Value networks in the Colombian small-scale textile artisanal sector

Master of Science in textile management with specialisation textile value chain management

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Abstract

In this research, I report and analyse the experiences of people working with small-scale enterprises in the Colombian textile artisanal sector for understanding how artisanal products are delivered to national and international markets. The data was collected by interviewing design managers and managers currently working with several of these small-scale enterprises. This paper was done considering four important features: firstly, the enormous potential that the Colombian textile industry once held back in the 1960’s; secondly, Colombia’s rich and multiple artisanal creations as expression of culture and idiosyncrasy that show the country’s ample geography and culture; thirdly, the characteristics of the Colombian economy and industry which is mainly composed of micro and small enterprises; and lastly, the lack of research on small-scale value networks. In this research the idea of linear value chains is superseded by the notion of value networks, in which relationships, activities and actors are interconnected to co-create value. In this setting, culture, people and sustainability are the key factors to reach differentiation. By learning from these experiences and analysing practices in small-scale enterprises I can suggest that, new approaches that benefit and reinforce the characteristics of the small and medium scale enterprises must be built as an opportunity for improving the lives of people in developing countries. Additionally, relationships and the order of the production and marketing flows within the value networks depend on the manager approach.

Keywords
Artisanal products, value networks, small-scale enterprises, competitiveness, small-scale value chain management, design management, socio-cultural sustainability
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For the ones who are able to see the inner glow and find real value in small things …

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Tack!
Kiitos!

Eliana

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# Table of contents

**Preface**

1. **Introduction**  
   1.1. Problem Description  
   1.2. Purpose  
   1.3. Objective  
   1.4. Delimitations  
   1.5. Research Question  

2. **Methods and Approach**  
   2.1. Research design  
   2.2. Interview design and Analysis process  
   2.2.1. Interviewing process  
   2.2.2. Data analysis process  
   2.2.3. SWOT Analysis  
   2.3. Reliability  

3. **Literature review**  
   3.1. Value Networks  
   3.1.1. Towards new dynamics in the relationships along productions.  
   3.1.2. Small and medium-scale Enterprises (SMEs)  
   3.2. Management and Design of Artisanal Products  
   3.2.1. Working with Artisans: Characterization of Business Models  
   3.2.2. Craft market characterization and craft consumption  
   3.3. Value and value co-creation  
   3.4. Sustainability, Fair Trade, Humanistic Marketing, and Ethics  

4. **Empirical Study: Interviews and Enterprises**  
   4.1. Juan Miguel Caicedo of Intiq  
   4.1.1. Description of the enterprise  
   4.1.2. Description of the process  
   4.1.3. Description of the Value Network according to the interviewee  
   4.2. Ricardo Durán of Artesanías de Colombia

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- Preface: 10 pages
- Methods and Approach: 14 pages
- Literature review: 19 pages
- Empirical Study: Interviews and Enterprises: 29 pages
4.2.1. Description of the Enterprise
4.2.2. Description of the process
4.2.3. Description of the Value Network according to the interviewee
4.3. Maud Mabika of Aid to Artisans
  4.3.1. Description of the enterprise
  4.3.2. Description of the process
  4.3.3. Description of the Value Network according to the interviewee
4.4. Luis Angarita of CD&I for Salvarte
  4.4.1. Description of the enterprise:
  4.4.2. Description of the process
  4.4.3. Description of the Value Network according to the interviewee
  4.4.4. First product line: Traditional products
  4.4.5. Second product line: Contemporary crafts with a local touch

5. Analysis
  5.1. Three Perspectives of the Wayúu Mochila’s Value Network
  5.2. Knowledge gaps
  5.3. Value co-creation in the Colombian SS-VN

6. Discussion
  SWOT analysis
    Strengths of the Artisanal Sector in Colombia
    Weaknesses of the Artisanal Sector in Colombia
    Opportunities of the Artisanal Sector in Colombia
    Threats of the Artisanal Sector in Colombia

7. Conclusions

8. Future research

9. List of References

Glossary

Annex: Interview framework
Index of tables

Table 1  Classification of companies according to European Commission (European Comission, 2005) and Classification of Colombian Mypimes by the Ministry of Trade (MinCIT, 2011) ................................................................. 22
Table 2  List of cases and interviewees ................................................................. 29
Table 3  SWOT Analyses. Artisanal sector ............................................................ 48

Index of figures

Figure 1  Structure of the interviews framework. Based on the Pyramid model. (Wengraf, 2010 p.67) ................................................................. 16
Figure 2  Wayúu community. Pictures: Ricardo Durán ........................................ 30
Figure 3  Wayúu Mochilas. Pictures: Juan Miguel Caicedo .............................. 31
Figure 4  Intiq Case. Description of the Value Network. Interpreting Juan Miguel Caicedo Interview ................................................................. 32
Figure 5  Wayúu Artisans .................................................................................. 35
Figure 6  Artesanías de Colombia Case. Description of the Value Network. Interpreting Ricardo Cañón Interview ........................................ 36
Figure 7  Mochilas Wayúu for ATA. Photos by ATA ........................................ 37
Figure 8  Aid to Artisans Case. Description of the Value Network. Interpretation of Maud Mabika interview ...................................................... 38
Figure 9  Sombrero vueltiao. Pictures Artesanías de Colombia ......................... 41
Figure 10 Second Product Line Salvarte. Designed by CD&I. Picture: CD&I ...... 41
Figure 11 Salvarte Case. Product line: Traditional products. Description of the Value Network. Interpreting Luis Angarita Interview ............... 42
Figure 12 Salvarte Case. Product line: Contemporary crafts with a local touch. Description of the Value Network. Interpreting Luis Angarita Interview ........................................................................................................ 44
Figure 13 Small-Scale Artisanal Value Network description ................................ 47
**List of Acronyms**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artecol</td>
<td>Artesanías de Colombia</td>
</tr>
<tr>
<td>ATA</td>
<td>Aid to Artisans</td>
</tr>
</tbody>
</table>
| ICONTEC | Colombian Institute of Technical Standards and Certification  
          (Spanish: Instituto Colombiano de Normas Tecnicas y Certificacion) |
| ITC     | International Trade Centre |
| SMEs    | Small and Medium Scale Enterprises |
| SS-SC   | Small-Scale Supply Chains |
| SS-SN   | Small-Scale-Supply Networks |
| SS-VN   | Small-Scale-Value Networks |
| UNESCO  | United Nations Educational, Scientific and Cultural Organization |
| UNIDO   | United Nations Industrial Development Organization |
| WEF     | World Economic Forum |
Preface

During my studies and my professional practice, I have worked in many areas of artisanal products so called “value-chain” and along their lifecycle from a product development perspective. On one hand, the idea I had of production systems, value networks, competitiveness strategies and management had an emphasis on product and services development as goal and means when responding to the market. On the other hand my particular interest has been on cultural products\textsuperscript{1}, specifically textile products with a rich cultural tradition. However, while working with this type of products I have realized that the relationships and the actors have to be part of the outcomes, and that these products are not what they are, if understood as mere isolated units but rather should be looked as a whole themselves, representing both tangible and intangible systems.

My recent masters studies in applied textile management at The Swedish School of Textiles have provided me with a transdisciplinary experience. I have been working with a diverse group of people from various areas of study such as textile engineering, textile design, fashion design, management and logistics in trans-disciplinary groups that have complemented my design insights and enhanced my planning and organization-understanding capabilities. I have encountered different perspectives and practices used in value networks management. However the majority of these practices are focused on systems that are relatively far from the characteristics of the systems I know, which are small-scale, community oriented, utilizing slow-time production method, and made by hand.

In addition to that, the experiences I am more familiar with are also immersed in a developing economy context. Therefore, I started questioning how I could apply my recently acquired “Scandinavian” management perspective -taken from companies such as Ikea, Volvo, H&M, among others- with my design background and the different characteristic of the value networks I knew. I noticed that first I should understand better the particularities of those small-scale value networks, in order to propose new possibilities. To counterbalance the mismatch -between practical knowledge and theoretical knowledge- I wanted to get closer to the current practices in the textile craft sector via a critical and analytical perspective. I wanted thus to understand how designers, managers, communities, products and markets are inter-related in value creation systems (Allee, 2009). Hence, my

\textsuperscript{1} “Production of material and immaterial culture-based goods through two strategic inputs: human creativity and
first research question came to be: What practices textile managers in small-scale value networks in the craft textile sector use in order to deliver artisanal products from the community to the market? To answer my question I collected a series of experiences by interviewing design managers and managers engaged in working with artisanal communities located in Colombia. The projects and people interviewed are in charge of developing and marketing artisanal textile products in both local and international markets.

I approach this project from a managerial perspective through my Colombian product designer’s eyes.
1. Introduction

In this work I am looking at artisanal textile production in what is commonly referred as small-scale value chains. The concept of Small-Scale Value Networks is used instead of the more common concept of value chains in order to denote that the relationships within productions are more than linear or sequential relations (Allee, 2009; Normann and Ramírez, 1998). A value network can be defined as “any purposeful group of people or organizations creating social and economic good through complex dynamic exchanges of tangible and intangible value” (Allee, 2009).

The main objective of this master’s thesis was to collect, report and interpret the experiences of people, designers mainly, working in management positions with small-scale producers in the Colombian textile craft sector. I have done this by interviewing design managers and managers that are engaged in working with artisan communities in Colombia, to develop and market the textile products of these communities. Within this working environment this research seeks to gain knowledge of the existing strategies, methods, and dynamics of these sorts of small-scale value networks in the artisanal sector.

This research presents different ways in which managers and designers have become bridges (or not) to connect and translate consumers’ wishes and artisanal production processes. I identified different ways in which they have facilitated, intervened, and sometimes co-created the blend between traditional skills and modern creativity. I have also look at the ways in which managers and designers address (or not) the development of prosperity and the preservation of Colombian traditional cultures. The framework of analysis was constructed by taking current management practices in value chains and approaches to Small and Medium Enterprise (SMEs) in order to understand the dynamics and the future possibilities of Colombian textile artisanal value networks.

I have focused particularly in Colombia because I consider that this country has an enormous potential to recover the privileged market position that once held in the textile industry back in the 1960’s (Sectorial. Portal Financiero, 2011). In addition, Colombia has a traditional expertise in the usage of materials. Artisanal creations are the expression of the culture and the idiosyncrasy that involves the country (Marca Colombia, 2013a). This gigantic variety of objects, artefacts and products holds a potential that can be exploited to increase product differentiation. Colombian textile and cultural heritage can help the development of strongly flexible SMEs with a high identity what might help the industry to grow and increase its
competitiveness. To understand the particularities of the industry and its productions is fundamental to have a general picture of the country.

1.1. Problem Description

Colombia is the fourth largest Spanish speaking country in the world, and the third largest in Latin America. Colombia has a population of 46 millions of habitants. It is formed by multiple ethnic groups, the majority of the population is Latino-Spanish or mixed ascent, and also today in Colombia there are 87 indigenous ethnic groups, 3 differentiated groups of African Colombian population (Marca Colombia, 2013b). Colombia is considered as a developing country. Colombia’s economic performance over the past decade has been characterized by a sustained growth, with an average of 4.3% per quarter. Regarding the textile industry, since the 1990’s the industry has been marked by the seek of competitiveness and product and market diversification (Sectorial. Portal Financiero, 2011).

Colombian industry is mainly composed of micro and small enterprises (DANE, 2005). The Multi-sector Economic Census of 2005 by the Colombian National Administrative Department of Statistics shows that the 96.3% of the Colombian Businesses are micro enterprises (1 to 10 employees), 3,3% are small enterprises (11 to 50 employees), the 0,5% are medium enterprises (51 to 200 employees) and only 0,1% are considered big enterprises (201 or more employees). Among the micro enterprises segment, artisanal manufacture represents 15% (Artecol, 2013) of the source of employment. Hence within the Colombian productive environment, which does not differ much from the situation in the rest of Latin-American countries, artisanal productive units represent a significant segment to work with and help to improve.

The need of reinforcing the textile industry and the artisanal enterprises within the characteristics of the Colombian industry expose a problem that need to be attended: a lack of knowledge about how small scale value networks in the textile craft sector work and strategies to increase competitiveness and differentiation. Without fulfilling this knowledge gap it is hard to make progress bringing artisanal products to market.

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2 The designation “developing” does not necessarily express a judgement about the stage reached by a particular country or area in the development process (ITC, 2010). Usually, in these countries, there is a low level of technological development and a low standard of living. But this denotation implies the comparison made for many years between the industrialized nations of North America and Europe and the so-called Third World. Hence, societies of Asia, Africa, and Latin America called ‘developing countries’ were supposed to become like the industrialized nation (developed countries). (Escobar, 1995) Colombia is part of the 54 countries considered by the World Bank as upper middle income, $4,036 - $12,475. The list of the countries can be found in: http://data.worldbank.org/about/country-classifications/country-and-lending-groups/Upper_middle_income

3 Censo Económico Multisectorial de Colombia by Departamento Administrativo Nacional de Estadísticas (DANE). The translation is mine.

4 1.442.117 Colombian enterprises in total (Portafolio, 2009)
This very moment sets rich opportunity to start working on the field. There are several reasons for that, the following two are salient:

First, over the course of the last years, the Colombian government has been increasingly concerned and interested in raising the competitiveness of SS-VC. Organizations and projects aimed to reinforce micro, small and medium scale enterprises in the artisanal sector such as Artesanias de Colombia (Artecol) and INNpulsa Colombia highlight the governmental interest in developing artisanal communities and boost traditional practices with the aim of reducing the unemployment rate and fight against poverty and inequity. The main interest has been on economic development. This is mostly due to small and medium enterprises (SMEs) positive impacts in terms of employment, its flexibility and responsiveness and its potential in foreign markets (Montaño et al., 2011; UNESCO et al., 2005). However, in addition to economical considerations, developing products based on cultural heritage, promoting the preservation of traditional practices and using local resources has been increasingly linked to the overall invigoration of local communities and to socially sustainable development (Cabrera, 2005; Goldsmith, 2013; Nugraha, 2012; Tung, 2012). These new themes are slowly appearing also as objectives for the interventions of the above-mentioned organizations, but much work remains to be done. For developing countries such as Colombia micro, small and medium scale enterprises will continue to have a big importance both in terms of traditional economical development as well as for social cohesion and cultural sustainability. According to United Nations Industrial Development Organization for developing countries, SMEs are strategic elements to support the building up of systemic productive capacities and they represent a key tool for fighting against poverty and inequity, they are considered to operate basic units in terms of its net effect on society (UNIDO, 2002).

Second, the rising importance given by the government to the micro and small-scale enterprises in Colombia is at the same time linked with changes in consumption culture in the western world. The biggest “market” for Colombian artisanal products is formed mainly by consumers in Colombia and in the United

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5 The organization is described in the point 5.4
6 INNpulsa Colombia is a governmental management unit aimed to promote business innovation and dynamic entrepreneurship as competitiveness and regional development engine. (INNpulsa Colombia, 2012)
7 The designation “developing” does not necessarily express a judgement about the stage reached by a particular country or area in the development process (ITC, 2010), Usually, in these countries, there is a low level of technological development and a low standard of living. But this denotation implies the comparison made for many years between the industrialized nations of North America and Europe and the so-called Third World. Hence, societies of Asia, Africa, and Latin America called ‘developing countries’ were supposed to become like the industrialized nation (developed countries). (Escobar, 1995) Colombia is part of the 54 countries considered by the World Bank as upper middle income, $4,036 - $12,475. The list of the countries can be found in: http://data.worldbank.org/about/country-classifications/country-and-lending-groups#Upper_middle_income
States of America (USA). These consumers according to global trend and market analyses are complementing their rational decisions making with emotions, consumers are rediscovering “a social conscience of ethics, passion and compassion” (Faith Popcorn, 2012) that has repercussions for the type of products they are willing to consume and support. A market study made for British crafts identified a niche seeking uniqueness and authenticity growing as response to an homogeneous globalization-driven market (McIntyre, 2010). This renewing mind-set guides consumers to go for value-centred products, services or experiences meeting emotional and functional needs. Since there seems to be an increasing desire by consumers to have unique items to fulfil their particular needs or wishes; new window of opportunities for craft textile products are appearing and the sector is in need for ideas and approaches to embrace this new challenge.

Despite this reality, research available on management systems (both on textile products but also in general) provide tools and analytical strategies to address the challenges of large-scale companies with high production volumes, this leaving aside the need of side small-scale initiatives like the ones responsible for the production of approximately 50% (Latinpymes, 2013) of the textile production in Colombia. Likewise, there is a lack of research in the field of management for social and cultural issues along the SS-VC (UNIDO, 2002) passing over culturally interesting and meaningful textile products which benefit indigenous communities in settings such as the Colombian one. This knowledge gap could be filled by for example understanding the current small-scale and medium enterprises (SMEs) dynamics and proposing forms to join global markets from local perspectives seizing skills such as flexibility to fortify competitiveness and deliver differentiated products (Montaño et al., 2011) and linking those to the activities and peculiarities of craft textile manufacturing. The development of new models should intend to suit SMEs requirements and strategically manage the interconnected social, environmental and economic impacts on their developing contexts.

From that perspective this master’s thesis is interested in the opportunities that this setting can generate for the communities, for design and design managers to make an impact towards more competitive and sustainable productions for textile craft products.

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8 The 99% of the Colombian artisanal products are sold in Colombia. The 0.08% is exported to the USA (Mesa, 2013)
1.2. Purpose
The purpose of this master’s thesis is to understand which practices are used by design managers and project managers in order to deliver artisanal products from the community to the market. Moreover, this master’s thesis reported their insights regarding the current state of the artisanal sector. The research was done by collecting experiences of people working with small-scale artisanal enterprises with its production processes based in Colombia.

1.3. Objective
The objective of this master’s thesis is to collect, report and interpret the experiences of people working with Colombian small-scale producers in the textile craft sector in order to gain knowledge of the existing strategies, methods, and dynamics of these sorts of small-scale supply networks. Consequently, this master’s thesis will identify key points, differences, arguments and innovative practices performed in today’s context for traditional textile craft practices.

1.4. Delimitations
This research is focused in collecting and reporting current management practices used in micro and small-scale enterprises in the textile artisanal sector in Colombia. The approach is from a design management perspective. I do not specifically focus on Textile artisanal techniques, sustainability, and welfare, traditions, customers or market studies even though these topics are related. My research intends to contribute to the study of SMEs and to deliver management insight to improve the competitiveness in international markets of artisanal products.

1.5. Research Question
The research question this thesis addressed was:

   How do design managers and project managers in small-scale value networks in the Colombian artisanal textile sector manage to deliver artisanal goods from the community to the market?

2. Methods and Approach
As introduced briefly before, this research seeks to map out the current landscape of artisanal products design and production management practices in Small-Scale-Supply Networks (SS-SN) in the Colombian textile craft sector. Furthermore I aim to link them to the challenges that arouse in relationship to emerging markets trends towards the consumption of textile crafts, in particular in Colombia and
USA. Although this research is mostly qualitative, some secondary data is quantitative. It is used to create a context to the industry and the environment (e.g. to present the current situation of the Colombian Industry).

2.1. Research design

With an inductive approach, current design and retail management practices are explored through mapping the experiences of organizations, projects and people working with artisans’ communities based in Colombia. I chose to focus on those aspects where I could identify potential for “contemporary design” related interventions, or where at least design was taken into account to help to improve products. Thus I searched for interviewees working with organizations that would work with design and had contact to international markets. The interview -either designer or not- would be performing activities often addressed by professional with a background in management (production planning, costing, etc.) but would also take design decisions in terms of the product characteristics and its “offering”.

I tried to interview people that would be also the bridge between the market place and the artisanal communities when delivering textile artisanal products produced in Colombia to local and international markets. In addition to this, I conducted two extra interviews with people working in India with Indian artisans. Their experiences are used as reference through the analysis as their insights might be useful applied in a different environment to propose new strategies for the Colombian practices.

Interviews followed a semi-structured model to collect the data (Mishler, 2009; Seidman, 1997; Wengraf, 2001). Questions were selected and prepared in advanced. Nevertheless the questions were still sufficiently open in order to have a flexible space were the interviewees own experiences could be expressed (Seidman, 1997). I tried that the informants expressed their concerns, perceptions and practices from their understanding and authentic viewpoint to avoid influencing their answers (Mishler, 2009). All the interviews followed a similar structure with the same three themes. Depending of characteristics of each case some specific follow up questions were made. In general the interviews were divided in three main themes (see figure 1):

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9 The term offering is defined in the literature review
10 Adapted from the three-interview structure by Seidman in “Interviewing as Qualitative Research” (1997) and the Pyramid Model by Wengraf in “Qualitative Research Interviewing: Semi-Structured, Biographical and Narrative Methods” (2001).
11 See Annex 1 for the plan of the semi-structured interview.
Figure 1 Structure of the interviews framework. Based on the Pyramid model. (Wengraf, 2010 p.67)

- Interviewee background: This stage intended to probe on the key motivations of the informants’ in working with artisans. What are the reasons that made them start to work with artisanal communities? The theme helps to understand the mission of the company or organization by knowing interviewees’ insights regarding artisanal communities, indigenous and crafts.

- Interviewee practice: This part was aimed to understand the management practices within the organization the key informants work with. For this part, interviewees were asked to choose one product (fabricated with textile techniques) and to talk about the relationships with the community, the design and production process and the market. This part was combined with a drawing activity. I used that activity in order to help me visualize the idea the interviewee had about the relationships and actors present within the supply system they work with. Interviewees\(^\text{12}\) were asked to explain by drawing the process it took from the idea until the product reaches the market place, the activities performed and the actors involved. This segment of the interview provided relevant information to define and visualize the value system, processes, relationships and times.

- The sector: After talking about the product, interviewees were asked to think about the artisanal sector from a more general viewpoint. Questions in this segment were address to get their impressions about the current environment and the future and challenges for artisanal products. I used the information collected in this part to build up SWOT analyses of the artisanal sector. The issues raised in

\(^{12}\) For two of the interviewees it was difficult to understand this activity and they preferred to explain it without drawing it. Three of the interviewees drew the process but they did not send the drawing to me, the spoken description while they were drawing helped to make the graphic and visualize the process. This activity was aimed to understand their practices (Botero et al., 2008).
their answers helped me highlight critical points and challenges for the artisanal sector.

In addition to this and to built context, inform my perspective, and create a knowledge platform regarding the topic of this research, I gathered information through:

- Desk research: research and analysis reports, websites of relevant companies and support organizations, experiences in craft projects (e.g. Cases and stories drafted in the context of development projects)
- Literature review: Books, articles or contributions to journals, related Thesis projects

The data collected was applied to analyse the interviewee’s practices and insights gathered through the interviews.

2.2. Interview design and Analysis process

This segment informs how the interviews were designed, how the process was performed and how the data was processed.

2.2.1. Interviewing process

1. Identifying respondents:
   a. Selection criteria: Organizations working with Colombian artisanal product in USA, Colombia. Availability
   b. Contacting interviewees: contact them, explain the objective
   c. Scheduling appointments
   d. Interview consent form and information sheet

2. Designing the interviews:
   a. Selection of questions and framework design: From a central research question theme questions were formulated and within them specific informant questions were prepared. Theme questions had an introduction to particular subjects related with the case
   b. Pilot: The pilot helped to timing the interview and to find mistakes along the questioner. The pilot was useful to test the order of the questions, the format and the duration of the interview.
   c. Acquiring materials and software: In order to record the interviews it was necessary to gather the resources to be able to record Skype interviews and face-to-face interviews.

3. Interviewing: According to the information sheet, the process was described to the interviewee and the interview was performed.
2.2.2. Data analysis process

1. Coding and selecting themes: Using the interview framework designed to analyse the data collected, key conceptual terms and common practices and concepts were identified. All the interviews presented in this research were done by Skype. Interviews were not transcript literally but recorded and filed. Notes made during the interviews were integrated to the data. A SWOT analyses was made out of the answers of the interviewees. After doing the interviews, I went through my notes, the audio recordings and produced a summary transcript for each. While doing this I identified recurrent issues and themes. I compiled and compared them with my initial theoretical frame for the project.

2. Visualization: After organizing the data, and in order to understand the relationships present within the experiences described I made a series of visualizations (Botero et al., 2008). I used the themes as guideline to visualize the “working” model of each of my interviewees, using the product flow they described as route to connect actors, times and places. My interpretation of the experiences was diagrammed, using the product flow as route to connect actors, times and places. The diagrams illustrate the following characteristics:
   - Geographic localization of the production process, the design process and the market place
   - Geographic localization of the actors and roles performed along the system
   - External actors
   - Product flow
   - Relationships
   - Activities

These activities provided me with new themes and questions (key words) and pointed out further research in the literature. They allowed me to analyse the commonalities and differences in the experiences gathered, produce a final version of the diagrams (introduced in ‘Interviews and enterprises’) and integrate my theoretical framework.

2.2.3. SWOT Analysis

Through the interviews, managers were asked about they insights regarding the state of the artisanal sector. With their perspectives I realized a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats analysis). This diagnostic tool is used by managers to analyses the environment of the businesses as part of the formulation of planning strategies (Pickton and Wright, 1998). This method helps to monitor external and internal environment for organizations (Kotler et al., 2009).
According to Kotler business units have to monitor macro and microenvironments that affect their competitiveness.

In the last part of the interview, interviewees were asked about the artisanal sector’s strengths, weaknesses, opportunities, and threats. Their opinions were brought together and then related and analysed as a whole.

2.3. Reliability

During the interviews it was problematic to guide the drawing activity by video-conferencing. Interviewees did not feel comfortable and sometimes did not understand the aim of the activity. At the end, I decided to skip this part of the interview.

Eight people were interviewed but unfortunately the analysis of the data collected took more time than expected. That is why, this research only present four of the eight experiences collected. Two of the interviewees (not reported in this research) work with small-scale artisanal value networks in India. They were interviewed for comparison reasons related to the possibility of having two different cultural environments with crafts tradition to compare.

The amount of information produced by every interview is vast and every case differs substantially from each other. I should have considered a more effective method for analysing the data. Nevertheless, I would have liked to talk to the artisans working with the people I interviewed and contrast the information gathered.

3. Literature review

In this section I review the four key areas of research that have informed my understanding of the cases and aided in the analysis. Due to the few availability of information regarding my specific subject of research - small-scale artisanal enterprises in the textile sector - I had to gather concepts from different backgrounds - design, management, market research, and economics - and combine them to get closer to the Colombian artisanal enterprises. Hence, I have taken the concept of value network as theoretical foundation to help me to blend and understand the dynamics of the enterprises and the new set of relationships. For my master’s thesis, I used the definition of value network presented on the introduction.

The literature review aimed to build context and inform my perspective, to create a knowledge platform, and research the specific topic of the research.
3.1. Value Networks

3.1.1. Towards new dynamics in the relationships along productions.

There is a growing body of literature updating our understanding of value chains as value constellations. These insights suggest a new logic to understand and to change the notion of linear processes along the productive systems (Normann and Ramírez, 1998). Rather than considering systems as wholes formed by parts, they see worlds of wholes within wholes. This logic brings up a new set of relationships and roles with multiple functions. The traditional unidirectional make-buy model has turned into more complex relationship systems to create or add value. In this environment, products are considered as “physical embodiment of assets comprised by knowledge and experience, in themselves the result of myriad activities performed by many people dispersed in time and location” (Normann and Ramírez, 1998). Value is not only added one step after another. Although activities follow an order it does not mean they follow a linear sequence or depend from each other regarding time or location.

In their work Norman and Ramirez propose different and complex ways to co-create and add value through this new set of relationships and multifunctional roles by performing collections of activities in parallel, simultaneous, co-produced, and distributed. Likewise, the reconfiguration of the relations and roles enable a complex dynamic in which customer and supplier boundaries are not clear anymore and they both turn into customer and supplier of each other.

Three concepts are key for this setting: Density, liquidity and offering. These three key concepts are basic to recognize the logic behind a new business model in which customers and suppliers are considered business partners (van der Heijden et al., 1993). Density is understood as the “number of options for action and interaction available within time-space units” (Normann and Ramírez, 1998). Liquidity starts by enhancing temporal and spatial availability. Liquidity has the attribute of awaking values in assets, which were dormant or underutilized. The last concept, offerings, is the manifestation of the relationship between actors, it acts as attributor of roles. Basically, it refers to any output of a value creation that is an input to another assigning an activity within the system. The term offering is commonly used to denote indistinctly products and services (Prahalad and Ramaswamy, 2004).

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13 Normann and Ramirez illustrate the concept using personal computers as example. If an executive is at his or her desk a PC will be a suitable option to accomplish her or his task. But if the executive is in a plane, then a portable PC would be more valuable than the desktop PC. In conclusion, in the plane the portable PC has more density than a desktop PC.
Every offering carries a code. Through this code the value of the offering can be communicated. If the code of the offering is incomprehensible to its customer, the customer is not enabled to perform his or her function and activity within the system. Thus, the offering becomes inaccessible to customer. In order to exemplify this set of relations, the authors use the case of IKEA. If the assembly instructions of any IKEA product were incomprehensible for the customer his role in the system could not be played and the offering would not be accessible. In this case IKEA through its assembly instruction, enable customers to take their part on the system and contribute by co-producing the offering’s value. Thus, offerings trigger customer activities, which enable and engage them to reinvent continuously the business.

Considering business as a group of activities, which create value; and management as the organizing of those activities. The shift of the roles and its functions within the system presents a different perspective to approach value creating processes. In this perspective instead of fulfilling customer needs the aim of an enterprise might be to focus on offering activities which complement or fit social, psychological, aesthetic, moral values, in order to enable customers and suppliers to take their part and get connected to the process. This new set of relations might need a reconfiguration of the organizations starting with a different perception, henceforward organizations can be considered as communities formed by interactive relationships within actors to co-produce value.

The underline difference of this suggested value-creating process is located in the view of the division of work. Prevailing models take value chains as they referent and describe the set of relations as one-dimension and direction with static roles or stages, with defined start and end points. From the value constellation perspective a multi-dimensional model is consider in which the order and function can be shared, co-created, co-produced, co-reinterpreted and co-modify along the process. The offerings will depend on the actors, knowledge and resources under a particular time and space.

3.1.2. Small and medium-scale Enterprises (SMEs)

The trend of homogenization of currency the economies in developing countries – as it is the case for Argentina, Ecuador, El Salvador and Panama with the dollarization- is an example of the lack of focus on the characteristics of these countries (García, 2001). The volume of the micro companies in Latin America represents the majority of the production units (Montaño et al., 2011). This reveals a scenario

\[\text{For those models, “a value chain is defined by the final product reaching the end consumer within a market channel, this means that there may be several value chains within one industry or sub-sector” (ITC, 2007).}\]
in which SMEs are a key factor in the growth of developing countries, and furthermore, they are a reachable step for achieving better social equality for growing economies. Due to economic, cultural and social aspects -presented in the introduction-, the categorization of micro, small and middle-sized companies of EU and Colombia expose a significant difference (Montaño et al., 2011), as it is shown in the Table 1.

<table>
<thead>
<tr>
<th>Company category</th>
<th>Employees</th>
<th>Balance sheet total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EU</td>
<td>Col.</td>
</tr>
<tr>
<td>Medium-sized</td>
<td>&lt; 250</td>
<td>&lt; 200</td>
</tr>
<tr>
<td>Small</td>
<td>&lt; 50</td>
<td>&lt; 50</td>
</tr>
<tr>
<td>Micro</td>
<td>&lt; 10</td>
<td>&lt; 10</td>
</tr>
</tbody>
</table>

The strategies that have been applied to the growth of developing economies were planned to the reality of bigger economies (García, 2001). In this direction, being aware of the differences between big and small scaled economies could be a way to promote research aimed to the creation of adequate new models to fulfil the requirements of SMEs of developing countries.

### 3.2. Management and Design of Artisanal Products

I use the description of artisanal products as defined at the UNESCO, ITC International Symposium on Crafts and International Markets, Manila, Philippines, October 1997:

> Artisanal products are those produced by artisans, either completely by 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. These are produced without restriction in terms of quantity and using raw materials from sustainable resources. The special nature of artisanal products is derived from their distinctive features which can be utilitarian, aesthetic, artistic, creative, culturally attached and socially symbolic and significant (UNESCO et al., 2005)

I will use the meaning of ‘artisanal product’ over that of ‘craft’ because the features integrated into these products are broader than the fact that their handmade products. In a certain way, artisanal products take crafts to a spiritual and meaningful dimension (UNESCO et al., 2005), however in some parts of this research I use

15 Definition by McIntyre (McIntyre, 2010) “Craft: we mean any object that has been made by hand by a craft maker”
the terms ‘craft’ and ‘artisanal product’ indistinctly. Nonetheless the term artisanal product is always used when emphasising a system formed by people, socio-cultural matters and sustainability matters, similar to the described by Na in her doctoral dissertation “Craftology” (Na, 2012).

Today’s artisanal production system celebrate craftsmanship and the human touch as well as the performance of machines (Tung, 2012). Thus artisanal products are hybrid by nature. This is well illustrated by the Colombian case, in which culture, and its derivates are the result of the combination of western cultures – Spaniards mainly-, native indigenous and Africans. As García defined in his book ‘Hybrid Cultures’, “hybridization is a socio-cultural process in which structures or practices are combined to create new structures, dynamics and practices” (García, 2001).

On the other hand, new lifestyles and modernity have influenced folklore, culture and traditions generating new scenarios, products and settings (García, 2001). This is evident in the ways that handwork artisanal production systems have started to introduce new technologies, tools and techniques. The key for artisanal products in this new settings might be to preserve tradition through self-expression which helps to produce differentiated products (Tung, 2012). Likewise, due to the lack of research in SMEs management, small-scale supply chain (SS-SC) management have learnt how to work with several artisanal units to respond the wishes of the clients. In this regard, interviews will present how people in charge of manage the productions for artisanal products have found ways to be able to respond to international markets and fulfil their requirements.

3.2.1. Working with Artisans: Characterization of Business Models
Initiatives aimed at intervening in settings where artisanal products are made, have various characteristics depending on the type of products being made, the relationships between the actors and so forth. Table 1, for example summarizes the characterization of different business models of the artisanal products from the point of view of exporters (ITC, 2007). These types of characterizations are often the point of departure for interventions. The following are the exporters businesses models description. The characterization is adapted from Types of business models used by exporters of small producer handicrafts” (ITC, 2007):

**Vendor Model**
General characteristics of the model
- Purchase of crafts for resale to international buyers
- Long lasting relationships with the artisans, not necessarily contractual relationships
- No influence in the production process

Market Access and Marketing
- Stable but limited clients
- Typical clients are: Museums, airports, and cultural or ethnical crafts shops
- Based on personal relationships

Product design and development
- Involvement with product creation is limited

Value network management and quality control
- Sourcing of input materials
- Production financing
- Production advice
- Local and international transport

**Sourcing agent model**

General characteristics of the model
- Exporters who collaborate closely with its clients to define requirements and find suppliers.

Market Access and Marketing
- Participate in domestic, regional and international trade fairs

Product design and development
- Selection of suppliers and products, the client proposes changes.
- Local representatives or staff to do the training and to monitor production

Value network management and quality control
- Sources products from a diverse supplier base.
- Identifies suitable suppliers and monitors the order fulfilment
- Purchase of raw materials and provide them to the artisans

**Subcontracting or outsourcing model**

General characteristics of the model
- Exporters who sell to clients in the high-volume mainstream market
- Clients follow fashion trends and buying seasons

Market Access and Marketing
- Participate in international trade fairs to forge business contacts

Product design and development
- Own design services and executes product development in-house

Value network management and quality control
- Vast and often dispersed supply base of small producers to meet the sophisticated expectations of international clients
- Clear product specifications that are documented and understood by the small producers
- Monitoring staff who visit the producers

Social enterprise model
General characteristics of the model
- Social mission driven organizations which trade in goods or services for a social purpose
- Empower small producers and to increase their income with the help of commercially viable business operations

Market Access and Marketing
- Extra effort into branding communicating whom their customer’s spending will benefit
- Public evaluation reports and success stories
- Affiliated to fair trade associations and to be officially recognized as a fair trade organization

Product design and development
- Design and product development are usually their responsibility
- Often employs international design consultants

Value network management and quality control
- Management of the full range of services in the area of supply relationships.
- Small producers are often organized into groups with leaders

I have used this characterization as a starting point to classify the interviewees’ enterprises and to help me identify the various working models in the craft sector. This classification provides an idea of the market dynamics and the export relationships between exporters and international buyers that might be useful to understand part of the picture.

3.2.2. Craft market characterization and craft consumption
According to a study made for English crafts, the word ‘craft’ is related to the words ‘handmade’, ‘workmanship’ and ‘genuine’. Equally is related with terms to denote authenticity and quality (McIntyre, 2010). Through the time this typology
of products, the characteristics, techniques and traditional-crafted touch have been adapted and reinterpreted to create products ranging from fashion garments to home décor (Tung, 2012). The Crafts Council in the UK affirms that from 1998, crafts have been identified as a sector with high growth potential (Schwarz and Yair, 2010). Regarding the global craft market, according to the International Trade Center (ITC), the trends for crafts can be summarized as follows (ITC, 2007):

- The international craft market is a buyer driven market.
- It is becoming increasingly fashion-led. The importance of the buying seasons is increasing.
- Increasing competition from China and other Asian countries, especially in the speed of production and the high-volume segment of the market.
- Tourism is a profitable export market ‘entry’ segment.

In addition, new consumers’ perspectives of the textile and apparel consumers have favoured their perception of artisanal products. Consumers’ purchase orientation is shifting towards (TEXMEDIN, 2008)

- Individualization: consumption detaches from basic needs, becomes more hedonistic and has a strong emotional component.
- Professionalized: they are better informed about products and markets and develop their optimal purchasing strategies on this basis.
- Claiming for social and ecological responsibility: they criticize the use of child-labour, poor environmental conditions, poor labour conditions, unfair wages or bad product quality.

Form a SS-SC management, it is important to acknowledge and understand better the relationships and dynamics among industries in order to response accurately to the market needs. Cultural, economical and socio-cultural issues are perceived as part of the value of the product. Artisanal products have the opportunity to expand their current market by reinforcing the uniqueness of artisanal pieces, communicating the story behind the processes and the products, and connecting craft to niche lifestyles (McIntyre, 2010). Also, artisanal products can increase their compromise with ethical, sustainable, and fair trade issues and communicates it transparently to satisfy customers seeking for real information about the products.

As it was mentioned before in the point 4.1.4, artisanal productions, and consequently artisanal products, are hybrids. Therefore they have to be considered as part of a system in which fusion, combination, integration, change are part of the process (García, 2001). Value creation does not depend only on the company rather,
it should also include the consumer and the whole group of relationships (McIntyre, 2010)

3.3. Value and value co-creation

Value is a key concept in management literature and practice (Prahalad and Ramaswamy, 2004). According to the Oxford dictionary definition, “value” is the worth of something compared to the price paid or asked for it. Another, perhaps more holistic way to consider it, is as Patel denotes in his book ‘the Value of Nothing’: Value is ‘the warm inner glow that money often fails to provide ‘(Patel, 2010). Successful companies seem to have been aware of this condition. For example, Michael Maccoby noticed this particularity in two worldwide know Scandinavian companies, Volvo and IKEA. According to him these companies best insight is not selling products rather than they are able to sell values. In ‘the case of Volvo, it is safety and durability. In the case of IKEA, participation and egalitarian quality’ (van der Heijden et al., 1993). The meaning of value and the value-creation processes are moving towards creation of experiences by the integration of customers into the system (Normann and Ramírez, 1998). Value shifts to experiences and the market becomes the forum where the value is delivered.

Recent literature highlights the need to empower customers to take their part on the value networks (Normann and Ramírez, 1998; Prahalad and Ramaswamy, 2004). Research shows that consumers who are informed, connected, empowered and active customers have tools to interact and influence the creation of value and that they are ready to participate in the process of co-creation (Prahalad and Ramaswamy, 2004). Managers are encouraged to address this in explicit terms. However, value can only valuable when it is delivered and it gets connected with the system. Hence, organizations might create and deliver value through their outcomes affecting as much actors present in the system as they can, designers and managers should facilitate the delivery of “benefits” along the value networks (Carbonaro and Votava, 2005). Value can be distinctly perceived and appropriated depending on the actors (Normann and Ramírez, 1998):

- Value for Customer: When it enables customer to do something with their own live or affect others life in a better, easier, or more valuable way than other products-services can offer.
- Value for Co-worker: When it enables co-workers to grow as individuals; making the time spent working rewarding beyond the pay-check.
- Value for society: When people beyond its customers, co-workers, suppliers, and shareholders recognize that organization is instrumental to build a better world to live in.
- Value for Shareholder: When a company creates and delivers the value above, financial growth helps shareholders to increase their revenues. This trend is also present in design practice and research, when the ideas of user participation in product design and development have become more discussed in later years (e.g. Sanders and Stapper 2008)

3.4. Sustainability, Fair Trade, Humanistic Marketing, and Ethics

I see this segment of my research as a window to have a look of the current perspectives and approaches to the relationship product-people-environment. I acknowledge the vastness of this area and for this thesis it will not be developed in depth, however, the themes are important. They provide orientation, conclusions and open paths for future research. The subjects addressed in this section provide a frame and criteria to analyse some of the practices collected.

From a management perspective, sustainability is a rich field of research where there is a need to design new strategies to go towards new scenarios and to create dynamics. It is also important to recognize that from a consumption perspective, consumer orientation appears to be shifting towards more socially, environmentally, and culturally responsible attitudes (Carbonaro and Votava, 2005; Manzini et al., 2013; TEXMEDIN, 2008). For some consumers, craft represents an opportunity to buy desirable, luxury goods without compromise on ethical issues such as sustainability, human rights and fair trade or social responsibility (FEIA, 2008; ITC, 2007; Littrell and Dickson, 2010). For craft businesses consciously employing sustainable or ethical practices and materials, this market niche offers significant future potential (McIntyre, 2010).

Additionally, consumption is now related to strong emotional components where consumer’s decision-making is changing thanks to the speed of the information available about products, their supply chains, and the markets (Carbonaro and Votava, 2005; Manzini et al., 2013). The value of a product must be clearly and transparently communicated. On the other hand, sustainability has not only become a concern for the consumer, the industry, and governments are also looking at what this means (WEF, 2013). In this context, fair trade schemas have appeared and been tried in the craft sector too (Littrell and Dickson, 2010). According to the World Economic Forum, country and companies competitiveness can only be assessed once issues of social and environmental sustainability are taken into account (WEF, 2013). This statement is evidence of the increasing significance that sustainability issues have acquired among the industry context in order to reach a better performance for long-term economic growth and resilience. On the opposite ar-
argument, the increasing importance consumers, industry and government are giving to sustainability is promoting the growth of fake green initiatives that only want to get benefit of sustainable and fair practices as part of marketing campaigns to increase their income (Siegle, 2011). In many of the current sustainable initiatives however, value is merely communicated at the end of the process, and the processes and relationships along the productions cannot be followed. The miscommunication is often identified among the artisanal enterprises as a branding or identity problem, as it is presented in ‘Crafting a livelihood’ (Dasra, 2013)

4. Empirical Study: Interviews and Enterprises

The landscape of product development management practices in Small-Scale Value Chain (SS-VC) in the Colombian textile craft sector is very diverse. The following section presents the insights gained through looking at four experiences of design managers working with Colombian communities. The cases are briefly presented in Table 2. Every case is introduced with a briefly description of the organization and a contextualization of the community and product conditions. In addition, the experiences are presented through diagrams where the market, the geographic locations and the actors are reference points to present the relationships involved along the SS-VS processes.

<table>
<thead>
<tr>
<th>Case</th>
<th>Enterprise</th>
<th>Name</th>
<th>Position in the enterprise</th>
<th>Hometown</th>
<th>Artisanal community location</th>
<th>Background</th>
<th>Experience working with artisans</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Artecol</td>
<td>Ricardo Durán</td>
<td>Designer &amp; Project Manager. Freelancer</td>
<td>Bogotá, Colombia</td>
<td>La Guajira, Colombia</td>
<td>Industrial Designer</td>
<td>13 years</td>
</tr>
<tr>
<td>4.2</td>
<td>Intiq</td>
<td>Juan Miguel Caicedo</td>
<td>Product Designer &amp; Production Manager</td>
<td>Bogotá, Colombia</td>
<td>La Guajira, Colombia</td>
<td>Industrial Designer</td>
<td>10 years</td>
</tr>
<tr>
<td>4.3</td>
<td>Aid to Artisans</td>
<td>Maud Mabika</td>
<td>Senior Manager. Programme Manager</td>
<td>Washington, USA</td>
<td>La Guajira, Colombia</td>
<td>BA and MBI International development</td>
<td>6 years</td>
</tr>
<tr>
<td>4.4</td>
<td>CD&amp;I associ- ates</td>
<td>Luis Angarita</td>
<td>Designer. CD&amp;I Manager</td>
<td>Bogotá, Colombia</td>
<td>Córdoba, Colombia</td>
<td>BA in Industrial Designer and MA in Strategic Design</td>
<td>4 years</td>
</tr>
</tbody>
</table>
The description of the process reflects the way the experiences were told by the interviewees. That is why the characteristics of the product and the process are differently presented. For example, in the case of Ricardo Durán, his narration of the process and his answers where related with the cosmogony and the relation women-men in the wayúu community. In contrast Juan Miguel Caicedo’s narration has an emphasis in the design process and the tools he used to improve it.

4.1. Juan Miguel Caicedo of Intiq

4.1.1. Description of the enterprise

Business model: Sourcing agent model

Intiq is a business located in New York and Bogotá. The company tells they “nourishes working relationships with local artisans, establishing a bridge between burgeoning communities and developed markets” (“Intiq | Aesthetic Movement,” 2012). They define themselves a pioneer in helping native artisans around the globe to preserve their ways of life. Intiq is a micro-scale enterprise with two employees and a business orientation. They core business is to design locally inspired fashion lines for different labels that are then sold mainly in USA. The interviewee Juan Miguel Caicedo works in Intiq as product developer and production manager. He chose the mochila wayúu (Figure 2 and 3) as an example product for our conversation.

4.1.2. Description of the process

The process typically starts with the co-definition of the design brief arrived at through a discussion between Intiq New York and the client in USA. The first offering for Intiq process is the definition of requirements, this enterprise co-defines this offering with the client. Meanwhile, Intiq Bogotá studies the feasibility of the project (Who can produce and when) to give green light to the production; the second offering is the order and negotiation with the community. Once the terms of the project are arranged, Intiq Bogotá buys the raw materials (third offering) and sends them together with the product physical 3D models to the supervisor on the field (Wayúu Community).

Figure 2 Wayúu community. Pictures: Ricardo Durán.
The forth offering, the physical 3D models done by JMC, is considered as a key step in the process that has improved the communication between designers and artisans. After production starts, it takes one or two months to have the order ready. Halfway on the production, a number sample is sent to Bogotá and from Bogotá to the client for quality and material tests (fifth offering). The client takes pictures of the samples for the website and advertising, this is sixth offering and it is the first that is addressed to the final customer. After the production is completely finished, it is sent to Bogotá (seventh offering). Intiq Bogotá packages the products and starts the exporting procedures. Products are sent to the warehouse of the big label, which are then in charge of the distribution to their own retailers in USA.

Figure 3 Wayúu Mochilas. Pictures: Juan Miguel Caicedo
4.1.3. Description of the Value Network according to the interviewee

From the experiences of Juan Miguel Caicedo’s interview three key facilitation roles can be identified in Intiq. The first one is a facilitator that is located in the market place, United States, with close contact to the client. Her role is to be in charge of the commercial and marketing side of the system. Since she is located close to the market she facilitates the co-definition of the product requirements by acting as a “representative” of the clients and to some extent of the final customers. She will also take charge of the management of the imports procedures, when needed. This facilitator role I will call market-place facilitator. The second role is a facilitator located in the production country, Colombia. In this case it is Juan Miguel Caicedo (JMC) who performs this role. I will call this facilitator a local facilitator. He is in charge of the feasibility studies of the projects, deciding on the final product based on his knowledge of the production capabilities in the community and its dynamics. He is the one searching for capable artisans, following-up the activities, doing quality check, packing, and managing export procedures.

The mochila wayúu made for the label J-crew starts its journey with Intiq NY market facilitator producing a definition of the requirements (colour, size, type of product) based on dialogue with the client. Together they define how the mochila’s
fit to their collection. Next step is JMC checking the feasibility of the project. This means contacting the artisans community, checking production times, searching for materials and doing a costs studies. When the project is likely, the local facilitator contacts the coordinator of the production on the field and sends the physical 3D models and the yarns; and places the order. This coordinator is the third key role, despite that it does not belong to the company, the coordinator has a strong trust link with the company.

The production coordinator is located in the local community and belongs to it. She is known locally as the ‘Aunt’ (Tia)\(^\text{16}\), she coordinates the on field production, distributes the work among the villages and supervises periodically the production. Intiq works with around 130 women in La Guajira, so this is a very dispersed production network located among the villages in different households. At the micro scale she coordinates this. The logistics for the supervision and following-up visits requires one-day journeys between every village, raw material needs to be distributed and work allocated carefully. The production of the whole order takes between thirty to sixty days\(^\text{17}\).

When the order is ready, the Tia checks the quality of the products. Due to the fact that mochilas are handmade, Intiq and the buyer pact an acceptability range. In this case a difference of one to one point five centimetres is allowed in the products. Colours and patterns cannot be changed during production. According to Juan Miguel, Intiq tries to show difference as a competitive advantage for the product. When mochilas meet the requirements, they are sent to Intiq office in Bogotá through a regular courier company.

Once Intiq receives the parcel, JMC does another quality control. Second quality items are kept and sold later on in Colombian local markets. Presumed first quality items are packaged and labelled in Bogota by JMC or an additional worker is hired if the volume is high. JMC as Local facilitator contacts the Customs Brokerage Company (CBC) in Colombia to start the export procedures. The CBC picks up the order and takes the product through the legal stages accordingly with the type of product in order to deliver the products to the importer in the United States. Items are delivered to J-crew warehouse in Pittsburgh, United States. At this point, J-Crew does an extra quality control. Accepted Items are distributed to their shops and launched in the website

\(^{16}\) The aunt (tia in Spanish) in the wayuus community has a high hierarchical level.

\(^{17}\) The time one artisan expends in making five mochilas depends on the expertise of the artisans. It can take one and a half months.
In parallel the market-place facilitator develops non-stop marketing activities. They send samples of the products to the media in order to get reviews in lifestyle and fashion magazines.

4.2. Ricardo Durán of Artesanías de Colombia

4.2.1. Description of the Enterprise

Business model: Vendor model

Artesanías de Colombia (Artecol) is a mixed company in which private individuals hold 90% of its shares and the government holds the 10%. The company was created as an artisan empowerment organization to contribute to the development of the artisanal sector through technological improvement, research, product development, and human resource training. Empowering the trade of Colombian artisanal products (Artecol, 2012), Artecol wants to establish long lasting relationships with the artisans. However they do not have contractual relationships with them. Artisans are suppliers of products and Artecol does not have influence in the production process.

Artecol also works through training projects with the artisanal communities located in Colombia. Ricardo Durán is an Industrial Designer and he has worked 13 years with Artecol. The product he chose is a mochila made by wayúu community (Figure 5). The process followed with the mochila is the same for other products.

Figure 5 Wayúu Artisans
4.2.2. Description of the process

Once Artecol receives an order or runs out of stock, they have a group of artisans to place the order with them. The order becomes the first offering. If the order is large and the production capacity of the community is lower, Artecol calls another community to fulfil the order. Sometimes the community has the right amount of mochilas in stock and they send them to Artecol as soon as Artecol require them. In this case the first offering-outcome is the result of everyday.

When artisans do not count with the mochilas, Artecol knows how long it takes to have the products ready-made in Bogotá to be sold either in the shop or directly to a client. Artecol does not affect the design of the product unless the client requires certain colours. They do however provide educational programmes to train and ‘improve’ the traditional techniques. The design is an offering created by the artisan and his or her tradition and expertise. Following the definition of the products requirements, the third offering to get into the system is from the supplier side to the productive units: the purchase of raw material.

The production process starts and it has an important co-created offering (forth offering). Wayúu men weave the stripe of the mochila and wayúu women hand knit the body of the mochila. Once the whole order is ready, the fifth offering is sent to Artecol in Bogotá.

Another venue developed by Artecol to sell products is the fair Exposartesanías\(^\text{18}\), where artisans have to apply for a place in the fair. For that they have to prove their work is part of an artisanal tradition, and meet certain quality standards. Once their product(s) is selected as participant they are in charge of the cost and the execution of the exhibitions and can sell the products directly in the fair.

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\(^{18}\) Exposartesanías is the most important artisanal fair in Colombia. Artecol manages the fair. Artecol defines it as a platform where the artisans can exhibit their products and show them in a commercial environment to national and international clients. (Exposartesanías, 2013)
4.2.3. Description of the Value Network according to the interviewee

According to Ricardo Durán (RD), the process can start when either a client places an order or the shop needs to refill their stock. Two inputs start when a client places an order or Artecol needs to refill its stock. The order in this case is a number of items not a different design than the traditional. Artecol in Bogotá studies the order and contact by phone the artisans’ community. With that order, artisans plan the production and buy the raw material in Bogotá. Artisans know the suppliers in Bogotá and the community place the order of the threads by phone. Suppliers send the order to the agreed location.

The artisans do not plan in advance the mochilas. Women start hand knitting the mochila; while they are knitting they decide the pattern. This characteristic of the configuration of the products gives the mochila a unique interaction increasing the density of the product. It provides the mochila with uniqueness; no two mochilas will look the same. From my point of view this is the main offering of these value constellation-. The production time is about 20 days. Men weave the stripe, it takes one day. Women assemble the two components spending two days on it. The integration of the two components have as result the finished mochila, which becomes the offering of the whole production process. When the production of the order is accomplished, the community sends it to Artecol in Bogotá through a private delivery company. Artecol labels and packages the production and either
sends it to their store where the offering is exhibited and is ready to be purchased; or sends it to the client.

4.3. Maud Mabika of Aid to Artisans

4.3.1. Description of the enterprise

Business model: Subcontracting or outsourcing model

Aid to artisans (ATA) is an artisan empowerment organization located in the United States of America. They work with vulnerable communities doing craft with traditional techniques applied to contemporary products. Through ATA’s interventions traditional products are slightly modified and produced in large quantities. ATA’s mission published on their website is “creating 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” (ATA, 2013). In practice a partner in Colombia called Creata does ATA’s work with the communities. Creata was once part of ATA but now it is an independent enterprise. The interviewee Maud Mabika is located in Washington (USA) and has worked with ATA for six years as project manager. She chose the mochila wayúu as an example product for our Skype conversation.

4.3.2. Description of the process

ATAs’ basic and final offering is artisanal products sold as corporative gifts for big companies in the USA. In their case either ATA or Creata do the design of the products. They use the final offering of the process to start new productions by attending to fairs in USA to find new clients. Once clients are found and the order is placed (second offering) they contact their partner in Colombia, Creata, and start looking for artisanal communities to produce the products. Creata contacts the arti-

Figure 7 Mochilas Wayúu for ATA. Photos by ATA.
sans and coordinates the whole production process and organizes the exporting processes. Creata sells and distributes second quality products to the local and tourist markets. This offering is the first output that reaches the final customer.

Besides their main corporate gift line, yearly, ATA invites an international designer to work for three weeks with the artisans in special projects. The results of these interventions have usually different market target: Museums, souvenirs shops, and boutiques. The offerings of this intervention is co-created and produced by the artisans using their traditional knowledge and blending it with the contemporary insights of the designer. In this particular case the first offering might be the co-definition of the requirements in which the designer has to understand the cultural background of the products.

4.3.3. Description of the Value Network according to the interviewee

Maud Mabika (MM) and Juan Miguel Caicedo experiences recount two very similar models of organizing artisanal textile production process. There are however differences along the whole business model. The first difference between is the relationship between the local facilitator and the market facilitators. ATA facilitator in Colombia is an independent organization, who works as a partner of ATA. They do the product development and production management of ATA orders, in similar

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19 Maud Mabika did not describe the production process because Creata is in charge of it. I assume it follows the same steps with similar offerings as the other two cases of mochilas. This part of the process will not be narrated in this case.
way as Juan Miguel Caicedo does for Intiq. However, besides ATA projects, Creata has also their own. The other two differences will appear later.

When MM was asked to choose one product, she also decided to share the experience they had with wayúu mochilas. In their approach MM described three feasible settings for the design process. The first design setting described was very close to Intiq practices where ATA program provides the artisanal community the designs, in this case ATA plays the role of designer. MM expressed that the knitting and weaving expertise as well as the cultural heritage of the wayúu mochilas allow keeping the traditional designs (size, patterns, etc), this means a product that takes long to make. This also means that the price was high, so in order to increase product competitiveness they had to find the way to reduce it. Therefore, ATA decided to ask them to make mini-mochilas (smaller version of the traditional one). With this modification mochilas became faster to weave, less expensive products and could be easily sold as gifts.

The second design setting is when Creata acts the design team. In those cases Creata develops products for the local market, using the networks and expertises gained through fulfilling previous projects with ATA. When Creata acts as designer, they work on the field with wayúus and follow up periodically the production process.

The third design setting happens when ATA brings an international designer that has experience working in Latin America, speaks Spanish and knows well the USA market. The chosen designer has to know what can be sold internationally. ATA, the designer and Creata go for three weeks to work with the community. At the end of the working time, they come up with samples, they define the materials, integrate recycle materials into the product. Creata follows up for the international designer and checks the progress of the samples.

In contrast to Intiq, who works with recognized brands ATA target markets are International gift fairs, museums, small retail shops, corporative gifts. Thou, once ATA asked Wayúus to make smaller mochilas, they took the production to the international gift fair in USA. Where companies bought big quantities of the mini-mochila to use them as corporate gifts for their staff. The last order made was of US$7000.

Another peculiarity of their interventions is seasonal planning. Although the USA as market place uses seasons as a decisive fact when planning and buying; besides MM none of the other interviewees mentioned seasons. Products and time-

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20 At this point, MM brought out into the conversation costing as one important issues in artisanal production that has to be addressed.
tables for ATA are planned and selected according to the seasons. E.g. the time-to-market for mini-mochilas project was calculated for six months. The order was placed on January and the products reach the retailers on the summer.

A critical point mentioned was quality control. This is done by following up with artisans on the regular basis; or helping artisans to find strategies to do it within themselves; or choosing a person will be doing quality control or just by having Creata helping them to make sure that the samples they produce correspond to the first sample they made with the designer.

4.4. Luis Angarita of CD&I for Salvarte

4.4.1. Description of the enterprise:

Business model: Product line one: Vendor. Product line two: None of the models described in the point 4.1.5 describe the characteristics of this line”. This research will focus in the work Luis Angarita as CD&I did with Salvarte.

Salvarte is a Colombian non-for-profit organization. They define themselves as “a fair trade organization in which designers and artisanal communities work together to bring into their products the cultural heritage integrating design, artisanship and fashion”. (Fundación Salvarte, 2013). They offer contemporary products with a local touch and work with two product lines: Corporative gifts and fair trade contemporary crafts. Sometime Salvarte hires design consultant to work on specific interventions, like in this case CD&I

4.4.2. Description of the process

Salvarte has two products lines. The first one works with the artisans as suppliers of a specific product; and in the second one it produces small components for other products.

To illustrate the workings of the first line Luis Angarita (LA) selected a sombrero vueltiao (See figure 9). In this case CD&I did not intervene the product or the process. The first offering is the order that Salvarte receives from the client—multinational companies--; with the order they contact the artisans of Salvarte cooperative. The cooperative takes control of the whole process of design2 (this is a traditional product whose design is stabilized) and production and sends the items to Bogotá when the order, following offering23, is ready. A quality control is done

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21 Since this line’s target is local market mainly, the relationships with the clients are different. This business model corresponds to a design driven management chain for the design of contemporary products
22 In this product line, Luis Angarita expressed he did not know the steps followed for the hat production in depth. In the description of the value network I report the narration of the process he saw when visiting the community and researching their production process.
23 I did not count the number of offerings because the production offerings in the community are not clear in the process.
before sending the order by the cooperative. Second quality hats stay in the community and they are sold to tourists (offering-outcome to the costumers). Once the presumed first quality items arrive in Bogotá, Salvarte labels and packages the items (offering). The products are delivered to the client and they are in charge of the national or international distribution of the product (offering to the final customer).

For the second product line (Figure 10), CD&I design team visit the community - Zenú Community- and learn their traditional techniques, in this case knowledge and tradition are the first offering. The design team goes back to their studio and create the second offering, the design. One part of the offering is sent to the artisans who produce small components of the final product. Meanwhile the second part is manufactured with semi-industrial methods in Bogotá. The artisanal component as offering is sent to Bogotá to be integrated to the manufacturing company offering to build together the final product. The offering is labelled and packaged to be delivered and sold in Salvarte shops and national and international fairs.

4.4.3. Description of the Value Network according to the interviewee

When CD&I was contacted by Salvarte foundation to develop for them a strategic plan, LA and his team worked on: brand and identity design; product differentiation strategies; design of the selling experience and commercialization; client relationship and engagement; and total design: optimization and design of processes
aimed to the improvement of Salvarte products and services. According to Luis Angarita’s experience the process followed by Salvarte products from the creation until they reach the market place depends on the product line. The first one is a traditional artisanal product and the second one is a contemporary artisanal product with traditional touch.

**4.4.4. First product line: Traditional products**

![Diagram](image)

Figure 11 Salvarte Case. Product line: Traditional products. Description of the Value Network. Interpreting Luis Angarita Interview.

The aim of the first line is to preserve traditional artisanal practices and products as the community has manufactured them according to their traditions. In this product line, designers do not affect the product. The community is in charge of the creation process. Salvarte’s intervention though sometimes provides new inspirations, by showing to the community, contemporary needs and life styles (through the work of the design consultants). Once the order is placed, Salvarte and the community of artisans set the timetable and quality standards.

For this part LA described the process followed through the ‘sombrero vuel-tiao’ production. This traditional hat is a part of the material culture of the indi-genes Zenú. This native community is located in Tuchín, Córdoba in the north of Colombia. Salvarte foundation has created a cooperative in which artisans can sign
up voluntary and work directly with the cooperative. The foundation places the orders to the cooperative and they distribute the work. The production flow starts with the acquirement of the raw material. Originally Zenú community farmed and processed the caña-flecha turning it into fibre ready to be woven. But nowadays, due to the uncontrolled production of caña-flecha items the raw material is decreasing in the area and it has to be brought from elsewhere in Colombia. Once artisans have the fibre, they plait the fibres according to their traditional patterns. The more fibres are used in the plait the higher the hat quality is. The plaits are sewed together in a spiral or circular form using mechanical sewing machines.

Before sending the production to Bogotá, expert artisans that are part of the cooperative check the quality of the hats and keep the second quality ones to be sold in local markets. The presumed first-quality items are sent through common delivery companies. Once in Bogotá, hats meet a second quality control point. First quality products are packaged, labelled and sent to Salvarte shops or delivered to the multinational companies where they will distribute them in their regards.

4.4.5. Second product line: Contemporary crafts with a local touch

For this product line Designers meet artisans to learn their traditional practices. CD&I designers team go to the community location, learn the traditional technique...
After understanding the principles of the technique, they come back to their design laboratory and develop new products, which are produced by manufacturing companies in Bogotá. The products of this line use some handmade details made by the Zenú artisans in Tuchín. Details are delivery to Bogotá and integrated to the product there. Once the product is finished it is delivered to Salvarte shops or to multinational companies, following the same procedure than the traditional products.

5. Analysis

5.1. Three Perspectives of the Wayúu Mochila’s Value Network

The differences between the interviewees’ narration of their experiences allowed me to see how a design manager or a manager can influence the productions environment. I took the mochila because three of the interviewees chose this artisanal product, and it allowed me to compare their approaches through the same item. The mochila is an everyday object part of the material culture of many indigenous communities and as an artisanal product has become best-seller in international markets. The same production process is presented from three different perspectives: the first one, Juan Miguel Caicedo, was told with product design emphasis; the second one, Ricardo Durán, used a narrative closer to the community cosmogony; and the third one, Maud Mabika, from a market and managerial viewpoint. The differences of these three cases can be influenced by the organization’s philosophy, the background of the interviewee and their experiences when working with artisans.

I would appeal to take the case of the mochila wayúu to talk about the different values, actors that can be involved in the same production process with different value constellations. Thinking of the offerings, the density and the liquidity along the mochila value constellation, there are distinct approaches that modify or change the order and interactions among the system. Starting with the first offering of the value constellation. In the first case, Ricardo Durán, being an autonomous decision taken by the artisan to make a mochila it gives the product a cultural touch keeping the traditions alive, what increases the density of this particular item. The second case, Juan Miguel Caicedo, the client requirements turn into the first offering, the client co-creates the design definitions. In the third case, Maud Mabika, the first offering is addressed to the potential client and it is the finished product, when it is exhibited in international fairs. Although is the same product and at the

24 The J-crew website says: “This item is so popular, it has sold out”. (J.crew, 2012)
end they will follow the same manufacturing process, the use that is given by the organizations to the offering is different but the offering code is communicated indistinctly. The product in this case has the same density but the market channels can provide it with an additional value (shops online, fairs, shops) In terms of liquidity, the product itself is the value that was dormant among the wayúu culture and their artisanal tradition in the community –organization-. The three organizations working with artisans have found a growing interest of the customers in this artisanal product.

5.2. Knowledge gaps
The intention of design managers and project managers of becoming the bridge between the artisans and the customer is not accomplished. And as I understood is not a first level matter for the organizations. Managers are a middle-stage between the artisans and the customers. They learn from both and they take the offering from both sides to try to integrate the created value in the network. But the link has not been created. It brings a new question to the landscape for further researches: Is the artisan ready to understand the requirements of the customer? What kind of value co-creation relationships can be facilitated?

The interviewees introduced an additional gap in the value networks; it is the one between the artisans and the suppliers. There is a need of cooperation to improve the quality of the products. The generation of alliances between artisanal communities and suppliers will facilitate the improvement of the practices (e.g. raw material suppliers) and processes (e.g. transportation) to increase competitiveness. This can integrate even more the actors and consolidate the value networks as a whole.

Regarding the characterization done by the ITC (2007) lacks key relationships presented in the section “Working with Artisans: Characterization of Business Models”. For example the relationship between the artisan and the exporter is not mentioned. In addition it only considers the monetary value and work relationships of the artisanal products and leaves aside again features such as socio-cultural factors, revenues, welfare and the customer decision-making. Since the idea of value (presented in the segment “Value and Value Co-creation”) is not integrated to the idea of the product, the artisanal communities are out of the picture, in the same way that the final customers are also not visible.
5.3. Value co-creation in the Colombian SS-VN

The common structure found in the SS-VN in the Colombian Textile craft sector is basically formed by: one artisanal community; one team of design, management and communication; a group of suppliers; clients that can be wholesalers; retailers; and consumers in a defined market place where the final users are (as shown in figure 13). The relationships and flows depend on the approach given by the organizations working with artisans. There are not defined orders or relationships; the actors can perform several functions within the SS-VN. The strategies to deliver artisanal products from the community to the market are related with the business model of the organization, which is demarcated by the mission of the organization. Since the SMEs are highly flexible they can face changes rapidly and adapt to new environments. This means that they can keep changing depending on the client or the market requirements that are provided by the managers.

Regarding the co-creation of the value along the value network the following interactions might enable actor to contribute and co-create:

25 According to the products selected by the interviewees
- Value for Customer: Artisanal products enable customers to help communities, to preserve traditions, to identify with a culture, to have less impact in the environment. This value might be increased if the product communication is appropriate, transparent and honest.

- Value for Co-worker: The idea of value constellations and its offerings brings to the management landscape the idea of the part as wholes within wholes. Every actor that intervenes the flow of the offering is fundamental for the whole structure.

- Value for society: SS-VC are part of the key strategies to increase competitiveness in developing countries. When SS-VC are considered communities where culture-people-environment interact towards prosperity. Small-scale enterprises are considered as units for the change.

- Value for Shareholder: Profitability, social responsibility.

6. Discussion

The implications of the model suggested by Normann and Ramirez, favour adaptability and continuous change. Due to these characteristics, in my work I found this model is closer to the realities (and needs) of the micro and small-scale enterprises structure that my informants were talking about. In here the boundaries within the actors and the relationships are constantly changing, being co-modified and rethought. The size of this type of enterprises allows (and also forces) them to be flexible and face changes. Nevertheless, despite the match in dynamics to the characteristics present in SMEs; one of their key dimensions: socio-cultural and environmental “propositions” are not addressed explicitly in their model. The diversity of the offering in Norman and Ramirez work does not consider historical, traditional, socio-cultural, environmental components in order to deliver more benefit through the set of relation. In textile craft sectors offerings can be more than only an economic benefit.

On the other hand, the model offers a way to re-configure business towards development. According to the authors, business development is made up of offering’s innovation. A mean to help to improve artisanal enterprises might be the innovation through system’s offerings, which consequently implies business development.

The experiences collected in this research provided a detailed description of the processes performed by the organizations, from the idea-creation until the product is delivered to the market. Even though I did not enquiry on the enterprise
approach to sustainability and ethics issues, some of them are implicit in the analysis. In all the cases the artisans get the lower price for the product, and even though it is a source of employment and it increases their income, it does not empower them to grow or improve considerably the welfare of the community.

**SWOT analysis**

The following SWOT was realized for the artisanal sector in general using the insights of the interviewees. The chart is a collection of what interviewees said to me. Interviewees were asked to give their opinion regarding the strengths, weaknesses, opportunities and threats for the artisanal sector.

Table 3 SWOT Analyses. Artisanal sector.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture tradition</td>
<td>Products are different to each other</td>
</tr>
<tr>
<td>Cultural Identity</td>
<td>Production speed depends on the artisan</td>
</tr>
<tr>
<td>Products are timeless</td>
<td>Artisans have few possibilities of participating in international/national fairs</td>
</tr>
<tr>
<td>Added value of the products.</td>
<td>High price production</td>
</tr>
<tr>
<td>Design integrated to products.</td>
<td>Quality</td>
</tr>
<tr>
<td>Uniqueness. Not every product looks exactly the same</td>
<td>Quality control</td>
</tr>
<tr>
<td>Remembrance traditions, history, practice</td>
<td>Procurement of same raw material</td>
</tr>
<tr>
<td>Short series. Flexibility.</td>
<td>Artisans time dedication to production</td>
</tr>
<tr>
<td>Variety of cultures, techniques.</td>
<td>Artisanal Education / Preserving traditions</td>
</tr>
<tr>
<td></td>
<td>Costing</td>
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<td></td>
<td>Value communication / Lack of communication</td>
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<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artisans connected to emotions</td>
<td>Artisans in danger of extinction.</td>
</tr>
<tr>
<td>Products are part of a life style a culture</td>
<td>Traditions are forgotten</td>
</tr>
<tr>
<td>Fair usage of the Raw/natural material</td>
<td>Standardization in the process</td>
</tr>
<tr>
<td>Certification: Handmade product. ICONTEC</td>
<td>Transculturation</td>
</tr>
<tr>
<td>It is a growing market</td>
<td>Homogeneity</td>
</tr>
<tr>
<td>Mostly local market. They are not heavily dependent of international markets.</td>
<td>Loss of Identity</td>
</tr>
<tr>
<td>Sustainable products: Socio-culture, economy and environmental.</td>
<td>China-Thailand-Filipinas speed of production</td>
</tr>
<tr>
<td>Artisan and product as one entity.</td>
<td>Price</td>
</tr>
<tr>
<td>Made by hand. Expertise</td>
<td>Losing their heritage and meaning.</td>
</tr>
<tr>
<td>Think of artisans as entrepreneurs.</td>
<td>Violent environments.</td>
</tr>
<tr>
<td></td>
<td>Companies green mind-wash</td>
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<tr>
<td></td>
<td>For some western eyes, it is a threat: Not every product looks exactly the same</td>
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<tr>
<td></td>
<td>Preservation of the technique</td>
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<tr>
<td></td>
<td>Lack of governmental policies</td>
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</tbody>
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**Strengths of the Artisanal Sector in Colombia**

I find that artisanal sector strengths lie in their cultural tradition, uniqueness and the story that the products carry on them. Since the communities use traditional techniques, and the usage of materials are reduced, artisanal products as perceived as clean and environmental friendly. The small-scale of the production units allow them to be flexible and face changes rapidly. Artisanal sector units can produce

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26 Translation is main. Sello Hecho a Mano. ICONTEC is a “Colombian multinational concerned about sustainable development of organizations in the continent that works since 1963 to promote standardization, conformity assessment, metrology and quality management in Colombia, Central America and South America” (ICONTEC, 2012)
high-quality small series. Another big strength of the sector in Colombia is the variety of techniques what provides a large range of options for new products.

**Weaknesses of the Artisanal Sector in Colombia**

Uniqueness was mentioned as strength for the products of the artisanal sector, but this core characteristic is also considered as a weakness. Not always the non-repeatability of the products is considered as an advantage, sometimes it is related to quality problems. Our mass-consumption eyes are use to find in perfection a comfort zone. Handmade items have a high price production, which many times is mis-calculated due to the lack of costing knowledge. In addition, the lack of appropriate communication of the value and processes makes difficult for the customer the understanding of imperfection, high cost and uniqueness. The cultural value is not reaching the final customers since it is not communicated. Regarding economical issues, artisans have low resources to afford fee-based activities such as participation in fairs, or marketing activities, which does not help when wanting to improve the performance of the processes and the quality of the products.

**Opportunities of the Artisanal Sector in Colombia**

Costumers are open to learn, and value new products. According to the interviewees the market of craft products is growing. Artisanal products can also start getting stronger in small local markets because they are not dependent on international markets yet. The increasing interest in sustainability, social responsibility and fair trade, bring a positive scenario for artisanal products. The low volume production, and fair usage of materials, the slowness in the processes, consciousness in the creation of the product, the tradition and the culture connect the product to the emotions of the new mind-set consumers. The idea increasing welfare in the communities through the purchase of a product empowers the customer to feel in charge of change the world. Smaller series gain more attention by offering customer the feeling of acquiring something individual.

Lastly, but not least, as crucial opportunity the new quality certification that the Colombian organization ICONTEC has developed to warranty the quality of the handmade products. It might help the customer to trust and value more the craft products.

**Threats of the Artisanal Sector in Colombia**

The western influence in the Colombian culture and the fast dynamics of the economy can put in danger the traditional characteristics of the artisanal products. It might reinforce the craft techniques but the material culture behind the product
might disappear. The homogeneity in the markets sets a high level of exigency for the handmade products. They have to compete against the perfection of mass-produced products. The speed of the production and the low prices in Asian productions.

In a higher level, the political situation of Colombia in which Colombian indigenous’ life is in danger presents the worst scenario to improve the creation and productive processes. Artisanal communities have to take care of moving away from their hometowns losing the contact with the materials and therefore the possibility of fabricating more products. Additionally, the lack of policies to favour and empower artisans and cultural productions does not allow small-scale enterprises to become stronger and grow.

7. Conclusions

This research has presented the experiences of design managers and managers working with small-scale enterprises in the Colombian textile craft sector. The data was collected by interviewing design managers and managers that are engaged in working with artisan communities in Colombia, and are currently working on the development and marketing of textile products of artisanal communities.

This work has provided me a better understanding of the strategies, methods, and dynamics of small-scale supply networks. I was able to identify some interesting practices and some challenges facing the management of the SS-VN and, related design interventions. Based on the insights of the interviewees’ about the Colombian artisanal sector, I wanted to answer the research question: How do design managers and project managers in small-scale value networks in the Colombian artisanal textile sector manage to deliver artisanal goods from the community to the market? Additionally, I realized a SWOT analysis to identify internal and external factors relevant to textile craft sector in general. I believe these two contributions are important to increase the knowledge on SS-VN.

Furthermore, the experiences collected offered a way to have a general characterization of the actors and structure of the SS-VN, as it was presented in the “Value co-creation in the Colombian SS-VN” section. The way this sort of networks work depends directly on the business model of the management perspective of the organization, and consequently managers are responsible for their performance. The flexibility of the small-scale enterprises allows in first instance, rapid changes to adapt to new market needs and in second instance, redefinition and continuous modification of the relationships and order of the processes within the net-
work. Established management models for distribution, marketing, production, etc. might be used as reference, but new models considering the specific characteristics of the networks and its actors should be developed in order to cover and reinforce the particularities of each enterprise.

More over there are important characteristics of this SS-VN in the case of Colombia such as:

- The relationships and flows within the value Network are not linear or sequential. The actors involved can take part of the processes in distinct order in various occasions, sometimes they interventions are performed in parallel or they co-operate to produce one offering. The actors involved in the system can influence deeply the relationships of the value constellation. The same production process can be found in different value constellations.

- SS-VN can be a key factor for growth and development. They are key because “Value” in artisanal products is formed by the integration and participation of culture systems, people and environmental issues. If adequately supported, all aspect of the constellation can become sustainable and contribute to development.

- SS-VN are highly flexible, this provides organizations managing them with a competitive advantage to response to the market. At the same time it also leads to situations where Artisan communities are in disadvantage as they do not necessary see their place in the whole.

- SS-VN have low resources to afford fee-based activities. This issue reduces the chances for artisans of participating in international fairs, to improving the distribution logistics”, or reducing middlemen.

- In the SS-SN in Colombian textile artisanal sector today Artisans get the lowest profit share. For an ideal and sustainable scenario a “win-win” commercial relationships with a fair share of the profits needs to be established.

- In the SS-SN studied there are important relationships that have been ignored. For example the gap between artisans and customers is still enormous. Even though design managers and managers have become an intermediary, more direct connections between these components have not been established and this affects, for example, possibilities for new value co-creation.

- In the SS-VN there are knowledge and communication gaps. Between the artisans and the customers; between the artisans and the suppliers; and government and SS-VN.

27 Geographical characteristics of the location of the communities make difficult the logistics and distribution
A starting point for changing traditional practices can be done by recognizing the value added by designing efficient and more equitable supply-value constellations. Such SS-VN should and could be honestly and transparently communicated to whoever is interested. For example Companies and organizations could offer open access to product and processes information to people both inside and outside organizations. This openness and transparency might allow customers and consumer to articulate to the system and co-create the value in more explicit ways.

8. Future research

To understand the relationships between the actors and offerings among the value constellations, I visualized my interpretation of the experiences using mostly the product flow. This is the excuse I found to help my interviewees illustrate the routes, how actors are connected, time and places involved. Since we used the product as the main excuse, at times, the product became more important than the relationships performed; leaving unattended other relationships that are present in the value network that are not related to the product. I can assume some of them, but I lack empirical material to be able to discuss more their role. Knowing more about them would definitively help improving our knowledge and possibilities for action. Hence, I would like, for further studies, to consider using other means – different to the product - to understand the relationships within these value constellations.

This research should be considered, as a chapter of what can be a book regarding small-scale value constellations management for the textile craft sector. The material this research presents now reflects mostly the point of view of people working in management of artisanal manufacture processes (through the eyes of a designer). To understand the whole picture of Colombian artisanal sector, even when only focused on textile processes the sector needs further studies to address the point of view of the producing and creating processes from the artisan and community side. More over, more work needs to be done on understanding the contemporary conditions of the market and the gaps between artisans and final consumers. Finally the perspective of those consumers of artisanal products cannot be left aside. It is needed to link all those components. As it has been evident in the course of my research small-scale value networks (SS-VN) are complex. There is rich and potentially powerful way to reinterpret the role of textile managers in order to bring sustainability into these artisanal networks. The reinterpretation would bring new configurations that would enable customers, artisans, suppliers, manag-
ers, wholesalers, retailers to co-create value. I hope my work is a contribution in that direction.
List of References


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Society Collective, 2011. What is a Mochila? | society COLLECTIVE: Where you can find unique Mochila bags handwoven by the indigenous


Glossary

Artisanal Product: “Artisanal products are those produced by artisans, either completely by 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. These are produced without restriction in terms of quantity and using raw materials from sustainable resources. The special nature of artisanal products is derived from their distinctive features which can be utilitarian, aesthetic, artistic, creative, culturally attached and socially symbolic and significant” (UNESCO et al., 2005).

Craft: Is an “object that has been made by hand by a craft maker” (McIntyre, 2010).

Cultural Product: “Production of material and immaterial culture-based goods through two strategic inputs: human creativity and human intellectual activity (…) Culture-based goods share the privilege of a new wave of economic progress based on glocalism (localized globalism)” (Santagata, 2002).

Density: “Number of options for action and interaction available within time-space units” (Normann and Ramírez, 1998).

Developing Country: The designation “developing” does not necessarily express a judgement about the stage reached by a particular country or area in the development process (ITC, 2010). Usually, in these countries, there is a low level of technological development and a low standard of living. But this denotation implies the comparison made for many years between the industrialized nations of North America and Europe and the so-called Third World. Hence, societies of Asia, Africa, and Latin America called ‘developing countries’ were supposed to become like the industrialized nation (developed countries). (Escobar, 1995) Colombia is part of the 54 countries considered by the World Bank as upper middle income, $4,036 - $12,475. The list of the countries can be found in: http://data.worldbank.org/about/country-classifications/country-and-lending-groups#Upper_middle_income

Liquidity: Related to the enhancement of temporal and spatial availability. “Liquidity has the attribute of awaking values in assets, which were dormant or underutilized” (Normann and Ramírez, 1998).

Mochila: The mochila is part of the material culture of the wayúu indigenous. It is a bag used to carry food and water. The Wayuu method of weaving
and knitting is a complex art form done entirely by hand” (Society Collective, 2011) Consequently, every Mochila takes between three or four weeks up to one month to make while the artisan takes care of the animals, gathers water, cooks and walks long distances from one community to the next always searching for water, the highest good as part of their everyday life. The colourful bags are canvases that reflect their worldview. Mochilas represent a circular cosmology where there is no before and after, but only threads of life spun from one cycle and woven into the next. The surrounding desert, animals, and natural elements all serve as major sources of inspiration for both design and color, such as the patterns of wind on sand, soaring birds of prey, the blazing sun, cactus flowers or rare waterholes”(Society Collective, 2011).

Offering: “It refers to any output of a value creation that is an input to another assigning an activity within the system” (Normann and Ramírez, 1998). The term offering is commonly used to denote indistinctly products and services (Prahalad and Ramaswamy, 2004).

Offering’s code: The value that a offering has and have to be communicated (Normann and Ramírez, 1998).

Value Networks: “any purposeful group of people or organizations creating social and economic good through complex dynamic exchanges of tangible and intangible value”(Allee, 2009)
Annex: Interview framework

Interview information sheet

Purpose of the Research
This interview is part of my thesis research. My thesis will look at management practices in small-scale value networks (SS-SN) in the textile craft sector. The purpose of this interview is to understand current management practices through experiences of people working with artisans’ communities.

Procedures
With your permission, I will ask you to participate at least in an interview. Thought the interview I will try to know about your background and personal experience while working with artisanal communities; and also, about the process followed to deliver artisanal products to North American or European markets. Additionally we will talk about the methods and tools that you use while performing your work with artisanal communities. The interview will be recorded in order to accurately capture what is said. After the interview the recordings will be transcribed.

In order to use our time productively, would you please select in advance some sample textile products you are currently working with and that are being sold in North American or European markets for us to discuss? If you could have a sample of it during the interview it would be nice. If you have a picture of the community or artisan you could share with me I would appreciate it.

Attached to this sheet I am sending to you a graphic please print it and have it with you for our meeting.

I might contact you via email later on in case of further questions or clarifications.

Benefits
There are no direct benefits to participants in this research. It is hope the interviewee hopes to learn more about SS-SN dynamics and your experience while working with textile crafts. "

To Contact the Researcher: If you have questions or concerns about this research, please contact:
Eliana Sanchez. University of Borås. Mäkelänrinne 5A 53, 00550 Helsinki, Finland.
Phone: +358 469082108.
S112525@student.hb.se / elianasanchez.designer@gmail.com.

You may also contact the faculty member supervising this work:
Professor Håkan Torstensson. hakan.Torstensson@hb.se
Interview Consent Form

Name of interviewee: __________________________________________

Purposes of the interview:
This interview is part of Eliana Sanchez master thesis project. It will report management practices in small-scale supply/value networks (SS-SN) in the textile craft sector. The object of studies is experiences of people working with artisans' communities.

1. I agree to be interviewed for the purposes of the student Eliana Sanchez assignment named above.

2. Eliana has explained to me the purpose and nature of the interview, and I have read the information sheet as provided by her.

3. I agree that the interview may be electronically recorded.

4. Any questions that I asked about the purpose and nature of the interview and assignment have been answered to my satisfaction.

5. Choose a), b) or c):
   
   I am fine with my name and that of the organization I belong being used used for the purposes of research. I understand that Eliana may wish to pursue publication at a later date and my name may be used.
   or
   
   I do not wish my name or the name of the organization I belong to be used or cited, or my identity otherwise disclosed, in the assignment.
   or
   
   I would like to review what Eliana intends to publish so that I can decide later on how I wish to be identified or not.

Signature of interviewee: __________________________________

Date and place: ______________________

I have explained the project and the implications of being interviewed to the interviewee and I believe that the consent is informed and that he/she understands the implications of participation.

Name of interviewer________________________________________

Signature of interviewer____________________________________

Date and place: _____________________
Questionnaire

Name:
Office / company / organization name:
Company description:
Role and responsibilities:

Reporting to:
Role

Liaising with:
Role:

Name
Office / company / organization name:
Company description.
Role and responsibilities

Reporting to:
Role

Liaising with:
Role

Theme 1: Interviewee Background
How did it start? Part 1: about themselves

<table>
<thead>
<tr>
<th>Question</th>
<th>Prompt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Could you tell me about your self? Tell me about your background and</td>
<td>When did you start working with artisans?</td>
</tr>
<tr>
<td>how did you end up working with artisans.</td>
<td>How long have you been working with artisans?</td>
</tr>
<tr>
<td>Share with me your experience of working with artisans? Why are you</td>
<td>What is your background?</td>
</tr>
<tr>
<td>working with artisans?</td>
<td>How have you applied what you learn while working with artisanal</td>
</tr>
<tr>
<td></td>
<td>communities?</td>
</tr>
<tr>
<td></td>
<td>Why are you working with artisans?</td>
</tr>
<tr>
<td></td>
<td>Why did you decide to work with artisans?</td>
</tr>
<tr>
<td></td>
<td>Why are you doing this job?</td>
</tr>
<tr>
<td>Have you ever worked with big-scale companies in the textile field?</td>
<td>Which is the biggest difference of working with artisans?</td>
</tr>
<tr>
<td>Tell me your experience working with big companies.</td>
<td>How do you like it?</td>
</tr>
</tbody>
</table>

Theme 2: The practice
Community Description (selected previously)

<table>
<thead>
<tr>
<th>Question</th>
<th>Prompt</th>
</tr>
</thead>
</table>

63
Now, let's talk about the community/artisan. You have chosen a product. Thinking of that product, tell me about the community that produce it.

<table>
<thead>
<tr>
<th>Question</th>
<th>Prompt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Why did you chose this case for this interview?</td>
<td>if you would need new artisans, how would you find them? Which is the selection process?</td>
</tr>
<tr>
<td>Why did you chose this artisan or community? How did you find them?</td>
<td>How did you select the artisans you are working with?</td>
</tr>
<tr>
<td>What is the enterprise mode of the artisans?</td>
<td>Have they any type of contract? Have they any type of organization or association? How are they connected to your organization?</td>
</tr>
<tr>
<td>Tell me about the communication with the artisans. Do you speak the same language?</td>
<td>Do you need a particular skill to have a proper communication with them? Do you speak the artisan’s language? How do you communicate with them?</td>
</tr>
</tbody>
</table>

Product description (selected previously)

<table>
<thead>
<tr>
<th>Question</th>
<th>Prompt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well, now we will start talking about the product. What product did you select?</td>
<td></td>
</tr>
<tr>
<td>Why did you chose this product?</td>
<td>Does it belong to a series? Unique?</td>
</tr>
<tr>
<td>How is this product produced?</td>
<td>How many products are produced monthly? How many artisans are involved? Is it part of a series? How is the production series controlled?</td>
</tr>
<tr>
<td>Regarding the design of the item. Tell me about the development of this product? How was it at the beginning? Who designed it?</td>
<td>Who is in charge of the design? Original design by artisan or How flexible is the design? Does the artisan modify the original design? How much of the decision-making of the design is made by the artisan? Is the artisan involved in the design process?</td>
</tr>
</tbody>
</table>
You have gotten a graphic. It is very simple let say that the circle in the centre represents the product we have been talking about and the at the left you will place the community and in the right the market place. In that graphic could you please draw and place in a chronologic order the process followed from the design until the product reach the market place.

Tell me about the activities performed.
Who participate?
What are your responsibilities? what is your role?
Can you place and describe the activities performed along the timeline?
How long does it take to produce one item?
According with the timeline. How long does it take to deliver a series to the market place?
How often are orders placed?

The market

<table>
<thead>
<tr>
<th>Question</th>
<th>Prompt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Along the process to deliver products to the market. Could you share with me the tools you use while working with them. It How do you work with them? How do you control the times? the quality?</td>
<td>Do you use any particular tool while working with artisans or to control products? May I see them?</td>
</tr>
<tr>
<td>How often do you visit the production place? What is your role when you visit them?</td>
<td></td>
</tr>
<tr>
<td>Do you know the financial balances of the product? Do you know the numbers behind?</td>
<td>Income that is produced from the enterprise? How are earnings distributed? Percentages along the process How often? Monthly?</td>
</tr>
</tbody>
</table>

Working with Artisans

<table>
<thead>
<tr>
<th>Question</th>
<th>Prompt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focusing in one of the ends of our timeline, lets talk about the market. Tell me about the markets where the product is been sold.</td>
<td>Which is the biggest market it is been sold? In demand terms Do you have any local market? Could you describe the market? How did you come across this market? How much you sell to them? Exports volume</td>
</tr>
<tr>
<td>How the market has affected the product?</td>
<td>Did the product have to be modified to reach the market? Any international standards? Characteristic of the market</td>
</tr>
<tr>
<td>Have you identified any prospective market?</td>
<td>How did you select it?</td>
</tr>
</tbody>
</table>
Theme 3: The sector
SWOT and Meaning of the experience and Emotional connections

<table>
<thead>
<tr>
<th>Question</th>
<th>Prompt</th>
</tr>
</thead>
<tbody>
<tr>
<td>I would like to know… Why are you still working with artisans?</td>
<td>What keeps you working with artisans?</td>
</tr>
<tr>
<td></td>
<td>What make it especial?</td>
</tr>
<tr>
<td></td>
<td>Is it different to work with them?</td>
</tr>
<tr>
<td></td>
<td>What do you like of working with them?</td>
</tr>
<tr>
<td>What do you think is artisanal product strength?</td>
<td>How can this strength help artisanal products in the future?</td>
</tr>
<tr>
<td></td>
<td>What does the future hold for artisanal enterprises?</td>
</tr>
<tr>
<td>In your opinion, which are artisanal enterprises weaknesses? How artisan can overcome them?</td>
<td>Why?</td>
</tr>
<tr>
<td></td>
<td>How can they be</td>
</tr>
<tr>
<td>What are the opportunities for artisanal enterprises?</td>
<td>What does the future hold for artisanal enterprises?</td>
</tr>
<tr>
<td>And at least, in your opinion, what are the threats for artisanal products?</td>
<td></td>
</tr>
<tr>
<td>Talking about weaknesses and threats, we also should talk about challenges:</td>
<td>What are the logistical challenges?</td>
</tr>
<tr>
<td></td>
<td>What are the social / cultural challenges?</td>
</tr>
<tr>
<td></td>
<td>Environmental challenges?</td>
</tr>
<tr>
<td></td>
<td>Economic challenges?</td>
</tr>
<tr>
<td>Do you think is there any particular skills needed to work with artisans?</td>
<td></td>
</tr>
</tbody>
</table>