

FEBRUARY 2007



THE CAPE CRAFT AND DESIGN INSTITUTE
IMPACT ASSESSMENT
SUMMARY REPORT



prepared by



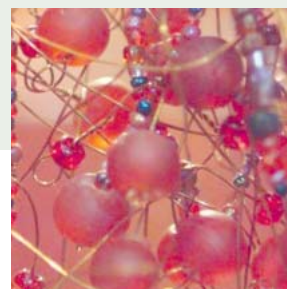
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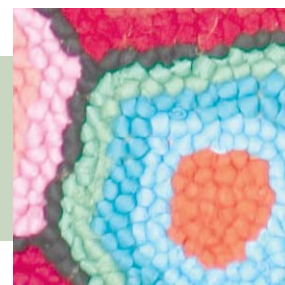


The craft sector is playing an increasingly important role in the international context of culture and development. The 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions vocalised this by recognising the importance of, on an international level, identification and support for cultural entrepreneurship.

While reliable data is limited¹, the craft sector seems to be playing an increasingly important economic role in South Africa. Nationally, the craft sector contributes approximately R2 billion to GDP in retail sales, which represents approximately 0.14% of GDP. In the Western Cape, the craft industry's major strength is in retail, has strong links to tourism and craft production methods, style and use of material is very diverse. Craft production faces a number of challenges, many of which are informed by the social and economic inheritance of apartheid. Challenges include:

- Diversity of products
- Low skills levels
- Lack of standard and quality assurance at all levels
- Poor information flow.²

In response to these complex challenges, the Department of Trade and Industry (DTI) stresses the need for an “enabling environment” which coordinates government actions, policy research, support services, and increased access to markets and information.³



1. Kaiser Associates (2005). “Western Cape Microeconomic Development Strategy: Craft First Paper: The Scope of the Craft Industry in the Western Cape”. (Cape Town). pg7

2. DTI (2005)

3. DTI (2005)

PROJECT DESCRIPTION

The Cape Craft and Design Institute (CCDI) was established in November 2001 by the Provincial Government of the Western Cape (PGWC) and the Cape Peninsula University of Technology (CPUT), with start-up funding from the provincial government and the national Department of Arts and Culture.

Aims and objectives

CCDI aims to develop the Western Cape craft sector and to see dynamic, creative, confident people producing innovative world-class handmade products reflecting the cultural diversity of the Western Cape as a region of South Africa. The institute's main objectives are:

- To provide support to the craft SMME sector
- To inform and lobby for an enabling policy environment
- To act as a catalyst within the tertiary education environment.⁴

Since its formation, CCDI has been “*constantly extending its reach, connecting with other initiatives, putting down roots and establishing a visible presence for Western Cape Craft, while at the same time providing the overarching shelter and nurturing environment within which the previously under-resourced craft community can grow and develop*”.⁵

Programmes

The CCDI, after an 18 month pilot phase, embarked on four broad programme areas:

| Programme area: | Intervention |
|--|---|
| 1. Networking, communications and sector marketing | <ul style="list-style-type: none"> • Monthly Craft Partnership meetings and newsletters • Public access database • Marketing exhibitions • Website • Annual craft design competitions • Cape Craft promotional materials • Media liaison |
| 2. Craft Enterprise development and training | <ul style="list-style-type: none"> • Mentoring • SAQA accredited skills development • Product and business development |
| 3. Market Access | <ul style="list-style-type: none"> • Niche market development programme • Cape Craft showcase • Consumer events • Trade events • Fair trade in craft • Match-making |
| 4. Research, resource and sector development | <ul style="list-style-type: none"> • Resource materials development • Policy and advocacy • Development of other institutions • Research |

Table 1: CCDI programmes and interventions

4. Cape Craft & Design Institute (CCDI) 2005 CCDI Annual Report 2001 - 2005 (CCDI Cape Town)

5. Cape Craft & Design Institute (CCDI) 2005 CCDI Annual Report 2001 - 2005 (CCDI Cape Town)

Beneficiaries

CCDI's direct beneficiaries consist of crafters at all levels of business and craft development. The majority (70%) of programme participants are crafters in the Cape Metropole; however, plans have been developed to extend the programme more systematically into the broader Western Cape region. Indirectly, the CCDI benefits its service providers through training and the provision of contracts. In a broader context, the CCDI's programmes are intended to benefit the craft sector as a whole and have even impacted on other creative industries.

RESEARCH DESCRIPTION

Purpose of the research

The main aims of the research were to measure the impact of the CCDI programmes during the period of November 2001 to March 2005 on crafters (beneficiaries) and to investigate the support needs of range of crafters. A further aim was to propose a way forward for the monitoring and evaluation (M&E) process, based on the evaluation research.

Reasons for the evaluation

Some of the key initial stated reasons for the evaluation from CCDI staff were:

- To test or verify a sense of the qualities of impact CCDI has on people, what is useful and what isn't, to clarify that they are "on track" with their beneficiaries
- To gather concrete information on how the programmes are delivering
- To investigate whether the services meet the needs of beneficiaries: to clarify expectations of beneficiaries, and to help CCDI to meet these
- Strategic: Are they doing the right things and moving in the right direction?
- To report to funders and stakeholders
- To prove to the funders what is important, to channel funds correctly
- To confirm that the innovative model that CCDI has developed is a good one; so as to replicate it in other provinces.

Research tools and participants

The researchers were provided with a range of programme documentation, access to the CCDI database and a craft partnership meeting was observed on 1 November 2006. The following table shows research participants, numbers and tools used in the evaluation.

| Participant | Number | Intervention |
|-------------------|------------|--|
| CCDI Staff | 6 | <ul style="list-style-type: none"> Initial workshop Semi-structured interviews |
| Crafters | 59 | <ul style="list-style-type: none"> Self employed/ employee questionnaires Focus groups In-depth interviews and case studies |
| Retailers | 39 | <ul style="list-style-type: none"> Telephonic interviews |
| Service providers | 14 | <ul style="list-style-type: none"> Email questionnaires |
| Partners | 4 | <ul style="list-style-type: none"> Semi-structured interviews |
| Total | 122 | |

Table 2: Evaluation participants and methods

Research challenges⁶

The main challenges were:

- a low crafter turn-out for focus groups, despite several reminders for a first round of focus groups and despite Impact Consulting holding a second round of focus groups to attempt to increase participant numbers
- a lack of knowledge about CCDI amongst many of the sampled retailers
- limitations posed by research participants having to recall data over a long time period (2002-2006).

Demographic profile

Figures 1 and 2, below, show that most of the survey participants were female, and the majority were black.

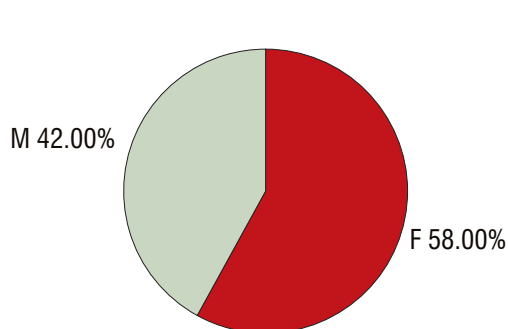


Figure 1: Participant gender distribution (N=52)

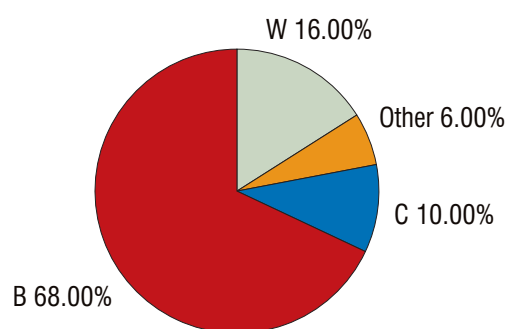


Figure 2: Participant race distribution (N=50)

6. Please see full report for a detailed description

Expectations

Government partners expected CCDI to come up with programmes that would operationalise the city’s economic growth strategies, while the Cape Peninsula University of Technology (CPUT) hoped the CCDI would assist them in recognising that *“there are a myriad of problems out there that design can provide solutions for”*. CCDI was also expected to play a bridging role in Cape craft, reducing - or at least building awareness - about the racial stratification of the craft sector in the province.

Beneficiaries identified the following as the main expectations that they had had of CCDI upon their first interaction with them:

- facilitation of partnerships and market access
- assistance with sales, marketing and product diversification
- provision of new ideas, designs, skills and workspace.

Skills

Only 6% of research participants stated that they had not learned any new skills from the CCDI. The skills obtained are product design/development, business skills, marketing skills, costing and pricing and communication. When asked which skills were the most important, 34% of participants said business skills, 32% said product design/development, 25% said marketing and 9% said networking. Figure 3, below, shows skills learned, grouped by the programmes attended by the crafters:

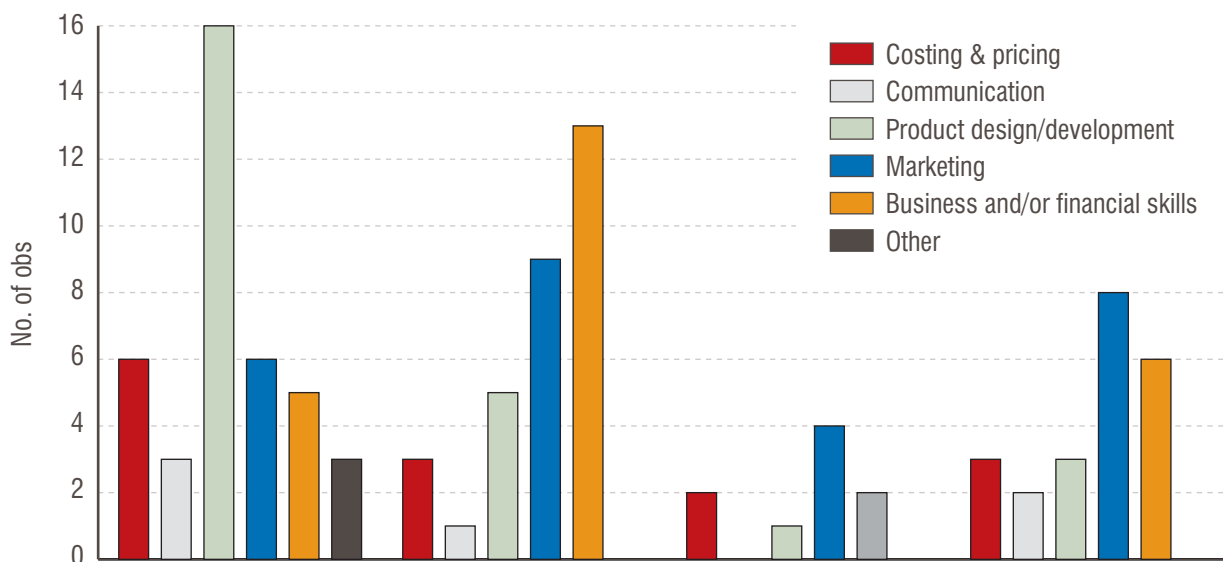


Figure 3: Skills learnt through CCDI programmes (106 responses)

CCDI staff members noted that service providers have developed skills too: *“the SETA route we have taken has given our service providers training for free and then given them training jobs.”*

Markets

The majority of participants (86%) claimed that the CCDI has helped them to some extent to understand their markets better and CCDI staff agreed that there seems to be raised awareness of markets among crafters: *“they are realising that the market is segmented and they can choose. Now, [some of them] understand who their customers are.”* Respondents noted that the marketing course was very helpful.

However, respondents do feel that CCDI could do more to match crafters with markets and that events could be better coordinated, in terms of informing crafters in time and by ensuring that promises about the outcomes of these events are met.

Products

Almost two thirds of participants (63%) reported that CCDI had helped them to improve their existing products, two thirds of participants (66%) reported that CCDI has assisted them to make new products, and 70% of the service providers interviewed noted that they had seen a change in crafters working with the CCDI, citing improved focus, skills, product ranges and confidence as key areas of development. They did feel, however, that crafters lacked constructive and competent product development advice. Figure 4, below, shows that the vast majority of those who have been helped to make new products also experienced an increase or development of their market.

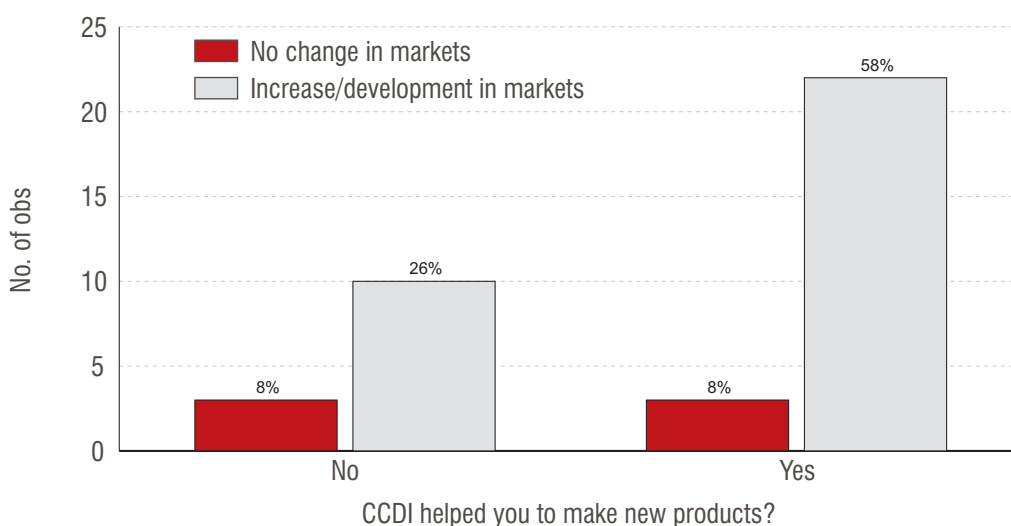


Figure 4: CCDI's impact on new product development (n=40)

The Product Development Clinic received mixed reviews, with some respondents claiming that the Clinic had helped them enormously with improving their product and their range, while others stated that it had not helped at all.

Sustainability

Almost a third (31%) of respondents felt that the CCDI had been instrumental in sustaining their businesses and that their business would *not* still be running if it weren't for the CCDI. Most of these (31%) felt that the main assistance to sustainability had come from the programmes and due to the access that CCDI had facilitated to more or better markets.

Many of those who stated that their businesses would still be around, even without the CCDI, nevertheless had positive comments: *“CCDI is not the only place where I get information but it is one of the best.”*

In terms of financial management – which is one of the key factors to the sustainability of business – CCDI has had some impact. Almost a third of participants (31%) felt that CCDI had helped them a great deal or to some extent to manage their money better. However, 45% said that they had not and 24% were neutral.

Contribution to GDP/sales and profit

Most crafters in the sample (32%) currently have sales between R1001 and R5000 a month, followed by those who sell for under R1000 a month (21%). No participants in the sample reported sales of over R200,000.

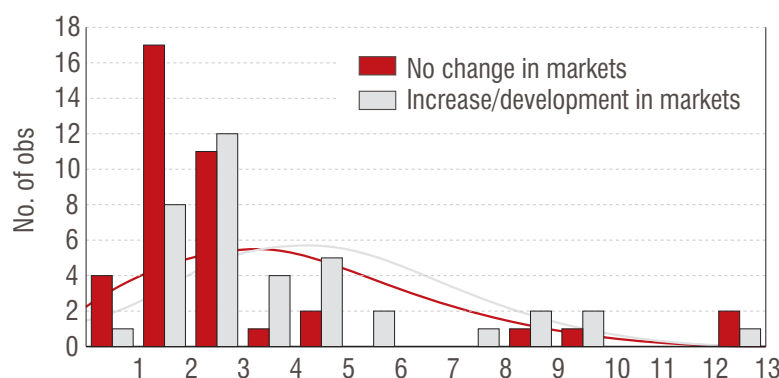


Figure 5: Average monthly sales (sales brackets) before (n=39) and after (n=38) CCDI participation



Almost 77% of the participants who had experienced an increase in sales felt that CCDI had contributed to this increase (53% said yes and 24% said somewhat). Figure 3, above, displays the overall increase in sales brackets reported by crafters since their involvement with the CCDI. Most (70%) of those who felt that CCDI had contributed to their increase in sales stated that it was because of greater market access, while others mentioned it was due to having better products (17%) and access to information sharing (13%).

After being involved with CCDI, the majority of participants (85%) have:

- maintained a profit
- moved from making no profit or not being in craft previously to making a profit
- realised they are making a profit.

The reported increase in sales allows the assumption that there is an increase in the craft sector's contribution to GDP.

Staff numbers and job creation

CCDI staff also felt that CCDI had helped to stimulate job creation – however, most craft entrepreneurs have not experienced a change in staff numbers. Some cases show a decrease in part-time workers, but a concurrent increase in full-time employees, which suggests that there is some development towards more established and sustainable businesses and better quality and more sustainable jobs.

Workplace changes

More than a third (37%) of the research participants had moved from working from home to working in a formal workplace since interacting with CCDI, while the same proportion (37%) still work at home, 13% still work at a workplace and 13% reported moving from a workplace to home. Due to the small sample size, no conclusions can be drawn from the above data regarding whether CCDI has had an impact on work conditions, particularly in terms of workplace.

Creating a collaborative community

Collaboration has occurred at different levels:

1. between the CCDI and its partners, as well as with other structures
2. between crafters.

Partners stated that CCDI is an invaluable source of information regarding craft. Almost all of the crafters who were asked if they felt part of a community said yes. *“I really appreciate being part of a group.”* Most respondents agreed that crafters and small businesses would like to help each other. Of those who



reported actually working together, most worked on bead/wire work and product development. A few reported sharing exhibition space, component work and selling together. When asked whether this community was a result of (or impacted upon by) CCDI, the response was divided, but it was generally agreed that guidance and intellectual support from CCDI is still needed to promote collaboration.

About 50% of service providers who responded thought that their general networks in the craft sector had increased on the whole, with one respondent claiming that *“there are too many [networks] to mention!”*

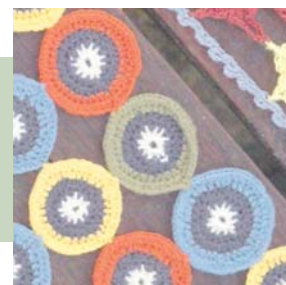
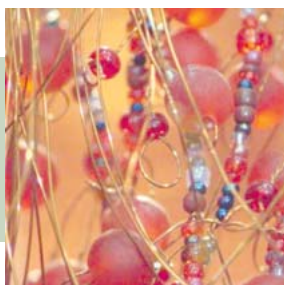
Personal impact

Participants most commonly (26%) earn between R3001 to R5000 a month, followed by those (18%) who earn between R501 and R1000 a month. Only 1% reported earning nothing and 3% earn over R20,000. There has been a shift after CCDI involvement, with 38% more crafters now at a higher income level. Entrepreneurs were asked to indicate whether they would accept a paying job as opposed to their entrepreneurial endeavours, or not. 73% said that they would and 27% said that they would not.

The majority of participants (84%) felt that their working life had improved since attending the CCDI programmes and activities, and many respondents noted that they had an increased confidence that came from feeling like part of a community and from having mentorship opportunities. Crafters also noted that they had gained independence and a motivation to work hard and that meant that *“now I can look after myself.”*

Benchmark for excellence

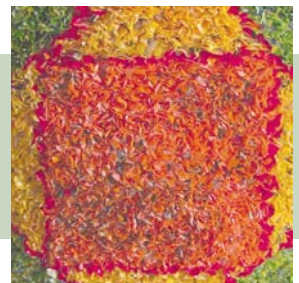
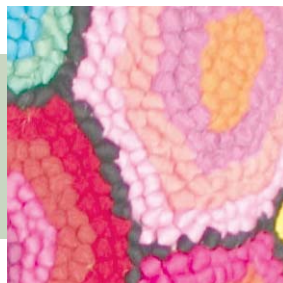
Staff and partners felt that the CCDI is definitely a benchmark of excellence. Partners believe that one reason for their view is because inform stakeholders about challenges and possible solutions in the sector. Crafters were divided, with a proportion noting that they didn't always feel that CCDI represented them.



Further needs and suggestions

The following issues were raised by stakeholders as current needs or suggestions for the improvement of CCDI's services:

- Facilitating access to finance
- Revamping the product development clinic
- Addressing issues of accessibility to programmes, including transport
- Assisting with access to raw materials
- Assisting with exporting their products
- Helping crafters to identify and access more markets
- Better security and stock management at events
- Facilitating a communal workspace, and possibly retail space
- Providing better links with service providers
- Shorter skills training sessions
- Focusing on specific skills and practical skills
- Engaging in follow-ups with crafters after programmes
- Furthering collaboration and networking
- Developing a "Western Cape signature" in craft
- More extensive and accessible information management systems
- More strategic selection criteria for courses and events
- Improving, formalising and expanding CCDI's services and communications
- Playing a more active advocacy role
- Looking at international best practice for inspiration
- Further research, particularly around why crafters do not come to CCDI.



SUMMARY OF KEY FINDINGS

The table below shows a summary of some key findings of the evaluation, expressed as percentages of the research participant sample:

| KEY AREA | FINDINGS |
|------------------------|--|
| Enterprise development | <ul style="list-style-type: none"> • 94% learnt a new skill • Of the 43% who did NOT have a costing and pricing strategy, 92% now do • 76% know what their product costs to make • 73% know what they make on each product • Almost 77% who experienced an increase in sales felt that CCDI had contributed to this increase (53% said yes and 24% said somewhat) • 70% of those who felt CCDI had contributed to their sales increase stated it was because of greater market access, 17% attributed it to having better products, 13% because of access to information sharing • 85% have maintained a profit, moved from making no profit or not being in craft previously to making a profit, or realised they are making a profit since being involved with CCDI |
| Market access | <ul style="list-style-type: none"> • 85% have experienced a positive change in market access • 86% say CCDI has improved understanding of their markets • 56% have experienced a growth in regular customers |
| Product development | <ul style="list-style-type: none"> • 63% have improved their product • 58% with new products indicate an increase in market access • 66% have been helped to make new products |
| Employment / jobs | <ul style="list-style-type: none"> • 37% have moved from home to a formal workplace • 45% attribute increase or change in staff numbers to CCDI support |
| Personal income | <ul style="list-style-type: none"> • 38% have a higher income since CCDI intervention • 63% have experienced positive growth in personal income |
| Personal impact | <ul style="list-style-type: none"> • 84% felt that their working life had improved since attending CCDI programmes and activities |
| Entrepreneurship | <ul style="list-style-type: none"> • 73% said they would NOT accept regular, equivalent-paying jobs in place of their own craft work |
| Sustainability | <ul style="list-style-type: none"> • 31% claim CCDI has helped sustain their businesses, and would not be running without CCDI • 31% claim CCDI has helped them manage their money better • 68% have experienced a positive growth in sales • 60% have moved to a higher income bracket after CCDI intervention • 70% of those who have moved to a higher income bracket cite the Market Access programme as a contributing factor |
| Collaboration | <ul style="list-style-type: none"> • About 50% of service providers who responded thought that their general networks in the craft sector had increased on the whole |

The recommendations have been clustered according to the four CCDI programmes and will need to be reviewed by the CCDI and its partners to ensure applicability to CCDI's strategic objectives⁸.

MARKETING AND COMMUNICATIONS

- Upgrade CCDI database⁹ and website to make the information more accessible and usable
- Increase the impact and value of the Craft Partnership Meetings with better meeting facilities and make them more accessible and focused
- Find ways to document and tell crafters' stories
- Strengthen CCDI's image as a business service organisation (rather than a welfare organisation) and communicate more effectively to manage expectations.

CRAFT ENTERPRISE DEVELOPMENT AND TRAINING

- Develop an approach to Access to Finance¹⁰ and financial aid and assistance
- Review the Product Development Clinic¹¹ processes and approach to include a wider range of expertise
- Introduce a formal crafter assessment process¹² to monitor and measure impact
- Introduce additional shorter courses with more practical tasks and experiential learning opportunities
- Establish a mentoring programme
- Orient service providers more thoroughly into the nature of the craft industry.

MARKET ACCESS

- Improve communication of event opportunities and security and sales at events
- Engage with idea of CCDI studio/showroom and support establishment of accessible markets in townships
- More effective communication of Selection Criteria¹³ and the decisions made
- Further collaborate with retailers
- Develop existing and research new markets.

8. In the period April 2005 to-date (not covered by this report) the CCDI has implemented new activities and programmes that deal with some of the issues raised.

9. The database is being updated, expanded and a staff member dedicated to this task was appointed in July 2006.

10. The CCDI is piloting a Production Finance & Equipment Loan Scheme from April 2007.

11. The business process of the PD Clinic is being 're-engineered' in the context of the resources provided by the Centre for Innovation and the AMTS/FabLab which was launched in June 2006.

12. CCDI developed an electronic business assessment tool (eBAT) which provides a 'snapshot' view of strengths and weaknesses and a development path for a craft business/entrepreneur.

13. All CCDI activities have a selection process and selection criteria; these need to be communicated more clearly.

RESEARCH AND RESOURCE DEVELOPMENT

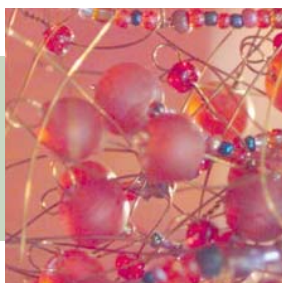
- Assist with access to more resources
- Conduct further research projects, for example, incorporating diverse local cultural heritage into more contemporary craft; find out how CCDI could better service crafters at both high and low-end; and continue to look internationally for best practise models.

ADVOCACY AND SECTOR DEVELOPMENT

- Promote vertical collaboration, between more developed and newer enterprises for skills sharing
- Formalise partnerships with other complementary service providers to ensure proper tracking of referrals
- Lobby for public transport solutions as an environmental and logistical issue that impacts on efficiency and productivity
- Support the development of a raw materials depot and production clusters.

CROSS CUTTING, INSTITUTIONAL ISSUES

- Expand services within the Cape Metropole and rural outreach programme¹⁴ through mobile information centres and permanent satellite centres
- Ensure staff and services are more accessible and able to support crafters on systematic way, for example by establishing a call centre
- Develop reciprocity within the craft community and inculcate a culture of sharing and responsibility for mutual growth
- Increase synergy in programmes within CCDI and maximise opportunities for lessons to be learnt and shared
- Develop an M&E strategy and system and ensure synergy with reporting requirements for partners and funders.



14.A Rural Outreach Programme was launched in January 2007 with funding from the provincial Department of Economic Development.

The results of this study allow for most of the current CCDI strategic objectives to be evaluated; however the data with which to measure some of the specific goals stated in the objectives is not available. For example, the overall goal of the CCDI - to help the Western Cape craft sector grow at the same rate as annual provincial GDP growth - can be said to have been achieved in part, as the programme has led to a growth in enterprises. However, the data is not available to reliably confirm that this has been at the same rate as provincial GDP growth. Moreover, the current strategic objectives have recently been refined and reflect current intentions for the future. It is therefore inappropriate to identify whether these objectives have been achieved since they refer to future, potential accomplishments.

Nevertheless, the results suggest that the CCDI is meeting many needs for the bulk of its constituency and that crafters who make use of CCDI have experienced many positive impacts in a wide range of areas, including market access, product development, skills transfer, enterprise development etc. The study has also shown that CCDI's influence and interventions have been less beneficial for both the *less* developed and *well* developed sectors of the craft spectrum. CCDI cannot be said to operate effectively across this continuum, thus the stated objectives have been met for some areas of the craft sector – but not for all. In order to address this imbalance, it might be useful for CCDI to clearly define their target constituency in terms of low, medium and high end enterprises, and focus on enterprises that fall within these limits, and to communicate this role clearly. Alternatively, CCDI could develop different sets of strategic objectives that are relevant to each constituency's circumstances.

In order to identify whether the objectives have been achieved in the future, it is essential that future monitoring of the CCDI programme is developed *along with* the strategic objectives so that the monitoring data can be used to evaluate whether the programme has achieved its objectives. The objectives need to be 'measurable' in so far as they can be measured by the monitoring data captured through, and specified by, the monitoring plan. The CCDI needs to dedicate time to reviewing and restating their strategic objectives; ideally in conjunction with a strategy specialist.

