



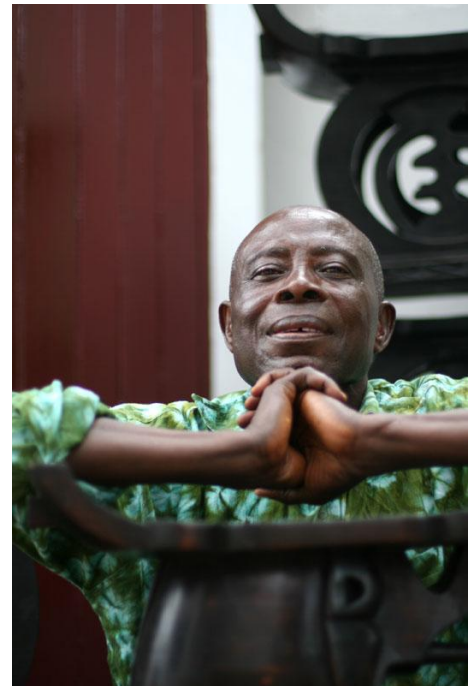
Novica

The Challenge

Most artisans in the developing world lack access to global markets, limiting their potential to expand their businesses and increase their financial stability. Even when artisans' products are sold in international markets, the involvement of intermediaries lowers the amount of income that goes directly to the artisans.

Novica's Solution

Novica is a mission-driven crafts company founded in 1999. It seeks to re-invent the handicraft sector supply chain by connecting artisans in developing nations with global consumer markets using an established international infrastructure. Through regional offices in Brazil, Peru, Mexico, Ghana, Indonesia, Thailand, and India, as well as a fully integrated e-commerce platform, Novica provides artisans with a direct connection to the market. Its partnerships with international organizations (including National Geographic) increase its visibility and diversify its sales through a wholesale channel. By eliminating the intermediaries, Novica enables the artisans to sell their products at a premium and protect their margins.



Social Impact

Novica's business strengthens the crafts export sector in the regions where it operates. Novica's biggest contribution to the artisans is the direct link that it provides to international customers and their preferences. Specifically, Novica designers work with the artisans to help them improve quality and

adapt their products to fit new market trends, producing a dramatic difference in the artisans' ability to sell and grow.

Social Indicators as of Dec. 2009	
Number of artisans in network	15,470
Purchases per artisan	\$280
Number of artisan dependents	61,879
Total beneficiaries	77,349

NOVICA'S IMPACT

Novica has impacted over **2,000 artisan groups** and **15,000 artisans** as part of its global supply chain.

The majority of the artisans are also organized into "artisan workshops" which offer stability, have the means to hire and train employees, and grow production and income. After having achieved a track record of steady sales, these workshop groups can also finance growth through microcredit. After a track record working within the group, individual artisans can improve their

incomes and start their own workshops. Having a stable market for their products allows artisans to build their businesses in a natural, organic manner.



At present, Novica positively impacts 15,470 artisans worldwide. Novica expects this community to grow with the opening of a regional office in Guatemala, where over one million indigenous people engage in craft production. By 2013, Novica expects to select, train, and export the goods of over 5,000 artisan groups from Guatemala.

Partnership with GBF

The Grassroots Business Fund is providing Novica with investment capital and technical assistance to expand its global network of artisans to new countries. GBF's assistance package will include funding for a regional office in Guatemala, as well as Business Development Services (BDS) for participating artisans to develop the skills necessary for improving the quality of their goods. Specifically, the program will provide design advice, trend and fashion guidance, and training on standardization procedures. GBF will also be working with

Novica on measuring the incremental income and additional benefits realized by the artisans as a result of their work with the company.

GBF plans to continue its relationship with Novica by possibly assisting the organization with additional investments in expansion plans to new countries such as Vietnam.

NOVICA'S KEY STRENGTHS

Established IT infrastructure for logistics and e-commerce sales

Recognized brand that attracts both ends of value chain—artisans and customers

Partnerships with organizations that have major international presence like Cost Plus and National Geographic, as well as with major international development investors

Regional presence in a hub system that utilizes the local workforce to manage offices, which allows Novica to connect better with local customers and the artisan community

High volume of sales that enables massive economies of scale and cost saving in shipment and transport

For more information on Novica's products, please visit
<http://www.novica.com>.

