shop online in 2020, when the COVID-19 crises shrunk even more the market for refugee-artisans. The online shop has expanded the market for refugee artisans and create a sustainable source of income for the many displaced families that seek to rebuild their lives on safe land.

⁶ James Martin SJ, [This Our Exile: A Spiritual Journey with the Refugees of East Africa](#). Fr. Martin has become a noted Catholic author with a strong media presence; he is eager to help with TMP.

ANNEX III. Market Analysis

The global handicrafts market was worth US\$ 663.9 Billion in 2019. Handicrafts play a vital role in the economic development of a country as they are a prominent medium for foreign exchange revenue, require low capital investments and offer employment opportunities. In addition, handicraft items are perceived as a symbol of status owing to their uniqueness, quality, usage of natural materials, and the essence of vibrant art and culture.

There are roughly 2.1 million sellers on Etsy, the largest single platform for handmade sellers; while it is tougher to track small businesses using non-specific platforms like Facebook, Instagram, or in-person sales, Etsy provides a snapshot of makers worldwide, which give a good idea of the demographics.⁷

- 87% are women
- Average age is 39; in comparison, the average business owner in the US is 50
- 90% own their own handmade business; those that have a partnership often work with family members
- About 50% of makers come from suburban areas, though rural and metropolitan makers are also represented

References to Existing Handicrafts Businesses on Etsy

- Half of Etsy sellers started their business to earn money (as opposed to a creative outlet)
- 81% of those seeking income expected to earn only supplemental income; 30% of makers list their handmade business as their primary occupation
- Most Etsy businesses are microbusinesses with a single owner/employee
- Etsy businesses contribute, on average, **12% to a household's income**
- On average, 50% of a handmade business's income is reinvested

Drivers to Increase in Demand of Handcrafted Products

- The emergence of online retail and the proliferation of various e-commerce channels, the accessibility to handicrafts has become more convenient for consumers. This has provided a boost to the sales of handcrafted goods across the globe.
- There has been a shift from ethnic to contemporary designs, coupled with the strong demand from offices, hospitals and hotels.
- The growing travel and tourism industry have provided vast opportunities to local artisans and handicraft manufacturers to produce commoditized products and sell them to tourists who are willing to spend significantly on souvenirs and other craft items.
- Handicrafts have lower energy requirements, unlike machine-made products which involve the utilization of electricity and various other fuels. On account of the low capital investments, the industry is flourishing, particularly in the developing regions such as India, China, and Afghanistan.
- It is expected that the global handicrafts market to continue its moderate growth during the next five years.

⁷ Dollar, Erin, and Fiona on January Pullen. "Craft Industry Trends for 2019." *Craft Industry Alliance*, 21 May 2020, craftindustryalliance.org/craft-industry-trends-for-2019/.

Industry Research UK has published Handicrafts Market 2020 Industry Global Trends, Opportunities, Future Plans, Size, Restraining Factors, Development Status, Competitive Landscape and Growth by Forecast 2026, the section below shows the highlights of the report:

BreakUp by Product Type:

<ul style="list-style-type: none"> • Woodware • Artmetal Ware • Hand Printed Textiles and Scarves • Embroidered and Crocheted Goods • Zari and Zari Goods 	<ul style="list-style-type: none"> • Imitation Jewelry • Sculptures • Pottery and Glass wares • Attars and Agarbattis • Others
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Based on the product type, woodware currently represents the most popular type of handicraft products across the globe. These woodwares are also used in the manufacturing of kitchenware, decorative materials, toys, etc.

Breakup by Distribution Channel⁸:

<ul style="list-style-type: none"> • Mass Retailers • Departmental Stores • Independent Retailers 	<ul style="list-style-type: none"> • Specialty Stores • Online Stores • Others
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Most of the handicrafts are distributed through mass retailers, also known as discounters, who sell a wide variety of products at lower than conventional prices.

Breakup by End Use⁹:

At present, the residential sector dominates the market and is further categorized into home accessories, furniture, jewelry, home textiles and others.

Regional Insights:

Region-wise, North America exhibits a clear dominance in the market as consumers in the region are willing to spend substantially on handicrafts, including handmade jewelry, apparel and handcrafted home accessories.

Competitive Landscape:

The global handicrafts market is fragmented in nature with the presence of a large number of small and big manufacturers. Some of the leading players operating in the market are:

<ul style="list-style-type: none"> • Asian Handicraft • Fakih Group of Companies • Shandong Laizhou Arts and Crafts • Ten Thousand Villages 	<ul style="list-style-type: none"> • Oriental Handicrafts Pte. Ltd. • NGOC Dong Ha Nam • Minhou Minxing Weaving Co. Ltd. • Native Crafts and Arts Industries
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⁸ Ibid

⁹ Ibid

ANNEX IV. Macro Trends

PROXIMITY, SPEED AND CONVENIENCE ARE ESSENTIAL

In the future, consumers will be older, less wealthy and live in smaller households, suffering from restricted mobility. At the same time, young urban populations will re-define life priorities, cultivating individualism, cooking less, socializing more, seeking experiences and adopting faster, on-the go lifestyles. Retailers need to respond to both with proximity, convenience and speed-enhancing solutions.

What does it take to win with customers?

- Proximity small-box stores optimized for frequent small-basket missions
- Frictionless shopping environments to enable fast, painless shopping missions
- Curated assortments optimized for small households cooking less and buying convenience
- Fast fulfillment to meet expectations with an on-demand generation that is growing into its prime spending years

CONSCIOUS CONSUMPTION IS BREAKING THROUGH

Entangled in fears over an uncertain future, work stress and job market disruption, consumers are re-focusing on the basics of life, prioritizing experiences, health, wellbeing and self-care while considering controlled digital detox. This will lead to a gradual shift of consumer spend towards out-of-home eating, events and services, which retailers will respond to by expanding their ecosystems. As part of their more holistic approach to life, shoppers will open up further to conscious consumption, including concepts like sustainability and ethical supply chains.

What does it take to win a customer?

- Health products relevant to elderly shoppers in need of affordable quality ranges
- Accessible in-store points of care to drive frequency and loyalty as the health burden grows on the elderly and the middle class
- Strong points of health brand engagement to drive online visibility and subscription conversion
- Traceability of products to satisfy consumer demand for healthy ingredients and fair supply chains

LOYALTY IS ERODING

As smartphones develop into life management devices and the number of available customer touchpoints multiplies, transparency and choice expand for consumers, undermining traditional levels of shopper loyalty. Yet, smartphone and connected device growth will create unprecedented amounts of shopper data which brands, and retailers will leverage to inform real-time product development and personalized targeting to restore loyalty.

What does it take to win a customer?

- Strong in-store touchpoints to drive brand recognition and loyalty online and offline
- Tailored ranges supporting curation, differentiation, and specific targeted shopper missions for retailers
- Strong content along a range of key digital customer touchpoints to intercept and influence shopper journeys

- Partnering with retailers to secure shopper insight and build visibility to be considered in the process of initial online basket building¹⁰

TRENDS ON WHERE & HOW TO SELL¹¹

- **Pop Ups** In-person retail is not going away, but the experience is different from online. Pop up shops or booths work especially well for luxury items that can be handled and demonstrated. Holiday pop ups tend to be more successful than those throughout the rest of the year.
- **Social Influencers** Think of these as the spokespeople of small businesses. Partner with social media personalities to help put your products in front of larger audiences.
- **Unconventional "Storefronts"** Keep an eye out for unusual opportunities, like offering items for staging homes for sale, or decorating corporate event spaces with merchandise. This growing trend is still unusual but gaining momentum.
- **Mobile Selling** More and more people are shopping on mobile devices, so make sure that all your digital platforms, especially personal websites, are mobile optimized and make it easy for users to find and purchase your wares on the go.¹²

DESIGN TRENDS

- **Warm colors**, like Pantone's living coral, mustard yellow, and burnt orange, throughout clothing, interior design, and decorating 70s style in interior design—think bright, clashing colors and rich textures
- **Minimalism**: capsule wardrobes, Marie Kondo decluttering, decor that's both functional and beautiful
- **Green living**: recycled or reused materials, trend toward repairing rather than buying new, few plastics—opt for natural materials instead, high quality materials that last
- **Maximalism**: a new design trend in direct opposition to minimalism, focused on rich textures, layered pieces, comfort, and an exuberant disregard for clean lines and open spaces
- Oversized wall art, including weavings and tapestries as well as oversized panels and canvases
- **Self-care**: Watch for trends in techniques like mindfulness, journaling and budgeting; hobbies like sewing (especially decorative styles like embroidery and visible mending), indoor gardening; demand for luxury personal-care products, like high-end soaps¹³

¹⁰ Koontz, Doug. "Future Retail Disruption Report 2020." *DIGITAL COMMERCE, DECODED*, Edge by Ascential, 2020, lp.ascentialedge.com/rs/

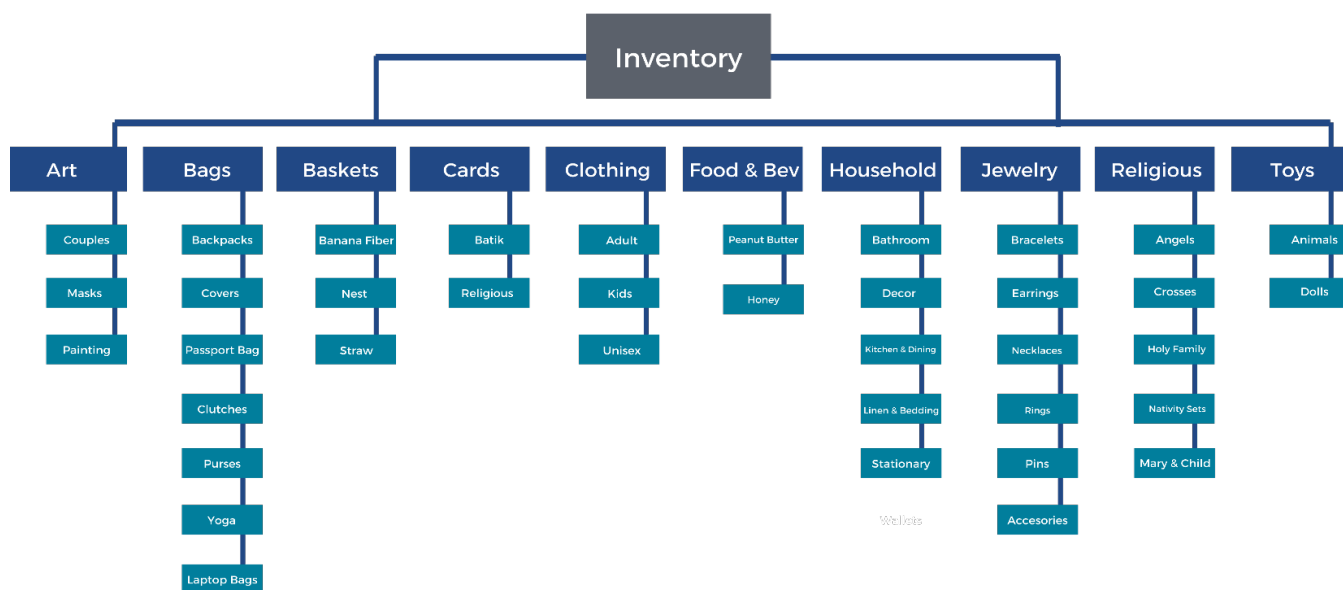
¹¹ Dollar, Erin, and Fiona on January Pullen. "Craft Industry Trends for 2019." *Craft Industry Alliance*, 21 May 2020, craftindustryalliance.org/craft-industry-trends-for-2019/.

¹² *Ibid*

¹³ *Ibid*

ANNEX V. Product portfolio & pricing structure

The product offer of TMP has been influenced by existing inventory, and market demand. The naming policy came from traditional naming policies of e-commerce sites and aligns with product macro-trends.



Pricing structure

- **Supplies:** The cost of whatever materials went directly into product making. This should be recorded at the per unit level. Per-unit means tracking what it costs per bead, per piece of paper, per foot or yard of fabric, etc., rather than just the entire string of beads, ream of paper, bolt of fabric, etc.
- **Profit Markup:** This should be some number greater than 1. The gold standard is about a solid 4. This is a multiplier that ensures not just covering costs, but ALSO making a profit. A healthy profit markup also makes it possible to offer wholesale rates and discounts with EASE instead of with discomfort. It allows on for investing in growth of the business.
- **Labor:** This is the hourly rate, hopefully more than minimum wage, and will vary by country, then it requires to measure the time it takes to make the product. Labor cost should equal Time x
- **Wage.** It is important to build a salary for the artisans into the prices of items.
- **Overhead Rate:** Basically, overhead is all the other expenses that go into the product, but are complicated to calculate per product for instance the cost of the thread used for an apron, the ink used to write calligraphy, etc.), plus all the other business expenses paid that don't go directly into the making of a product, but keep the business running (advertising costs, a web domain, your crafting tools, etc.). The best way is to define an average rate.