



This project is funded by the European Union



Project: Kwa Sani Local Municipality Hand Crafted Souvenir Decorative Materials Development

Minutes: **Steering Committee Meeting 2**

The Second Steering Committee Meeting for the Kuhle Project was held on 4 December 2007 at the Kwa Sani Municipality Boardroom.

1. Welcome

Sue McAlister, Corporate Services Manager, KwaSani Municipality welcomed the members to the meeting. A special welcome and thanks was extended to members attending for the first time; Cathy Knox, Rob van den Heuvel and Colleen Robertson.

2. Attendance:

Sue McAlister
Maggie Bather
Michael Dlamini
Nanana Sabela
Cathy Knox
Colleen Robertson
Rob van den Heuvel
Zama Khumalo
Chris McLean

Chairman (Kwa Sani Municipality)
Consultant to the Tourism Sector
Kwa Sani Tourism
Gijima
Underberg Spar
Driftin Crafts
Sani Pass Tours
PR Africa
PR Africa

Craft Group Representatives:

Khangezile Mtolo
Dorothy Madondo
Nomasonto Zuma
Lillian Chagwe
Solie Msomi
Sizeni Cule
Thandazile Mncwabe
Olga Mkhize
Victor Ndlangisa
Sbongile Mkhize

Sidlangoludala
Vukuzithathe
Ikhwezi
Sakhokuhle
Sizanayo
Indonsa Women's Club
Isibani Solwazi
Maqoqa
Masithuthukisane
Izandla Ziyagezana

3. Apologies:

Helen and Rob Gooderson
Kate Wells

Gooderson Leisure Corporation
Siyazama/PR Africa

4. Project Progress Report

Zama Khumalo and Chris McLean gave a project progress report:

Implementation of Key components of the Business Plan and Stakeholder Mobilisation:

Project Brand

- The Kuhle Logo has been finalised
- The Website is up and running
- Product Labels have been printed

Training and Design

- Crafters have been assisted to open bank accounts
- Specialist rural crafters Celani Nojiweza and Lobolile Ximba have been brought on board to teach beading skills.
- Maggie Bather stressed the need to continually bring in professional designers to give input and work on new ideas as she has seen a project at Centacow where weavers were unable to market their products because they didn't know what colours and patterns were in demand.
- Since the last steering committee meeting, design training and business coaching with the pilot groups took place on:
 - 15 October 2007
 - 22 October 2007
 - 3 November 2007
 - 12 November 2007
 - 23 November 2007
 - 26 November 2007
 - 3 December 2007
- Exposure to the craft sector for the Kuhle Crafters:

Cathy Knox pointed out that the only way that the crafters will be able to come up with new, contemporary designs is by being given a chance to get out there and see what other crafters are doing. PR Africa then told the Steering Committee about the idea of sending at least two crafters to the Design Indaba that will be taking place in Cape Town in February 2007 and everyone agreed that this would be a great opportunity for the crafters to see what is out there but also to experience and incorporate travelling as part of their work as crafters. PR Africa also told the steering committee about the disparities that are still evident in the crafters work and the need for more training sessions in order to get all work to the acceptable standard.

Distribution and Sales

- A full project catalogue has been developed and is available in print form or electronically off the website
- The Project Team have held meetings with craft distributors and the KwaSani tour operator and hospitality sector to discuss the feasibility of and approach to selling to the overseas tourist market.
- It was agreed that we would need to build a strong relationship with the tour operators in the area. Rob Van Den Heuvel who is the owner of Sani Pass Tours agreed to have a meeting with other tour operators in the area about the different ways in which they can assist the project. Rob also agreed to be the appointed leader for the tour operator group, taking the responsibility to arrange meetings where they can find different ways to introduce items produced by crafter to the group to tourists. He also pointed out that Major Adventures and Sani Pass Tours do have retail space that can be used to sell the products at their venues.
- To test the market, Kuhle Crafts were sold at the Himeville Museum Art Exhibition and Flea Market on 24 November. The two crafters, Thandazile and Phumzile who attended the Art Exhibition and Fete got a chance to see how the selling process works, which products were on demand and which ones were not. It was also clarified that the crafters are not working for Kuhle but they are working as individual business people under the brand.
- The crafters will also be selling at the Underberg Xmas Festival on 7 and 8 December. For this event we want more of the crafters to come and man the stand and this time instead of having only the PR Africa team selling and keeping accurate records of what has been sold, the crafters themselves can sell their products and this will help them in the future to know how to record this information and make sure thereafter that everyone gets the amounts they sold for. They will also be able to determine which items should not be displayed at all if they do not meet the quality standards.
- A discussion took place around the issues of quality and sales:

Nomasonto Zuma asked what would happen then if an individual cannot produce goods that are up to standard. The group agreed that the individual's products will not be sold. They will be sent back and they will be given more opportunity for training. They will not be making any sales until they can produce goods of the required standard.

Sizeni Cule expressed concerns that he has regular customers who know his work and have been buying from him. He wanted to know if he can still sell to them directly. **Thandazile Mncwabe** said she also has customers who may want to buy her baskets directly from her and wanted to know how that should be handled.

The group agreed that crafters can still sell their products directly to their regular customers but should bear in mind that when you sell through the Kuhle brand you will not be losing any money in the process, your customer will still buy from you, but you will also be strengthening the brand and giving the customer a chance see the other products made in the project. After all our overall goal is to enrich each other's lives any way we can. You can however bring your other products to be inspected by the group and put the Kuhle brand on them as well

All products that are made during Kuhle project training with the materials supplied by Kuhle must be sold under the project, because we are trying to prevent a situation where a crafter sells their product to someone and it does not meet the quality standards and then the whole group gets a bad reputation.

Dorothy Madonda said that in her local craft group, there are of ladies who make traditional skirts and she is usually the person who makes the jewellery to go with those skirts as a set. She asked whether she would have to bring the jewellery in for inspection and get the brand name or can she still continue as before.

The Group agreed that she could do both: If she wants to trade under the brand with those products then she should bring them for inspection or she can sell them with her group.

Olga Mkhize thanked the chairlady for addressing the needs relating to transportation and meals for the crafters. She said the crafters would like to know when the project is likely to receive some more funding. It was explained by the Project Management team that the issue of additional funding and going after possible funders will happen from January 2008 onwards and all crafters would be kept informed.

Michael Dlamini said people have been coming to the tourism offices saying that they were under the impression that the 26 people being trained now would be changed after a certain period. Is this still going to happen or not since now people are making products and they are selling and making money? And they have also opened individual bank account under their own names. So there is some jealousy emerging.

Sue McAlister suggested he handle those queries by explaining that this project is a pilot study to see whether a project such as this one can be a success in the area, if the project is a success then we will try to get more funding and then have more people involved. This project is not aimed at the 26 individuals because they are supposed to go home and teach others whatever skills they get from training (Skills Transfer).

When others have been taught they will also start making products and therefore get a share of the profits as is the example with Victor's Trays; Victor does not make all the baskets and trays himself, he gets other people from his group to help him and he tells us who made that product so that when the product sells he gives it to that individual.

Victor Ndlangisa asked that in the case where someone that has been chosen by their craft group to be a trainee is underperforming, can they as the group remove that person? He also wanted to know if he could be paid for the training he does with his group, i.e. based on what he is learning in the Pilot programme.

The group agreed that it would not be correct to remove the person yourselves because that might cause problems but what you can do is label everyone's product and when they are being inspected for quality the board can decide whether that person needs to be removed or not. Training others is part of the project at this stage, perhaps when the project has grown there will be those that can become trainers as well and then they might be paid something for that.

5. **Business Plan**

Members were asked for input on various aspects that need to be detailed in the business plan:

Business Plan:

The PR Africa team read and summarised the Draft Business Plan for the Steering Committee. Based on research done by PR Africa, the average income of the individuals in the crafts group is R300 per person, per month. This proves that even though the crafters in the Kuhle project do not have formal training in business management they each have the right skills and abilities to learn how to manage this project as a business because they have been able to manage their own households with very little income each month. The 26 members that were chosen from the 200 crafters will become the core driving force for the business plan.

The long term vision for this project will be to create individual business people who can function within a group. The 26 individuals that were chosen to represent their groups will learn from the business and crafts training and thereafter they will go out into their communities and teach others what they have learned (Skills Transfer). Kuhle will be open to all residents under the Kwa Sani Municipality, provided that the people who want to join the group should meet the set standards and be able to produce consistently, the board members will make these decisions.

Structure:

The Steering Committee agreed that there is a need to create a management structure, decide what that structure should be and that recommendation of members should come from the Steering Committee. The management structure can consist of; a representative from First National Bank, from the crafter's group and from the Business community of Underberg. The members from each group would have to be reviewed each year so that different people can get involved in the project. The purpose of this structure would be to get more funding for the project which can be in the form of money, training and education on health issues. Kuhle – the business - does not have to be profit making, profits will go to the crafters making the products.

It was agreed that the arrangements that would work out the best would be one where, upon delivery the crafter gets 50% of the payment for their products and when their product sells they get the remaining amount. This would serve as a motivation for the crafters to produce more work and prevent them from wanting to sell their products themselves whenever they can get a customer. Funds to establish an inventory stock will be required for this to happen and we will also need funds to get a sales person who will assist in selling product. The PR Africa team suggested that Kuhle be a Closed Corporation as this works out cheaper in auditing costs.

The rest of the Steering Committee member agreed to provide feedback on these issues telephonically and by email.

Material Distribution Point

It was suggested by PR Africa that whilst we are still at the beginning stages of the project it would be wise to have only one distribution point in Underberg or in Himeville so that we can start exploring the local market first, before we can even consider going outside the Underberg area. To infiltrate the Underberg market we will need assistance from someone in the community who already knows the area and the buying trends. It was suggested that perhaps that person could be Colleen from the Driftin Crafts shop in Underberg. Colleen agreed that she could sell the Kuhle products in her shop and dedicate a spot for local

crafts but she could not oversee the project in the area because she will not have the time that this requires as she is always away on business. Maggie Bather then suggested that perhaps one of the crafters could man a stand at the craft market that the Municipality is preparing to build in the area. It was agreed that the committee would have to start looking for someone local who can manage the distribution from Underberg.

Organisation of Supply Chain:

Agreed that Kuhle needs a place to store materials because taking them to Durban after each training session and back to Underberg for the next training damages the products, a place in Underberg would be ideal because it is a central point for everyone. The crafters can buy their material from this venue when the time comes for them to buy their own materials. Cathy Knox and some of the crafters suggested 'Stitches' as a possible venue and Colleen said she could store some of it in her shop but we must bear in mind that her shop is very small therefore she can only store so much at a time. The project team cautioned against having too many distribution areas as this will create problems as far as bookkeeping is concerned, it would be much better to have just one place, where we will have record of what was put in the store and what has been sold.

6. Closure

The project team stressed that the Kuhle project will be changing people's lives in many ways whether it is by giving them financial or life skills. In the long run there will be people in the group who will branch out and do bigger things and there will also be those who might go on to become artists and these people will also be adding value to the group as a whole. The project will be effective in the sense that it will double the amount of money that these crafters are earning now.

7. Date of Next Meeting

The date of the next steering committee meeting was set for 15 January 2008