



Commonwealth Women's Affairs Ministers Meeting- Barbados June 2010

Luna Design's Business Experience/ Model

Luna Design is a business registered in Barbados in August 2005 by Gloria Plata-Neira and Ernesto Neira, with US\$ 250, producing environmentally friendly jewellery accessories made out of seeds. In 2006 we started the single mothers programme as an answer to a social change in Barbados.

In 1993 when we came to Barbados for the first time, the family structure rested in the grandmother, who often took care of their grandchildren whilst the mothers were at work. At the beginning of 2000 we realised that this pattern had changed because the grandmothers were too young to be at home and they had their own small children to take care of and even their own children were by themselves at home usually watching TV or with a neighbour looking after them.

It was very easy to witness the change in behaviour of the children in the buses and in the street, to realise the change in the future society.

It was in 2006 when the demand for our products, locally and internationally took off and when we had the idea to organise our production with the single mother working from home.

The environment it has been a very important issue for us for many years. With the opportunity to work with single mothers, it became a very important factor, in order to ensure that the health

of the mothers as well as the kids was not at risk. We only use friendly dyes and friendly processes.

In 2009 we were granted the Sectorial Group Award in Manufacturing and the Entrepreneur of the Year Award by the Barbados Small Business Association.

We never expected this to be the best decision we ever took in our lives. It has been a great reward not only for the business but for our personal lives as well.

Our People

- Management:

Gloria Plata-Neira : Manager and Designer
Ernesto Neira : Operations and Logistics Manager

- Staff:

Tracia Henry : Production Supervisor
Celia Alleyne : Production Assistant
Serita McCollin : Production general worker
Shaka Prescott : Production department
Michelle Bynoe : Administrative Secretary
Asha Prescott : General worker

- Single Mothers working from Home:

Fashion accessories:15.

Paper Mache: 6, expected to have 20. (This is a new programme)

Leather hand bags, expected to have 15 (This programme will start in July)

- Recruitment:

Initially we use media like television, radio and press to inform that we were looking for single mothers that will like to work from home.

Interview and its objectives

1. Find the stratus to which the applicant belongs.
2. How many children they have and their ages.
3. What kind of house they live in.
4. How many people live with her and her children
5. Hand dexterity
6. Education
7. Personality

Home Visits

After the applicant is accepted, we visit their homes in order to find about :

1. the hygiene of the house,
2. the chairs (if they are appropriate),
3. tables (if their table has the right high in relationship with the chair, in order to have adequate and healthy posture
4. light (If there is a need of light to work comfortably)

In case that the hygiene of the house is not the best, we do not recruit the applicant and we give them another appointment to see if they can improve.

If the chairs they have are not comfortable or not appropriate, we repair the ones they have or provide an appropriate one.

The table is usually the main issue because most often they only have one table which is the kitchen table and it is not appropriate for work.

We frequently provide the table which usually we place by a window at the correct height according to the chair.

Light is vital for people who work with there hands, therefore we make sure that during the day there is enough light and a lamp to work at night. If they do not have one, we provide the lamp.

After all this is checked, we proceed to training.

Training

Training takes place at our head quarters and usually takes between 2 to 4 hours per design; all depends of the complexity of the design.

Operation

- **Processing raw materials for Jewellery Accessories:**

This process takes several months do to because of the drying process required for the seeds to be ready to be used in the in the manufacture of the jewellery.

The human recourse needed in this step varies between 3 to 4 persons and it is usually done in house.

- We harvest the seeds
- Peel them
- Dry them
- Cut in different shapes
- Dye with natural dyes (This process takes place after the colour scheme is decided by the designer)
- Drying process for the dyes
- Perforation

Designing

Usually we create an annual collection that implies a theme and colour scheme, the perforation and different cuts are planned at this stage. The designer will provide a production sheet per design, where the following points are stipulated:

- Colour combinations
- Length of cord
- Type of seeds and cuts
- Quantity and type of cut of seeds per piece.
- A picture of the design

This process requires 1 person

Production

- We have a production Supervisor in house and a production assistant that are in charge of putting the parts into a plastic bag with each specific design.
- When the set up of kits is finished, the production supervisor fills up a form that describes the design, the colours, the quantity of pieces, the price paid per piece and the total payment that the single mother will receive for the job described. This form also registers the name of the single mother, the date she received the job, the day of expected delivery and the signature for receiving the payment.
- The single mother receives the work.
- At delivery time we proceed with quality control.
- If there is any piece not done correctly, it is returned to the single mother to be repaired.
- After the quality control takes place, a copy of the production document is giving to the Administrative Secretary which proceeds to add the new pieces into inventory.
- We pay per piece and we subsidise their transportation as well.
We use the following method to calculate how much to pay per piece:
We take a basic salary of US\$ 800, divided by 160 hours of the month, and this by the 60 minutes of the hour. This is our basic payment by minute; this is multiplied by the average time necessary to produce a piece.
Each design has a basic rate of payment.
- We pay on Fridays.

- **Processing raw materials for Paper Mache:**

We call offices, government offices, friends etc to collect newspapers for us.

Designing

We are constantly creating new designs which go from bowls and picture frames to furniture.

- The design of the new item is drawn.
- A mould is then made.
- A template of the type of paper cut is made.

This process requires 2 persons

The designer will provide a production sheet per design where stipulated:

- Definition of thickness
- Colour
- Patterns in the colour

This process requires 1 person

Production

- Mould production (we require more than 5 moulds per design)
- Cutting paper according with design
- Preparing the two glue components
- Packaging the two component glues
- Training the single mothers for the process in the new design.
- Delivering the mould, paper and glue to the single mothers.
- If they have any problem we visit them to see what is happening and advise them of the correct way to do it.
- Receiving work and checking for quality control
- Drying process
- Sanding Process (This job takes place in our workshop mainly because it is a dangerous process for health, specially the children's health)
- Polishing process (This job take place in our workshop)
- Painting (This job take place in our Workshop usually by a man)
- Drying process

- Packaging
- After the quality control takes place, a copy of the production document is given to the Administrative Secretary which proceeds to add the new pieces into inventory.
- We pay by piece and subsidise their transportation costs as well.
- We use the following method to calculate how much to pay per piece: We take a basic salary of US\$ 800, divided by 160 hours of the month, and this by the 60 minutes of the hour. This is our basic payment by minute; this is multiplied by the average time necessary to produce a piece.
- Each design has a basic rate of payment.
- We pay on Fridays.

What we do different from regular business models?

- In special circumstances, for instance, if one of the mothers that work in the office receives a call from school letting them know that their child is not well or in days that the children do not have classes, we have an extra room with 2 beds, games, paper, pencils and television where the children of the staff could rest or play. This way the mothers can take care of the children, eat with them and talk to them while they are working. This room is used on Fridays, payment day, as well when the mothers come to the office with their children.
- Payment day is an opportunity to know how they and how their children are doing in general and if they have any needs that we could help them with.
- When we know of special circumstances at home like that the children are getting sick too often, we quietly try to find out what the regular menu at home is and if we see there is a lack of fruit and vegetables we will provide them with vitamins for a short period of time. Normally the children recuperate very soon after.

- When a single mother comes all black and blue, we hear them, most of the time it is the father of the children who hurts them. We proceed to give them a telephone number that they can call in case they want assistance for themselves and for the children and in case that they want to go away from this man, this organization can offer them the opportunity to a secret house and new location as well.
- There are times when the mothers either don't feel well or by any other circumstance they are not able to make enough production for the week. We try very gently to suggest if they will like to have some groceries or simply give them some groceries and we say are for the children, things like oats, bread, cheese, milk etc.
- We have 38 children in total and some of them suffer from asthma. We have 2 air purifiers that are available to them when they need it for a period of time. One of our staff members suffers from asthma and we have one of the air purifiers in the office for her.
- We promote chats in office on Fridays in order to hear them and interchange a vision of life and how to deal with the children etc. This is a very important time because it generates confidence, a sense of belonging and encourages a good relationship in general.
- We use the opportunity to meet the children on Fridays to talk to them as well and as regular practice we define careers for them as a game, so we identify the future prime minister, the lawyer, the doctor, the nurse and we encourage them to let us know what they want to be when they grow up. We believed that with this practice the mothers and the children will start thinking of a better future.

Luna Design's Key Challenges and Constraints

- **Finance:**

- 1. Cash Flow:**

The single mothers must be paid every Friday, regardless of the season or the sales and orders which the business generates. This certainly creates a cash flow problem which could be solved with enough capital for marketing in order to increase international sales. This way the business could grow, giving more income to the single mothers already in the programme and provide jobs for all those mothers in the waiting list.

- 2. Banking**

We do not have collaterals; therefore we can't access bank loans or bank overdrafts.

- 3. Access to government grants:**

We have difficulty to access government grants or any other grants. We need assistance to fill the forms and protocols required.

- **Management:**

1. Our team is comprised of only two people which is a big constrain in order to manage the business:

- General Management

1. Accounting
2. Finance
3. Human resources
4. Managing projects
5. Follow up the direction of the business
6. Inventory

- Marketing Manager
 1. Sales department, national and international
 2. Publicity
 3. Promotions
 4. Customer services
 5. Packaging
 6. Promotional material
 7. Branding

- Production Manager
 8. Acquisition of raw materials
 9. Processing of raw materials
 10. Set up production according to designs
 11. Keep inventory of raw materials and production updated.
 12. Keep maintenance of the tools and machinery require in the production.
 13. Packaging.
 14. Fulfil orders on time
 15. Look after production in house and out of house.
 16. Quality control in all processes.
 17. Refinement of procedures.

At this point, the business requires at least a General Manager that will free us in order to concentrated in design, production and marketing. In order to reach this goal we need funding for marketing that will generate the income necessary to hire the proper professionals we require.

- Space

We need a larger working space in order to grow and provide better work environment for our employees and the production structure in order to incorporate new lines that will produce employment to more single mothers.

- Delivery system to the single mothers
Some of our single mothers live far from our studio or have more than 3 children to take care of; therefore reaching us more than once in a week is a mayor difficulty do to the time they have to spend in the transportation system. We could improve the income to these ladies if we could afford a new car and a new employee that would take charge of the delivery system for the single mothers that live far from headquarters. We want to work with them as well.

- Business transportation
The company does no posses a car. We use our own car which is very small for the company's needs, it is not enough for the service we need to provide to our clients and to the single mothers.

3. How can policy makers or governments do more for a business like this?

1. Create a law which suits this kind of structure of business where the centre of the organization is the family, consequently the children. This law has to protect the time the mothers need with their children when they are ill or the time required with them, without causing any problems with their employers.
This law has to emphasize the kind of produce and supplies that the single mother is bringing home: Non toxic materials only, products that do not put in risk the safety of the children and the mother.
Stimulate the production of environmentally friendly products.
2. Adapt the customs department laws for duty free concessions on raw materials, cars, and any other specific needs for this kind for the business. The actual law in Barbados does not recognise Luna's production model as manufacture, therefore it forced us to bring into the studio some of the process of manufacturing in order to be granted the duty free policy for raw materials and machinery.
In order to stimulate businesses like Luna's model, it is important to grant duty free concessions for cars as it is done for the agricultural sector in Barbados.

3. The government must provide industrial locations for social oriented business with low rent and electrical facilities for machinery as well as ventilation systems and any other requirements, according to the line of production.
4. Provide grants for starting business and with them, officers that can help to process these documents and at the same time guide the entrepreneur for better processes.
5. Create grants for the existing business in the areas most needed and provide at the same time officers that can help to full fill the required documentation, in order to open marketing opportunities.
6. Created grants for the existing business in any area in need and provide at the same time officers that can help them to fill the required documentation. This grant documentation most of the time is very complicated information to put together for small business entrepreneurs.
7. Offer marketing grants that facilitates the regional expansion of the business when ready or to point to philanthropist that are interested in this model of business and are ready to invest.
8. Give these companies a tax vacation from 5 to 10 years.
9. To strengthen training programmes for entrepreneurs that choose this model of business:
 - In sociology (in order to know how to deal with women or men according to personal circumstances even to offer the services of social workers that could work hand in hand with the entrepreneur to make the life of the women and men more comfortable economically and psychologically),
 - Technical training in administration and basic accounts as well as product development.
10. To support the entrepreneurs inviting the banks to offer low rate loans and overdraft facilities.
11. To implement E-commerce facilities in Barbados.