

YourBusiness

The Handbook for SMEs in the Middle East

www.yourbusinessmagazine.com

Qatar Country Guide

BPO - Sharing the Load

Docman Acquired

**Can your Business
be Franchised?**

TiE Dubai

**Management Buy Outs
- Paramount Computer
Systems**

Arte Souk

HOW TO ...

**get best
supplier deal**

**forecast
for your
business**

**HOSPITALITY
CHOICE
PRODUCT AND
SERVICE FIT**

**CASE STUDIES: MORE CAFE + BARAKAT QUALITY PLUS + INDIGO LIVING +
GD MAX + THE HALCROW GROUP + THE BUSINESS BOULEVARD + ARGAAM.COM**



UAE: Dhs 10, Saudi Arabia: SR 100, Kuwait: KD 10, Bahrain: BD 10, Qatar: QR 10, Oman: OR 10, Other Countries: US\$3



ARTE SOUK CRAFTERS AT WORK

Miriam Walsh a felt-maker and Paul Townsend a silversmith founded ARTE - Artisans of the Emirates in 2005. As many craft fairs at that time included a high percentage of imported goods of varying quality and were often produced in bulk, Paul & Miriam decided to set up their own artisan community to showcase the quality work produced by talented individuals living in the UAE. Zoya Malik spoke to them about the ARTE Souk and the opportunities for crafters to sell their products.



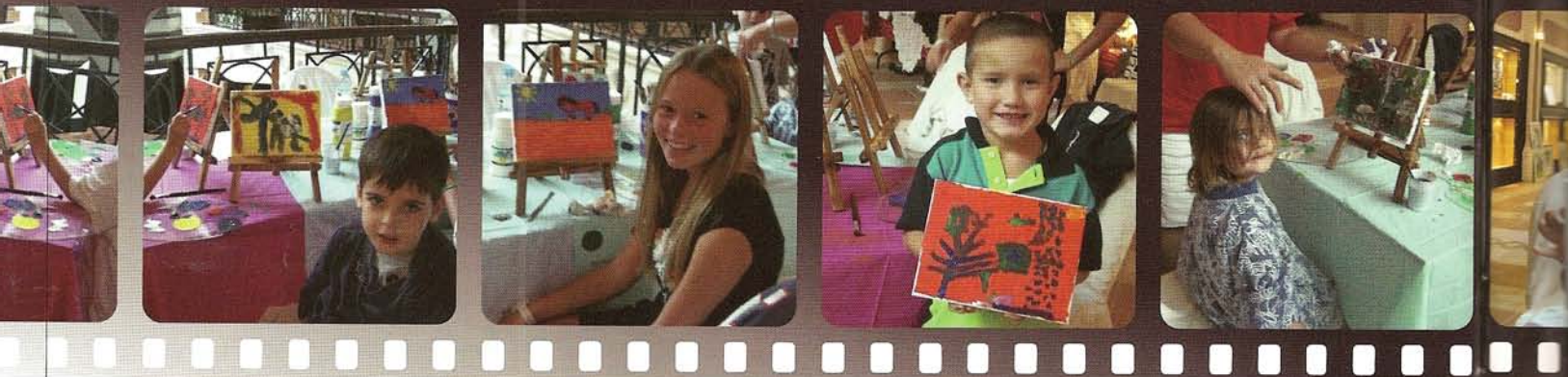
TOP: Miriam Walsh

LEFT: Paul Townsend

In September 2005 supported by the Holiday Centre Mall, 30 artisans held their first ARTE Souk. ARTE has seen a rapid increase in membership since then and now boasts over 485 members, from at least 25 different countries. In the last three months, ARTE has had 170 stallholders. Townsend says, "In December 2007, we held a two day market, some stall holders are new-comers and others are regulars. We charge 150 per table, 5 feet by 2 feet, cloth cover and two chairs. An artist may take up a table or two easels and can rent more than one area."

The ARTE Souk gets a trade license for a day from the Mall, arranged through the Mall PRO as ARTE itself is not a trade licensing organisation, but ARTE does advertise and organise the day's event. There is a strict policy applied by Townsend and Walsh regarding who can become a member in terms of their genuine ability to produce their own goods. The only commercial organisations currently represented are those supplying crafters materials such as The Bead Palace and a couple of scrap-booking material suppliers. Townsend explains, "We stipulate that everything showcased at the souk be made or designed here in Dubai and members have to prove they can make their own products and we have our own methods of checking on this. Of course, we have had to chuck people out several times as they have brought things in from outside and been unable to show any talent for making the items themselves."

He continues, "Ideally what we would like to do is open a shop to sell member's artworks and products. However, the



housing market is hiking up rent prices so that even a small store coupled with the trade license would cost upwards of AED 100,000 as is the prospect of taking a warehouse in order to have a permanent marketplace." Trade licenses can prove expensive during high tourist seasons and festivals. Townsend is adamant that rents too are "killing any young organisation's or operator's dream to have a decent location."

Walsh adds, "We are constantly on the look out for new and exciting Artisans to join us but we cannot succeed without our customers. We have a diverse group of crafters from contemporary silver jewellery makers, haute couture clothing designers, cake makers for occasion cakes, Waldorf dolls, pottery, crochet items, silk & wool felted scarves, felted hats & bags makers plus artists painting in styles ranging from oils, watercolours and acrylics to pencil drawings and 3-d mixed media pieces. The souk offers the ideal venue for gift-hunters, those just looking for locally made quality crafts and a day out." For further interest visit: www.arte.ae

CLASSIC QUILTS

Preethi Janice D'sa interviewed crafters Mala & Shanker Ramakrishnan of Classic Quilts & Quilting L.L.C. who are now successfully selling their produce commercially in the UAE.

J D'Sa: What was your experience setting up? How did you get financed?
CQ: The business concept of Classic Quilts is new to the UAE. We set up shop in June '05. As the activity

of 'Quilting' is not available in the Economy Department as a Business activity, we chose the closest activity to Quilting and pay AED 2000 per annum to use the word 'Quilting' in our company name, since it is treated as a foreign name.

There were no delays in starting up the business. We obtained our license in two weeks of signing the Lease agreement. The hunt for a shop was difficult. You need a lease agreement to register a company. It took us two months to find the current shop. We financed our business from our own resources.

J D'Sa: With whom have you partnered?

CQ: We have set this up on our own. We may consider partners at a later stage when expanding. The reason for going alone is so that we can develop the business at our own speed and make changes or additions as we go, until we are fully established. With a partner, we are likely to have pressure for quick returns. In this type of business, quality is important and developing goodwill in the market takes time.

J D'Sa: Any daily difficulties in running the business?

CQ: Yes, car parking facilities for our customers.

J D'Sa: How far down the company lifecycle is the business at?

CQ: The Company is up and running. We feel we are on the right track. We are about 20% down the road to achieving our vision and target, which is to open a factory to produce Classic Quilts.

J D'Sa: How have you hired your staff?

CQ: We have two staff members from India and Philippines, who have an interest in sewing and are dedicated to their work. We have given them additional training, as skilled labour is not available here.



J D'Sa: What were the difficulties when your business first started?

CQ: Acquiring quality materials was our initial difficulty, which included firstly quality, quilting fabrics - both solids and printed in 100% cotton. We are now agents for Benartex and all our fabric stock are from them.

The other issue was convincing the customer about the pricing of the quilts. The quilts are custom-made in the UAE. The fabrics, the battings (fillers) and the base fabric are all of first quality and are imported from USA. Even the variegated threads we use in some of the quilts for quilting are not available locally and are expensive. We had anticipated this price issue, but we remain in the firm belief that quality products prevail and once our product is well known, there will be a beeline of buyers. At the appropriate time we will focus on branding.

J D'Sa: Tell us more about the Dubai International Quilt Show and any difficulties in organising it?

CQ: The first International Quilt Show (www.quiltsdubai.com) will have a Quilt Competition, five days of Quilting Workshops, and a Charity Quilt making for the Emirates Arthritis Foundation. Finding a place to host the show was by far the most challenging aspect of organising it. We were looking at many venue options. The hotels we visited were asking for minimum guaranteed hotel occupancy. We could not quote a figure. All we could commit was the number of teachers.

J D'Sa: What aspect of the business would you consider to be the most successful part?

CQ: Quilting Services. Selling Bernina sewing machines and Quilting notions. We have had the right percentage of sales on all items.

J D'Sa: How is awareness and explanation provided to people who don't know about quilting?

CQ: Participating in ARTE souks (www.arte.ae) and holding demonstrations at various associations and of course the forthcoming Dubai International Quilting show.

J D'Sa: What were your marketing strategies?

CQ: To open a shop, and during the incubation period to hire staff and train them, create goodwill in the market, establish the product, create a database of customers, visit the Guilds in GCC countries. Once established, we have to brand our product, relocate to an area with better footfall. We may open franchise shops in neighbouring countries and eventually go in for production.

J D'Sa: Are you afraid of failure?

CQ: No. Being a new business with a

concept not known to this market, we have to try and keep afloat with innovative ideas. We were literally 'scratching our heads' when our shop rent went up by 25% with the threat of it going up further every year. But that was solved with taking the agency for Bernina as there was no local agent to service Bernina products. Linking with Bernina has helped us cover the high rental costs until now.

J D'Sa: Classic Quilts is the only quilting business in town. How do you plan to deal with the competition should other quilting businesses open?

CQ: Competition is welcome. We have already made a head start. Mind you each quilt made, is an artwork. So each quilt shop will have its own line of masterpieces for clients to choose from. **YB**

www.classicquiltsdubai.com

RIGHT: Classic Quilt's Charity Quilt for Emirates Arthritis Foundation

