



Aram Sharambeyan and Aid to Artisans President David O' Connor will be available for interviews January 26 – 28, 2009 in New York City. Please contact Joanna Smiley at (860) 756-5550, ext. 418, Joanna_Smiley@aidtoartisans.org, or Steve Duncan at 212-725-0707 x 143, steve.duncan@dc-intl.com.

Aram Sharambeyan—Entrepreneur Launched Craft Business in Crippling Economic Times.

What can he teach us?

It was 1993 in the snow-capped mountains of Armenia, and Aram Sharambeyan had no electricity, no heat, no supermarket and very little water.

“The conditions, I couldn’t imagine anything worse for export production,” says the now 30-year veteran in Armenian craft.

In the aftermath of dramatic political and economic turmoil following the collapse of the Soviet Union, many Armenians including doctors, teachers, and engineers were left with nothing.

Craft, which had always been an outlet of creative expression in Armenian culture, became an economic safety net. Aram and his sister Anush, seized the opportunity to co-found the Sharan Craft Center, one of Armenia’s first major craft foundations. They soon began to hire people.



Armenia sits at the border of the former Soviet Union and the West. Soon after independence was declared in 1991, the economy collapsed: GDP fell 60% in 1992 – 1993. The basics of urban life ceased to function. By the winter of 1992, Armenians faced a desperate situation: no heat or food, erratic electricity and water, rampant unemployment and homelessness.



Aram Sharambeyan and his sister Anush, co-founders of the Sharan Craft Center.

“These were not employees in the regular sense, they were teachers, doctors, you name it. **They needed work, and in every family you can find somebody who is doing something with their hands.** This was not only income for them, but also an ability to get out of their home. It was so difficult, people were locked in a shell. They had no reason to keep themselves alive,” says Aram, noting that at least 30-40 of these original hires are still working in his business today.

Reflecting upon the difficult financial times the world faces at present, Aram noted, “In any conditions like these, you need determination. We really didn't even think about business, we just did what we had to do.”

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Indeed, Aram did everything he could to make money from his crafts. He was the only person on the road driving straight through a snowstorm in the middle of the night from Karabagh to Yerevan to make sure he delivered an order of carved wooden spoons. His office was his car, the only warm place he could find to conduct business. He stored his raw materials in his trunk and drove them around the city. Eventually, he purchased his first laptop and recharged the battery in his car.

Aram had the business instincts, drive and skills to bravely face one of the most devastating economic times in Armenian history. But, what he lacked was the business training and product development insight that would enable him to make market connections and export to the global marketplace.

Enter, Aid to Artisans.

In 1995, Aid to Artisans' (ATA) former president, Clare Brett Smith, made a trip to Armenia and met Aram. She saw potential in the beautifully carved wood and knit products. So did Save the Children Foundation who eventually helped fund, along with USAID, ATA's two-year project aimed at helping Aram and hundreds of other Armenian craftspeople build sustainable businesses.

After just one year of working with ATA consultants, Aram quickly employed 150 people to fill his first major order: Neiman Marcus wanted to source placemats, napkins and napkin rings. To ensure he had enough raw materials, Aram drove around the city redistributing 25-inch strands of thread to his embroiders.

"Aram is one of the best business people I know. He's a problem solver and he always found a solution, often without even letting the buyer know and always without complaints. He is a very perceptive business person. He would see an opportunity, analyze it and then find a path to achieve it. He became a vital consultant on other ATA projects in Bosnia, Macedonia, and Kyrgyzstan once our work in Armenia ended," says Karen Gibbs, a long-time ATA consultant who led the team that helped Aram with business training and product development.

Even though Aram has always been able to find talent, quality, and raw materials, he says "ATA connected us to three designers who showed us how to sell on a much larger scale, how to adapt our skills and traditions to the American market."

Aram remembers designing a shiny silk pillow case in a mix of sizes. ATA consultants explained that all he needed to do was change the pillows to fit a standard size, and they would sell much better.

"This kind of simple thing made a huge difference in sales," he says.

Aram also remembers attending his first trade show with ATA in 1993 at the world-renowned New York International Gift Fair. For more than a decade, ATA has been bringing artisans like Aram to the show with the goal of connecting these talented craftspeople to some of the world's largest buyers.

Aram still describes his experience at the trade show as a "5-day MBA." Prior to the show, he says he didn't even know what "invoice" meant. He had never heard of words like "minimum order."



Aid to Artisans

“It was my first time in America, talking to buyers in the ATA booth that I had never dreamed of meeting,” he says.

By the last day, he ended up selling nearly \$2,400 worth of products.

Perhaps most importantly, Aram's continued success brought changes to his employees back in Armenia. From 1993-2000, he says that his artisans were earning as much as or more than the average Armenian, and not only was this more income, but it was stable income.

Even today he says, “Armenian government employees earn up to \$150 a month. Our artisans usually can do \$200 or more a month, and our woodworkers earn up to \$1,000 a month.”

Although he began working in craft as a jewelry designer at 16, Aram never imagined he would earn a lasting living from his “extra income” hobby.

“Our business is sustainable still today. Even after the project, ATA is still putting us in touch with interested buyers. They tell people, there is a producer in Armenia you should get in touch with,” says Aram.

In 2006, Aram started to encounter difficult financial times when many of the U.S. stores he sourced to were devastated by the Hurricanes. Although the current financial crisis is hurting his business right now, he thinks about a few key tactics that have helped him stay afloat:

- He's living in the same apartment he's been in since 1973.
- He still drives a second hand car.
- He buys his yarn from an exporter in Athens who hasn't raised prices in 14 years.
- He's honest with his employees when orders are slow and money might be tight.
- He's open to change—wedding items and cat/dog clothing lines will be new areas of focus in the months ahead.
- For more than 10 years, he's successfully been arranging sales online to buyers he's never met. And he still sources to companies ATA connected him to including Melange, a U.S. based importer.



“Today, sales are slow, but the interest is still there. We just have to adjust to the market requirements. This has always been our strength, that we are flexible, we could employ up to 600 people, and shrink that down to 200 when orders weren't big, and survive,” Aram says with a smile.

Snapshot—Aid to Artisans (ATA) in Armenia, 1995-1997

Project Objective:

To generate employment and improve artisan livelihoods by utilizing the true spirit of an Armenian entrepreneur: fearlessness, grit and passion for craft. ATA also planned to stabilize the macro functions of Armenians. Following the collapse of the Soviet Union, many people were faced with a desperate situation: no heat, water or electricity. Handcraft skills, which had always been valued in Armenia, provided an immediate source of employment for hundreds afflicted by financial hardship. An old Armenian proverb states, “An artisan remains hungry only until midday.” The embroidery and needle-lace weaving skills of women were defined as the “bread of the black days.”

Activities Aid to Artisans Initiated:

- Product Development & Design:
Three international design consultants specializing in textiles, wood and metal worked with artisans to develop new products targeted at the export market.
- Marketing:
Assisted artisan businesses and attended international trade shows in New York and Germany. Connected business owners with importers, which opened up export markets for Armenian artisans.
- Business training:
Considerable mentoring, practicum opportunities and 30 days of business training by 2 consultants. ATA consultants believed Armenian artisans had the potential to earn US\$50-300 a month in craft sales with design assistance and competitive pricing.

Project Results:

- Local partner organization, Sharan Craft Center (SCC), transformed itself into business; sales tripled and employment doubled in 5 years post-project.
- SCC outsourced production to two small sewing factories that increased sweater production from about 2,000 sweaters a month to 10,000 a month. It housed a retail shop in 2002 with US sales of \$60,000.
- During their 10 years in business at SCC, Aram and Anush Sharambeyan learned business strategies, such as diversifying product categories and giving exclusive proprietary lines to certain importers in an effort to build long-term relationships.
- Sales: US\$180,000 in sales at end of project; in 2002, annual sales were more than US\$600,000 and cumulative sales were more than US\$2.5 million.
- Jobs: 500 women employed; 200-400 have work at any one time. Part-time, home-based workers earn 94% of national per capita income; SCC artisans earn approximately 164% of national per capita income.
- Artisans reported having a better grasp on technical skills, such as loom operation and repair, computer operation, feeling more creative with colors, shapes and ideas, feeling more self confident, and having better interpersonal skills after the project ended with ATA.
- By 1994, artisan incomes had improved to an average of US\$30 per month for 150 workers.
- Most artisans earned an average monthly income of US \$77 and used most of their wages for food, 16% for utilities. With extra money, families made repairs to apartments, helped relatives in need or bought school supplies for their children. Several artisans adopted a marketing perspective that focused on client needs, how to meet those needs and how to select the best workers to get the job done.
- Two other indicators of long-term success: ATA continued to refer businesses seeking overseas production of knit goods to SCC, and ATA hired Aram as a consultant several times on other programs.

When asked to reflect on the success of SCC, Aram and Anush credit a business culture that fosters “work hard and with devotion,” remaining flexible while also staying the course, taking risks, “growing” employees from within and paying workers on time. Over 9 years, the Sharanbeyans have cultivated a company culture around what Aram describes as “total dedication to the idea (the preservation of Armenian craft through a thriving export business). This has to work. No matter what it takes. This has to work.”

Aid to Artisans



(left) Aram Sharanbeyan at the New York International Gift Fair with his Armenian crafts. *(right)* Anush works on new product design and development.



(left) Knitters at the Sharan Craft Center. *(right)* Group leaders at the Sharan Craft Center. Aram and Anush believe strongly in training people within their business to take on more responsibilities in management.

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Knitters working on product development, packing and shipping orders. Knitters weigh their work before shipping as a means of quality control.



(left) Design consultant, Holland Millis, works with artisan woodcarvers. *(right)* Woodcarving workshop.



FACT SHEET

MISSION

We create opportunities for low income artisans around the world to build profitable businesses inspired by handmade traditions. We offer access to new markets, business training, eco-effective processes and design innovation through a network of partners to promote sustainable growth and community well-being.

PROGRAMS

Currently, Aid to Artisans has programs in the Caribbean, Colombia, Ecuador, El Salvador, Haiti, Mexico, India, Jordan, Iraq, Benin, Burkina Faso, Chad, Ethiopia, Lesotho, Mali, Senegal and South Africa.

RESULTS & IMPACT

Artisan craft businesses play a vital role in the local economy of developing countries, constituting the largest sector of rural employment after agriculture. **ATA has spent 32 years improving the lives of over a hundred thousand artisans in more than 110 remote countries** where their livelihoods, communities and craft traditions are at risk.

Over the past 10 years, **ATA's efforts leveraged nearly \$230 million in retail sales.** This income has **empowered 125,000 artisans in 41 emerging regions** of the world to improve their own lives, the lives of their families, and their communities. About 70% of the artisans ATA works with are women.

BUDGET AND FUNDING

Our budget for fiscal year 2008 is over \$5 million. Our work is made possible by the support from governmental institutions, multilateral organizations, foundations and corporations such as American Express Foundation, Ford Foundation, International Finance Corporation, W. K. Kellogg Foundation, and the U.S. Agency for International Development. ATA programs are also supported by the generous donations of individuals and the active participation of designers, importers and retailers.