ALLIANCE FOR ARTISAN ENTERPRISE

Exploring Certification Models

west elm
OUR MISSION & GOALS

We blend a **passion** for global craft cultures and traditional techniques with a **commitment** to building and sustaining profitable businesses. Our goal is to **create** products that **connect** artisans, makers and the traditions of craft with new customers and markets.

**west elm**
Goals & Vision of Certification
How can we scale & support artisan enterprise?

The Alliance for Artisan Enterprise was created to support and grow artisan enterprises, provide best practice services to the organizations that support them, and to support the broader recognition of the importance of the artisan sector to development and preservation of cultural heritage.

*west elm believes that a globally recognized third-party certification adopted by the alliance for artisan-made product will help all of us meet this mission*
our goals

• **Support** artisan economic development and create artisan jobs on a global scale.

• **Connect** and support existing certification groups, artisan training organizations and artisans in various countries.

• **Authenticate** and validate artisan processes by a globally recognized third-party alliance.

• **Empower** consumers to support artisan makers and connect with the story of the people who make the products they buy.

• **Create** a scalable business model that relies on fees paid by corporations and buyers to support certification costs.
our vision | WHAT COULD A GLOBAL ARTISAN CERTIFICATION SYSTEM LOOK LIKE?

• A globally recognized, third-party certification system would illuminate and authenticate a world of artisans.

• A respected third-party certification system can become the standard for artisan-made product, the way that Fair Trade is to labor practices, or FSC is to sustainable wood harvesting and forest stewardship.

• A certification system can validate varying artisan processes of handcraft, or “direct manual contribution,” as outlined in UNESCO’s definition of artisan production.

• An organization that partners with existing certification and artisan support organizations can build on prior knowledge and expertise to implement a ‘real-world’ system of global certifiers in multiple countries.
Artisanal products are those produced by artisans, either completely by hand, or with the help of hand tools or even mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product.
### west elm’s handcrafted product % of total

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textiles</td>
<td>36%</td>
<td>38%</td>
<td>40%</td>
<td>42%</td>
</tr>
<tr>
<td>Dec Acc</td>
<td>12%</td>
<td>15%</td>
<td>18%</td>
<td>22%</td>
</tr>
<tr>
<td>Furniture</td>
<td>11%</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18%</strong></td>
<td><strong>21%</strong></td>
<td><strong>22%</strong></td>
<td><strong>23%</strong></td>
</tr>
</tbody>
</table>
Our artisan partners meet UNESCO’s standards, adopted by the Alliance for artisan enterprise.

We internally regulate our own products according to this potential global certification mode. We are seeking a globally recognized, third-party certifier to validate the work we do.
Stakeholders: Who, Why & How?
How would certification benefit key stakeholders?

The benefits of a global third-party certification system are far-reaching and impact a broad range of stakeholders: the artisans themselves, first and foremost, as well as artisan support groups, governments, consumers and retailers.
HOW COULD A GLOBALLY RECOGNIZED CERTIFICATION SYSTEM BENEFIT ARTISANS?

• **Become** part of a globally recognized brand, tell their story and generate awareness and press.

• **Receive help** to overcome barriers in the value chain and scale production in response to the marketplace.

• **Access** an organized network of trainers, validators and support services.

• **Validate** a product as authentically artisanal (and use that connection to attract buyers).

• **Attract and engage** with buyers at all levels of the marketplace, from small to large.
support groups | HOW DO ARTISAN SUPPORT ORGANIZATIONS BENEFIT?

- **Raise awareness** about the intrinsic value of artisanal products and makers.
- **Protect and preserve** traditional craft techniques.
- **Attract new artisans** seeking certification & training.
- **Enter into** a globally recognized pool of expert trainers, validators and support services.
- **Supplement** training costs with certification fees paid by corporations and buyers.
- **Participate** in a globally branded campaign and generate awareness and press.
**governments | HOW COULD CERTIFICATION BENEFIT GOVERNMENTS?**

- **Raise awareness** about the intrinsic value of regional/national artisan products and makers.

- **Create jobs** and economic opportunities for artisans and women entrepreneurs.

- **Improve livelihoods** and generate social impact for communities connected to artisan production.

- **Quantify** the impact of the artisan sector with help from a globally recognized model.

- **Organize** a compliance toolkit for artisans that reflects global certification standards.
• **Purchase** products that support artisans around the world. Use purchases to effect global change.

• **Support** economic development and create jobs for artisans globally and locally.

• **Help to preserve** traditional craft techniques and cultural heritage.

• **Ensure** that a purchase is authentically artisanal and guard against buying copycat pieces.
HOW DOES A GLOBALLY RECOGNIZED THIRD-PARTY CERTIFICATION SYSTEM BENEFIT RETAILERS?

• **Support** economic development for artisans, create jobs and overcome barriers in the value chain.

• **Attract and engage** the best artisan makers in the world.

• **Scale production**, working with artisans to meet orders in response to the marketplace.

• **Differentiate** from pretenders in the marketplace and validate a product as authentically artisanal.

• **Access** a trained/organized network of validators.

• **Participate** in a globally branded campaign and generate awareness and press.
Exploring the Craftmark Model
Similarities & Differences

There are many models that currently exist for certification, and most rely on the Artisan paying for the service. It is important that our model is sustainable and can continue to support our partners who have been working in the field.
Craftmark certifies artisan processes/techniques using a validation system. We would issue certification for artisan processes/techniques and work with trained partner organizations to implement the validation process.

Craftmark does not cover ethical sourcing audits. Rather, certifications like Fair Trade & Goodweave are complementary standards for fair labor practices. For example, products can be cobranded with Craftmark & Fair Trade certification.

Craftmark is operated by the All India Craftworkers Welfare Association, an umbrella group that organizes various stakeholders in the India Craft Sector. Similarly, the Alliance would be an umbrella organization working with various stakeholders in different countries.
The model

**How does the proposed model differ from those like Craftmark?**

- **The buyer pays.** We know retailers and importers have been using the Artisan tag to promote their products for some years now, with no moderator. This model proposes that the retailer or importer will pay for the certification costs to ensure longevity for the certification system.

- **Redundancy** is a real threat for any new concept when certifying. We will work with certification partners who have already made good headway in specific regions and help grow their organizations.

- **Global certification.** While Craftmark is all-India, our certification would connect various countries.

- **Income generated** would help support the initiatives of the Alliance and, in turn, Artisan members will benefit.
The Proposed Process
• Authentic Artisan processes are the proposed certification subject.

• Artisan products are those produced by artisans, either completely by hand, or with the help of hand tools or even mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. (UNESCO)

• These artisan products are handcrafted without restriction in terms of quantity. The intent of this clause is to support scalable production for artisans wishing to grow their businesses.
Validation & Monitoring
Third-party experts, such as potential partners like Craftmark, would be utilized to complete the certification.

These partners may be existing certifying bodies or regional experts who understand local processes and have connections within Artisan communities.

These certifiers would be contracted by rules and terms of the Alliance.

By using existing certifiers, the Alliance will also be building local regionalized businesses.
The Alliance board members would take applications for third party certifiers.

They will be audited annually and cross-checked with regional references.

Craftmark provides one example for an artisan craft validation process, but further research regarding potential partners and auditors in other countries will lend greater validity to our proposed model.
The retailer or importer pays for the certification and for the rights to market their certified products.

We propose a percentage-based fee. Purely for the purposes of modeling, we have used .5% of the cost of goods as an example of fees which could be collected and directed to the Alliance.

The Alliance would then forward a portion of that fee to the 3rd Party Certifier and hold the remainder for use to fund special projects related to its mission.
Artisan Certification: A Case Study
How would west elm contribute to a29 certification model?

Global retailers such as west elm have been looking for a holistic certification for Artisan made goods. Certification will encourage and increase production of Artisan made, if it is globally recognized, branded and widely implemented.
We have a wide range of Artisan-made product in the following categories:

1. Flooring (Rugs)
2. Pillows
3. Bedding
4. Decorative Accessories
5. Tabletop (Entertaining)
6. Furniture
7. Ornaments
WHAT PRODUCT CATEGORIES WOULD WEST ELM CERTIFY?

case study
case study | WHAT IS THIS MODEL’S INCOME POTENTIAL?

- The figures below account for an annual total of west elm’s handcrafted products purchased.
- The “Income” stated is .5% of the cost of goods.
- $100 USD has been used as an estimate based off Craftmark’s model.
- The “Net Income to the Alliance” is what would be used for the initiatives of the Alliance.

<table>
<thead>
<tr>
<th>Handcrafted Income (west elm)</th>
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</thead>
<tbody>
<tr>
<td>Income from West Elm</td>
</tr>
<tr>
<td>Cost per Certification</td>
</tr>
<tr>
<td>Techniques / Products</td>
</tr>
<tr>
<td>Cost of Certification - West Elm</td>
</tr>
<tr>
<td>Net Income to Alliance</td>
</tr>
</tbody>
</table>
As a goal for growth of the certification model, the following is an indication of the potential income which could be generated with additional corporate certifications.

A percentage has been used to derive these figures from west elm’s estimated contribution.

<table>
<thead>
<tr>
<th>Category</th>
<th>Net Income per corporation</th>
<th>Number of corporations participating</th>
<th>Total Net Income</th>
<th>Total number of certifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Corporation</td>
<td>$142,174</td>
<td>2</td>
<td>$284,348</td>
<td>2000</td>
</tr>
<tr>
<td>Medium Corporation (West Elm)</td>
<td>$71,087</td>
<td>8</td>
<td>$568,696</td>
<td>4000</td>
</tr>
<tr>
<td>Small Corporation</td>
<td>$14,217</td>
<td>20</td>
<td>$284,348</td>
<td>2000</td>
</tr>
<tr>
<td>Independent Retailers</td>
<td>$711</td>
<td>56</td>
<td>$35,544</td>
<td>250</td>
</tr>
<tr>
<td><strong>Total Net Income</strong></td>
<td></td>
<td></td>
<td><strong>$1,172,936</strong></td>
<td><strong>8250</strong></td>
</tr>
</tbody>
</table>
What will certification look like to a consumer?

When west elm works with a third-party certification organization, we market that partnership on our product and across all channels: in social media, online, in our stores, in our packaging and in our catalog. A branded certification has the potential to reach millions of shoppers, reinforced at every touchpoint where someone connects with our brand.
**Souk Rug**

A percentage of the sales from this product go to the Alliance for Artisan Enterprise. The Alliance is an international organization that works to support the power and potential of artisan enterprises to developing economies, communities and women entrepreneurs all over the world.

- Handmade by Craftmark-certified artisans.
- Hand-braided tassels on both ends.
- Made in India.
WE CARE

A percentage of the sales from this product go to the Alliance for Artisan Enterprise. The Alliance is an international organization that works to support the power and potential of artisan enterprises to developing economies, communities and women entrepreneurs all over the world.
WE LOVE®
ALLIANCE FOR ARTISAN ENTERPRISE

A percentage of the sales from this product go to the Alliance for Artisan Enterprise. The Alliance is an international organization that works to support the power and potential of artisan enterprises to developing economies, communities and women entrepreneurs all over the world.
SOUK WOOL RUG
$189.00 - $1,299.00 special $159.00 - $1,039.00

RUG
PLEASE SELECT SIZE:
9'x12' 8'x10' 5'x8' 3'x5'

View Pricing

ADD TO WISHLIST  ADD TO CART

Better barefoot. Our interpretation of a traditional Moroccan Berber, the stunning Souk Rug is handcrafted from New Zealand wool. Soft and elegant undertot, this piece would be perfect for a bedroom or living room.

- Handmade by Craftmark-certified artisans. Learn more.
- 100% high pile wool in ivory / Graphite.
- Hand-tied lassens on both ends.
- Rug Pad recommended (sold separately).
- To learn how to choose the right rug size, visit our Rug Guide.
- Spot clean.
- Shedding is common with new wool rugs and will diminish over time.
- Made in India.
- Select styles are online/catalog only.
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