



This Project is financed by the European Union

Kwa Sani Municipality Hand Crafted Tourist Souvenir & Decorative Materials Development



Project Overview for potential Funders

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CONTENTS

Background to Project	Pg 2
Project Overview	Pg 3
Project Achievements	Pg 9
Lessons Learned	Pg 12
The Way Forward	Pg 14
Business Plan in Brief	Pg 16
Budget and Revenue Projections	Pg 17

Where we started



Oversupply of unsaleable products and no access to quality materials

Crafters battling against poverty and far from markets

The Goal



Tradition combined with contemporary design sold under a label that reflects the character and culture of Kwa Sani



Develop items for specific markets

Decor

Tourist Gifts

Corporate Gifts

BACKGROUND TO PROJECT

The Kwa Sani Municipal area encompasses the Southern Drakensberg towns of Underberg and Himeville and surrounding rural areas. The Kwa Sani Tourist Souvenir and Decorative Materials development project was an outflow of a craft pre-feasibility study where 200 active crafters were identified in the municipal area.

Funding from the Local Competitiveness Fund was secured from Gijima for a Feasibility Study with pilot implementation which ran from September 2007 to May 2008.

Project Activities:

- Project Management by PR Africa
- Business Plan Development
- Stakeholder Mobilisation
- Resource Mobilisation
- Implementation of key components including: design guidance, business coaching, development of distribution and production systems, label/brand development, promotional material and a website

The feasibility project showed real potential for growth for an enterprise centered on the production and marketing of tourist gifts and decorative items. (Please visit www.kuhle.org.za to view the current range of products.) The potential market in Kwa Sani is substantial but it is not currently supplied. Until the Kuhle project, there had been no unifying local craft brand and little understanding of which products match market needs.

A section 21 committee with a board of volunteers who have expertise in business and marketing has been established. While a rudimentary production/distribution system is now in place, the project will realistically take at least 18 months to 2 years to become self-supporting. The Municipality and Kuhle Board therefore need to source funding for the further development of this enterprise.

PROJECT OVERVIEW



Solie Msomi is a talented designer of traditional baskets. She belongs to a craft group called Sizanayo but until recently Solie earned next to nothing from the sale of baskets because she lives far away from the places where tourists and business people shop and she had little opportunity to see the type of baskets that are selling well. She would have liked to experiment with new materials and colours but the closest suppliers are in Durban which is a full day's return journey by taxi.

Beadworker, Albertina Mncwabe is the family matriarch and the main care taker of 20 grandchildren whom she supports through a combination a small pension, child support grants and contributions from her working children. She and her daughter Thandazile started a local crafts group in Stepmore called Isibani Solwazi. Most of her sales were to other members of the community and items sold for small amounts, hardly justifying the time and effort spent producing them.

These two resilient and enterprising women are typical of the crafter profile in the KwaSani Municipal area where the average shared monthly income is R200 per person in a household. While they have initiative and flair for craft design there are significant obstacles:

- Crafters live miles away from distribution points and have difficulty getting their goods to suitable markets and sourcing quality materials for production
- They are largely unable to sell their goods due to poor quality and over-supply of items no one wants to buy
- They lack even rudimentary business and marketing skills
- They lack awareness of design and market trends

In August 2006 KwaSani Municipality initiated a Land Development and Employment Generation framework centered on property development aimed at increasing municipal revenue and accelerating employment and enterprise opportunities radiating outwards from the hub of Underberg., A number of feasibility studies were undertaken and tourism was identified as the sector found most likely to drive economic growth in the short to medium term.

Closely allied to this is the potential to produce hand crafted gifts for the ready made market of half a million tourists who visit the area each year. Of these, 90 000 are overseas tourists drawn primarily by the Sani Pass experience

PROJECT SET UP

Once Gijima Local Competitiveness funding was secured, Gooderson Leisure Corporation came on board as the private sector partner and Planning and PR consultancy, PR Africa, was appointed to drive the project.

The KwaSani project was therefore planned as an 8 month intervention programme to gain a phased approach for tapping into and expanding the existing craft production base to supply functional and décor gifts reflecting the character and culture of Kwa Sani. The aim was to achieve a level of Market Competitiveness by combining traditional craft and contemporary functional craft.



The project got underway in September 2007 with a Show and Tell Day where 140 crafters from 12 craft groups brought their products for assessment. The craft groups selected 26 crafters to

participate in a pilot business coaching and skills development programme.



The Show and Tell in September 2007

LEARN AND EARN

The focus was to provide a “Learn and Earn” environment where crafters could, in the very short term, gain a vision for the type of designs that are competitive in the market place. Design guidance was provided by Kate Wells (Durban Institute of Technology) who has achieved international acclaim with the Siyazama Project:

Lobolile Ximba and Celani Nojiyeza from Siyazama also provided specialist training in beadwork and basket making



A total of 12 Design and Business Coaching training sessions were held and within 8 weeks products were sold at local markets.

Because production for the home décor and corporate gift markets can only be achieved with well developed production and quality control systems, initial production was aimed at selling to international tourists flowing through Underberg along Sani Pass.

Three months into the project, all 26 crafters had earned at least R300 from their pilot production

RESOURCE MOBILISATION

Stakeholder mobilisation and set up of design and business coaching was followed by the development of a business plan and resource mobilisation - sourcing distributors, buyers, and funders and developing marketing tools.



Much improved Quality of production after only 6 weeks



A product brand was developed so that KwaSani crafters who comply with quality standards have a collective label for the marketing and distribution of their products. The label, *Kuhle*, was chosen by the crafters and means “It is lovely.”

A website www.kuhle.org.za was created to showcase Kuhle products and use as an information source for potential funders.

The screenshot shows the website layout with the following sections:

- Navigation:** Home, About Us, Where To Buy?, Contact Us, Our Products.
- Left Sidebar:**
 - Kuhle Gifts & Décor logo.
 - Kuhle - "It is lovely"
 - European Union flag with text: "This project is financed by the European Union"
 - Latest News: Kuhle products now on sale at Drakensberg Gardens Resort. See "Where to buy" for more details.
- Main Content:**
 - Our Crafters sidebar with links: Business Plan, Media News.
 - Header: "The special people of the SANTI REGION" with a photo of a woman weaving.
 - Section: "Welcome to Kuhle Gifts & Décor"
 - Text: "Kuhle! Zulu for 'It is lovely!' These are our crafts and this is our story. We are people of the Southern Drakensberg and we are changing our lives by creating new and beautiful things."
 - Text: "Until recently we worked in isolation with little or no interaction with other crafters and rarely placed our crafts with local craft outlets. We used them in our homes, we traded them within our communities and sometimes we sold them to passing visitors."
 - Text: "Because of our limited access to materials our crafts developed from things we could find in and around our communities, grasses from the mountain sides, clay from the river bed, left over paper, plastic and wood and on occasion beads. From these basic materials we developed our own designs."
 - Text: "In all this time we gained little for our efforts and our lives changed not at all. But now everything is changing. Through a community based development programme supported by a grant from Goima (The European Union) our crafts have become a catalyst for change in our lives and in our communities."
 - Text: "From our 14 craft groups scattered around the KwaSani region, 26 of our over 200 members have been chosen to gather together to share ideas, learn new techniques, develop quality standards and designs and to secure new materials and a market for our products. What you see on these pages is a result of this process. What you don't see are the changes in our lives."
 - Text: "Today we are **Kuhle**, we are one brand, hands linked by common interest and purpose. We draw materials from as far away as Europe and Madagascar and our crafts travel beyond our hills to the homes of people in places we have never seen, but they have seen us through our work and it is **Kuhle**.....It is lovely."
- Featured Products:**
 - Set of 12 coasters (multi coloured) Price: R160
 - Serving Basket (Cream raff) Price: R55
 - Set of 12 raffia napkin rings Price: R100
 - Basket server on stand (white) Price: R75
 - Woven grass (incense) dinner set Price: R450

CLOSE OUT

A project Close Out Awards Luncheon was hosted by Drakensberg Gardens Resort (Gooderson Leisure) on 26 May 2008. The intention was to bring back many of the crafters who attended the initial Show and Tell and inform them of plans for the second phase of the project.

Each of the crafters who participated in the pilot programme received a certificate and Vouchers and Prizes were awarded for the most original work in different categories and the best overall design.



PROJECT ACHIVEMENTS

The Project Achievements need to be measured against the objectives and expected results

The objective was to create a viable Kwa Sani craft industry. The stated expected results were:

- Craft producers with potential are identified and mobilised
- Design inputs and training result in crafts that fit market demand
- Crafters are linked to markets through systems and mechanisms that improve distribution

- ✘ Development of production systems and technologies to the point where the volume, quality and pricing requirements of the market are matched and the difficulties generated by the spatial dislocation of producers can be overcome

We did not reach this last goal during the Feasibility phase but made good headway towards achieving this objective.

From the outset, the project team and partners were realistic about the pitfalls, well aware that very few LED orchestrated craft projects flourish in the long term. Our research showed that almost all craft projects fail because they are done collectively with no understanding of business principles. The majority of the ones that do work are run by entrepreneurs who mobilize groups of crafters and give them set design templates to produce under their label. In most cases these crafters are making less than R200 a month.

In the majority of the projects we have investigated materials are supplied to crafters by an entrepreneur running the operation and the finished crafts are marketed by the entrepreneur. These practices encourage dependency and do not empower crafters to evolve into self-employed business men and women with the capacity to build independent businesses within their communities.

KEY ACHIEVEMENTS

- The Steering Committee established a Kuhle Section 21 company. The board members are retired business people and active business leaders / consultants who serve on a volunteer basis. The intention is that they will share their expertise and draw on their business networks for support.
- A rudimentary distribution system is now in place. Local business people serving on the Kuhle Steering committee have done much to secure sales outlets for Kuhle crafts. Sani Pass and Drakensberg Gardens now stock Kuhle products in their curio shops and a couple of tour operators have put effort into marketing the products directly to their overseas clientele. In the future it is intended that tour itineraries will be expanded to include visits to the homes of crafters where tourists can meet crafters where they live and work.

- Of the original 26 crafters in the pilot project, 24 completed the feasibility programme and all of them earned money from their work. Two dropped out of the programme because they found permanent jobs.

In April and May 2008 16 crafters earned a total of R2812 for products sold in hotel curio shops and by tour operators. The average amount earned per crafter was R175. Maggie Bather, a member of the Kuhle Steering Committee undertook the task of supplying the curio shops and tour operators, keeping an inventory and paying over income from products sold to crafters.



- Very effective branding and marketing tools have been developed.
- A comprehensive Business Plan has been developed. Because we are constantly learning as we go, the Business Plan is currently being revised by the Kuhle Board members.

Responsibilities of the Kuhle Board

- Institutionalise ongoing training programs
- Gate keep quality standards
- Develop markets
- Access design support
- Distribution and compensation
- Business records
- Development of collateral life enhancement programmes
- Source External funding

All the partners and members of this project are strongly committed to developing Kuhle Crafts into a viable concern where we reach a point where crafters can cost and purchase their own materials and supply orders as required. These steps are detailed in the business plan and are now in place.

What separates Kuhle Crafts from random crafters hawking crafts independently is the Kuhle Brand and single point of distribution. For Kuhle Crafts to succeed quality and type must become institutionalised. Some funding has been secured for a second phase. It is not sufficient for the two years it will take to make Kuhle self-supporting but it will go a long way towards securing sales premises in central Underberg and moving forward with marketing and distribution.

Crafters will require on going training to develop new crafting skills. The nature of the crafting industry is one of a constantly evolving product line. For Kuhle Crafts to continue to compete, crafters will have to be exposed to new product lines, techniques, tools and materials.

LESSONS LEARNED

- ☺ All participants in the pilot study are unemployed and very poor so it was essential that they were able to start earning after only a few training and coaching sessions in order to maintain their participation and enthusiasm. It was not possible for all the crafters to earn a lot of money but every one of them received financial gain for their efforts and the top crafters earned over R2000 during the pilot study – a substantial amount for people living below the poverty line.
- ☺ The products that have sold the best are the small items that are easy to pack into suitcases: Jewellery and Christmas decorations.



- ☹️ The crafters who sold the least are the ones who work with raffia and grass to produce woven bowls and baskets. This is not because the products are sub-standard – in fact they are very well constructed but they are pricey because of the time involved to produce and they need to be sold in sets of four or six items that match, not as one-offs.
- ☹️ We did not budget sufficient funds for transport. We entered the project with unrealistic expectations in this regard and found that the crafters were unable to attend training sessions unless lunch and taxi fares were provided. This is a very real problem to women from households where the income per month per person averages R200. Taxi fares for 26 crafters ran in excess of R1600 per session.
- ☹️ We were unrealistic in terms of budgeting for material purchases. To keep the momentum of the group, it was necessary to buy additional beads and a host of other materials so that quality products could be produced. The project team also under-calculated the time required to source and shop for materials. Then there were the logistical problems of getting materials from Durban to crafters in between training sessions.
- 😊 A strong and well connected steering committee helped drive the project. This comprised: the Municipal Corporate Services manager and the local tourism officer, Nanana Sabelo of Gijima, local business people, hoteliers, tour operators and elected representatives from the 12 craft groups. There has been a lively flow of debate and comment at these meetings.
- ☹️ Because crafters were elected to serve on the steering committee they were privy to project budgets. There was little understanding for the costs involved in managing and running the project and the crafters tended to report back to their communities and councillors that they should have been benefiting directly from the project funds i.e. all the money should have been spent on materials or paid to them for participating. It took a lot of education to overcome these misperceptions and councillors were made aware of the project goals so that they could respond appropriately.
- 😊 In order to turn craft making into a marketable enterprise, it is imperative that crafters can source materials close to home. The Project team networked with the Underberg business community and this has resulted in the local hardware store stocking the glues that are required and a sewing/needlework store will be stocking better quality beads bought in Durban and supplied at a reasonable price.
- ☹️ The development of production systems and technologies proved difficult. This is because the crafters are spread throughout the municipal area. There is no central point where the crafters work together with quality control systems in place. This makes it difficult to achieve consistent quality and sizes.
- 😊 To overcome the problem of spatial dislocation of crafters and to ensure a central distribution point, the Kuhle Board took the decision to hire retail premises in the centre of Underberg from 1 August 2008.

- ☹️ Crafters reported widely varying amounts of time to create the same product. Our team carefully investigated the production time involved in order to establish the value and pricing of the product and link it to the pricing requirements of the market.



For example, this basket is priced at R65. It takes 1 and a half days to produce including collecting and dyeing the grass. The materials amount to R12 for plastic bag and Raffia



This eco-friendly tray is priced at R265. It takes 4 days to produce including collecting and drying grass and R16 for material purchases.



- 😊 Because we started by creating awareness among the total craft sector and then narrowed it down to 26 crafters who participated in the pilot study, it was very important to keep contact with the wider craft sector and to make sure that new skills learnt are being transferred to the craft groups. We are encouraged to see that crafters are going back to their home groups and doing this.

- 😊 PR Africa realised the importance of the group being exposed to design elsewhere in South Africa and funded a trip to Cape Town for two of the best crafters who were chosen by their peers to represent Kuhle at the Cape Town Design Expo in February 2008. Here the crafters had a special opportunity to meet other crafters face to face and discuss their success and failure at turning LED interventions into business enterprises

- ☹️ Business coaching was considered as important as design coaching by the Project team and the steering committee. One of the first steps therefore was to assist the pilot study crafters to open bank accounts and to pay earnings from sales directly into their bank accounts. This proved to be a mistake as most of the crafters withdrew all the money and there were no funds left to cover bank charges. Negotiations with First National Bank resolved the problem as the Bank agreed to refund the charges and close the accounts. This is an issue that needs to be carefully considered in the future as many of the women cannot protect their money from theft or misuse at home.

- ☹️ The Project team and the Municipality ended up using a lot more resources and time than initially anticipated. However when you are dealing with crafters who battle poverty and sickness every day, it seems unavoidable. We soon realised that in addition to business and design coaching, it is very important to address the problems of poor nutrition, health education and domestic violence. During the project one of the most promising crafters developed full blown AIDS and TB is rampant in the communities.

THE WAY FORWARD

As per the original vision of the LCF project, individuals representing each of the major crafting groups from surrounding settlements will become the core driving force for the long term business plan. This core group will be tasked with transferring skills and inviting participation into the Kuhle business group as independent contractors.

It must be clear, however, that these original 26 representatives do not necessarily constitute gatekeepers into the business/label. Kuhle is intended as a business vehicle with open access to all residents of the area with the only criteria for membership being that their crafts meet the standard of the Kuhle label, that they are capable of meeting market demands and that they exhibit sound financial judgment and agree to support the Kuhle Craft business and that through their actions they do not bring discredit to the group.

Funding is needed for a second phase where design and mentorship can continue to the point where the crafters have a well developed production and distribution system,, a physical production and training centre is put in place and key markets are secured.

The establishment of the section 21 committee for Kuhle in May 2008 has provided a structure through which funds can be channeled.

In order for our rural craft industry to be sustainable, its products must be acceptable to a highly discerning local and international tourist market. This can only be achieved if the crafted items are well-made and innovatively designed.

The Kuhle programme is addressing the pertinent aspects of product quality, design, systems, technology and distribution channels which extend far beyond a roadside craft centre for passing tourists. The marketing of crafts through key distributors and through website showcasing is regarded as key to addressing the difficulties generated by the spatial dislocation of producers.

Specific capacity can be grown to service the local hotel décor market. There are 3250 tourist beds in Kwa Sani. Accommodation owners typically refurbish rooms every five years and there is strong support for sourcing soft furnishings from local producers.

A variety of local raw materials are readily available, and suitable for quality production. A number of local institutions, hotels and skilled individuals are already active in the sector and are prepared to contribute skills and resources to craft and decorative materials development.

The development of Markets is crucial and demands professional support. This needs to be a funded position that is eventually supported by revenues from crafting operations and this position will have to lead to someone who can access wider markets than just the local one.

Distribution to the marketplace must be centralised. All products with the Kuhle label must come from one point of distribution.

All of the craft businesses that we have contacted have emphasised the need for budgeting for on going design input and support.

Product distribution has to be centralised. Crafters come from a wide geographical area. Creating a central distribution hub in the Underberg vicinity is a critical component to establishing Kuhle Crafts as the vehicle through which crafters access the marketplace.

We envision an initial system whereby crafters are paid 50% up front upon delivery and the remainder within 30 days of sale. This will allow the business to build up a degree of equity while at the same time reward crafters immediately for their efforts.

Kuhle Crafts will become a focal point of the extended communities of the Kwa Sani Municipality and as such lends itself to becoming a vehicle to affect change and enhance lives. On going education, health, safety and skills development need to be collateral benefits extended to crafters and their families.

BUSINESS PLAN IN BRIEF

The Kuhle business plan defines specific structures and activities designed to Institutionalise the successful creation of a sustainable business that will serve to benefit the currently unemployed peoples of the Kwa Sani Municipality.

- Organizing the crafters into a cohesive, well connected working body
- Establishing an organic management structure with the capacity to enhance the success of individual crafters
- Securing a stable and reliable base of quality materials that is easily accessible to craters at a fair market price
- Instituting a vehicle for training in technique and design development
- Developing individual business skills
- Creating a recognizable “brand/banner” under which crafts from the area are marketed with corresponding standardization of quality and production security
- Developing a stable/sustainable/evolving market
- Establishing a forum for the collateral advancement of interventions in healthcare, family safety and other related social issues
- Securing information regarding sourcing of support funding and other forms of support to enhance the survival prospects of the business
- Executing a strategy for the evolution of the business from an artificially supported one to one that becomes a self-supporting/sustaining entity with a corresponding evolution of skills transfer to the extended participants.

The full Business Plan can be downloaded from www.kuhle.org.za

For more information on the Kuhle project, please contact:

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BUDGET and REVENUE PROJECTIONS

Kuhle Interim Budget August 2008 - July 2009

Line Item	Rate	Unit	Time	Cost	Amount/Year
70 square metre storage facility	R 50.00	Square Metre	Month	R 3,500.00	R 42,000.00
Retail Outlet	R 2,000.00		Month	R 2,000.00	R 24,000.00
Accountant	R 200.00	Per Hour/4 Hours/WK	Month	R 3,200.00	R 38,400.00
Project Manager/Sales Director	R 20,000.00	Salary	Month	R 20,000.00	R 240,000.00
Equity for Sales at 50%		Allowance/One Time Exp			R 300,000.00
Travel/Mileage	R 3,500.00	Allowance	Month	R 3,500.00	R 42,000.00
Postage/Shipping	R 1,500.00	Allowance	Month	R 1,500.00	R 18,000.00
Design Support	R 8,000.00	Allowance	Bi-Monthly	R 4,000.00	R 48,000.00
Tools and Equipment	R 1,000.00	Allowance	Month	R 1,000.00	R 12,000.00
Training Venue and Catering	R 1,500.00	3 per month for craft and collateral skills training	Month (3)	R 4,500.00	R 54,000.00

Line Item	Rate	Unit	Time	Cost	Amount/Year
Lodging for Trainers	R 1,200.00	4 nights/	Month	R 1,200.00	R 14,400.00
Training Crafts	R 6,000.00	2 per month	Month	R 12,000.00	R 144,000.00
Training Collateral Skills	R 6,000.00	1 per month	Month	R 6,000.00	R 72,000.00
Disbursements/Labels	R 800.00	Allowance	Month	R 800.00	R 9,600.00
Electric	R 350.00	Allowance	Month	R 350.00	R 4,200.00
Phone	R 2,500.00	Allowance	Month	R 2,500.00	R 30,000.00
Website Hosting and Updates	R 800.00	Semi Annual Updates	Month	R 800.00	R 9,600.00
Advertising	R 1,200.00	Allowance	Month	R 1,200.00	R 14,400.00
Marketing/PR Consultant	R 9,000.00	Retainer	Month	R 9,000.00	R 108,000.00
Sub Total					R 1,224,600.00
Contingency	At 3% of Total				R 36,738.00
Total Funding Budget 1 Year					R 1,261,338.00

This budget is designed to get the project up and running. We envision installing a 15% surcharge after 8 months of operation that will be charged to crafters to begin the process of eliminating support funding. Year 2 will require substantially less as the R300,000 capitalization fund for craft purchase will not be required

Revenue Projection Scenarios Year 1

FIRST PHASE LOCAL							
Access Venue	International Visitors	10% Sale Penetration R100	33% Sale Penetration R100/sale	50% Sale Penetration R100/sale	10% Sale Penetration R150/sale	33% Sale Penetration R150/sale	50% Sale Penetration R150/sale
Drakensberg Gardens	21000	R 210,000.00	R 693,000.00	R 1,050,000.00	R 315,000.00	R 1,039,500.00	R 1,575,000.00
Sani Pass Hotel	14040	R 140,400.00	R 463,320.00	R 702,000.00	R 210,600.00	R 694,980.00	R 1,053,000.00
Tour Operators with Display Space	19230	R 192,300.00	R 634,590.00	R 961,500.00	R 288,450.00	R 951,885.00	R 1,442,250.00
ENTRY MARKET PROJECTIONS	54270	R 542,700.00	R 1,790,910.00	R 2,713,500.00	R 814,050.00	R 2,686,365.00	R 4,070,250.00
Financial Impact per Crafter using 300 Crafter Base Yearly	300	R 1,809.00	R 5,969.70	R 9,045.00	R 2,713.50	R 8,954.55	R 13,567.50
SECOND PHASE LOCAL YEAR 2							
Extended Sales to International Visitors at Non-Mainstream Venues	50000	500,000.00	R 1,650,000.00	R 2,500,000.00	R 750,000.00	R 2,475,000.00	R 3,750,000.00
End of Year 2 Projections Local	104270	R 1,042,700.00	R 3,440,910.00	R 5,213,500.00	R 1,564,050.00	R 5,161,365.00	R 7,820,250.00

Financial Impact per Crafter using 400 Crafter Base Yearly	400	R 2,606.75	R 8,602.28	R 13,033.75	R 3,910.13	R 12,903.41	R 19,550.63
15% Supporting Surcharge to Finance Kuhle Operations	0.15	R 156,405.00	R 516,136.50	R 782,025.00	R 234,607.50	R 774,204.75	R 1,173,037.50

Revenue Projections

We have laid out a number of market penetration scenarios, from 10% to 50% over a two year period. We have also made assumptions regarding participation by crafter numbers as well as average purchase cost per sale.

The significant given to all of these projections rests on the available tourism data that forms our market base. This data is particularly accurate regarding the two destination resorts and 4 tour operators we have recently interviewed. Data regarding the extended international tourist base needs further verification. Penetrating this extended market will be more difficult, but will offer a good field for gradual expansion.

Assumptions regarding potential spend per tourist take into account that cultural purchases can demand a relatively higher price on location and that the average European and American tourists will consider purchases at or below R150 to be incidental (in the range of \$20 or e10).

Using current foreign visitor counts and working toward a 50 % market penetration at R75 spend rate per visitor we can project an annual sales in the Kwa Sani District of R2250000. If 15% of this is returned to Kuhle Crafts this translates to R337500 which means that the company could be essentially self sustaining after one year of operation and that the additional funding could be directed to design inputs, training, facilities improvement, increasing sales beyond the Kwa Sani region, inflation proofing and build up of administrative capacity and skills transfer.

Economic Impact

Using the conservative sales figures noted above this translates to a gross income potential of R9562.50 per year per each of the current 200 crafters. This is the mean average and includes the deduction of the 15% surcharge. The relative impact of this on the quality of life for the crafters is nothing short of dramatic as it will effectively more than double the annual wage of the average crafter household.

As an example, crafter Phumzile Qwabe would have an additional R500 in household income per month. This equates to a full 50% per month increase in income. This figure is not unrealistic even in the early stages of the project. Though a trail sales offering at the Himeville Museum in late November 2007 over R2200 of crafts were sold to "local" Underberg/Himeville residents. The majority of these crafts were made by 20 crafters translating to a R110 take per crafter. We estimate that there were less than 60 people who came to the fair and that Kuhle Crafts was the single biggest seller.

These sales were made outside of our targeted market group and indicate that even the resident and extended South African tourist market has potential.

Ultimately, this project has tremendous upside. A ready market exists, this market has discretionary income, a substantial labor force is available, and there is a significant will among both crafters and local business and government to make the project work. Income gained from the project will be spent locally and will substantially increase local economic activity.