

THE PENNSYLVANIA STATE UNIVERSITY  
SCHREYER HONORS COLLEGE

DEPARTMENT OF AGRICULTURAL ECONOMICS, SOCIOLOGY, AND EDUCATION

A COMPARATIVE ANALYSIS OF NICRAGUAN POTTERY VALUE CHAINS

THOMAS BREWTON  
SPRING 2018

A thesis  
submitted in partial fulfillment  
of the requirements  
for a baccalaureate degree  
in Marketing  
with honors in Community, Environment, and Development

Reviewed and approved\* by the following:

Theodore R. Alter, Ph.D.  
Professor of Agricultural, Environmental and Regional Economics  
Thesis Supervisor, Honors Adviser

Nicole Webster, Ph.D.  
Associate Professor of Youth and International Development  
Faculty Reader

\* Signatures are on file in the Schreyer Honors College

## ABSTRACT

Hundreds of artisans live in isolated communities in Nicaragua who have been given the gift and responsibility of carrying on their ancestral tradition of producing handmade pottery. Today, the potters are challenged more than ever before to uphold and preserve their artistry while also securing economic stability. The potters' challenge of maintaining a quality of life while preserving their cultural heritage has become more complex throughout the past century due to political unrest, fluctuations in economic and foreign policy, globalization, environmental concerns, and many other factors.

In my thesis, I examine multiple Nicaraguan pottery value chains with the purpose of identifying ways that Nicaraguan potters in isolated communities can improve their joint actions with other value chain participants to maximize sustainable income growth. I first assess a pottery community in which many potters have been able to leverage their joint actions to position themselves along their value chain in ways that have sustained or increased their profitability. In addition to conducting a value chain analysis of this established pottery community, I also assess the value chains of four isolated pottery communities. By taking an asset-based community development approach to my research, I strategically framed my research objectives so that I could learn from the potters in the more established community and apply my findings and analysis to the potters in the more isolated communities.

The results of my research verified in multiple ways that all Nicaraguan potters are positioned in buyer-driven value chains, which significantly influences the distribution of power amongst the potters, their buyers, and other value chain participants. As a result, the potters are pressured to primarily focus on meeting their buyers' needs. While the potters need to satisfy their buyers, this pressure can limit their opportunities to upgrade along their value chain. However, if the potters take a holistic stance of their positioning along their value chain, they can leverage their joint actions with all of their value chain participants to fulfill upgrading opportunities that would help them to sustain or increase their profitability.

Additionally, my research proved that there is a hierarchy in regards to the types of upgrading achieved by Nicaraguan potters. First, they primarily pursue upgrading opportunities that address their production process and product improvement. By prioritizing process and product upgrading, the potters are able to efficiently produce high quality products that please their buyers and sustain their income. Once the potters are satisfied with their production process and product improvement, they can typically focus on other types of upgrading that allow them to manage another role in the product cycle, sell their work in new markets, or create entirely different work other than pottery.

In summary, my thesis examines the intersection between the potters' relationships with other value chain participants and the potters' ability to advance their positioning along their value chains. While my findings and analysis of the potters from the established community standardize my work, I tailor the application of my findings and analysis from the established community to the potters from each isolated community. By achieving this, I fulfilled my

research objectives for my thesis. While I consider my thesis to be completed upon submission, I do not consider the research process as a whole to be finished at this point. I believe that I have a responsibility to bring back key insights of my thesis to the Nicaraguan potters using a language, rhetoric, and medium that will be engaging to them. By seeing the research process into completion, I get to offer my expert knowledge to the Nicaraguan potters in a way that they can understand and apply it themselves.

## ACKNOWLEDGEMENTS

I would like to thank all the Nicaraguan potters who graciously welcomed me and allowed me to interview them.



I would like to thank Robert Pillers and Alvaro Aburto from Potters for Peace for making my trip to Nicaragua possible.



I would like to thank Yamileth Perez from Esperanza en Acción for enabling me to interview several potters from San Juan de Oriente and assisting me throughout my trip.



I would like to thank Pooja Arya and Lindsey Kircher who served as my research assistants and provided a great deal of support.



I would like to thank my thesis supervisor, Ted Alter, whose guidance and wisdom encouraged me to uphold both expert and local knowledge.



I would like to thank my family and friends who supported me along the journey of developing and writing my thesis.

## **PREFACE**

I would like to preface my thesis by acknowledging my biases and explaining why this topic is so important to me.

I have been making pottery since I was in high school and I absolutely love it. My passion for this form of artwork had made me look at pottery in an entirely different way. Whenever I get the chance to hold a piece of pottery in my hands, I try to visualize the steps that the potter had to take in order to make the piece. My passion for pottery has made me appreciate not only the finished product, but also the talented artists whose hands molded each piece.

In high school and college, I have had the privilege of serving on various short-term international service trips. Because of these trips and my passion for pottery, I was encouraged to learn about international community development initiatives that target indigenous artists' populations. This lead me to learn of several US-based nongovernmental organizations that focus on empowering local artisans in Central America by building long-term relationships and improving their economic wellbeing.

In college, I decided to major in Marketing with honors in Community, Environment, and Development. Because of my passion for pottery, marketing, and community development, I designed my thesis to elucidate critical insights that can enhance the economic opportunities of Nicaraguan potters, especially those in isolated communities. As a result, I designed my thesis to complement my personal values of advocating for the economic wellbeing of Nicaraguan potters in isolated communities.

## TABLE OF CONTENTS

ABSTRACT.....	i
ACKNOWLEDGEMENTS.....	iii
PREFACE.....	iv
LIST OF FIGURES.....	viii
LIST OF TABLES.....	ix
INTRODUCTION .....	1
VALUE CHAIN ANALYSIS, UPGRADING, AND JOINT ACTIONS .....	3
Introduction to Value Chain Analysis.....	3
Goal of Value Chain Analysis: Upgrading .....	4
How to Upgrade.....	8
HISTORY OF NICARAGUAN POTTERY .....	11
Somoza Dictatorship .....	11
The Rise of the Sandinista Liberation Front and the Birth of an Art Movement.....	11
Contra War.....	12
RESEARCH OBJECTIVES AND METHODS .....	13
SAN JUAN DE ORIENTE.....	24
Introduction.....	24
Community Profile.....	24
Potter Profile: Juan Paulino Martinez .....	26
Potter Profile: Filipe Potosme .....	30
Potter Profile: Horacio Salazar.....	33
Potter Profile: Doña Vidalia and Demaris Hernandez .....	35
Potter Profile: Esperanza de Jesus Potosme Lopez.....	37
Potter Profile: Osvaldo Noel Potosme Martinez.....	40
Potter Profile: Darwin Calero.....	42
Potter Profile: Jacobo Potosme .....	45
META-ANALYSIS ACROSS POTTERS FROM SAN JUAN DE ORIENTE .....	48
Verification that the Potters are Positioned in a Buyer-Driven Value Chain.....	48
Themes Across Potters from San Juan de Oriente .....	49
DUCUALE GRANDE.....	63
Introduction.....	63

Community Profile.....	63
Potter Profile: Doña Wilma Guevarra Centeno and Doña Santos de Jesus Guevarra Martinez.....	64
Application of Meta-Analysis across Potters from San Juan de Oriente to Doña Wilma Guevarra Centeno and Doña Santos de Jesus Guevarra Martinez .....	67
<b>SANTA ROSA.....</b>	<b>79</b>
Introduction.....	79
Community Profile.....	79
Potter Profile: Isidro Zavala Perez and Maria de los Angeles Gutierrez .....	80
Application of Meta-Analysis across Potters from San Juan de Oriente to Isidro Zavala Perez and Maria de los Angeles Gutierrez .....	84
<b>LA MAYSUTA .....</b>	<b>97</b>
Introduction.....	97
Community Profile.....	97
Potter Profile: Douglas Nahum Lopez Bautista .....	98
Application of Meta-Analysis across Potters from San Juan de Oriente to Douglas Nahum Lopez Bautista.....	100
<b>LOMA PANDA .....</b>	<b>110</b>
Introduction.....	110
Community Profile.....	110
Potter Profile: Maria Marta Hernandez Muños and Carmen Hernandez Corales .....	111
Application of Meta-Analysis across Potters from San Juan de Oriente to Maria Marta Hernandez Muños and Carmen Hernandez Corales.....	114
<b>META-ANALYSIS ACROSS POTTERS FROM ISOLATED COMMUNITIES ....</b>	<b>126</b>
Verification that the Potters are Positioned in Buyer-Driven Value Chains .....	126
Application of Meta-Analysis across Potters from San Juan de Oriente to Potters from Isolated Communities.....	127
<b>DISCUSSION AND IMPLICATIONS .....</b>	<b>133</b>
<b>FUTURE RESEARCH OPPORTUNITIES .....</b>	<b>138</b>
<b>CONCLUSION.....</b>	<b>141</b>
<b>APPENDIX A .....</b>	<b>143</b>
<b>APPENDIX B .....</b>	<b>144</b>
<b>APPENDIX C .....</b>	<b>146</b>
<b>APPENDIX D.....</b>	<b>149</b>

APPENDIX E .....	150
APPENDIX F.....	152
BIBLIOGRAPHY .....	153



**TABLE OF FIGURES**

Figure 1: Main Characteristics of Producer-Driven and Buyer-Driven Global Commodity Chains (Gereffi G. , 1999).....	4
Figure 2: Forms of Joint Action in Clusters (McCormick, 1998).....	9

## LIST OF TABLES

Table 1: Thematic Clusters Associated with Upgrading and Joint Action for Potters from San Juan de Oriente.....	134
Table 2: Thematic Clusters Associated with Upgrading and Joint Action for Potters from Isolated Communities .....	136

## INTRODUCTION

Given my preface, I designed my thesis to elucidate critical insights that can enhance the economic opportunities of Nicaraguan potters, especially those in isolated communities. Regardless of my biases that have encouraged me to design my thesis this way, I would like to offer other reasons why this approach is important to consider.

Potters for Peace and Esperanza en Acción are two US-based nongovernmental organizations that are dedicated to empowering local artisans in Central America by building long-term relationships and improving their economic wellbeing. I offer more information about these two organizations in my “Research Objectives and Methods” chapter as they offered great assistance throughout my research process. According to Potter’s for Peace’s website, one of the reasons that the organization is dedicated to empowering local artisans is so that they can help preserve cultural traditions that have been passed down from generation to generation. (Potters for Peace, 2018) Nicaraguan potters often work in family units, and have been making pottery for centuries. A challenge that both of these organizations address is the tension between assisting the potters to preserve the cultural integrity of their work and introducing new techniques to the potters to help make their work economically sustainable. (Esperanza en Acción, 2018) Furthermore, Nicaragua’s political, economic, and environmental conditions have posed great difficulty for local artisans to penetrate sustainable income streams. In my “History of Nicaraguan Pottery” chapter, I explain some of the major milestones in Nicaraguan history that have influenced art production. Fundamentally, Potters for Peace and Esperanza en Acción support the Nicaraguan potters because the staff of the organizations value the preservation of Nica art and the economic wellbeing of the potters. Through my research process, I was able to learn and see how staff from these organizations build long-term relationships with the Nicaraguan potters to full their missions.

While Potters for Peace and Esperanza en Acción are primarily focused on developing relationships with ingenious artisans, my research takes a broader perspective by assessing potters’ relationships with their suppliers, other artists, and post-production stakeholders. By taking a multi-stakeholder perspective, I was able to assess how Nicaraguan potters in isolated communities are positioned along their value chains. I explain key terminology, like value chains, in my “Value Chain Analysis, Upgrading, and Joint Actions” chapter, but here is a brief summary.

It is critical for a producer to understand where along in the product cycle is value added. Obviously, there is tangible value added when the producer makes the product. However, other questions that the producer needs to consider are, “How valuable were the resources that went into producing the product?” and “Who else is involved in getting the product to the final buyer?”. Suppliers, producers, and post-production stakeholders all contribute in some capacity to the value-added in a product. The more value that a stakeholder can contribute to the overall product, the more power the stakeholder holds in the value chain.

All the stakeholders who play a role in creating and transporting the product to the final buyer make the product’s value chain. In my research, I conducted a value chain analysis by assessing

pottery's relationships with other members in their value chains. The purpose of my thesis is to identify ways that Nicaraguan potters in isolated communities can improve their joint actions with other members in their value chains to maximize sustainable income growth. The potter's interactions with other members in their value chains are referred to as joint actions. The process of improving one's position along a value chain is referred to as upgrading. Although the scope of my research required me to consider a multi-stakeholder perspective, I designed my thesis to complement my personal values of advocating for the economic wellbeing of Nicaraguan potters in isolated communities.

From a value chain perspective, Nicaraguan potters in isolated communities are vulnerably positioned. While the potters can often produce high-quality work, they have limited market accessibility because of they are geographically remote. As a result, they can easily be taken advantage of by intermediaries who pressure them into lowering their prices. While I consider the potters as the most important members in their value chains, the distribution of power amongst each member of the value chain does not reflect my stance.

In order to identify ways that Nicaraguan potters in isolated communities can upgrade in their value chains by improving their joint actions, I developed and completed four research objectives. First, I determined how the potters from San Juan de Oriente have upgraded specifically due to their joint actions with other members in their value chain. This community is well known for its pottery and as a result, grounds my thesis research. Second, I conducted a thematic analysis that uncovered collective insights into the joint actions between potters in San Juan de Oriente and other members in their value chain. Third, I determined how potters from a selection of isolated pottery communities in Nicaragua have upgraded specifically due to their joint actions with other members in their value chains. Lastly, I identified ways that the potters from the isolated communities can upgrade in the future by applying the thematic analysis of potters from San Juan de Oriente to the potters from the isolated communities.

To summarize my research objectives, I learned how potters from San Juan de Oriente have upgraded overtime because of their joint actions with their value chain participants, and applied their key insights to potters from a selection of isolated pottery communities. Given my passion for sustainable community development practices, I grounded my research by acknowledging that the potters know more than I do about their craft and their economic context. This is why I learned from the potters in San Juan de Oriente and applied their knowledge to the potters in isolated communities. Because of how I framed my research objectives, I was able to learn from the potters, analyze my findings, and formally present the information in my thesis.

## **VALUE CHAIN ANALYSIS, UPGRADING, AND JOINT ACTIONS**

### **Introduction to Value Chain Analysis**

As globalization is on the rise and technology advances, firms need to be continuously mindful of their positioning with respect to all the stakeholders responsible for developing their products and sending them to the end consumer. Additionally, firms need to account for the power distribution among stakeholders who each hold different responsibilities of the production and distribution process. In a competitive market, a firm has to account for many relationships in order to sustain and increase market share.

Rather than only assessing a firm's core competencies or capabilities, conducting a value chain analysis requires examining the positioning of a firm amongst the other stakeholders required to make, distribute, and sell its product. Each of these stakeholders manage a specific function of the product cycle and hold a certain amount of influence in the value added to the product. (Kaplinsky & Readman, 2001)

### **Distribution of Power and the Types of Value Chains**

The distribution of power among members of a value chain is different from one chain to another. When there is one member of the value chain who holds the majority of the power, this member is referred to as the governor. According to Gereffi, the two main types of value chains that have a governor are producer-driven and buyer-driven value chains. The producer in a value chain will often be the governor if the given industry requires significant financial investments and highly technical inputs. As for buyer-driven value chains, it is important for the wants and needs of the buyer to be passed down to the producer. Hence research, design, and sales are core competencies of this value chain. Buyer-driven value chains appear most often in labor-intensive, consumer goods industries whereas producer-driven value chains often appear in capital- and technology-intensive industries. Nicaraguan potters can be positioned in a buyer-driven value chain as they fit the main characteristics, which are listed in the chart below. (Gereffi & Korzeniewicz, 1994)

**Figure 1: Main Characteristics of Producer-Driven and Buyer-Driven Global Commodity Chains (Gereffi G. , 1999)**

	Producer-Driven Commodity Chains	Buyer-Driven Commodity Chains
Drivers of Global Commodity Chains	Industrial Capital	Commercial Capital
Core Competencies	Research & Development; Production	Design; Marketing
Barriers to Entry	Economies of Scale	Economies of Scope
Economic Sectors	Consumer Durables Intermediate Goods Capital Goods	Consumer Nondurables
Typical Industries	Automobiles; Computers; Aircraft	Apparel; Footwear; Toys
Ownership of Manufacturing Firms	Transnational Firms	Local Firms, predominantly in developing countries
Main Network Links	Investment-based	Trade-based
Predominant Network Structure	Vertical	Horizontal

In my research, I verify that that Nicaraguan potters are positioned in buyer-driven value chains. For supporting evidence see the section titled, “Verification that the Potters are Positioned in a Buyer-Driven Value Chain” in my “Meta-Analysis across Potters from San Juan de Oriente” chapter.

### **Goal of Value Chain Analysis: Upgrading**

Value chain analysis prioritizes how relationships between the firm and other members of the value chain can improve rather than focusing solely on the advancement of a firm’s internal operations. Analyzing a firm with this approach provides a holistic view of the product cycle and determines the distribution of power among members of the value chain. By understanding how the product is made and sold, and by knowing who is responsible for each function of the process, a firm can identify ways to improve its positioning in the value chain with the objective of generating sustainable income growth. This process of altering the positioning of a firm to achieve an economic incentive is known as upgrading. (Kaplinsky & Readman, 2001)

## Types of Upgrading

In order to achieve the purpose of my thesis, I need to learn how Nicaraguan potters have positioned themselves in their value chains to maximize sustainable income growth. Efforts made by the potters to alter their position in their value chains to increase their profits can be categorized as types of upgrading. According to Kaplinsky, there are four types of upgrading, which are listed below. (Kaplinsky & Readman, 2001)

1. **Process Upgrading:** Occurs when a firm (will be referred to as a potter) improves the internal operations of its business to increase efficiency and reduce costs. An example of process upgrading is when a potter implements a new production method that enables the potter to be more efficient with his or her time while sustaining or improving quality control.
2. **Product Upgrading:** Occurs when a potter advances the quality of the pottery resulting in a stronger appeal from the potter's target market. A well-functioning value chain is structured so that consumer preferences can be passed down to the producer. The pressure to appeal to customer preferences is applied to all levels of the value chain. Not only may the customers offer price premiums, but they may also offer technical and design assistance to the producer. (Dunn, Sebstad, Batzdorff, & Parsons, 2006) An example of product upgrading is when a potter receives product feedback from their final buyers. The potter then adjusts his or her products so that they are more aligned with the buyers' preferences.
3. **Functional Upgrading:** Occurs when a potter takes on more roles of the value chain other than making pottery. The potter is encouraged to manage more positions to cut out the role of market intermediaries, who can limit the potter's income. The additional responsibilities can often require the potter to master new skills related to marketing, design, and product development, which can make functional upgrading difficult to achieve. (Dunn, Sebstad, Batzdorff, & Parsons, 2006) An example of functional upgrading is when a potter decides to transport his or her work to a market and sell the pieces directly to the end customers, rather than selling his or her work to an intermediary. Not only would this additional responsibility require the potter to transport his or her work, but it would also require the potter to learn skills in marketing, pricing, and sales.
4. **Chain Upgrading:** Occurs when a potter enters a new value chain. An example of chain upgrading is when a potter decides to also make woven baskets. The members of the value chain responsible for the process of creating, distributing and selling woven baskets are likely entirely different from the value chain that the potter is involved in originally.

According to Elizabeth Dunn, there is another type of upgrading called channel upgrading, which occurs when a potter enters a new market with the same type of pottery. (Dunn, Sebstad, Batzdorff, & Parsons, 2006) For example, channel upgrading could occur for potters when they decide to expand their market accessibility by selling to intermediaries directly from their

workshop in addition to selling to the final customers at various art fairs. The number of channels in which the potters sell their work through increases.

### **Upgrading as a Hierarchy**

According to Kaplinsky, the types of upgrading can be organized as a hierarchy in which a firm begins with process upgrading to maximize profits. Once a firm increases efficiency of its operations, the firm can address product upgrading. Once a firm can target and incorporate the market preferences into the production of its work, the firm can acquire more functions of the value chain. (Kaplinsky & Readman, 2001) Elizabeth Dunn places channel upgrading after functional upgrading in the hierarchy. When a firm oversees multiple functions of a value chain, the firm increases its profits because more of the value generated by the value chain belongs to the firm. Additionally, the firm can shift more nimbly from one market to another when the firm oversees multiple functions of the value chain. As a result, the risks associated with testing new markets decrease. The final level of upgrading is chain upgrading, which is referred to as intersectoral upgrading by Elizabeth Dunn. (Dunn, Sebstad, Batzdorff, & Parsons, 2006) I will refer to the final level of upgrading as intersectoral upgrading for the remaining of this paper.

### **Forms of Incorporation of Producers into the Global Markets**

As a firm upgrades overtime, its products may have the opportunity to access the global market. According to Kaplinsky, there are four primary ways producers can enter the global market, which are listed below. (Kaplinsky & Readman, 2001)

1. Arms-length relationships: Producers and buyers are independent. Their relationships are impersonal.
2. Network Relationships: Producers collaborate in order to penetrate global markets.
3. Quasi-hierarchical Relationships: The producers and buyers interact in a long-term relationship in which either the producers or the buyers represent the dominant figures in the value chain. This dominant figure is referred as the governor who determines scale of production, quality standards, and other significant factors influencing the value chain.
4. Hierarchical Relationships: A traditional value chain structure in which each member of the value chain influences or manages the members of the value chain underneath their role.

Of the four forms of incorporation of producers into the global markets, potters in San Juan de Oriente who have access to the international market engage in quasi-hierarchical relationships with their international buyers. The international buyers act as the governors primarily because the potters are positioned in a buyer-driven value chain. According to Gereffi, the core competencies of buyer-driven commodity chains are marketing and design. (Gereffi G. , 1999) As a result, the international buyers govern the quality standards of the pottery that the potters need to meet. For Nicaraguan potters who have access to the international market, process upgrading is critical so that their work can be shipped successfully.



## **Upgrading is Not a Linear Progression**

It is important to note that that upgrading does occur in a linear progression from one type of upgrading to the next. (Dunn, Sebstad, Batzdorff, & Parsons, 2006) Product upgrading is often interconnected with other types of upgrading. For example, in order for a potter to achieve channel upgrading, he or she will likely have to adjust their products. This is because one type of pottery will not appeal to any accessible market. Additionally, when a potter achieves functional upgrading by taking on the responsibility of the intermediary, the potter will have direct access to customer feedback, which would enable the potter to achieve a greater level of product upgrading. Furthermore, the potter may have to adjust the processes he or she uses depending on the degree of change required to please his or her customers. As you can see, the types of upgrading are interconnected. As a result, they all play an important role in the advancement of the potters' positioning in their value chains. However, some are more important than others in the context of small to medium enterprises (SMEs) in Latin America.

## **Types of Upgrading Most Relevant to SMEs in Latin America**

Quasi-hierarchical chains is a type of framework to show how producers are incorporated into the global market. "...Humphrey and Schmitz (2000) discuss the prospects of upgrading with respect to the pattern of value chain governance...[and] conclude that participation in a quasi-hierarchical chain offers very favorable conditions for process and product upgrading, but hinders functional upgrading." (Pietrobelli & Rabellotti, Upgrading in Clusters and Value Chains in Latin America, 2004, p. 5) Humphrey and Schmitz defend their claim by analyzing the case of the Sinos Valley shoes producers in the South of Brazil. Between the late 1960's and the late 1980's, the Sinos Valley shoe market expanded to buyers in the United States. The producers improved their process standards and product quality, while their buyers were responsible for market knowledge and export logistics. Unfortunately, when the shoemakers developed a collective strategy to achieve functional upgrading, their export manufacturers did not support them. (Humphrey & Schmitz, 2000) "Advancing into design and marketing was feared to upset the relationships with their main foreign buyer...More evidence is needed from other clusters which operate mainly in quasi-hierarchical chains but the hypothesis is clear: in such chains, functional upgrading is limited." (Humphrey & Schmitz, 2000, p. 23) Although producers can learn a great deal from their international buyers about ways to improve their process standards and product quality, they can often be hindered in functional upgrading. (Humphrey & Schmitz, 2000)

In a buyer-driven value chain, the buyer is similar to the governor in a quasi-hierarchical value chain. Based on the support of Humphrey and Schmitz, I hypothesize that Nicaraguan potters are in a favorable position for process and product upgrading, but are limited in functional upgrading. Refer to my "Discussion and Implications" chapter to learn which types of upgrading are more common for Nicaraguan potters to achieve.

## **Factors that Affect Opportunities for Upgrading**

Many factors can affect opportunities for upgrading. If firms do not have sufficient access to capital, they will not be able to invest in product and process development. As the physical and

social distance between firms and their markets increase, the cost of inputs increase and the profits of the firms fall. Another important factor is the ability to relay product feedback from the end market back to the producers. This ties to the distribution of power amongst the members of a value chain and how the members exchange information. Gender is another factor that can determine firms' ability to upgrade as it can influence money management, business practices and value chain relationships. Lastly, trust among firms is critical for firms' ability to upgrade. (Marketlinks, 2017) I address these factors in my analysis.

### **Factors that Determine which Opportunities for Upgrading Should be Selected**

I acknowledge that my findings and analysis of potters from San Juan de Oriente is not entirely applicable to the potters from the isolated communities. One reason for this is that there are many factors that determine which opportunities for upgrading potters from the isolated communities should choose. In my thesis, I do not propose which specific upgrading opportunities potters in isolated communities should pursue in the future. In my "Future Research Opportunities" chapter, I explain how I think the potters in the isolated communities could prioritize their upgrading opportunities.

For now, here are some key factors that the Nicaraguan potters in the isolated communities should consider when selecting which upgrading opportunities to pursue. I reference this section of my thesis in my "Future Research Opportunities" chapter. Because it can often be difficult for micro and small enterprises (MSEs) to save their profits, the potters' selection of upgrading opportunity may be limited. The level of risk associated with each upgrading opportunity is another significant factor that the potters should consider. The amount of time required for the potters begin receiving a return on their investment can influence the upgrading opportunities they select as well. The potters need to determine whether short-term or long-term profits are more important to them, which relates to the determining factor of sustainability. The extent to which the potters have access to information and technical assistance from other members in their value chains can influence whether the potters have the capacity to upgrade in specific ways. Lastly, the unique social and cultural contexts of the potters heavily determine the selection of their upgrading opportunities. (Marketlinks, 2017) These factors all play a role in influencing which upgrading opportunities Nicaraguan potters in the isolated communities should prioritize.

### **How to Upgrade**

#### **Importance of Inter-firm Relationships**

Because value chain analysis assesses the relationships among members in the value chain, it emphasizes the importance of social capital. (Marketlinks, 2017) According to Kaplinsky, the key capability that enables a firm to upgrade is the capacity to innovate and to ensure continuous improvement in product and process development. (Kaplinsky & Readman, 2001, p. 23) By intentionally developing mutually beneficial relationships with other members in the value chain, a firm can more effectively facilitate the transfer of information, skills, and services. (Marketlinks, 2017) Relationships grounded in trust enable a firm to acquire the necessary tools to innovate and continuously improve its product and process designs.

## Joint Action

There have been countless of studies done to understand how firms in a value chain interact with one another and develop relationships. In *Principles of Economics*, Marshall (1920) showed that when firms of similar activities cluster together, external economies are generated, which lower the firms' costs. Clustering can be characterized as a group of firms that are in the same business sector and are in close geographic proximity. (Schmitz, ON THE CLUSTERING OF SMALL FIRMS, 1992) Some of the advantages that develop when firms cluster together are proximity to suppliers and accessibility to information. As research has advanced on clusters, numerous reports have confirmed that external economies are not sufficient to explain cluster development. While the advantages of the external economies are incidental, firms can also be deliberate in creating or strengthening relationships in its value chain, which are referred to as joint actions. Furthermore, "the competitive advantage derived from external economies and joint action" defines collective efficiency. (Schmitz & Nadvi, Clustering and Industrialization: Introduction, 1999, p. 1504) My thesis will focus primarily on the joint actions between potters in isolated communities and other members of their value chains.

The first step of my research objectives dealt with how potters in San Juan de Oriente have upgraded overtime given the history of their joint actions. After I interviewed potters from this community and identified common themes with respect to the potters' joint actions, I applied these themes to the potters from the isolated communities. When I applied the themes from the potters in San Juan de Oriente to the potters in the isolated communities, I was mindful that San Juan de Oriente greatly benefits from external economies due to the clustering effect, while the isolated communities do not. More than 400 potters live in San Juan de Oriente. For this reason, I only assessed deliberate joint actions so that my findings can be transferable to the isolated communities. However, relationships developed because of clustering and joint actions are not mutually exclusive, which is a limitation to my analysis.

## Forms of Joint Action:

**Figure 2: Forms of Joint Action in Clusters (McCormick, 1998)**

Dimension	Bilateral	Multilateral
Horizontal	Two cooperators at the same level in the production chain, e.g. sharing equipment	More than two cooperators at the same level in the production chain, e.g. a sectoral association
Vertical	Two cooperators at different levels of the production chain, e.g. a producer and user improving components	More than two cooperators at different levels of the production chain, e.g. an association or alliance composed of manufacturers and distributors of a product

As you can see in the figure above, there are two dimensions that frame the forms of joint actions. The horizontal dimension (Bilateral and Multilateral) addresses the number of cooperators while the vertical dimension (Horizontal and Vertical) deals with the direction of cooperation. In bilateral cooperation, two firms join to share and leverage each other's resources. In multilateral cooperation, three or more firms come together usually to fulfill a collective purpose. For example, several potters in San Juan de Oriente founded a cooperative in the 1980's so that they could work together and acquire raw materials and supplies with greater ease than if they were doing the work as individuals. Horizontal cooperation occurs when two or more of the same firms work together. In contrast, vertical integration occurs when two firms on different stages of the value chain work together. (McCormick, 1998)

Micro and small enterprises (MSEs) primarily receive information and incentives for upgrading through vertical linkages. Because Nicaraguan pottery is positioned as a buyer-driven value chain, the potters are primarily encouraged to upgrade by the buyers. Horizontal linkages can enable MSE owners to overcome their constraints associated with their small-scale operations, allowing them to benefit from economies of scale. When Nicaraguan potters work together, they have the capacity to fulfill large orders that they would not have been able to complete on their own. (Dunn, Sebstad, Batzdorff, & Parsons, 2006)

### **Types of Joint Actions Required to Achieve Specific Types of Upgrading**

Vertical and horizontal linkages can enable micro and small enterprises (MSEs) to achieve various levels of process upgrading. (Dunn, Sebstad, Batzdorff, & Parsons, 2006) Product upgrading is also facilitated by joint action. Vertical joint action with suppliers is crucial to improving products because components and inputs obviously contribute to their quality. This also applies to relationships with buyers. Multilateral horizontal cooperation can also play an important role in product upgrading through various actions such as participation in international trade fairs, collection of information about international trends, and connections with international buyers. (Pietrobelli & Rabellotti, Upgrading in Clusters and Value Chains in Latin America: The Role of Policies, 2004)

## **HISTORY OF NICARAGUAN POTTERY**

While value chain analysis broadly examines the relationships between all stakeholders in a product cycle, I would like to take an even broader perspective by briefly examining the major political, economic, and environmental milestones throughout the last century of Nicaragua's history that have influenced Nica art. In addition to terminology like value chain analysis, upgrading, and joint actions, these milestones contextualize my work.

### **Somoza Dictatorship**

Anastasio Somoza García and his two sons, Luis Somoza Debayle and Anastasio Somoza Debayle, ruled Nicaragua for the majority of 1937-1979. In regards to the Somozas' economic policies, the dictators prioritized agro-exports. They were heavily supported by the US government in their economic policies. (Field, 1999) In addition to exporting agricultural products, the Somoza regime opened up Nicaragua to goods mass-produced in the United States and around the world. As a result, "income through low-tech artisanal production suffered substantially from an influx of cheap mass-produced Western good, such as plastic dinnerware, plastic water containers, nylon hammocks, and synthetic clothing." (Craven, 2006, p. 142)

In 1972, a devastating earthquake hit Nicaragua. While the Nicaraguan citizens were recovering from the natural disaster, the Somozas and their allies channeled international relief funds and poured it into their estate and luxury housing (Walker & Wade, 2011) The expansion of the economic gap triggered by the political corruption directly impacted Nicaraguan artwork. During the Somoza regime, artisans made their work primarily for the elite as collector items to display in their estates. As a result, art became restricted to the wealthy. (Craven, 2006)

### **The Rise of the Sandinista Liberation Front and the Birth of an Art Movement**

The purpose of and accessibility to artwork drastically shifted when the Sandinista Liberation Front overthrew the Somoza regime in 1979. (Field, 1999) The end of the Somoza regime initiated a period where the Nicaraguan people were able to reframe their national identity. Under Sandinista's rule, gains were made in areas of literacy, health care, education, and many others. (Stanford, n.d.) Nicaragua's newfound freedom of expression was tightly connected to artwork. Instead of limiting the accessibility of artwork to the elite, Nicaraguan artists displayed their work to the public. For this reason, Nicaragua became known for their murals at this time. (Stanford, n.d.)

Poet and priest Ernesto Cardenal was a key figure in the art movement. He is well known for establishing a religious community on the island of Solentiname where the arts blossomed even before the up-rise of the Sandinista Liberation Front. After the revolution, Nicaraguan artists were able to make art that embodied hope for the future while reclaiming their rich cultural history. (Stanford, n.d.) In an effort to highlight the complexity of Nicaragua's history through artwork, Daniel Ortega (president from 1984 to 1990) was against all governmental regulation of the arts. However many cultural programs were installed so that the development of Nicaraguan artwork could advance and be sustained. The cultural programs included a network of Talleres de Poesia [Poetry Workshops], a system of Centros Populares de Cultura [Popular Centers of

Culture], and many art cooperatives. (Craven, 2006) By the mid, 1980's there were 28 Centros de Populares de Cultura (CPC). Each CPC offered Nicaraguan citizens a library, reading rooms, and free classes in performing and visual arts. Given the grass-roots focus, each CPC tailored their services to whom they were serving in each city or region.

### **Contra War**

Unfortunately, in the early 1980's followers of the Somoza regime who were displaced during the up-rise of Sandinista initiated the Contra War. Again, the US government sided with the Somoza regime and funded the war. Additionally, the Reagan administration enforced an embargo prohibiting all trade with Nicaragua. The war lasted 10 years and took more than 60,000 lives. Nicaragua's economy and infrastructure faced so much damage that it is estimated that the losses totaled US \$178 billion dollars. After experiencing so much suffering during the war, many Nicaraguans voted for the US backed candidate Violeta de Chamorro of the UNO Coalition in the presidential election of 1990. The UNO Coalition retracted many of the social reforms installed by Sandinista. (Stanford, n.d.) When the Sandinista Liberation Front lost the election, there were 44 CPCs throughout the nation. Within months of the UNO Coalition in office, the number of CPCs decreased to 12. At this point, the ministry of Culture allowed each CPC to separate and become an independent union-based network of cultural centers. This network developed into the Association for the Promotion of the Arts. By 1996, the number of CPCs had increased to 24. (Craven, 2006)

As you can see, Nicaraguan artwork has been greatly impacted by the nation's political history. While this background information is not exhaustive, it touches on key milestones of Nicaraguan history in relation to the arts, which contextualizes my findings and analysis. This chapter of my thesis serves as a reminder that there are powerful forces that affect Nicaraguan pottery value chains outside of the stakeholders who deal directly with the artwork. Political unrest, economic and foreign policy, and the rise of globalization all trickle down and affect the potter's joint actions with other members in their value chains.

## **RESEARCH OBJECTIVES AND METHODS**

The purpose of my thesis is identify ways that Nicaraguan potters in isolated communities can improve their joint actions with other members in their value chains to maximize sustainable income growth. In order to effectively achieve the purpose of my thesis, I grounded my research objectives in acknowledging that the Nicaraguan potters know more than me about their artwork. As a result, I was able to frame my research objectives in a way that elevated the potter's local knowledge. Listed below are my research objectives.

1. Determine how the potters from San Juan de Oriente have upgraded specifically due to their joint actions with other members in their value chain.
2. Conduct a thematic analysis that uncovers collective insights into the joint actions between potters in San Juan de Oriente and other members in their value chain.
3. Determine how the potters from isolated communities have upgraded specifically due to their joint actions with other members in their value chains.
4. Identify ways that the potters from the isolated communities can upgrade in the future by applying the thematic analysis of potters from San Juan de Oriente to the potters from the isolated communities.

### **Preliminary Research**

In order to fulfill my research objectives, I had to travel to Nicaragua to collect primary qualitative data from the Nicaraguan potters. In preparation for my trip, I had to research a range of subjects that set the parameters for my thesis. I first had to study the importance of value chain analysis, upgrading, and joint actions in the context of indigenous artwork and small to medium enterprises (SMEs) in Latin America. I also researched the macro social, economic, environmental, and political factors that have historically influenced the development of Nicaraguan potters. Lastly, I researched each pottery community included in my study to develop community profiles. The profiles include information about each community's pottery background, pottery production, and demographics. The community profiles were enhanced by primary data I collected from the Nicaraguan potters.

### **Primary Research**

#### **Key People and Organizations:**

I worked with several key people and organizations so that I could collect primary qualitative data from the Nicaraguan potters. My thesis would not have been possible without the support of these people and organizations. Because they all played some role in my research process, I introduce them here.

### *Potters for Peace*

To travel to Nicaragua, I partnered with a US-based nonprofit organization called, Potters for Peace. Its mission is to “offer support, solidarity and friendship to potters in order to help them preserve their local traditions and increase their incomes.” (Potters for Peace, 2018) Potters for Peace has been working with potters in Central America since it was established in Nicaragua in 1986. Additionally, representatives of Potters for Peace have assisted local partners around the world to set up their own water filter production and distribution facilities since 1998. With the establishment of these facilities, clean water can be accessible to those who need it the most. (Potters for Peace, 2018)

In March of 2017, I began planning the trip with the Nicaragua Director of Potters for Peace, Robert Pillers (referred to as Robert for the remaining of my thesis). Leading up to the trip, Robert and I worked closely to determine all of the logistics. Because of the deep relationships that Robert has developed with the Nicaraguan potters, the potters trusted him enough to allow me to interview them.

Upon arrival in Nicaragua, Robert’s colleague and son-in-law, Alvaro Aburto (referred to as Alvaro for the remaining of my thesis), helped significantly with the trip logistics and research process. Because of his Nicaraguan accent, the potters could easily understand Alvaro. He was able to help clarify any questions that were confusing to the potters.

### *Esperanza en Acción*

While Robert has developed strong relationships with potters in isolated communities, he does not know as many potters in San Juan de Oriente. As a result, Robert had a difficult time identifying potters in this community who I could meet and interview. Knowing that it was critical for me to interview potters from San Juan de Oriente, I contacted another US-based nonprofit organization called, Esperanza en Acción. The organization’s mission is to “economically empower Nicaraguan artisans and their families to lift themselves out of poverty through fair trade, and to empower people in the ‘First World’ to transform our global economic system into one that is fair for ALL people.” (Esperanza en Acción, 2018)

Yamileth Perez (referred to as Yamileth for the remaining of my thesis) is the Director of the Artisan Program for Esperanza en Acción. The potters who she works with in San Juan de Oriente allowed me to interview them. I was fortunate that Yamileth was able to attend the majority of my trip and like Alvaro, clarify any questions that were confusing to the potters.

### *Pennsylvania State University*

To reduce the costs I incurred to pay for Robert and his services, I decided to bring two other students from Penn State with me on the trip. This way, I was able to divide the trip expenses among me and the two other students. The two students and I paid Robert to serve as our primary translator and guide for the entire trip. I utilized Penn State’s extensive network and recruited two students to serve as my research assistants on the trip. One of my research assistants was Lindsey Kircher (referred to as Lindsey for the remaining of my thesis) who is a senior majoring



in Visual Arts and minoring in Spanish and Arts Entrepreneurship. When I interviewed her, she explained that she wanted to go on the trip because she has always been interested in supporting indigenous artists, particularly from Spanish-speaking areas of the world. My other research assistant was Pooja Arya (referred to as Pooja for the remaining of my thesis) who is a senior majoring in Management Information Systems and minoring in Spanish, International Business, and Economics. When I interviewed her, she explained that she wanted to go on the trip because of her business and Spanish background. After studying and working abroad in Barcelona, Spain, she wanted to further her knowledge of international business environments and utilize her Spanish language skills. Both Lindsey and Pooja proved to be very helpful throughout the research and transcription process.

### **Collection of Primary Data**

I decided to conduct interviews with Nicaraguan potters in order to determine how they have upgraded overtime. One of the reasons why I decided that conducting interviews would be an effective way to fulfill this research objective is that there is limited published primary data on the subject of Nicaraguan potters. Another reason I decided to conduct interviews is that my thesis is designed to elucidate critical insights that can enhance the economic opportunities of Nicaraguan potters, especially those in isolated communities. Potters are often restricted in their income not because they produce low-quality work, but because they are positioned vulnerably along their value chains and are likely to be victims of exploitation. As I researched more about value chains in the context of indigenous artwork and small to medium enterprises (SMEs) in Latin America, I began to understand the complex power dynamics that govern each value chain. Hence, I decided to conduct interviews so that I could learn from the potters directly without the distribution of power along their value chains influencing my data collection.

I acknowledge that I limited my ability to assess Nicaraguan pottery value chains by only interviewing potters. However, because I prioritized the positioning of potters above the other members in their value chains, the selection of interviews I conducted enabled me to fulfill the purpose of my thesis. I interviewed the potters because of the personal values I hold towards the economic wellbeing of potters in isolated communities.

### **Number of Expected Interviews**

After I determined that interviews would be the method I would use to collect my data, I determined the number of interviews I wanted to conduct. Given my time constraint, Robert and I determined that we could interview 5-10 potters from San Juan de Oriente and 5-10 potters from the isolated communities.

### **Criteria to Select Potters from San Juan de Oriente**

The criteria that I used to select the potters from San Juan de Oriente changed as I prepared for my trip. Because this community is a tourist attraction, most of the preliminary research I gathered about the community came from tourist-based websites, which promoted potters who are well established in the community and export their work to the United States. Initially, the only criterion I used to select the potters who I would interview was if they had access to the

international market. I figured the level of upgrading that potters in San Juan de Oriente have achieved if they have access to the international market sets a long-term goal for potters in isolated communities to attain.

Using this criterion, Robert visited San Juan de Oriente to talk with the potters who he knew had access to the international market and ask if they would be willing to be interviewed. Early on in his search, a potter told him that he thought potters would be hesitant to be interviewed. After talking to the potters he is connected with in San Juan de Oriente, he identified three potters who are involved in a cooperative who have access to the international market and were willing to be interviewed. Because I needed more potters to interview from the community, I contacted a board member from another nonprofit organization called, Esperanza en Accion. After explaining the purpose of my study to one of the board members, she talked to the Director of Operations, Yamileth Perez, who agreed to help us interview the potters who she works with in San Juan de Oriente.

Yamileth knows many more potters in San Juan de Oriente than Robert. Because of her extensive network, she explained to me and Robert that many potters in the community are not as developed as the potters who are involved in the cooperative and sell their work to the international market. Without considering the criterion that I was using to determine the potters who I would interview from San Juan de Oriente, Yamileth strategically chose five potters to interview who vary in their degree of upgrading.

Although this decision deviated from my criterion, I did not ask Yamileth to change the potters who we would interview for several reasons. First, Yamileth helped me tremendously and I did not want to ask for additional favors. In addition, by the time she confirmed that the five potters who she self-selected would be willing to be interviewed, I was getting ready to leave for Nicaragua in a couple weeks. Due to time constraints, I was not able to change the potters who I would interview.

With this acknowledged, I think Yamileth's decision to self-select the potters allowed me to gather more insights to the development process of potters in San Juan de Oriente. Before speaking with Yamileth, I assumed that the majority of potters in this community have access to the international market. Given the varying degree of upgrading achieved by the potters Yamileth selected, I was able to see firsthand some of the possible stages potters in San Juan de Oriente go through in order to rise in their value chain and gain access to the international market.

### **Criteria to Select the Isolated Communities**

As Robert and I were figuring out which potters we would interview in San Juan de Oriente, we also had to determine the criteria to select the isolated communities. We determined that we would select the isolated communities based on their readiness to access the international market. We wanted the potters from the isolated communities that we selected to be in a position where they could learn the most from the common themes and patterns extracted from the interviews conducted with the potters from San Juan de Oriente. The factors that Robert and I considered to assess a community's readiness to access the international market included quality control and

adequate business knowledge. We weighed these factors for each community based on Robert's experience in working in the communities for years. As a result, we determined that the communities who could be included in the study were Ducuale Grande, Loma Ponda, Santa Rosa, and La Maysuta. However, Robert and I faced the challenge of interviewing potters from four isolated communities in one week. Originally, we thought we could visit each community, but we later learned that this was not possible given the other interviews we had to do. Due to time constraints, we decided to hold a three-day conference where one to two potters from each community could attend. The conference was held in a community called Condega that was conveniently close to the four isolated communities.

## **Interview Framework**

In order to construct the interview questions for the potters from San Juan de Oriente and the four isolated communities, I developed a matrix based off the terms explained in my "Value Chain Analysis, Upgrading, and Joint Actions" chapter. See Appendix A to reference the matrix.

As I mentioned in my "Value Chain Analysis, Upgrading, and Joint Actions" chapter, I hypothesize that Nicaraguan potters are in a favorable position for process and product upgrading, but are limited in functional upgrading. Based on my hypothesis, I decided to mainly ask questions to the potters from San Juan de Oriente and the four isolated communities about process and product upgrading. For this reason, I highlighted the process and product upgrading columns in my matrix.

After I constructed the matrix and determined that I would focus my interview questions on product and process upgrading, I wrote interview questions for each cell of my matrix. I first wrote the questions including the key terms, which allowed me to see the type of insights I could extract from each question. I highlighted the questions related to product and process upgrading in yellow. See Appendix B to reference the interview questions including the key terms.

After I formulized the questions using the key terms, I was able to write them in non-technical terms. These would be the questions I would ask the interviewees. As I rewrote the questions with words that could be easily understood by potters, I wrote follow-up questions. See Appendix C to reference the non-technical version of my interview questions. I highlighted the questions in yellow that are about product and process upgrading. I also asked the potters questions about their background as potters, investments they have made to their workshops, and interactions that have had with government agencies. For each interview, I made some minor adjustments to the questions depending on their community and whether or not the potter was involved in a cooperative.

## **Interview Process**

Below is an overview of the trip itinerary.

11/16: Fly to Nicaragua

11/17: Translate interview questions with Robert and make any necessary revisions

11/18-11/19: Conduct interviews with potters in San Juan de Oriente

11/20-11/22: Gather potters from the four isolated communities in Condega for the conference

11/23: Conduct interview with a representative of the Ministry of Culture

11/24: Reflect and address any questions or concerns

11/25: Depart

On the 17<sup>th</sup>, Lindsey, Pooja, and I translated the interview questions into English. During the translation process, we had to make some minor adjustments to sentence structure so that it made sense in Spanish. After we translated the questions, they were reviewed and confirmed by Robert and his son-in-law, Alvaro.

On average, each interview lasted 1.5 hours. On the 18<sup>th</sup>, we conducted interviews with the three potters who are involved in the cooperative in San Juan de Oriente. The interviews either took place at the potters' workshops or the store that is managed by the members of the cooperative.

Because I am not proficient in Spanish, I wrote a script that I used to introduce myself and the purpose of the study to each potter. After we introduced ourselves, the interview began. Each potter gave oral consent to be interviewed when Robert or Yamileth asked them to participate.

Alvaro asked the questions to the potters in Spanish and offered clarification when necessary. Robert summarized the potters' responses in English. Lindsey and Pooja took notes while I listened attentively to whoever was speaking. Based off Robert's interpretation, I asked follow-up questions when appropriate. By this point, Robert, Alvaro, Lindsey, and Pooja all know the purpose of my study. Because their Spanish skills are better than mine, I gave them permission to also ask follow-up questions when appropriate. In addition to asking follow-up questions, I directed Alvaro to skip certain questions if the potter already answered them or if they were not applicable given something that the potter had previously said.

On the 19<sup>th</sup>, we conducted interviews with the five potters who Yamileth works with in San Juan de Oriente. Early that morning, we picked Yamileth up, drove to San Juan de Oriente, and visited each of the potters in their workshops. Because several family members often run the workshops, one or two potters participated during each interview. Other than Yamileth introducing us to the potters, the roles played by each person stayed the same as during the first day of interviews.

From the 20<sup>th</sup> through the 22<sup>nd</sup>, I facilitated the conference in Condega. During this time, we interviewed potters from the four isolated communities. One to two potters participated in each interview. The roles we played were the same as during the interviews conducted in San Juan de Oriente.

### **Transcription Process**

I uploaded the audio recordings to a cloud storage company called Box. That way the recordings could be safely stored and accessed by my team. I created a folder for each interviewee, which held the following materials.

1. The audio recording of their interview
2. A scanned copy of the notes taken during the interview, which were written by either Pooja or Lindsey
3. The interview questions

Lindsey, Pooja, and I transcribed the interviews. We did this by writing summaries of Robert's interpretation of the potters' responses to each question. Before we listened to the recordings, we read the notes taken during the interviews. While listening to the recordings, we transcribed the interviewees' responses to each question by listening primarily to Robert's translation. If Lindsey, Pooja, nor I could understand Robert's interpretation, we listened to the potters' responses for clarification. We wrote the transcription of the interviewees' responses directly below each question they addressed. Given monetary constraints, I was not able to afford to pay someone to transcribe the recordings directly from Spanish to English. Given time constraints, Lindsey, Pooja, and I had to heavily rely on Robert's interpretations of the potters' responses to transcribe each interview. These two constraints posed limitations to how the qualitative data was represented. However, Lindsey, Pooja, and I worked hard that the voices of the potters were not lost throughout this process.

### **Analysis of Primary Research**

#### **Findings from Potters from San Juan de Oriente**

The first step of my analysis was to report my findings from the interviews I conducted with the potters from San Juan de Oriente. I developed profiles for each potter I interviewed. I conducted each of the interviews in San Juan de Oriente with either one or two potters. I wrote integrated profiles for the interviews that were conducted with two potters.

The first section of the profiles explains the potters' background. This section includes their responses to the following questions.

- How long have you been making pottery?
- Why did you become a potter?
- Who taught you to make pottery?
- How long has your family been producing pottery?
- Is making and selling pottery your only source of income? If not, what other jobs do you have?
- What type of pottery do you make?
- What do you think makes your pottery different from all the other pottery produced in San Juan de Oriente?

I included the potters' responses to each of these questions in their profiles, but because I wrote the profiles in a narrative format, the order in which I addressed each question varied slightly from potter to potter. I wrote the profiles in a narrative format to keep the potters' stories intact.

While I was conducting the interviews, the potters often shared rich stories that were related to the question I had asked. Because I desire to highlight and validate each potter I interviewed, I included some of these stories in their profiles.

After I completed the background section on each other potters, I selected specific questions from the interviews and summarized the potters' responses from San Juan de Oriente. When I considered which questions to include in the summaries of the potters' responses, I had to practice structural discipline that aligned with my research objectives and purpose of my thesis. Hence, I included the potters' responses to any question that I thought the potters from the isolated communities could acquire value from to help them identify and prioritize future joint action with other members of their value chains to maximize sustainable income growth for the potter. I narrowed the scope of the qualitative data so that I could offer an in-depth thematic analysis of the summaries of the potters' responses.

During the interviews, the potters often told stories in their responses. Sometimes, the potters were so focused on sharing the story that they forgot the original question. As a result, some of their responses did not directly answer the question I had asked. However, when a potter did not answer the question directly, they would often address it in another response for a different question. With this said, I did not want to limit the potters' summaries by only pulling qualitative data from select questions. I organized the data in my summaries by the type of joint actions the potters have made with other members of their value chain. Furthermore, I primarily pulled data showing how the potters' joint actions have enabled them to experience product and process upgrading. The only time I included data in the summaries that did not focus on product or process upgrading was when a potter's response to a particular question offered significant insight into the research objectives and purpose of my thesis.

The last section of the profiles of potters from San Juan de Oriente explains the potters' reflections on their most important relationships that enable them to maintain a stable and consist income. Additionally, the potters also offer advice to potters in isolated communities as to how they can improve their join actions with other members in their value chain to increase their income. I concluded each profile with the potters' reflections on these subjects because these were the final questions I asked the potters during their interviews.

In summary, I structured the findings from the interviews I conducted with the potters from San Juan de Oriente using the format below.

- Findings from Potters from San Juan de Oriente
  - Potter profile 1
    - Pottery Background
    - Value Chain Insights
      - Vertical Backward Joint Actions (Relationships with Suppliers)
      - Horizontal Joint Actions (Relationships with Other Potters)
      - Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)
    - Reflections on Value Chain Development

I repeated this format for all eight of the potters I interviewed. I used this format for two reasons. First, it enabled me to efficiently conduct the thematic analysis between all the potters from San Juan de Oriente. Second, the format complements the position I am taking for my thesis.

Because I designed my thesis to complement my personal values of advocating for the economic wellbeing of Nicaraguan potters in isolated communities, I want to keep the potters' profiles and their responses intact. I want to create a holistic picture of each potter's positioning in their value chain and their joint actions with other value chain members.

### **Meta-Analysis across Potters from San Juan de Oriente**

In this section of my analysis, I first verify that the potters in San Juan de Oriente are positioned in a buyer-drive value chain. I offer a quote from each of the potters' profiles to show that the potters are positioned in a buyer-driven-value chain. I verify that the potters in San Juan de Oriente are positioned in a buyer-drive value chain because the themes that target the potters' relationships with their buyers are ways that the potters have found to leverage their own power to advance their positioning.

In order to conduct a meta-analysis across potters from San Juan de Oriente, I first had to uncover the themes of each potter. I did this by carefully reading each of the potters' profiles. Anytime there was an insight about the potters' joint actions with other members in their value chains, I catalogued it based on its type of joint action. I briefly explained each theme uncovered by the potters and quoted their profile to justify the theme. Before I could begin the meta-analysis, I classified each potter with a letter and listed his or her themes numerically. This classification method allowed me to segment each theme, but still know which potter is associated with them.

After I uncovered the themes from each potter who I interviewed in San Juan de Oriente, I grouped the themes based on their similarity regarding the potters' joint actions with other members in their value chains. After I grouped the themes, I broadened their scope to develop main themes that were uncovered from the potters in San Juan de Oriente. For each main theme, I explained its importance to the potters' ability to upgrade in their value chains. I also justified the themes by listing quotes of the potters' profiles that collectively enabled me to uncover them. I structured it in this way to highlight the potters' voices and to invite the readers to verify my thematic analysis.

Some of the themes that I uncovered from analyzing each potters' profile offered creative and innovative ideas as to how potters can improve their positioning within their value chain. As a result, one of the potters' profiles only supports each of these unique themes. Because I wanted to capture these insights in my meta-analysis, I allowed for them to stand alone and not group them with themes from other potters. Although these unique themes could be considered outliers, they support the research objectives and purpose of my thesis.

All the themes listed are given numerical values. If a particular theme is indented and includes an additional decimal place, this means that the topic of the theme complements the one above it. These themes typically include less quotes from the profiles than the other themes. This

numerical format keeps the themes organized when I apply them to the potters from the isolated communities. The numerical value for each theme never changes throughout my entire thesis.

### **Findings from Potters in Isolated Communities**

Just like for the potters from San Juan de Oriente, I developed profiles for each of the potters who I interviewed from the isolated communities. I used the same structure to develop both sets of profiles.

### **Application of Meta-Analysis of Potters from San Juan de Oriente to the Potters in each Isolated Community**

In order to apply the meta-analysis of potters from San Juan de Oriente to each isolated community, I first had to uncover the themes of the potters from each isolated community. I did this by carefully reading the profiles of potters from each isolated community. Anytime there was an insight about the potters' joint actions with other members in their value chains, I compared it to the meta-analysis of potters from San Juan de Oriente. As a result, I grouped each theme under one of four categories.

The first category includes unique themes identified from the potters in each isolated community. For each unique theme, I explain its importance to the potters upgrading in in their value chains. I also justify each unique theme by quoting the potters' profile. The second category includes mutual themes across the potters in each isolated community and potters from San Juan de Oriente. For each mutual theme, I explain its importance to the potters upgrading in in their value chains. I also justify each mutual theme by quoting the potters' profile. Lastly, I directly apply the significance of the mutual themes to the potters in the isolated communities. The third category includes applicable themes from the meta-analysis of potters from San Juan de Oriente to the potters in each isolated community. The applicable themes did not surface from developing and analyzing the profiles of potters from the isolated communities. However, they did surface from developing and analyzing the profiles of potters from San Juan de Oriente. Because my understanding of the potters from the isolated communities is limited to their profiles, I do not know if they are already following these themes. After developing and analyzing the profiles of potters from San Juan de Oriente, I think these themes are important enough to share with the potters from the isolated communities even if they are aware of the insights they hold. Lastly, the fourth category includes inapplicable themes from the meta-analysis of potters from San Juan de Oriente to the potters in each isolated community.

### **Meta-Analysis across Potters from the Isolated Communities**

The purpose of this meta-analysis is to compare and contrast the applications of the meta-analysis of potters from San Juan de Oriente to each isolated community. For the applications of the meta-analysis of potters from San Juan de Oriente to each isolated community, I only applied the meta-analysis of potters from San Juan de Oriente to the potters who I interviewed from the isolated communities. The goal of this meta-analysis is to better understand the positioning of all isolated potters in their value chains with respect to the potters' joint actions.



In this section of my analysis, I first verify that the potters who I interviewed from the isolated communities are positioned in buyer-drive value chains. I offer a quote from each of the potters' profiles to show that the potters are positioned in buyer-driven-value chains. I verify that the potters who I interviewed from the isolated communities are positioned in buyer-driven value chains because the themes that target the potters' relationships with their buyers are ways that the potters have found to leverage their own power to advance their positioning. Because I verified that the potters who I interviewed from the isolated communities are positioned in buyer-driven value chains, I can safely assume that the majority of all potters in isolated Nicaraguan communities are positioned in buyer-driven value chains as well.

In this section, I allowed the unique themes identified from the potters in each isolated community to stand-alone. For the remaining three categories, I only included themes in the meta-analysis if potters from at least three of the isolated communities included them in the same category. I figured that if potters from at least three of the isolated communities included a particular theme in the same category, I could safely assume that the categorization of the theme offered a generalized perspective of potters from any isolated community.

## **Discussion and Implications**

For my "Discussion and Implications" chapter, I utilized my qualitative data from my interviews with the Nicaraguan potters to conduct a quantitative analysis. As a result, I was able to uncover additional insights into my research.

First, I assessed the extent to which each of the themes uncovered from the potters in San Juan de Oriente that were only supported by one profile were relevant to the potters who I interviewed from the isolated communities. This is important to discuss because change can lie in the outliers of the standardization curve. Just because some themes may not have been as heavily supported by the potters' profiles from San Juan de Oriente as others, this does not mean that they are less relevant to the potters in the isolated communities.

I also reviewed the themes uncovered from developing and analyzing the profiles of potters from San Juan de Oriente. I clustered each theme with its appropriate type of upgrading. To do so, I reviewed the five types of upgrading explained in my "Value Chain Analysis, Upgrading, and Joint Actions" chapter. Refer to Appendix F to see how I categorized each theme with respect to its type of upgrading and joint action. After I clustered each theme that was uncovered from the potters in San Juan de Oriente with its appropriate type of upgrading, I applied the clusters to each thematic analysis of the potters from the isolated communities.

## **Ideas for Future Research Opportunities**

As I conducted the analysis for my thesis, I flagged and archived any potential research opportunities.

## **SAN JUAN DE ORIENTE**

### **Introduction**

In this chapter, I include a community profile for San Juan de Oriente and profiles of potters from the community. The community profile includes information about San Juan de Oriente's pottery background, pottery production, and demographics. The community profile was enhanced by primary data I collected from the Nicaraguan potters. As for the potters' profiles, I wrote a profile for each interview I conducted in this community. Refer to my "Research Objectives and Methods" chapter to know how I conducted the interviews and how I developed the profiles. Each profile follows the same structure. First, I explain the potters' background. Afterwards, I summarize the potters' responses to the questions that addressed their joint actions with other members in their value chain. Lastly, I conclude each profile with the potters' explanations of their most important relationships and their advice to potters in isolated communities.

### **Community Profile**

#### **Pottery Background**

Not only does pottery drive San Juan de Oriente's economy, but it is an art form that enables the ingenious people to preserve their cultural identity. San Juan de Oriente can also be called a "Village of Pottery". The community has produced pottery since pre-Columbian times around 500 BC. During this timeframe, the Aztecs forced two native tribes from southern Mexico off their land and were resettled on the land in which this community now resides. According to archeologists, it was around this time when pottery was first made in this community. Spanish colonizers Juan de Bracamonte and Gervacio Gallegos founded the town in the late 1500's. The name of the town has changes several times. First, it was called San Juan el Bautista named after its Saint John the Baptist. Eventually, the name changed to San Juan de Los Platos [San Juan of the Plates]. (Harmonious Hands, 2014) At that time, there was not much tourism so the potters mainly sold their work in Nicaragua. (Salazar, 2017) The neighboring towns would visit San Juan de Oriente to buy many plates during their festivals. After a dramatic increase in sales and commercialization, the town became known as San Juan de La Plata [San Juan of the Money]. (Martinez, 2017) The village was renamed again in 1821 after Nicaragua declared its independence from Spain. It was renamed San Juan de Oriente [Saint John of the East]. (Harmonious Hands, 2014)

In the 1960's, the Central Bank established a ceramic school in San Juan de Oriente. Potters from Spain taught artisans how to throw on wheels. At this time, many foreigners visited the school and the potters sold many pieces. (Salazar, 2017) Potters from Mexico also came and taught the potters new techniques. Unfortunately, the school eventually closed leaving the potters to figure out ways to teach themselves and sell their work. As a result, the potters established a cooperative in 1985. Around this time, the style of the potter's work progressed to incorporate more decorative techniques. Before, they were primarily making pre-Columbian pieces, but they were time intensive and expensive to make. (Martinez, 2017) The cooperative began with about

50 members of men and women. (Salazar, 2017) They went to the mayor and received permission to rent a building for their store that was previously a slaughter house. Now they are owners of the building because the mayor donated it to them. The building did not look like anything it looks like today. The floor was part concrete and part dirt. (Martinez, 2017)

One of the benefits that the members of the cooperative receive is displaying their work in the cooperative gallery, which is located at the entrance to San Juan de Oriente. As a result, tourists who are unfamiliar with the town will often start at the cooperative in search of pottery they would like to purchase. If tourists express interest in a particular artist's work, the manager of the cooperative will direct them to the particular artist's workshop where they can meet the artist and see more of his or her work. The cooperative is not an alternative way to sell. Instead, the cooperative serves as a complementary organization to the potters' workshops. (Martinez, 2017)

The members created rules and regulations to govern themselves. (Salazar, 2017) The structure of the cooperative is composed of an administrative council, which is divided into admissions. One admission is responsible for procuring colorants and clay from other parts of the country. Other members are quality control inspectors. There is someone who makes sure that everything is done according to the regulations of the cooperative. (Martinez, 2017) Overtime, those who did not agree with the rules and structure of the cooperative left. Today, the cooperative is composed of approximately 10 members (Salazar, 2017), which includes four of the original founders. (Martinez, 2017)

### **Potters Production**

In the past, the women did all clay work and the men did the agricultural work. The women made domestic utensils like water jars and comales for tortillas. However, the men started working when the Central Bank established the ceramic school, and when the former director of Potters for Peace, Ron Rivera came and gave workshops. The men found that they like to work with clay too. Up until then, the potters made their work by hand. Teachers at the ceramic school and Ron Rivera taught people how to throw and decorate their work. (Calero, 2017)

There are many styles of pottery that the artisans in San Juan de Oriente make. (Harmonious Hands, 2014) They include the following.

- Utilitarian: Any type of pottery that is made for daily use is classified as utilitarian pottery. Given today's current firing process, most pots are made for decoration because they can hold water. Examples of utilitarian pottery includes plates, cups, and bowls.
- Traditional: This type of pottery is signature to the potters in Sab Juan de Oriente. This type of pottery can come in all types of forms. Its unique characteristics include its terra cotta background with overlay images of plants, flowers, and a variety of animals.
- Pre-Colombian: Inspiration for the decoration of pre-Columbian pottery originates from archeological sites. The pots are often not polished to duplicate the dull finish of the original work. Modern takes on pre-Columbian pottery uses a limited selection of colors with terra cotta or ivory backgrounds.
- Geometric: Geometric pottery is known for its intricate patterns of various shapes. Designs are applied to the pots by painting, etching, or incising.

- **Modern/Contemporary:** This type of pottery is inspired by one of the previous types of pottery listed, but alters the pots in some fashion. Much of the creativity driving the production of modern/contemporary pottery comes from the potters' access to art school and increased collaboration between potters in San Juan de Oriente.

Since pottery is made from clay deposits in the ground, the production process requires many steps. The clay is extracted from outside the town and often brought into San Juan de Oriente using an ox cart. In order to prepare the clay to be thrown, the potters have to go through a strenuous and time consuming process to wedge the clay. The soaking and wedging process can take several days to complete. For a long time, potters made their work using a coiling technique until the kick-wheel was invented. After the pots are made on the wheel, the pots rest for a period of time and are then burnished. The burnishing process essentially smooths out any irregularities on the surface of the pots. Afterwards, the pots are smoothed by hand and then the decoration process begins. The potters use a mixture of mineral oxides, known as slip, to decorate their pots. Given the added moisture of the slips, the decoration process can take several days. After the pots are decorated and completely dried, they are fired for approximately nine hours. The potters fire their pieces in brick kilns at low temperatures. After a day of the kiln cooling down, the potters get to see their final pieces. (Zanzibar Trading Company, 2018)

### **Demographics**

The population of San Juan de Oriente is approximately 4,000 people. (Nicaragua.com, 2018) The community is located approximately 45 kilometers from the city of Managua. (Nicaragua.com, 2018) See Appendix D for a map of Nicaragua with the community's location. San Juan de Oriente is built upon clay deposits as a result of volcanic activity that occurred centuries ago. (Harmonious Hands, 2014) It's economy is heavily reliant on pottery. So much so, that 90% of the population is dependent on pottery sales. (San Simian Lodge, 2018)

### **Potter Profile: Juan Paulino Martinez**

#### **Pottery Background**

Juan Paulino is a member of the cooperative and specializes in making utilitarian, traditional, geometric, and contemporary pieces.

Juan Paulino has been an artist since he was born because his parents were artists. In his parents' generation, decorative pottery was not made in San Juan de Oriente. Potters only made rustic work. His parents' lives were much tougher than the life he has now. Back then, there were no potters' wheels so his parents made their pieces out of coils on the ground. His parents didn't even have a tiled floor in their workshop. To this day, he can imagine his mother sitting on the dirt floor and making a piece out of coils either by hand or with a mold. His mother made large water jars and a variety of pieces used in the kitchen, like comales to cook tortillas.

When Juan Paulino was 16, he told himself that he didn't want to make pots for a living so he went to Grenada to become a shoemaker. He learned to be a shoemaker for two years. When the war was going on, he had to go into military service for 26 months. When he came back, there

wasn't a lot of work because the country was still at war. He learned how to make pottery from his wife. His wife wanted him to continue ceramics, but he didn't want to do it so she made a deal with him. She gave him a month and if he didn't sell any of his work, he could stop. Within a month, he sold everything he made. At that time, he decided that he liked to make pottery.

## **Value Chain Insights**

### *Vertical Backward Joint Actions (Relationships with Suppliers)*

Juan Paulino purchases most of his clay from a couple people in San Juan de Oriente who process and sell it to all the potters in the town. Occasionally, he will get clay from León with other potters. When they do this, they all split the costs.

Regarding the colorants he needs to glaze his work, his suppliers are often his US buyers. Because the colorants are not available for purchase in Nicaragua, the client often has to provide them. For Juan Paulino, the biggest difficulty in production is acquiring the colorants. When a US buyer places an order, he or she often brings in the needed colorants to fulfill the order. It is like an interchange. The clients give him the colorants and he gives them the pieces.

### *Horizontal Joint Actions (Relationships with Other Potters)*

As a member of the cooperative, Juan Paulino gets to display and sell his work at the gallery that the cooperative owns. His pieces are only directly sold from his workshop and the cooperative gallery. Juan Paulino does not view the cooperative as an alternative way to sell his work. Rather, he sees the cooperative as a complementary organization to his workshop. The gallery of the cooperative is located at the entrance to the town. As a result, tourists who are unfamiliar with the town will start there. If tourists stop into the gallery and see his work, they will ask, "Who is Juan Paulino?" Then the manager of the gallery will direct the tourists to his workshop.

It took Juan Paulino 20 years to get to the point where he could fulfill large orders. In order to successfully fulfill the large orders, Juan Paulino has to divide responsibilities and ensure high quality at every stage of production. During the time of the interview, he only had one worker, but when he has larger orders to fulfill, he hires more workers. Juan Paulino requires all his workers to produce at the same level of quality. A lot of his workers come from family workshops.

Not only does Juan Paulino know the total cost of all the resources required to make each piece, but he also considers his loss rate of production when determining appropriate pricing. His loss rate often ranges from 10-15%. Sometimes it is 80% if the firing goes wrong. Because Juan Paulino often hires other potters in San Juan de Oriente to throw his pieces, he has a deal with his throwers that he will not pay for any piece they produce if it does not reach a certain level of quality. Juan Paulino has to trust his throwers that they will do their best not to throw pieces with air pockets in the walls because this is a significant factor that affects the loss rate of production in the firing.

Juan Paulino does not have salaries for his workers. The earnings all go in one big sack. His daughter and son make their own pieces. When their pieces sell, they directly receive their earnings. In San Juan de Oriente, you don't see kids playing in the streets. They are at home making pots. They also handle the communication with the customers over email because they understand technology better.

*Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)*

Juan Paulino's primary markets are tourists and international buyers primarily from the United States.

He appeals to the tourist market by investing in his workshop and giving presentations that showcase how he makes his pottery. To appeal to tourists, Juan Paulino learned that he needed to make major investments into his workshop like installing a toilet, tile floors, etc. He is always planning what he should invest into his workshop. He does not feel comfortable taking out loans because of high interest rates. Ever since Juan Paulino has been able to improve his workshop, he has offered presentations to the tourists that highlight how the pottery is made. He does not charge the tourists for the presentations. Sometimes tourists will come to only hear Juan Paulino's explanation of how the pottery is made, but usually, tourists will buy pieces when they visit.

Juan Paulino predominantly sells to wholesalers in the United States. He has faced several challenges accessing the international market. The market is competitive and politics influence his ability to sell. Juan Paulino is always producing hoping that US buyers will come. For him, September is his slowest month, which does not mean that he stops producing work. Some artisans stop producing when they do not have sales. He maintains his inventory because he knows that a customer could walk into his workshop anytime and place an order that he or she wants today.

The US buyers come to him to place their orders. When US buyers visit for the first time, they will only purchase a few samples. It might be 20 different pieces. They do this to see how their customers will react. Then the buyers will return and they will know what they would like to order. The orders will be much larger in quantity. At this point, the buyers will bring samples of colorants for Juan Paulino to test.

If US buyers place large orders of hundreds or even thousands of pieces, they find someone who will package and ship the artwork. Once the pieces are done, Juan Paulino calls the buyers. They will come to pick them up or he will deliver them to a person who will package and ship them.

Juan Paulino understands that his selling point will vary depending on the type of US buyers he works with, such as storeowners or wholesalers. The prices that the US buyers resell his work for influences his work directly. Juan Paulino will receive a 40-50% down payment before the customers receive their pieces. When the pieces are delivered, he will get paid the remaining percentage three to four days later.

Juan Paulino thinks that one of the factors that determines a potter's success in San Juan de Oriente is their propensity to change and try to do a little better than the next guy. Once he began to export more pieces, he began to listen to any suggestions that his US buyers gave as to how he could improve his work. For example, as he produced more work, he began to ask his clients what colors are popular in their countries. Before he began to gather the color preferences of the clients, he did not make many light blue pieces. But once he figured out that this color is popular in other countries, he began to use this color much more often.

Juan Paulino does not really ever change his technique, but if clients would like a certain design, he will work with them to make it. Usually, if clients want a new design, they will send a picture to Juan Paulino and he will work off of the picture. He will not change his technique because that is the roots of what he does. That is his heritage. However, he is always looking to improve the quality of his work and designs.

The biggest worry is that the demand decreases for the new pieces he makes. Thankfully, the down payment ensures that the buyers will follow through with that particular order. However, the buyer may stop purchasing from Juan Paulino if his work does not sell well. He determines what he makes the most of based off the suggestions from the buyers. Juan Paulino trusts his US buyers. Everything done in the country is done on *confianza* [trust].

### **Reflections on Value Chain Development**

Juan Paulino thinks that his most important relationships that enable him to maintain a stable and consistent income is with his buyers. The most important piece of advice he could give to potters in isolated communities is to produce and maintain their inventory. This is the best form of security. This is because at anytime a buyer may come and want many pieces. Take all the suggestions from the clients and offer them a large variety of pieces. Be honest with the clients because that is how trust is formed. Those are the fundamentals. Potters can build on these things so that they can build relationships of confidence so that when they need something they can ask for it.

During the interview, Juan Paulino shared a couple lessons that he thinks potters in San Juan de Oriente could learn from when selling their work. I decided to include these lessons in this section because they may reveal rich themes that could be relevant to the potters in the isolated communities.

One lesson that Juan Paulino shared dealt with the importance of understanding the total costs of producing pottery. Some artists will take an order for many pieces. Because they are dazzled by the order, they don't take into account the costs. Some artists who receive smaller orders, but who use more sophisticated pricing, are in a better economic position than the artists who fill larger orders at or right above their costs. This occurs because when artists sell in high quantity, price becomes very important. Some buyers only care about price. As a result, some artists do not work on improving the quality of their work.

Another lesson that Juan Paulino stressed was the importance of each potter knowing the ways that their work is unique. According to Juan Paulino, everyone's touch is a little different. Some artists think that they can make pieces exactly like Juan Paulino's and sell them at a lower price.

But when the clients go to buy them, they find that the pieces are not the same. The buyer will take the order, but they will not come back or recommend the artist to anyone else.

### **Potter Profile: Filipe Potosme**

#### **Pottery Background**

Like most potters in San Juan de Oriente, Filipe comes from a family of potters. His mother made utilitarian pieces like flower pots, water jars, and comales. His brother learned in a workshop in San Juan de Oriente that was founded by the Central Bank.

Filipe began working as a potter 25 years ago with his brother. His parents worked in the country in agriculture. In the war in the 80's, there were no young people around. They were off fighting the war. So the ones who were too young to go to war were forced to work in agriculture or make pots. There were no other jobs around. So rather than working in agriculture, he decided to work with his brother, who was already making pottery. Other reasons why he decided to make pots was that he enjoys drawing and playing with clay. He first began to make things from clay out of his imagination.

Filipe learned from his brother for three years. After this period of training, he worked as an employee for his brother. After about two years of working for his brother, he transitioned to working independently in his own workshop. After that, he became a member of the cooperative and he is still a member today. He has been with the cooperative for 16 years. Eventually, Filipe became the secretary of the cooperative. He takes care of all the legal documents and keeps meeting minutes.

Unlike his parents who worked in both agriculture and ceramics, his only source of income is from the pots he sells. His wife works with him and they are both responsible to earn the income to maintain the household. Filipe likes to make modern ceramics. About 15 years ago, Filipe began to use colorants and change the forms of his pots to make them more unique. He and his wife can work in any line, but the creativity is what fascinates him the most.

#### **Value Chain Insights**

##### *Vertical Backward Joint Actions (Relationships with Suppliers)*

Filipe's suppliers are both domestic and international. His clay is locally sourced from San Juan de Oriente. In the past, he used to dig the clay and process it himself, but in order to save time, he buys the clay from someone who processes it for him.

The colorants he uses to glaze his work have to be imported from the United States. The suppliers from the United States are the same people who buy his work. His incentives to form these relationships are to primarily sell his work, but also to receive the colorants. Without the colorants, Filipe is not able to work.

Filipe's relationships with his suppliers from the United States are very important because they ensure that he will receive high quality colorants. It is very important for him to have high



quality materials. If he uses low quality materials, Filipe knows the quality of the finished product will not be good. As a result, he will have to lower his prices. In the past, he has had instances where he received colorants that were poor quality. If Filipe is not working with a buyer who will supply him the colorants, he buys the colorants through the cooperative. As the secretary and a member of the cooperative, he has to work with other members to purchase the raw materials. If the cooperative does not have any colorants, he will sometimes have to go through an intermediary. The European Union has also helped him with the receipt of raw materials.

#### *Horizontal Joint Actions (Relationships with Other Potters)*

16 years ago, Filipe received a letter from the cooperative inviting him to become a member. The cooperative sent letters to various local artisans asking if they wanted to join. The cooperative sent invitations to potters who had the best quality work. Every piece displayed in the cooperative has to meet a certain level of quality, which motivated Filipe to increase the quality of his work even more.

Filipe joined the cooperative because he knew that it would help him access raw materials and sell his work. Another benefit Filipe receives by working with members of the cooperative is that they all can share ideas, and work together if they receive a large order. The members of the cooperative have a lot of respect for each other. Even though they share ideas with each other, they do not copy each other's work. Because they all make unique pieces, they are willing to publicize which US buyers they work with. It is very important that the potters trust one another.

The cooperative helps Filipe sell his work because the gallery is the first thing people see when they come into town. Because many tourists do not walk a considerable way down the road, having his work displayed in the cooperative gallery gives him premium exposure. When customers see his work in the cooperative, they are encouraged to visit him at his workshop. This has helped him expand his customer base and access new markets. Recently, two new clients visited the cooperative and expressed interest in his work. Filipe offered them a good discount if they purchase a large order.

As the secretary and a member of the cooperative, Filipe now has to work with other members to purchase the raw materials. Due to economies of scale, the cooperative gets a better price on their materials than potters who individually purchase their supplies. Another one of his responsibilities as secretary is to organize meetings with organizations like MEFCCA that are responsible for putting on local fairs.

Other than the cost of the materials, the highest cost he has is paying his workers in his workshop. He has hired two other workers. He constantly has to supervise them because his clients want the pieces made perfectly. The biggest waste of his time and resources is when his finished pieces do not meet the quality standards of his clients.

*Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)*

Filipe's primarily sells to tourists and buyers from the United States. When he is not selling to the foreign market, he continues to work so that he can sell in the local Nicaraguan market. He sells many walled lights to restaurants and hotels in Nicaragua. Occasionally, Filipe sells pots that are not painted to another potter. However, these finished pieces never come out looking like something that Filipe would have made.

Filipe sells direct to tourists through the cooperative gallery or his workshop. Two years ago, he invested in making his workshop bigger, which allowed him to offer presentations to tourists that highlight the process of how he makes his work. He was able to afford the renovations because he received an order of 8,000 pots.

With the exception of occasional support from external organizations like the European Union, Filipe's profit is the only funding source for any investment he makes to improve his workshop. He can never get a loan from a bank because his markets are unstable and seasonal. There have been instances where artisans have taken out loans and it has not gone too well. This is because it was difficult to pay back the loans because of the high interest rates and infrequency at which the artisans sell their work.

He began to sell his work to the international market in the 1990's. At this time, Nicaragua was not at war with the United States so tourists began to enter and see his work. There are many challenges he faces in selling his work to the international market. He faces a lot of competition with the other potters in San Juan de Oriente. Another challenge he faces is maintaining his quality and convincing the US buyers that his work can meet their standards. Filipe does not spend time thinking about whether or not he should work for specific customers. Instead, Filipe thinks about the factors that the customers consider to determine whether they will buy his work. These qualities are trust and Filipe's ability to provide high quality work on time.

Filipe deals with different types of US buyers. One buyer will make a small order of expensive pieces that cost \$120. Then there are other buyers who will make a large order of inexpensive pieces. He has to take into account how much time he spends on each piece to determine appropriate pricing. Sometimes he has more love for a piece than he does for his wife. Sometimes he spends so much time on a piece that he neglects his wife. So he has to take into account if customers are willing to pay for the time required to make a given piece. His focus is more so on short term profit than long term profit. He tries to make his work and immediately sell it. Make it, sell it. Make it, sell it. This is his thought process.

To please his customers, Filipe always has to be thinking of new ways. He has to have an open mind and moving mind. Filipe has come to see that his buyers do not want the same old same old. He realizes that he has to make something that his buyers has never seen before, which encourages him to be creative.

Filipe believes that his customers are always right so he always accepts the customers' suggestions. If they tell him that they want a piece made a certain way, he will make it

accordingly. He never ignores suggestions from his customers. Ignoring the customers' suggestion would mean turning down work. If he turns down work, he is screwed.

If a client explains that he or she would like Filipe to alter his forms or designs a certain way, he must make the new pieces at the expected level of quality set by the client. Filipe teaches himself new skills and techniques so that he can meet the requests of his customers. Additionally, he must fulfill the order on time. Recently, Filipe received an order for 200 pieces and the customer wanted them in one month. In order to meet the deadline, he had to higher other people. Unfortunately, the quality level did not meet the customer's expectations so he had to sell them at a 40% discount. As a result, he was able to keep the customer. In this example, he should have requested a two-month deadline, but he didn't because he wanted to please his client and make sure that the client stayed with him.

When a client asks him to change his designs or forms, the client does not direct Filipe to other prospective clients who could be interested in his new work. This is because the client wants a piece that is unique to the market.

The last couple months have been tough for Filipe. As a result, he has had to take his work to local markets to try to sell it. When times are tough, he does not sit around expecting customers to walk into his workshop. Instead, he goes out looking for them.

### **Reflections on Value Chain Development**

Filipe's most important relationships that help him maintain a stable and consistent income are with his customers. The most important piece of advice he can give to potters in isolated communities is to be organized. If you are not organized, you are screwed! It will attract customers if you are organized. Being organized shows responsibility.

### **Potter Profile: Horacio Salazar**

#### **Pottery Background**

Horacio Salazar is 65 years old and he learned how to make pottery before he was 10. He is one of the founders of the cooperative in San Juan de Oriente. He started with his mother and other brothers making flower pots. Then he received three months of training in wheel throwing. Learning how to throw was difficult and it was hard work. He hurt his back because throwing requires a lot of strength. Because of his training, he began to make more pieces on the wheel rather than by hand. He was very excited at the time. Originally, he began to make replicas of pre-Columbian pieces, but they were not well made because he did not have the necessary colorants. As customers began to make their suggestions, he gradually transitioned to making different pieces. Now he specializes in making pre-Columbian, free creation, and utilitarian.

Horacio is proud to have had the opportunity to have his artwork displayed in an international art tour. Several years ago, the ambassador of Finland selected several pieces from San Juan

de Oriente to tour all the major museums in six to seven countries. This opportunity enabled the potters from San Juan de Oriente to represent their country internationally.

## **Value Chain Insights**

### *Vertical Backward Joint Actions (Relationships with Suppliers)*

Originally, Horacio sourced his own clay. He would wet it down and dance on it. Then he would mix in sand. Now, he purchases clay from people in the town who have machines that process the clay for all the potters in San Juan de Oriente. There are three or four mills in town. Some potters bring in clay from the north that they prefer to use, but in San Juan de Oriente, the potters have used the same clay that their grandparents used.

Horacio gets creative to save money on his supplies. For instance, he never purchases brushes. Instead, he makes them out of children's hair.

### *Horizontal Joint Actions (Relationships with Other Potters)*

As one of the founding members of the cooperative, Horacio has benefited from the cooperative in several ways. First, the cooperative is a place where he can sell his work. Second, he works with other members of the cooperative to purchase materials. For example, they work together to get the slip that they coat their work with, which is called *tague*. When they work together, they can get quantity discounts. Everyone wants to make good work, but the quality of the potters' work depends upon their materials.

In addition to having access to raw materials, Horacio also benefited from the cooperative by being able to purchase a throwing wheel. I assume that the price that he paid for it was less than the price he would have paid for it from somewhere else. Before he had access to a wheel, production was much slower. Ever since he purchased a throwing wheel, he has been able to increase his production. As a result, his input costs have slightly decreased. Additionally, he can learn and practice new techniques much faster than if he was only hand building. There is a faster learning curve with a throwing wheel. Horacio thinks that business in the first world is primarily driven by increasing profit while ignoring quality improvement. As an artist and businessman in a lesser developed country, he pays attention to both his profits and quality control.

Although the members of the cooperative share ideas and new skills with each other, everyone does their own work at their own workshops and deals with their own customers.

As Horacio built his customer base and began to receive large orders, he had to purchase more supplies so that he could produce more, earn more, and save enough money to make investments to his workshop. Basically, he had to improve the quality of his work and increase his quantity. He needed to sell more pieces at a better price so that he could save money and invest into his workshop. When Horacio gets a large order from an international buyer, he will distribute the responsibilities as to who makes what amongst his family. In addition to making pieces himself, he will conduct quality control, and deliver the final product to the buyer.

### *Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)*

Horacio's biggest market is selling to foreigners. He began selling to foreigners in 1984. His motivation to attract the foreign buyers was that they wanted something more innovative. He also sells domestically. His challenge selling to foreign markets is shipping abroad. His challenge selling in Nicaragua is that there is a lot of competition.

He started working with foreigners through the cooperative. Foreigners typically learn about his work by seeing his pieces in the cooperative gallery. If they would like to place an order, they make their orders directly to him. He sells his modern pieces at the cooperative, and more rustic and utilitarian pieces at his workshop.

As Horacio determines the functions, forms, and designs of his work, he thinks about the pieces that his customers have expressed the most interest in. He usually does not receive major suggestions from his customers. For example, they may say that they want a certain piece but in a different color. He is always appreciate of constructive criticism because it motivates him to improve his work.

When buyers come regularly, they will begin to ask where his new pieces are. This is his motivation to make new types of work. Sometimes a buyer will say, "Can you make me this piece, but add something different to it?" He always follows the suggestions from his buyers because he knows that following their suggestions will increase his sales. If a buyer has a specific piece that he or she would like Horacio to create, the buyer will provide him with a picture and Horacio will make the piece based off of the photo. When he follows the suggestions from his buyers, he is reluctant to negotiate and lower his price.

Horacio does not feel a risk in taking on a different order because if a buyer asks for it, he or she will purchase the work. This is assuming that the new pieces he makes for a particular buyer meet their expectations. Thankfully, Horacio's pieces have always turned out okay when he had fulfilled special orders.

### **Reflections on Value Chain Development**

Horacio's most important relationships that help him to maintain a stable and consistent income is with the tourists who offer access to international markets. His advice to potters in isolated communities is to worry about quality and new designs. Make every client feel like he or she is the only one.

### **Potter Profile: Doña Vidalia and Demaris Hernandez**

#### **Pottery Background**

The first pottery family my team and I interviewed in San Juan de Oriente on the second day of our trip was the Hernandez family. I had the opportunity of interviewing Doña Vidalia and Demaris Hernandez. Because Doña Vidalia answered most of the questions, the profile and summary of responses mostly reflect her voice and opinions.

Doña Vidalia has been making pottery for fifty-three years since the age of eleven. She became a potter to maintain the town tradition. She learned to make pottery from her mother as it is in her heritage. She also learned more advanced pottery at the school through the central bank.

Her family's studio is called "The Artisan Workshop of the Hernandez Family". She and her family specializes in making utilitarian, pre-Colombian, and free creation (modern) works. Doña Vidalia has done utilitarian work since she was eleven years old. In the past, her work was rustic, hand built, and used no colorants, but now, her work is finer, thrown on a wheel, and uses colorants.

## **Value Chain Insights**

### *Vertical Backward Joint Actions (Relationships with Suppliers)*

Originally, Doña Vidalia dug her own clay, but now, she buys processed clay. She buys from various local clay processors and gets the colorants prepared from locals as well.

The price for colorants is high for her because she has to buy them through resale due to the lack of access. For example, 100 grams of colorants costs \$3-\$4, which is expensive. Instead of purchasing them from a local, she would prefer purchasing them directly from one of her buyers.

### *Horizontal Joint Actions (Relationships with Other Potters)*

As pottery is the only source of income for the Hernandez family, every family member plays a role in their workshop. They work as an assembly line – someone throws, she polishes, etc. At times, they all take turns firing the pottery. As a result, the work gets done faster. Also, they learn new production approaches, which helps to increase the quality of their work.

Over time, the Hernandez family has been able to use their profits to invest in their workshop. The only government support that the Hernandez family has received is assistance with the government sponsored art festivals. They bought their first kiln fifteen years ago through financing it from a big order. Previously, they rented space. The wheel allowed them to increase their production rate and improve the quality of their work. Additionally, making their work on a wheel decreased their costs because they use less clay per piece. Polishing their work is also faster when done on a wheel. Given all of the benefits of producing pots on a wheel, the Hernandez family is currently building a second one.

Doña Vidalia has been a teacher to young school kids and finds the experience rewarding and fun as she is proud to teach the next generation. When her family's workshop receives large orders, she has gotten help at various times from other potters in the town. The workers were younger so they brought new skills with them. Doña Vidalia has helped other potters in the town when they have received large orders as well.

### *Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)*

During my interview, Doña Vidalia primarily talked about selling to intermediaries. However, by interviewing several US buyers, I learned of at least one US buyer who purchases large orders from the Hernandez family on a consistent basis. This US buyer even made the claim that the profits Doña Vidalia and her family have made from fulfilling this US buyer's orders has enabled them to make significant renovations to their home and workshop. This shows that the information I gathered from the interviews does not offer me a complete picture of the potters' value chain. However, in this instance, Doña Vidalia's responses offered great insight into the type of relationships potters can have with intermediaries. This is valuable information that I did not gather in as great depth from other potters I interviewed in San Juan de Oriente.

The Hernandez family began selling to intermediaries many years ago. They sell to intermediaries from Managua, but they do not frequently purchase their work. The family works with other intermediaries who are more consistent, but they sometimes do not pay on time. The family also sells to intermediaries in San Juan de Sur and Granada, both of which are tourist areas. Whenever the family sells to intermediaries, they sign every piece, which prevents the intermediaries from claiming that they made the pieces themselves.

The Hernandez family faces several challenges by selling to intermediaries. Sometimes they will not buy the full order and try to bargain the prices. Another challenge is that the intermediaries will not always pay a down payment for their orders. Working with intermediaries prevent the Hernandez family from working directly with their end customers and receiving valuable product feedback. The family simply completes the order from the intermediaries while having no way of knowing the final buyers' preferences. If the intermediaries receive suggestions from their customers or would like the Hernandez family to make a new piece, they will bring sample pieces or pictures for the family to recreate. The family learns how to recreate the pieces themselves. The Hernandez family will sometimes copy forms or designs from other potters' work in the town. Doña Vidalia says that this is out of necessity.

### **Reflections on Value Chain Development**

According to Doña Vidalia, one of the most important relationships that her family has to ensure that they maintain a stable and consistent income is with Yamileth from Esperanza en Acción. Yamileth has helped the family find new intermediaries for the past two years. Ever since she came to them, they have been receiving larger orders. Doña Vidalia's advice to potters in more isolated communities is to go through the struggle of improving the quality of their work because that is what it takes to increase sales.

### **Potter Profile: Esperanza de Jesus Potosme Lopez**

#### **Pottery Background**

Esperanza de Jesus de Potosme Lopez started making pottery when she was 15. Her mother was very poor when she was born. Her mother was alone with five kids because when she was two months pregnant with Esperanza, her husband was a victim of an assault and ended up in a wheelchair. He was in the wheelchair for 11 years. When the assault took place, her mother did

not realize she was pregnant. All her sadness and pain over her husband affected her and made it so that she could not produce breast milk. So when Esperanza was born, she was malnourished. She was not healthy. Her mother worked in the street selling things and did not have the opportunity to send Esperanza to high school.

Esperanza's mother had two boys and three girls. In the rural area where they lived, there were not many houses, so her mother had to make sure they were safe and nothing happened to them as they walked to school. Esperanza grew up selling things in the streets like her mother, but by the time she reached the age of 15 she did not like to go out and sell things as it was embarrassing to her. There was a ceramic school that was giving classes, so she enrolled in the classes and learned that ceramics could be a means of survival. The ceramic school was a French project. From those classes she learned the basics of firing, modeling, throwing, etc. From the age of 15, she worked as a domestic servant, and she did not have the means to study in any other school. Not only did Esperanza like to make ceramic art, but she also saw it as a way to survive.

Esperanza did not come from a family of artisans. Only her grandmother made rustic water jars, and Esperanza did not know her. Esperanza continued on the tradition from her grandmother, but her kids are not interested in continuing it themselves. Her oldest child is 23 years old and in the university studying medicine. Her 16-year-old is in secondary school and her 8-year-old daughter is in third grade. Ceramics is not her family's only source of income. Her husband is primarily responsible for earning an income and maintaining the family household.

Esperanza makes all types of pottery – geometric, rustic, fine, and jewelry. Her work is different than other pottery made in San Juan de Oriente because she uses silver and leather to make her jewelry. She has an idea to make jewelry pieces combining clay with silver. Unfortunately, Esperanza was sick during the time of the interview. When she is able, she enjoys going to the fairs to sell her work. She feels very satisfied when customers compliment her on her pieces.

### **Value Chain Insights**

#### *Vertical Backward Joint Actions (Relationships with Suppliers)*

All of Esperanza's suppliers are Nicaraguan. Last year, a jewelry designer began visiting her workshop and selling Esperanza silver.

Initially, she could not create what the jewelry designer wanted. There was a problem with the ceramic jewelry breaking. However, Esperanza decided to take this problem on as a challenge so that she could continue working for the jewelry designer. As a result, her overall work has improved from this relationship. Her pieces are more fine and delicate.

#### *Horizontal Joint Actions (Relationships with Other Potters)*

Years ago, Esperanza studied under another potter and made thousands of pieces. She worked for this potter for 17 years. The relationship was good because as a thrower, she could make a good bit of money in a day. She could make 120 pieces in a day. Unfortunately, she can no longer



work as a thrower because she has carpal tunnel syndrome. When Esperanza receives large orders, she will commission her niece and other family members to help her make the pieces. Someone will throw and someone else will polish. She will decorate and draw the designs because the customer will want all of the pieces the same in her style. Esperanza does not work with her family to make the jewelry because she does not have to produce in great quantities and use the wheel to make the pieces.

Esperanza invested in a new kiln last year. The old kiln she had was at the end of its life so she replaced it. Her nephew built a bigger kiln for \$20. Esperanza made this investment using money she earned from selling her work. Before Esperanza owned her own kiln, she had to borrow kiln space from her neighbors. Having the kiln has affected the quantity that she can make. She wishes she could have both a big and small kiln because sometimes she only fires a small amount of pots but she has to use the same amount of wood that she would use for a large quantity of pieces because her kiln is big.

*Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)*

Esperanza's primary buyers are international tourists and Nicaraguan intermediaries. The mayor's office invited her to do a micro-fair three years ago. She did not attract any new clients at this fair so she did not feel like it was worth attending. Esperanza does not always like to attend fairs because if the sales are not good, it is not worth her investment to transport all her work.

Esperanza has been selling ceramics to international tourists for two years. Although her workshop is not located in a part of the town where many tourists visit, Esperanza is able to sell her work in a store where the tourists are likely to come. Before she began selling her work in this store, the storeowners wanted to sell a larger variety of work. As a result, they took on Esperanza and other artisans in San Juan de Oriente to sell their pieces in the store. Esperanza had to take out a micro-loan to be able to afford selling her work in this storefront. She pays 40% interest annually.

Esperanza's husband explained that there are two types of customers—tourists who buy out of the inventory from the store and intermediaries who make orders directly from Esperanza. While the tourists often learn about her work and purchase it in this store, the intermediaries often initiate the relationship by visiting Esperanza in her workshop. She has always been selling to national intermediaries. She has developed relationships with intermediaries because there is high competition in the ceramic market. When prospective clients visit her workshop, she is friendly, explains her work, and tries to make friends with them so they will buy her pieces. These relationships have helped her improve the quality of her work and to better interact with customers.

Esperanza's approach to selling is that she needs to satisfy her customers and make what they want. If Esperanza is talking to a prospective customer who likes most details of a certain piece, but wants something changed, she will make what the customer wants. She will make whatever her customers request if it is different from what they see. While Esperanza does her best to make work that will satisfy the suggestions of her customers, at the end of the day, she is still

concerned that her customers will be satisfied and ultimately buy the pieces. Although Esperanza understands that she needs to make pieces that will please her customers if she wants to sell her work, it is risky for her to make unique pieces based off the customer's suggestions. Sometimes the new pieces she makes pleases her customers, but other times, they do not. One time, a customer suggested that she make little cups during Christmas time. She made the cups and saw an increase in her sales. Another time, one customer asked for a bear design on a pot, and after she made it, he said that it looked like a pig. Sometimes her customers want pieces painted with pastel colors, but she does not have them. Although Esperanza faces some challenges with executing her customers' suggestions, she will always do her best to adhere to them.

### **Reflections on Value Chain Development**

According to Esperanza, the most important relationships that she has to maintain a stable and consistent income is with her clients, specifically direct clients as opposed to intermediaries. They could be tourists from other countries or domestic buyers.

Esperanza's advice to potters in more isolated communities is to avoid selling to intermediaries. Instead, sell directly to clients. If potters have to work with intermediaries, Esperanza recommends working with intermediaries who want to help them, like Esperanza en Acción, who have an understanding for what customers would like to buy. Esperanza also recommends completing orders as soon as they are placed.

### **Potter Profile: Osvaldo Noel Potosme Martinez**

#### **Pottery Background**

For Osvaldo Noel Potosme Martinez, working with clay is a chain that goes back in his family for generations. His first memory of pottery is of his mother making things by hand. Osvaldo's mother made pottery using plaster molds. She did not have money to put him through high school so at the age of 12 he started making pottery. Osvaldo learned from his mother. He wanted to be an artisan because he loved to make art and the feeling of working with clay. He started out independently and worked for other people to learn how to make better work. He makes everything by hand. He never has thrown on the wheel. The only thing he knows how to do on the wheel is to polish pieces.

The type of pottery Osvaldo makes has changed overtime. He used to make more functional pieces, like water jars, and now he makes more decorative work, like butterflies. Today, Osvaldo makes all type of pottery including rustic, fine, modern, geometric, and pre-Columbian pieces. Right now, selling pottery is his only income. Osvaldo and his wife are both responsible for providing an income for their family.

## Value Chain Insights

### *Vertical Backward Joint Actions (Relationships with Suppliers)*

Osvaldo makes all of his pieces at his workshop and gets his materials here in the pueblo. He gets his acrylics at a hardware store and his colorants from other potters in the community. When he got his first order for the acrylic work, he went to a hardware store to buy the paint. The reason why he purchases the paints from this particular store over others is that it offers a lower price. He knew that the hardware store sells a good quality paint because of the brand. The quality of paint has helped Osvaldo expand his customer base.

Last year, Osvaldo invested in his kiln to make it bigger, so he had to buy some bricks to rebuild it. The one he replaced was very small. In order to afford this investment, Osvaldo had to get a bank loan from a cooperative that does micro financing. Now that he has a larger kiln, he can increase production without sacrificing quality.

### *Horizontal Joint Actions (Relationships with Other Potters)*

Osvaldo has worked for other potters as a painter. When he has worked with other potters, he used their colorants. He has not worked with any other potter using the acrylics except his brother. When Osvaldo has worked with other potters, he has learned from them and they have learned from him. He has been paid moderately well for his work. For seven years, he worked for the same potter. At the end, he felt like he had gotten as much out of the partnership as he could and he wanted to go somewhere else to improve his skills. If Osvaldo needs work, he will go out looking for other potters who need assistance.

Osvaldo has learned the basics of the wheel from his aunt Esperanza, who is the only person in his family who can throw on a wheel. While Osvaldo likes to throw on the wheel, he does not have time to practice because he has to make a living.

### *Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)*

Osvaldo came to know Esperanza en Acción through his aunt Esperanza. Yamileth invited him to a workshop. When he went, Yamileth placed an order from him. One of the benefits of this partnership is that more customers visit his workshop. The partnership has enabled him to access to new markets as well. Unfortunately, Osvaldo has not received any government support to sell his work. He has never been invited to attend the Nica fairs in Managua. If he would receive an invitation, he would go.

Osvaldo does not have any regular fixed clients. For his acrylic work, he has two buyers here in San Juan de Oriente and one in Catarina who buy in bulk. Osvaldo only sells to people who come to his workshop. If individual buyers do not come out to him, he has to sell to intermediaries. He has been selling to intermediaries for seven to eight years. He initiated these relationships by bringing the intermediaries samples for them to see. Because of the intermediaries, Osvaldo has been able to enter new markets. He has never received suggestions from the intermediaries as to how to change his work. They have been happy with his pieces.

Rights now, Osvaldo sells pottery that he paints with acrylics and colorants. He sells more acrylic pieces than pieces he paints with colorants. His biggest challenge with selling his work is the competition. A lot people are making the same stuff because it does not require a lot of skill in comparison to other types of pottery. They are all selling at low prices. No one can raise their prices because they are all undercutting each other.

Despite the high competition, Osvaldo's buyers are not asking him to lower his prices. Because there is demand for Osvaldo's type of pottery and customers value his work, the intermediaries are willing to pay his price. He charges the same price whether someone buys one or twenty. Yamileth from Esperanza en Acción said that she typically recommends that if customers buy in quantity, they should get a lower price per piece. However, Yamileth agrees that if Osvaldo is selling his work at a given price and quantity, and his customers are buying the work, he should not lower his price. Instead, he should raise his price to customers who are only buying one piece. Robert from Potters for Peace thinks that sometimes potters can price their work so low that it will cause customers to question the quality of the work.

Osvaldo will raise the price of his work when the cost of his supplies increase. However, he increases the price of each piece by the same amount that his costs of supplies increase. For example, if the cost of his acrylic paint were to increase by 30 córdobas, he would increase the price of each piece by 30 córdobas. Yamileth recommends a different pricing strategy. She advised Osvaldo to divide the price of the supply across all the pieces he can produce from it.

### **Reflections on Value Chain Development**

Osvaldo's most important relationships that enables him to maintain a stable and consistent income are with his two buyers in San Juan de Oriente and another in Catarina who buy his acrylic pieces in bulk. Osvaldo's advice to potters in isolated communities is to maintain your price. Value your work and do not sell it for less.

### **Potter Profile: Darwin Calero**

#### **Pottery Background**

Darwin Calero began working in clay when he was 12 years old in his father's workshop. Ceramics is the heritage of his family. His father learned from his parents. His parents' parents learned from other ancestors. Darwin's father also received training from the school funded by the Central Bank. This is how he learned how to draw and decorate pieces with butterflies. He also learned how to recover the pre-Columbian styles and make geometric pieces.

After school, Darwin wanted to learn how to make pottery. To make a little more money, he worked at his uncle's workshop. After he improved the quality of his work and met his wife, he began his own shop at age 19.

Not too long after he opened his workshop, Darwin met Yamileth Perez, who is the Director of the Artisan Program for Esperanza en Acción. Darwin is always grateful for Esperanza en Acción. Yamileth has helped him and many other artists in a variety of ways. From conducting

training sessions about cost analysis to enabling artists to access new markets, Yamileth has helped Darwin and others improve the quality of their lives for themselves and their families.

Darwin relies totally on his ceramic sales for his livelihood. He makes geometric pieces, animals, and pre-Columbian pieces to try to rescue his heritage.

### **Value Chain Insights**

#### *Vertical Backward Joint Actions (Relationships with Suppliers)*

Darwin gets his clay and the basic slip right here in the municipality. There is an artisan who processes the clay and sells it to the rest. Darwin buys clay that is ready to throw.

The biggest challenge Darwin has is purchasing colorants. One time, he had a poor experience working with an international buyer who supplied him with the colorants and purchased his work. This buyer sold the colorants to him at a high price and bought Darwin's final pieces at a low price. The buyer only brought enough colorants for Darwin to complete his order. The colorants that the buyer sold him were good quality, but Darwin learned by searching the internet that the guy was selling the same colors in the US for a cheaper price. Additionally, the buyer made him promise that he would only use the colorants on the work he bought. He met this guy through Yamileth, who assumed that the buyer came with good intentions. Although Darwin expected to work with this buyer, receive a fair price, and develop a long-term relationship, it did not work out this way. Essentially, this buyer wanted high quality work, but he did not want to pay for it. He had excuses for why it should be cheaper. He was after Darwin to innovate and to make something different. Darwin sent the buyer photos of what he had produced and the guy didn't like it. It just didn't work. He didn't want to pay more for the innovative work.

#### *Horizontal Joint Actions (Relationships with Other Potters)*

Yamileth works with many artists and they all feel the same gratitude towards her. Working with Yamileth has allowed Darwin to get to know other artists during training sessions. Darwin is able to attend all types of workshops, which teach artists new techniques in pottery, drawing, and painting. When the artists get together, they are able to share ideas and ways of working. They are able to learn from each other.

Yamileth is teaching him and other artists how to make clay vases and weavings of pine needles on top. He received an order for these vases and it was a good experience. Because he makes the clay vases and other artists do the weaving, he has to share his earnings with the other artists.

Two years ago, Yamileth helped him to get a large order of 600 pieces. The order generated work for other artists so that it could be completed on time. Because the work was distributed across multiple workshops, several artists were able to share in the bounty. The artists he hired were working at various workshops each making certain products. It was a beautiful and an interesting experience. He would work until 11 or 12 at night. His wife helped him keep on track and deliver by the deadline. Yamileth taught him how to manage a big order. Darwin would call the other artists on the phone or visit them on his bicycle to find out what they have

been working on and assess the quality of their work. Afterwards, he would report back to Yamileth to let her know how the order has progressed. It was a big responsibility and obligation to do right by Esperanza en Acción by delivering a quality product on time. It helped him to keep working.

*Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)*

When Darwin opened his own workshop at 19, he began looking for a market. At first, it was really hard. Darwin resorted to selling his work to intermediaries. He was not really making any money because he was not receiving a just price. The little money he made, he invested back into his workshop. In all of his times of struggle, he kept working.

By the grace of God, Darwin met Yamileth about 10 years ago at a training session. He is always grateful for Esperanza en Acción because of how much the organization has helped him as an artist. Yamileth has offered him many trainings and has accompanied him in his workshop. She also helped him with small loans and taught him how to get a just price for his work. When he was selling through intermediaries, he was not getting a just price.

The wheel that Darwin uses today is the same wheel he started out with 19 years ago. He borrowed money from the bank to finance it. His wheel has accompanied him in many battles. Before he had the wheel, he had to rent wheels in other workshops. As a result, he had to transport his work, which caused many of his pieces to break. His final product was of lower quality than it is today. He produced less pieces as well because he was limited in the time he had access to a wheel. When he was using other peoples' wheels, he was barely breaking even. Everything was more expensive.

When he got the wheel, he worked day and night. When he received his earnings, he would divide it up between his expenses, his family, and future investments. Out of 100 pieces, approximately 50 pieces would be for expenses and paying off the loan, 30 would be for food, and 20 would be for sales.

To increase his sales, Yamileth brought in groups of foreigners to Darwin's workshop. As a result, he was able to start selling directly to the end customer. From these purchases, Darwin began to save a little money to help build his house, which also serves as his workshop.

Two years ago, Yamileth helped Darwin to get a large order of 600 pieces. From this order, he was able to save enough money to build his own kiln. He invested 6,000-7,000 córdobas to build the kiln. 1,500 córdobas were for the workers and the rest was for the materials. Before he built his own kiln, he fired his pieces using his neighbor's kiln. Now that he has his own kiln, he can make and fire pieces in his own workshop, which is much more efficient.

Ever since the large order of 600 pieces, Yamileth has not been able to find another international buyer who would like Darwin to fulfill a large order. As a result, Darwin has fallen back into the hands of the intermediaries. Thankfully, his relationships with the intermediaries are a little bit better because his work is of higher quality. Darwin knows that in order to receive a better price for his work, he needs to continuously improve his quality. Darwin is always looking for vendors

and intermediaries who will keep him working. He tries his best to build relationships with prospective customers by explaining how his work is different from other artists.

The intermediaries currently want Darwin to make ceramic animal figures. They always give him their opinions and suggestions. It helps him a lot. If his work is good or bad, they will say so. When the intermediaries tell him that his work sold, this motivates him to make better work. Darwin feels like he has the capacity to improve his work based off the suggestions of the intermediaries. He can improve his work by searching for pre-Columbian design on the internet and watching online videos to make certain pieces. However, there is a bit of a fear that if he makes something new, it may not be exactly what the intermediaries want.

In all of Darwin's years as a potter, the only way he has received government support is by receiving invitations to art fairs. As a result, he has participated in the Nica fairs in Managua three times and other various art fairs.

### **Reflections on Value Chain Development**

Darwin's most important relationship that enables him to maintain a stable and consistent income is with Esperanza en Acción. He calls Yamileth Christ on his shoulder. His advice to potters in isolated communities would be to participate in many training sessions and listen to the suggestions from buyers in order to know how to improve. Try to find out what NGO's are out there and get in contact with them. If Darwin lived in an isolated community, he would try to find training by going to the mayor's office and ask if there are any programs like the tourist agency. When Darwin offered this advice, Robert explained that artists in isolated communities do not normally look for trainings. Organizations typically come to them. There is not a central place that potters in isolated communities can go to look for trainings. San Juan de Oriente is a special place because there is the mayor's office and it is a town of potters.

### **Potter Profile: Jacobo Potosme**

#### **Pottery Background\***

\* When I arrived at Jacobo's workshop to conduct the interview, he explained that he did not have much time because he had to leave soon. As a result, I skipped most of the background questions, which is why his profile is so short.

Jacobo began making pottery at age 13. His mother and uncle taught him. He started his own workshop when he was 18, and specializes in making creative, modern pieces.

#### **Value Chain Insights**

##### *Vertical Backward Joint Actions (Relationships with Suppliers)*

It is up to Jacobo to find specific suppliers of clay. Purchasing the colorants is a struggle as there are no specific vendors who sell them consistently in Nicaragua. He wishes that the government would set up a materials bank where potters can buy their colors. Due to lack of accessibility, Jacobo has to work with buyers who can bring in a pound here and a pound there. Today, his

buyers want him to continue producing his work so they will typically supply him with the necessary colorants. Before he had strong relationships with his buyers, he was much more limited in color variety. In the beginning, he was making commercial pieces, but overtime, he learned how to make something different. His first client for these new pieces was Esperanza en Acción. Today, he has many more colors to use because of how many buyers want make sure that he can continue creating new pieces and improving his quality. The quality of his work today was not the same 10 years ago.

Some of the buyers will provide the colorants but require that Jacobo only use them on the pieces they purchase. This can be challenging if Jacobo wants to produce different work for other buyers, but does not have access to the necessary type and/or quantity of colorants to decorate them. Preferably, other buyers will provide the colorants, but will not specify that they only have to be used for their work.

Up until two years ago, Jacobo was only able to work with earth tones. That is all he had to use. When he began to work with a particular buyer, she gave him access to the really good colorants. This has helped him to compete in the marketplace. He is able to sell to collectors with this quality work. Jacobo also uses acrylics to decorate his work. He does not use acrylics that are used for house paint. Instead, he uses acrylics that are typically used to make paintings.

#### *Horizontal Joint Actions (Relationships with Other Potters)*

Jacobo has someone else throw the pottery, but he designs the pieces. There are only two or three people in San Juan de Oriente who can throw the big pieces. They are good throwers, but he needs to make sure the details are right.

When he started to work, he did not know how to throw on the wheel. In the beginning, he learned the basics of throwing. Now he books help ahead of time from some of the 15 potters who are skilled at throwing because they are in demand. He has good relationships with them.

#### *Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)*

Jacobo's primary market consists of tourists and international buyers who come to his workshop. Some of his work is such high quality that he sells to private collectors for hundreds of dollars apiece. During the tourist season, he has many people who visit and purchase his work. Most of his international buyers are intermediaries, meaning that they are wholesalers. Jacobo works with three people who can do international shipments for him. He says that they all have their pros and cons, but they are all good. Occasionally, Jacobo works with national buyers who stock inventory for tourist shops.

Different buyers are attracted to different aspects of Jacobo's work. Some look at the design while others look at the size. Some people just want the big piece and are not looking at the details. The smaller pieces are sometimes more expensive because their designs are given more attention than the larger pieces. Jacobo charges by quality.



Jacobo is always looking for something new to offer his buyers. He never ignores his buyers' suggestions. As a result, he has learned what products appeals to buyers the most.

He has received funding from Esperanza en Acción for his shelving, his floors, walls, and everything it takes to make a good presentation in the front of the store. Some of his buyers offer him financing as well. The only government entity he has worked with gave him a loan for his work. The cooperative has offered other financing options.

Jacobo has participated in variety of local fairs. One time, someone from the government came and chose artists through a raffle system to participate in an exhibit held in Milan. But the government only paid for their airfare. The government did not give the artisans anyway to get their work over there so all Jacobo could bring for the six day show was two suitcases. Jacobo said that if the government does anything, they favor certain people.

### **Reflections on Value Chain Development**

Some of Jacobo's most important relationships that help him to maintain a stable and consistent income are with Esperanza en Acción, Mundo Village, Nica Art, and the woman who supplies him with the high quality colorants. Jacobo's advice to potters in isolated communities is to be friendly to everybody and maintain good associations with people. Always maintain an inventory because if you do not have any work in your shop, you will not get the sale. Jacobo says that one weakness he has had as an artist is that he can make 20-30 pieces, sell all of them, and then he can have nothing left to display. It is important to have an inventory so prospective buyers can see what you have before they buy from you. The internet and social media are important in promoting your work. It can help you to get your work out to the world. You can display your inventory online with pictures of your work. Prospective buyers can see the pictures and say what they want.

## META-ANALYSIS ACROSS POTTERS FROM SAN JUAN DE ORIENTE

### Verification that the Potters are Positioned in a Buyer-Driven Value Chain

As you will see from the themes uncovered from the potters in San Juan de Oriente, the potters are conscientious of their joint actions with their buyers. This is why I uncovered significantly more themes that dealt with vertical forward joint actions than either vertical backward joint actions or horizontal joint actions. The meta-analysis across potters from San Juan de Oriente provided significant verification that the potters in this community are positioned in a buyer-driven value chain. Because the buyers are the governors of the potters' value chain, the potters understand the importance of their relationships with their buyers. (Gereffi & Korzeniewicz, 1994) The themes that target the potters' relationships with their buyers are ways that the potters have found to leverage their own power to advance their positioning in their buyer-driven value chain.

Below is a quote from each of the potters' profiles showing that the potters are positioned in a buyer-driven-value chain.

*"However, the buyer may stop purchasing from Juan Paulino if his work does not sell well. He determines what he makes the most of based off the suggestions from the buyers. Juan Paulino trusts his US buyers. Everything done in the country is done on confianza [trust]." –Juan Paulino's Martinez's profile*

*"The colorants he uses to glaze his work have to be imported from the United States. The suppliers from the United States are the same people who buy his work. His incentives to form these relationships are to primarily sell his work, but also to receive the colorants. Without the colorants, Filipe is not able to work. Filipe's relationships with his suppliers from the United States are very important because they ensure that he will receive high quality colorants." –Filipe Potosme's profile*

*"He always follows the suggestions from his buyers because he knows that following their suggestions will increase his sales...When he follows the suggestions from his buyers, he is reluctant to negotiate and lower his price." –Horacio Salazar's profile*

*"The Hernandez family faces several challenges by selling to intermediaries. Sometimes they will not buy the full order and try to bargain the prices. Another challenge is that the intermediaries will not always pay a down payment for their orders. Working with intermediaries prevent the Hernandez family from working directly with their end customers and receiving valuable product feedback. The family simply completes the order from the intermediaries while having no way of knowing the final buyers' preferences. If the intermediaries receive suggestions from their customers or would like the Hernandez family to make a new piece, they will bring sample pieces or pictures for the family to recreate." –Doña Vidalia's and Demaris Hernandez's profile*

*"When prospective clients visits her workshop, she is friendly, explains her work, and tries to make friends with them so they will buy her pieces. These relationships have helped her improve*

*the quality of her work and to better interact with customers.” –Esperanza de Jesus Potosme Lopez’s profile*

*“Osvaldo’s most important relationships that enables him to maintain a stable and consistent income are with his two buyers in San Juan de Oriente and another in Catalene who buy his acrylic pieces in bulk.” –Osvaldo Noel Potosme Martinez’s profile*

*“When Darwin opened his own workshop at 19, he began looking for a market. At first, it was really hard. Darwin resorted to selling his work to intermediaries. He was not really making any money because he was not receiving a just price...The intermediaries currently want Darwin to make ceramic animal figures. They always give him their opinions and suggestions. It helps him a lot. If his work is good or bad, they will say so. When the intermediaries tell him that his work sold, this motivates him to make better work. Darwin feels like he has the capacity to improve his work based off the suggestions of the intermediaries.” –Darwin Calero’s profile*

*“He never ignores his buyers’ suggestions. As a result, he has learned what products appeals to buyers the most.” Jacobo Potosme’s profile*

### **Themes Across Potters from San Juan de Oriente**

Below are the collective themes that I uncovered from developing and analyzing the profiles of potters from San Juan de Oriente. Refer to my “Research Objectives and Methods” chapter to learn how I identified each theme. I categorized each theme by the type of joint action they address, which include vertical backward joint actions, horizontal joint actions, and vertical forward joint actions. After I state each theme, I support them by offering quotes from the profiles of potters from San Juan de Oriente. Each theme is given a numerical value. All of the sub-themes are indented and include an additional decimal place. They typically include less quotes from the profiles than the other themes. This numerical format keeps the themes organized when I apply them to the potters from the isolated communities in the following chapters.

#### **Vertical Backward Joint Actions (Relationships with Suppliers)**

**1.0** The quality of materials directly affects the quality of the potters’ final product, which influences market appeal. Because the potters are positioned in buyer-drive value chains, the buyers hold the most power amongst all the value chain participants. This makes the potters’ relationships with their buyers more important than any other joint action. However, the potters’ joint actions with their suppliers greatly influence their joint actions with their buyers.

*“It is very important for him to have high quality materials. If he uses low quality materials, Filipe knows the quality of the finished product will not be good. As a result, he will have to lower his prices.” –Filipe Potosme’s profile*

*“Everyone wants to make good work, but the quality of the potters’ work depends upon their materials.” –Horacio Salazar’s profile*

*“When he got his first order for the acrylic work, he went to a hardware store to buy the paint. The reason why he purchases the paints from this particular store over others is that it offers a lower price. He knew that the hardware store sells a good quality paint because of the brand. The quality of paint has helped Osvaldo expand his customer base.” –Osvaldo Noel Potosme Martinez’s profile*

*“Up until two years ago, Jacobo was only able to work with earth tones. That is all he had to use. When he began to work with a particular buyer, she gave him access to the really good colorants. This has helped him to compete in the marketplace. He is able to sell to collectors with this quality work.” –Jacobo Potosme’s profile*

- 1.1** Potters can be resourceful by finding ways to decrease the costs for their supplies while still maintaining quality. Many of the potters’ buyers are price sensitive. The more ways that the potters can ensure that the price of their work does not increase because of the cost of their supplies increasing, the more likely they will be able to price their work that it appealing to their target markets.

*“Horacio gets creative to save money on his supplies. For instance, he never purchases brushes. Instead, he makes them out of children’s hair.” –Horacio Salazar’s profile*

- 2.0** Colorants are necessary to produce the majority of pottery in San Juan de Oriente. Unfortunately, for the potters, the colorants can be difficult to access. As a result, potters may have to rely on a variety of people in their value chains to obtain access to colorants. Because the potters are dependent on others to provide them with the colorants, they are vulnerably positioned along their value chains.

*“The colorants he uses to glaze his work have to be imported from the United States. The suppliers from the United States are the same people who buy his work. His incentives to form these relationships are to primarily sell his work, but also to receive the colorants. Without the colorants, Filipe is not able to work. Filipe’s relationships with his suppliers from the United States are very important because they ensure that he will receive high quality colorants...If Filipe is not working with a buyer who will supply him the colorants, he buys the colorants through the cooperative. As the secretary and a member of the cooperative, he has to work with other members to purchase the raw materials. If the cooperative does not have any colorants, he will sometimes have to go through an intermediary. The European Union has also helped him with the receival of raw materials.” –Filipe Potosme’s profile*

- 2.1** It may be less expensive for potters to purchase colorants and other supplies from their buyers rather than from resellers. This is because as the number of value chain stakeholder participants increase, the profit margins for the potters decrease. The more ways that the potters can work directly with their buyers to sell their work or receive supplies, the more profit the potters will make.

*“The price for colorants is high for her because she has to buy them through resale due to the lack of access. For example, 100 grams of colorants costs \$3-\$4, which is*

*expensive. Instead of purchasing them from a local, she would prefer purchasing them directly from one of her buyers.” –Doña Vidalia and Demaris Hernandez’s profile*

**2.2** If potters are dependent on their buyers to access colorants, potters prefer to work with buyers who allow them to use the colorants to decorate any piece, regardless of which buyer purchases the work. Some buyers require the potters to only use their colorants on pieces that they will purchase. This is an example of the buyers practicing their power in a buyer-driven value chain. Because colorants are difficult to access, potters do not want to be limited in how they can use them, which is why they prefer to work with buyers who do not require the potters to only use their colorants on pieces that they will purchase.

*“Some of the buyers will provide the colorants but require that Jacobo only use them on the pieces they purchase. This can be challenging if Jacobo wants to produce different work for other buyers, but does not have access to the necessary type and/or quantity of colorants to decorate them. Preferably, other buyers will provide the colorants, but will not specify that they only have to be used for their work.” –Jacobo Potosme’s profile*

### **Horizontal Joint Actions (Relationships with Other Potters)**

**3.0** Potters can improve their market accessibility by participating in a cooperative, especially if the members of the cooperative manage a gallery where everyone can display and sell a selection of their work. As the number of members increase, the more exposure each potter receives. Additionally, potters who participate in a cooperative prove to their buyers that they are organized, which builds trust.

*“The gallery of the cooperative is located at the entrance to the town. As a result, tourists who are unfamiliar with the town will start there. If tourists stop into the gallery and see his work, they will ask, ‘Who is Juan Paulino?’ Then the manager of the gallery will direct the tourists to his workshop.” –Juan Paulino’s Martinez’s profile*

*“The cooperative helps Filipe sell his work because the gallery is the first thing people see when they come into town. Because many tourists do not walk a considerable way down the road, having his work displayed in the cooperative gallery gives him premium exposure. When customers see his work in the cooperative, they are encouraged to visit him at his workshop. This has helped him expand his customer base and access new markets. Recently, two new clients visited the cooperative and expressed interest in his work. Filipe offered them a good discount if they purchase a large order” –Filipe Potosme’s profile*

*“He started working with foreigners through the cooperative. Foreigners typically learn about his work by seeing his pieces in the cooperative gallery. If they would like to place an order, they make their orders directly to him.” –Horacio Salazar’s profile*

**3.1** Participating in a cooperative can enable potters to share ideas, purchase raw materials at discounted rates, sell their work in new markets, and work together to fulfill large orders. As a result, potters who can organize themselves to create a cooperative can leverage their collective power to advance their positioning in their value chain.

*“Filipe joined the cooperative because he knew that it would help him access raw materials and sell his work. Another benefit Filipe receives by working with members of the cooperative is that they all can share ideas, and work together if they receive a large order. The members of the cooperative have a lot of respect for each other. Even though they share ideas with each other, they do not copy each other's work. Because they all make unique pieces, they are willing to publicize which US buyers they work with. It is very important that the potters trust one another...Due to economies of scale, the cooperative gets a better price on their materials than potters who individually purchase their supplies.” – Filipe Potosme’s profile*

*“As one of the founding members of the cooperative, Horacio has benefited from the cooperative in several ways. First, the cooperative is a place where he can sell his work. Second, he works with other members of the cooperative to purchase materials. For example, they work together to get the slip that they coat their work with, which is called taway...When they work together, they can get quantity discounts.” –Horacio Salazar’s profile*

**4.0** In order to successfully fulfill large orders, potters must have workers who they can delegate responsibilities to. Additionally, the potters must monitor everyone’s work to maintain quality control. Potters who can appropriately select and manage their workers will increase their likelihood of fulfilling their large orders on time while maintaining quality control.

*“In order to successfully fulfill the large orders, Juan Paulino has to divide responsibilities and ensure high quality at every stage of production. During the time of the interview, he only had one worker, but when he has larger orders to fulfill, he hires more workers. Juan Paulino requires all his workers to produce at the same level of quality...Because Juan Paulino often hires other potters in San Juan de Oriente to throw his pieces, he has a deal with his throwers that he will not pay for any piece they produce if it does not reach a certain level of quality. Juan Paulino has to trust his throwers that they will do their best not to throw pieces with air pockets in the walls because this is a significant factor that affects the loss rate of production in the firing.” –Juan Paulino’s Martinez’s profile*

*“He has hired two other workers. He constantly has to supervise them because his clients want the pieces made perfectly. The biggest waste of his time and resources is when his finished pieces do not meet the quality standards of his clients.” –Filipe Potosme’s profile*

*“When Horacio gets a large order from an international buyer, he will distribute the responsibilities as to who makes what amongst his family. In addition to making pieces himself, he will conduct quality control, and deliver the final product to the buyer.” –Horacio Salazar’s profile*

*“When Esperanza receives large orders, she will commission her niece and other family members to help her make the pieces. Someone will throw and someone else will polish.” – Esperanza de Jesus Potosme Lopez’s profile*

*“Two years ago, Yamileth helped him to get a large order of 600 pieces. The order generated work for other artists so that it could be completed on time. Because the work was distributed across multiple workshops, several artists were able to share in the bounty. The artists he hired were working at various workshops each making certain products. It was a beautiful and an interesting experience. He would work until 11 or 12 at night. His wife helped him keep on track and deliver by the deadline. Yamileth taught him how to manage a big order. Darwin would call the other artists on the phone or visit them on his bicycle to find out what they have been working on and assess the quality of their work. Afterwards, he would report back to Yamileth to let her know how the order has progressed. It was a big responsibility and obligation to do right by Esperanza en Acción by delivering a quality product on time. It helped him to keep working.”*  
*–Darwin Calero’s profile*

- 4.1** A family of potters can divide responsibilities of the production process to make more pieces faster. Additionally, the potters can learn new ideas from each other to improve the quality of their work. Many potters work as family units to leverage their collective power so that they can upgrade in their value chains.

*“As pottery is the only source of income for the Hernandez family, every family member plays a role in their workshop. They work as an assembly line – someone throws, she polishes, etc. At times, they all take turns firing the pottery. As a result, the work gets done faster. Also, they learn new production approaches, which helps to increase the quality of their work.”* –Doña Vidalia’s and Demaris Hernandez’s profile

- 4.2** When potters receive large orders and need to hire other works, the potters should hire people with skills that they are weak in or do not have altogether. This will allow the potters to increase the quantity and quality of their work.

*“When her family’s workshop receives large orders, she has gotten help at various times from other potters in the town. The workers were younger so they brought new skills with them.”* –Doña Vidalia and Demaris Hernandez

- 5.0** Owning a kiln enables a potter to upgrade their production process in many ways. Potters who can invest in building their own kilns benefit from not having to transport their pieces to other potters’ kilns in which the pieces may break and the other potters may require renting fees. Additionally, potters who can afford kilns of various sizes to accommodate the quantity of pieces they would like to fire can save money on raw materials, such as wood, in the long term.

*“Esperanza invested in a new kiln last year. The old kiln she had was at the end of its life so she replaced it. Her nephew built a bigger kiln for \$20. Esperanza made this investment using money she earned from selling her work. Before Esperanza owned her own kiln, she had to borrow kiln space from her neighbors. Having the kiln has affected the quantity that she can make. She wishes she could have both a big and small kiln because sometimes she only fires a small amount of pots but she has to use the same amount of wood that she would use for a large quantity of pieces because her kiln is big.”* –Esperanza de Jesus Potosme Lopez’s profile

*“Two years ago, Yamileth helped Darwin to get a large order of 600 pieces. From this order, he was able to save enough money to build his own kiln. He invested 6,000-7,000 cords to build the kiln. 1,500 cords were for the workers and the rest was for the materials. Before he built his own kiln, he fired his pieces using his neighbor's kiln. Now that he has his own kiln, he can make and fire pieces in his own workshop, which is much more efficient.” –Darwin Calero’s profile*

### **Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)**

**6.0** Every potter needs to maintain their own competitive advantage by leveraging their core competencies and resources. Highlighting their differences to prospective buyers will attract new buyers to purchase their work and previous buyers to purchase their work more frequently.

*“Everyone's touch is a little different. Some artists think that they can make pieces exactly like Juan Paulino’s and sell them at a lower price. But when the clients go to buy them, they find that the pieces are not the same. The buyer will take the order, but they will not come back or recommend the artist to anyone else.” –Juan Paulino’s Martinez’s profile*

*“Occasionally, Filipe sells pots that are not painted to another potter. However, these finished pieces never come out looking like something that Filipe would have made.” –Filipe Potosme’s profile*

*“She will decorate and draw the designs because the customer will want all of the pieces the same in her style.” –Esperanza de Jesus Potosme Lopez’s profile*

*“He tries his best to build relationships with prospective customers by explaining how his work is different from other artists.” –Darwin Calero’s profile*

**6.1** If potters make similar work, they will likely enter into price wars because they will be competing for the same customer base. In this case, supply will exceed demand, which will enable buyers to lower the potters’ prices.

*“He sells more acrylic pieces than pieces he paints with colorants. His biggest challenge with selling his work is the competition. A lot of people are making the same stuff because it does not require a lot of skill in comparison to other types of pottery. They are all selling at low prices. No one can raise their prices because they are all undercutting each other.” –Osvaldo Noel Potosme Lopez’s profile*

**6.2** The potter’s competitive advantage will enable the potters to build a larger and stronger customer base, which may offer greater access to colorants if the potters are dependent on their buyers for them.

*“In the beginning, he was making commercial pieces, but overtime, he learned how to make something different. His first client for these new pieces was Esperanza en Acción. Today, he has many more colors to use because of how many buyers want make sure that he can continue creating new pieces and improving his quality.” –Jacobo Potosme’s profile*



**7.0** Potters need to invest into their workshops in order to attract tourists and make them feel welcomed. Because potters are positioned in a buyer-driven value chain, they need to maximize buyer satisfaction at all costs.

*“He appeals to the tourist market by investing in his workshop and giving presentations that showcase how the pottery is made...To appeal to tourists, Juan Paulino learned that he needed to make major investments into his workshop like installing a toilet, tile floors, etc. He is always planning what he should invest into his workshop.” –Juan Paulino’s Martinez’s profile*

*“Two years ago, he invested in making his workshop bigger, which allowed him to offer presentations to tourists that highlight the process of how he makes his work.”—Filipe Potosme’s profile*

*“When prospective clients visits her workshop, she is friendly, explains her work, and tries to make friends with them so they will buy her pieces. These relationships have helped her improve the quality of her work and to better interact with customers.” –Esperanza de Jesus Potosme Lopez’s profile*

*“Jacobo’s advice to potters in isolated communities is to be friendly to everybody and maintain good associations with people.” –Jacobo Potosme’s profile*

**7.1** If potters’ workshops are not located where many tourists will visit, they should try to find stores to sell their work where more tourists will come. Displaying work in multiple stores will increase market accessibility.

*“Although her workshop is not located in a part of the town where many tourists visit, Esperanza is able to sell her work in a store where the tourists are likely to come.” – Esperanza de Jesus Potosme Lopez’s profile*

**8.0** Because potters can unexpectedly have buyers greet them in their workshops, they must always have inventory stocked. If potters do not keep their inventory stocked, they could potentially lose sales. Prospective buyers may not place orders with potters who do not have pieces on hand. Because most potters cannot afford to maintain a large inventory, they need to do their best to promote their work as they are making more pieces.

*“Juan Paulino is always producing hoping that US buyers will come. For him, September is his slowest month, which does not mean that he stops producing work. Some artisans stop producing when they do not have sales. He maintains his inventory because he knows that a customer could walk into his workshop anytime and place an order that he or she wants today...The most important piece of advice he could give to potters in isolated communities is to produce and maintain their inventory. This is the best form of security. This is because at any time a buyer may come and want many pieces.” –Juan Paulino’s Martinez’s profile*

*“Always maintain an inventory because if you do not have any work in your shop, you will not get the sale. Jacobo says that one weakness he has had as an artist is that he can make 20-30 pieces, sell all of them, and then he can have nothing left to display. It is important to have an*

*inventory so prospective buyers can see what you have before they buy from you.” –Jacobó Potosme’s profile*

**9.0** Potters should continuously improve their quality and diversify their work to maintain and expand their customer base. Buyers are more likely to consistently purchase potters’ work if they are making new pieces and improving their quality.

*“Juan Paulino thinks that one of the factors that determines a potter’s success in San Juan de Oriente is their propensity to change and try to do a little better than the next guy.” –Juan Paulino’s Martínez’s profile*

*“To please his customers, Filipe always has to be thinking of new ways. He has to have an open mind and moving mind. Filipe has come to see that his buyers do not want the same old same old. He realizes that he has to make something that his buyers has never seen before, which encourages him to be creative.” –Filipe Potosme’s profile*

*“His advice to potters in isolated communities is to worry about quality, and new designs.” –Horacio Salazar’s profile*

*“Doña Vidalia’s advice to potters in more isolated communities is to go through the struggle of improving the quality of their work because that is what it takes to increase sales.” –Doña Vidalia’s and Demaris Hernandez’s profile*

*“Thankfully, his relationships with the intermediaries are a little bit better because his work is of higher quality. Darwin knows that in order to receive a better price for his work, he needs to continuously improve his quality.” –Darwin Calero’s profile*

*“Jacobó is always looking for something new to offer his buyers.” Jacobó Potosme’s profile*

**10.0** Potters should be proactive in searching for new customers when the market is slow. Because potters are positioned in a buyer-driven value chain, they are responsible for simultaneously producing and promoting their work.

*“When times are tough, he does not sit around expecting customers to walk into his workshop. Instead, he goes out looking for them.” –Filipe Potosme’s profile*

**11.0** The type of buyers that potters work with can influence the potters’ pricing. Potters’ understanding of their value chains will increase if they can understand and assess their buyers’ anticipated profit margins. As potters learn more about how they are positioned in their value chains with respect to the type of buyers they work with, they may be able to identify and implement new ways of upgrading.

*“Juan Paulino understands that his selling point will vary depending on the type of US buyers he works with, such as storeowners or wholesalers. The prices that the US buyers resell his work for influences his work directly.” –Juan Paulino’s Martínez’s profile*

*“Filipe deals with different types of US buyers. One buyer will make a small order of expensive pieces that cost \$120. Then there are other buyers who will make a large order of inexpensive pieces. He has to take into account how much time he spends on each piece to determine appropriate pricing. Sometimes he has more love for a piece than he does for your wife. Sometimes he spends so much time on a piece that he neglects his wife. So he has to take into account if customers are willing to pay for the time required to make a given piece.” –Filipe Potosme’s profile*

*“Yamileth from Esperanza en Acción said that she typically recommends that if customers buy in quantity, they should get a lower price per piece.” –Osvaldo Noel Potosme Martinez’s profile*

**11.1** Potters must consider their breakeven price regardless of the size of their orders that their buyers place. If potters do not know how to calculate the costs of their work, buyers could easily tempt potters to agree with any price that the buyers are willing to pay, especially if the order is for hundreds or thousands of pieces. Potters who can determine their breakeven price are less likely to be exploited by buyers than potters who cannot determine their breakeven price.

*“Some artists will take an order for many pieces. Because they are dazzled by the order, they don’t take into account the costs. Some artists who receive smaller orders, but who use more sophisticated pricing, are in a better economic position than the artists who fill larger orders at or right above their costs. This occurs because when artists sell in high quantity, price becomes very important. Some buyers only care about price. As a result, some artists do not work on improving the quality of their work.” –Juan Paulino’s Martinez’s profile*

**12.0** In order to increase sales, potters should try their best to meet their buyers’ expectations and follow any suggestions they make. Because potters are positioned in a buyer-driven value chain, they need to maximize buyer satisfaction.

*“Take all the suggestions from the clients and offer them a large variety of pieces.” –Juan Paulino’s Martinez’s profile*

*“Filipe believes that his customers are always right so he always accepts the customers’ suggestions. If they tell him that they want a piece made a certain way, he will make it accordingly. He never ignores suggestions from his customers. Ignoring the customers’ suggestion would mean turning down work. If he turns down work, he is screwed.” –Filipe Potosme’s profile*

*“Esperanza’s approach to selling is that she needs to satisfy her customers and make what they want. If Esperanza is talking to a prospective customer who likes most details of a certain piece, but wants something changed, she will make what the customer wants. She will make whatever her customers request if it is different from what they see.” –Esperanza de Jesus Potosme Lopez’s profile*

*“Darwin’s most important relationship that enables him to maintain a stable and consistent income is with Esperanza en Acción. He calls Yamileth Christ on his shoulder. His advice to*

*potters in isolated communities would be to participate in many training sessions and listen to the suggestions from buyers in order to know how to improve.” –Darwin Calero’s profile*

*“He never ignores his buyers’ suggestions. As a result, he has learned what products appeals to buyers the most.” Jacobo Potosme’s profile*

**12.1** If potters create a specific type of piece based off their customers’ suggestions, the potters should not have to lower their price. Demand for this particular piece must be high since their customers suggested that they make it. Due to the power of supply and demand, this scenario offers the potters more power even though they are positioned in buyer-driven value chains.

*“He always follows the suggestions from his buyers because he knows that following their suggestions will increase his sales...When he follows the suggestions from his buyers, he is reluctant to negotiate and lower his price.” –Horacio Salazar’s profile*

**12.2** Potters should try to learn the primary elements that their buyers care about the most. This is another way that potters can appeal to their buyers and maximize buyer satisfaction.

*“Different buyers are attracted to different aspects of Jacobo’s work. Some look at the design while others look at the size. Some people just want the big piece and are not looking at the details. The smaller pieces are sometimes more expensive because their designs are given more attention than the larger pieces. Jacobo charges by quality.” –Jacobo Potosme’s profile*

**12.3** Potters should not have to jeopardize the cultural integrity of their work to appeal to their customer preferences. In a buyer-driven value chain, potters can be pressured to sacrifice the cultural integrity of their work to appeal to their buyers. Each potter should have their own guidelines that predetermine what aspects of their work they are willing to change for a buyer and what aspects will remain the same to preserve their cultural identity in each piece.

*“Juan Paulino does not really ever change his technique, but if clients would like a certain design, he will work with them to make it. Usually, if clients want a new design, they will send a picture to Juan Paulino and he will work off of the picture. He will not change his technique because that is the roots of what he does. That is his heritage. However, he is always looking to improve the quality of his work and designs.” –Juan Paulino’s Martinez’s profile*

**13.0** Potters have to trust their buyers’ understanding of customer preferences when they decide to change their work based off the buyers’ suggestions. If potters follow their buyers’ suggestions, they have to trust that their work will sell and their buyers will place more orders in the future. If the buyers can successfully predict market preferences and the potters successfully execute their buyers’ suggestions, the fundamental forces of supply and demand will cause the potters’ work to sell.

*“However, the buyer may stop purchasing from Juan Paulino if his work does not sell well. He determines what he makes the most of based off the suggestions from the buyers. Juan Paulino trusts his US buyers. Everything done in the country is done on confianza [trust].” –Juan Paulino’s Martinez’s profile*

*“Horacio does not feel a risk in taking on a different order because if a buyer asks for it, he or she will purchase the work. This is assuming that the new pieces he makes for a particular buyer meet their expectations. Thankfully, Horacio’s pieces have always turned out okay when he had fulfilled special orders.” –Horacio Salazar’s profile*

*“While Esperanza does her best to make work that will satisfy the suggestions of her customers, at the end of the day, she is still concerned that her customers will be satisfied and ultimately buy the pieces. Although Esperanza understands that she needs to make pieces that will please her customers if she wants to sell her work, it is risky for her to make unique pieces based off the customer’s suggestions. Sometimes the new pieces she makes pleases her customers, but other times, they do not. One time, a customer suggested that she make little cups during Christmas time. She made the cups and saw an increase in her sales. Another time, one customer asked for a bear design on a pot, and after she made it, he said that it looked like a pig. Sometimes her customers want pieces painted with pastel colors, but she does not have them. Although Esperanza faces some challenges with executing her customers’ suggestions, she will always do her best to adhere to them.” –Esperanza de Jesus Potosme Lopez’s profile*

*“He can improve his work by searching for pre-Columbian design on the internet and watching online videos to make certain pieces. However, there is a bit of a fear that if he makes something new, it may not be exactly what the intermediaries want.” –Darwin Calero’s profile*

**14.0** In order for potters to receive large orders from buyers, they should prove to the buyers that they can produce high quality work on time. This can be done by potters showing their organizational skills to their buyers. Meeting deadlines is a significant way to maximize customer satisfaction.

*“Be honest with the clients because that is how trust is formed.” –Juan Paulino’s Martinez’s profile*

*“Filipe does not spend time thinking about whether or not he should work for specific customers. Instead, Filipe thinks about the factors that the customers consider to determine whether they will buy his work. These qualities are trust and Filipe’s ability to provide high quality work on time...The most important piece of advice he can give to potters in isolated communities is to be organized. If you are not organized, you are screwed! It will attract customers if you are organized. Being organized shows responsibility.” –Filipe Potosme’s profile*

*“Esperanza also recommends completing orders as soon as they are placed.” –Esperanza de Jesus Potosme Lopez’s profile*

**15.0** One way that potters can learn how to make a new form or design is by their buyers bringing pieces to them or by providing photos of a particular piece. This is one of the best ways that potters can learn how to make a new piece that will appeal to their buyers.

*“Usually, if clients want a new design, they will send a picture to Juan Paulino and he will work off of the picture.” –Juan Paulino’s Martinez’s profile*

*“If a buyer has a specific piece that he or she would like Horacio to create, the buyer will provide him with a picture and Horacio will make the piece based off of the photo.” –Horacio Salazar’s profile*

*“If the intermediaries receive suggestions from their customers or would like the Hernandez family to make a new piece, they will bring sample pieces or pictures for the family to recreate. The family learns how to recreate the pieces themselves.” –Doña Vidalia’s and Demaris Hernandez’s profile*

**16.0** Intermediaries can abuse their power to vulnerably position the potters in their value chains. When potters sell their work to intermediaries, they are entirely dependent on their intermediaries to relay product feedback from the final buyers. Additionally, the intermediaries may not buy every piece they asked the potters to make. They may try to get the potters to lower their prices. Lastly, the intermediaries may not always pay a down payment for their orders.

*“The Hernandez family faces several challenges by selling to intermediaries. Sometimes they will not buy the full order and try to bargain the prices. Another challenge is that the intermediaries will not always pay a down payment for their orders. Working with intermediaries prevent the Hernandez family from working directly with their end customers and receiving valuable product feedback. The family simply completes the order from the intermediaries while having no way of knowing the final buyers’ preferences. If the intermediaries receive suggestions from their customers or would like the Hernandez family to make a new piece, they will bring sample pieces or pictures for the family to recreate.” –Doña Vidalia’s and Demaris Hernandez’s profile*

*“He has never received suggestions from the intermediaries as to how to change his work. They have been happy with his pieces.” –Osvaldo Noel Potosme Martinez’s profile*

*“When Darwin opened his own workshop at 19, he began looking for a market. At first, it was really hard. Darwin resulted to selling his work to intermediaries. He was not really making any money because he was not receiving a just price...The intermediaries currently want Darwin to make ceramic animal figures. They always give him their opinions and suggestions. It helps him a lot. If his work is good or bad, they will say so. When the intermediaries tell him that his work sold, this motivates him to make better work. Darwin feels like he has the capacity to improve his work based off the suggestions of the intermediaries.” –Darwin Calero’s profile*

**16.1** Potters should always sign their work. This is especially important when potters sell their work to intermediaries because signing every piece will protect the authenticity of

their work. By the potters signing their work, they are leveraging their power in their buyer-driven value chains so that others cannot get credit for pieces they made.

*“Whenever the family sells to intermediaries, they sign every piece, which prevents the intermediaries from claiming that they made the pieces themselves.” –Doña Vidalia’s and Demaris Hernandez’s profile*

**17.0** If possible, potters should avoid selling to intermediaries. If possible, they should sell directly to the final buyer. The further disconnected the potters get from their final buyers, the smaller their profit margins will be.

*“Esperanza’s advice to potters in more isolated communities is to avoid selling to intermediaries. Instead, sell directly to clients.” –Esperanza de Jesus Potosme Lopez’s profile*

*“Ever since the large order of 600 pieces, Yamileth has not been able to find another international buyer who would like Darwin to fulfill a large order. As a result, Darwin has fallen back into the hands of the intermediaries.” –Darwin Calero’s profile*

**17.1** If potters have to sell their work to intermediaries, they should work with those who want to help them and who understand market preferences. Some of the most reliable and trustworthy intermediaries are nongovernmental organizations. They do not typically abuse the power they hold in their value chains.

*“If potters have to work with intermediaries, Esperanza recommends working with intermediaries who want to help them, like Esperanza en Acción, who have an understanding for what customers would like to buy.” –Esperanza de Jesus Potosme Lopez’s profile*

**18.0** Potters can greatly benefit from partnering with nongovernmental organizations. The benefits may include attending training sessions and accessing new markets. Unlike other buyers, nongovernmental organizations typically advocate for the advancement and economic wellbeing of the potters.

*“According to Doña Vidalia, one of the most important relationships that her family has to ensure that they maintain a stable and consistent income is with Yamileth from Esperanza en Acción. Yamileth has helped the family find new intermediaries for the past two years. Ever since she came to them, they have been receiving larger orders.” –Doña Vidalia’s and Demaris Hernandez’s profile*

*“Osvaldo came to know Esperanza en Acción through his aunt Esperanza. Yamileth invited him to a workshop. When he went, Yamileth placed an order from him. One of the benefits of this partnership is that more customers visit his workshop. The partnership has enabled him to access to new markets as well.” –Osvaldo Noel Potosme Martinez’s profile*

*“Yamileth works with many artists and they all feel the same gratitude towards her. Working with Yamileth has allowed Darwin to get to know other artists during training sessions. Darwin is able to attend all types of workshops, which teach artists new techniques in pottery, drawing,*

*and painting. When the artists get together, they are able to share ideas and ways of working. They are able to learn from each other...Two years ago, Yamileth helped him to get a large order of 600 pieces...To increase his sales, Yamileth brought in groups of foreigners to Darwin's workshop. As a result, he was able to starting selling directly to the end customer... Darwin's most important relationship that enables him to maintain a stable and consistent income is with Esperanza en Acción. He calls Yamileth Christ on his shoulder. His advice to potters in isolated communities would be to participate in many training sessions and listen to the suggestions from buyers in order to know how to improve... Try to find out what NGO's are out there and get in contact with them."* –Darwin Calero's profile

**19.0** Potters should typically avoid taking out loans from banks or other financial services because they often have high interest rates. Taking out loans with high interest rates would negatively affect the positioning of the potters in their value chains. If potters need additional capital, they should consult with a nongovernmental organization or some other entity that offer loans with low interest rates.

*"He does not feel comfortable taking out loans because of high interest rates."* –Juan Paulino's Martinez's profile

*"There have been instances where artisans have taken out loans and it has not gone too well. This is because it was difficult to pay back the loans because of the high interest rates and infrequency at which the artisans sell their work."* –Filipe Potosme's profile

*"Esperanza had to take out a micro-loan to be able to afford selling her work in this storefront. She pays 40% interest annually."* –Esperanza de Jesus Potosme Lopez's profile



## **DUCUALE GRANDE**

### **Introduction**

Ducuale Grande is one of four isolated pottery communities in which I applied my findings and analysis of potters from San Juan de Oriente to the potters I interviewed in this community. Robert and I selected the four isolated communities based on their readiness to access the international market. We wanted to select potters from the isolated communities that were in a position to learn the most from the themes and patterns from the potters in San Juan de Oriente. Because the potters in San Juan de Oriente export their work overseas, it made most sense to select isolated communities that Robert and I considered ready to access the international market. Refer to my “Research Objectives and Methods” chapter for more information about how I selected the isolated communities.

In this chapter, I include a community profile for Ducuale Grande, a joint profile for the two potters I interviewed simultaneously from this community, and an application of the meta-analysis across the potters from San Juan de Oriente to the two potters I interviewed from Ducuale Grande. The community profile includes information about Ducuale Grande’s pottery background, pottery production, and demographics. The community profile was enhanced by primary data I collected from the Nicaraguan potters. Refer to my “Research Objectives and Methods” chapter to know how I conducted the interview with the two potters, and how I developed the joint profile. In the profile, I first explain the potters’ background. Afterwards, I summarize the potters’ responses to the questions that addressed their joint actions with other members in their value chain. I conclude the profile with the potters’ explanation of their most important relationships and their advice to potters in other isolated communities. Lastly, I complete this chapter with an application of the meta-analysis across the potters from San Juan de Oriente to the two potters I interviewed from Ducuale Grande. I used the meta-analysis that emerged from the potters in San Juan de Oriente to provide an interpretive frame for understanding the supply chain behavior of potters I interviewed from Ducuale Grande. I classified each theme in one of four categories, which include unique themes, mutual themes, applicable themes, and inapplicable themes. Refer to my “Research Objectives and Methods” chapter to learn more about the format of this section. The numerical value associated with each theme are the same values I used for the themes listed in the section titled, “Themes Across Potters from San Juan de Oriente” in my “Meta-Analysis Across Potters from San Juan de Oriente” chapter.

### **Community Profile**

#### **Pottery Background**

Potters in Ducuale Grande have been making pottery for centuries. This art form tradition has been passed down from one generation of hard-working women to the next. In 1990, the Ducuale Grande Women’s Pottery Cooperative was established. The skills that the woman in the cooperative passed down from one generation to the next are enhanced by the skills learned by the women who have the opportunity to attend pottery-training workshops. The pottery produced

by the cooperative has received international recognition in magazines and newspapers. (Nicaragua.com, 2018)

Since the cooperative was founded in 1990, the female potters have been able to successfully manage their business. In fact, they are called on by other potters for assistance with marketing, production processes, and business skills. The women in the cooperative find satisfaction in financially providing for their families while preserving the ancient art of ceramics. (Nicaragua.com, 2018)

### **Pottery Production**

The type of pottery that the potters in the cooperative produce vary from decorative pieces to more utilitarian pieces like cups, vases, and plates. Most of the decorative pieces are hand built, while most of the utilitarian pieces are thrown on a kick wheel. The potters who are able to throw on the kick wheel are significant assets to the cooperative. (Nicaragua.com, 2018)

The potters extract the clay from the nearby hills. Once the clay is brought back to the studio, it is mixed with water, sand, and local pigments. (Nicaragua.com, 2018) After the pots are formed, the decoration process begins. The potters in the community are known for their slip decorating. Towards the end of the firing process, the pots are taken out of the kiln so that the potters can apply a resist design of clay mixed with ashes. The pots are then placed back into the kiln to be fired for a few more minutes. The clay and ash mixture is washed off the pots to reveal a beautiful shadow-like design. (Gilmour, 2013)

### **Demographics**

Ducuale Grande is located three kilometers from Condega, which is 55 kilometers from Estelí. The Pan American Highway is connected to the community by a dirt road. (Vianica.com, 2018) The community is located in the countryside of Nicaragua. The hills are rich in clay deposits, which explains the community's long history of ceramics. (Nicaragua.com, 2018) See Appendix D for a map of Nicaragua with the community's location. Pottery is the main source of income for many families in this community. (Jaakkola Tours, n.d.)

### **Potter Profile: Doña Wilma Guevarra Centeno and Doña Santos de Jesus Guevarra Martinez**

#### **Pottery Background**

Doña Wilma Guevarra Centeno and Doña Santos de Jesus Guevarra Martinez are from Ducuale Grande. Both of their families are considered founders of this pottery community. They have been creating pottery for many generations, as the founders of the community were potters themselves. Growing up, Doña Wilma worked nearby making rustic flowerpots while Doña Santos did not intend to have a career in clay. Doña Wilma's grandmother taught her the art of pottery. Her mother created water jars but this passion did not pass on to Doña Wilma until after she got married. Doña Wilma's interest in pottery grew by working with other women in the community and attending pottery classes. Her motivation to pursue a career in pottery was to make pieces that are not rustic and to improve the lives of her children. Doña Santos' interest in

pottery also developed by working with potters and attending classes. The classes helped them learn new techniques, such as how to use the potter's wheel.

Doña Wilma and Doña Santos make utilitarian and decorative pottery, including traditional and modern styles. Pottery is their main source of income, but their husbands have other jobs. Doña Wilma and Doña Santos are members of the pottery cooperative in Ducuale Grande. They work with other potters from the cooperative on the weekdays and work individually on the weekends because their husbands only have seasonal work.

## **Value Chain Insights**

### *Vertical Backward Joint Actions (Relationships with Suppliers)*

The first supplier that Doña Wilma, Doña Santos, and other member members of the cooperative worked with was Ron Rivera, the Coordinator of Potters Peace from 1988 until 2008. One of their teachers of their pottery classes, Paulo Laverde stayed with them for a year and a half until Ron came to help them. When he arrived, Ron played an instrumental role in supporting the development of the potters of Ducuale Grande. Ron helped by providing them with tools and local clay. He also took the potters to shows, both domestic and international. In 1996, he took the potters to a show in New Orleans, Louisiana. Ron saw the situation and the needs of the community, and trust was developed through the continued return of Potters for Peace. Potters for Peace still serves as their primary supplier.

The members of the cooperative have learned new skills from working with Potters for Peace that have helped increased the quality of their work. Their work is unique through the way they decorate their work, as they only use tague to decorate that is entirely natural and locally sourced. They make the tague from red dirt, which they get from a nearby town. The decoration results from the smoke during the firing process. Even after potters from San Juan de Oriente got access to colorants from the United States, potters from Ducuale Grande have stayed with their traditional process of decorating their work with tague. Members of the cooperative used to get their clay entirely locally sourced. Now they now go to Santa Clara for additional clay to mix with their own to make a stronger clay so the pottery does not break.

### *Horizontal Joint Actions (Relationships with Other Potters)*

Doña Wilma, Doña Santos, and the other members of the cooperative learn new skills from each other. The women divide roles based off each other's skillsets. If a thrower is hired, the women will split the work.

The potters understand that in order to have higher sales, they need to increase their quality. The quality of their pottery has increased through the realization and understanding of their flaws in previous work. The cost of production has gone down as they now have three kilns of various sizes, which enables them use less wood if they only need to fire small quantity of pieces.

*Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)*

Originally, Doña Wilma, Doña Santos, and the other potters in Ducuale Grande made rustic work to sell in neighboring villages. Without cars, it was hard for them to sell their work to widespread communities so they would travel by foot with their work on their heads. Today, their main client is Esperanza en Acción, but they also sell to stores and restaurants in Granada. They do not carry work on their heads and travel to sell their work anymore because they have their own gallery as a part of the cooperative. Tourists visit their cooperative and purchase work directly from the potters. Many of the tourists are working on brigades led by staff from Potters for Peace.

Sadly, in 1998, Hurricane Mitch struck and caused significant damage to the cooperative. Potters for Peace and other organizations helped them rebuild. What enabled the potters to significantly invest back into their workshop was receiving an order for thousands of pieces from Pier 1 Imports. The members of the cooperative never imagined that they would get an order this big so they received help from an organization to get capital. This capital went towards building a larger workshop so they could fulfill Pier 1 Import's order on time. Even though the potters had to incur some short-term debt to fulfill the order, the profit they made allowed them to easily pay it off. Completing such a large order taught the potters more successful business practices. During the production process, the members of the cooperative hired and managed about sixty additional potters. From receiving large orders like this one and working with organizations like Potters for Peace and Esperanza en Acción, the members of the cooperative have been able to construct a building to process their clay, a drying room, and multiple kilns.

Doña Wilma, Doña Santos, and the other members of the cooperative face several challenges when working for their buyers. The first challenge they face is meeting their buyers' deadlines, which often prevent the potters from attending fairs. Another challenge they face deals with standardizing their work. It is very difficult to make many of the same pieces because the decoration process occurs from the smoke in the kiln. As a result, there is a degree of variation across all their pieces. Some of their buyers prefer to buy pieces that look entirely the same.

Buyers offer the potters their feedback when they visit their workshop. The potters take their feedback and keep records of individual client preferences. Sometimes, buyers will provide an image or actual piece that they want the potters to replicate. During these times, the potters will teach themselves how to make the piece in order to make the buyer happy. When the potters make a new piece based off a buyer's suggestions, they want to make sure that it meets the buyer's quality standards and it is appropriately priced to account for all of their costs. Sometimes, buyers will place their orders and pay for the work when it is completed. However, sometimes the potters have to change their price because the cost of their supplies increase. When this happens, the buyers can be reluctant to pay the higher price and try to negotiate. However, the potters have been trained to know how much they need to sell their work for to breakeven so they are reluctant to lower their price considerably.

## **Reflections on Value Chain Development**

The most important relationships that Doña Wilma and Doña Santos have to maintain a stable and consistent income is with the stores that sell their work. Their advice to potters in isolated communities is to visit other pottery communities and understand what makes their work different. They also want to encourage the potters to maintain their enthusiasm and never give up. It is important to keep your spirits high even if the sales are slow because you always need to be ready for the day when things get better.

### **Application of Meta-Analysis across Potters from San Juan de Oriente to Doña Wilma Guevarra Centeno and Doña Santos de Jesus Guevarra Martinez**

#### **Unique Themes Identified from Doña Wilma Guevarra Centeno and Doña Santos de Jesus Guevarra Martinez**

The following theme surfaced from developing and reading Doña Wilma's and Doña Santos' profile, but not from developing and reading the profiles of potters from San Juan de Oriente. Because I desire to capture the perspective and experiences of Doña Wilma and Doña Santos, I list the unique theme that surfaced from their profile before I apply the themes surfaced from the potters in San Juan de Oriente to Doña Wilma and Doña Santos.

- Potters should keep records of their buyers' preferences. Not only would this help the potters to alter their work based on their buyers' feedback, but it would also reflect well on the potters' organizational skills. Being organized instills confidence and trust in the buyers that the potters can execute and manage their orders.
  - *"Buyers offer the potters their feedback when they visit their workshop. The potters take their feedback and keep records of individual client preferences."* – Doña Wilma Guevarra Centeno's and Doña Santos de Jesus Guevarra Martinez's profile

#### **Mutual Themes across Doña Wilma Guevarra Centeno and Doña Santos de Jesus Gravara Martinez from La Maysuta and the Potters from San Juan de Oriente**

The following themes surfaced when I developed and analyzed the profiles of Doña Wilma and Doña Santos from La Maysuta, and potters from San Juan de Oriente. However, because Doña Wilma and Doña Santos are the only potters I interviewed from La Maysuta, their perspectives and experiences are not necessarily representative of all the potters in this isolated community. Hence, for each mutual theme identified, I quote Doña Wilma's and Doña Santos' profile and explain how the theme only applies to them. Because they work with other potters in a cooperative, Doña Wilma and Doña Santos mentioned their collective efforts throughout the interview. As I result, I also apply the themes to the members of the cooperative when appropriate.

## Vertical Backward Joint Actions (Relationships with Suppliers)

**1.0** The quality of materials directly affects the quality of the potters' final product, which influences market appeal. Because the potters are positioned in buyer-drive value chains, the buyers hold the most power amongst all the value chain participants. This makes the potters' relationships with their buyers more important than any other joint action. However, the potters' joint actions with their suppliers greatly influence their joint actions with their buyers.

*"Members of the cooperative used to get their clay entirely locally sourced. Now they now go to Santa Clara for additional clay to mix with their own to make a stronger clay so the pottery does not break...The potters understand that in order to have higher sales, they need to increase their quality. The quality of their pottery has increased through the realization and understanding of their flaws in previous work." –Doña Wilma Guevarra Centeno's and Doña Santos de Jesus Guevarra Martinez's profile*

Doña Wilma, Doña Santos, and other members of the cooperative understand the importance of working with supplies who offer them high quality materials. They have gone so far as to travel to another community to purchase clay that is likely to break than the clay they can source locally. While working with an additional supplier will increase the potters' costs, they know that they will be able to produce better work. As a result, buyer satisfaction and sales will increase.

## Horizontal Joint Actions (Relationships with Other Potters)

**3.0** Potters can improve their market accessibility by participating in a cooperative, especially if the members of the cooperative manage a gallery where everyone can display and sell a selection of their work. As the number of members increase, the more exposure each potter receives. Additionally, potters who participate in a cooperative prove to their buyers that they are organized, which builds trust.

*"They do not carry work on their heads and travel to sell their work anymore because they have their own gallery as a part of the cooperative. Tourists visit their cooperative and purchase work directly from the potters." –Doña Wilma Guevarra Centeno's and Doña Santos de Jesus Guevarra Martinez's profile*

Doña Wilma, Doña Santos, and the other members of the cooperative in Ducuale Grande are able to increase their market accessibility by managing a gallery where all the potters' work is displayed.

**3.1** Participating in a cooperative can enable potters to share ideas, purchase raw materials at discounted rates, sell their work in new markets, and work together to fulfill large orders. As a result, potters who can organize themselves to create a cooperative can leverage their collective power to advance their positioning in their value chain.

*“Doña Wilma, Doña Santos, and the other members of the cooperative learn new skills from each other.” –Doña Wilma Guevarra Centeno’s and Doña Santos de Jesus Guevarra Martinez’s profile*

One of the many ways that the members of the cooperative in Ducuale Grande have leveraged their collective power is by sharing ideas and new production techniques.

- 4.0** In order to successfully fulfill large orders, potters must have workers who they can delegate responsibilities to. Additionally, the potters must monitor everyone’s work to maintain quality control. Potters who can appropriately select and manage their workers will increase their likelihood of fulfilling their large orders on time while maintaining quality control.

*“Sadly, in 1998, Hurricane Mitch struck and caused significant damage to the cooperative. Potters for Peace and other organizations helped them rebuild. What enabled the potters to significantly invest back into their workshop was receiving an order for thousands of pieces from Pier 1 Imports...During the production process, the members of the cooperative hired and managed about sixty additional potters.” –Doña Wilma Guevarra Centeno’s and Doña Santos de Jesus Guevarra Martinez’s profile*

Fulfilling the order from Pier 1 Imports allowed the members of the cooperative in Ducuale Grande an opportunity to hire and manage many potters so that the order was completed on time. The potters leveraged their collective power in their value chain to satisfy the needs of their buyer.

- 4.2** When potters receive large orders and need to hire other works, the potters should hire people with skills that they are weak in or do not have altogether. This will allow the potters to increase the quantity and quality of their work.

*“The women [members of the cooperative] divide roles based off each other’s skillsets.” –Doña Wilma Guevarra Centeno’s and Doña Santos de Jesus Guevarra Martinez’s profile*

The members of the cooperative in Ducuale Grande maximize the strengths of each potter in the production process. By leveraging each other’s strengths, they increase the likelihood of producing high quality work that will appeal to their target market.

- 5.0** Owning a kiln enables a potter to upgrade their production process in many ways. Potters who can invest in building their own kilns benefit from not having to transport their pieces to other potters’ kilns in which the pieces may break and the other potters may require renting fees. Additionally, potters who can afford kilns of various sizes to accommodate the quantity of pieces they would like to fire can save money on raw materials, such as wood, in the long term.

*“The cost of production has gone down as they now have three kilns of various sizes, which enables them use less wood if they only need to fire small quantity of pieces.” –Doña Wilma Guevarra Centeno’s and Doña Santos de Jesus Guevarra Martinez’s profile*

The members of the cooperative in Ducuale Grande have been able to upgrade their production process by building their three kilns. The firing of their work is likely more consistent and the cost of their production has decreased.

### **Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)**

**6.0** Every potter needs to maintain their own competitive advantage by leveraging their core competencies and resources. Highlighting their differences to prospective buyers will attract new buyers to purchase their work and previous buyers to purchase their work more frequently.

*“Their work is unique through the way they decorate their work, as they only use tague to decorate that is entirely natural and locally sourced. They make the tague from red dirt, which they get from a nearby town. The decoration results from the smoke during the firing process... Their advice to potters in isolated communities is to visit other pottery communities and understand what makes their work different.” –Doña Wilma Guevarra Centeno’s and Doña Santos de Jesus Guevarra Martinez’s profile*

Doña Wilma, Doña Santos, and the other members of the cooperative in Ducuale Grande leverage their resources to maintain their competitive advantage. Their glazing, decoration, and firing process make their work stand out from other types of Nicaraguan pottery.

**7.0** Potters need to invest into their workshops in order to attract tourists and make them feel welcomed. Because potters are positioned in a buyer-driven value chain, they need to maximize buyer satisfaction at all costs.

*“They do not carry work on their heads and travel to sell their work anymore because they have their own gallery as a part of the cooperative. Tourists visit their cooperative and purchase work directly from the potters.” –Doña Wilma Guevarra Centeno’s and Doña Santos de Jesus Guevarra Martinez’s profile*

By investing into building a gallery to display their work, the members of the cooperative in Ducuale Grande understand the importance of welcoming their buyers into their workshop.

**7.1** If potters’ workshops are not located where many tourists will visit, they should try to find stores to sell their work where more tourists will come. Displaying work in multiple stores will increase market accessibility.

*“The most important relationships that Doña Wilma and Doña Santos have to maintain a stable and consistent income is with the stores that sell their work.” –Doña Wilma Guevarra Centeno’s and Doña Santos de Jesus Guevarra Martinez’s profile*

Because Ducuale Grande is geographically isolated, the relationships that the cooperative has with storeowners to display and sell their work are critical in advancing the potters’ positioning in their value chain.



**10.0** Potters should be proactive in searching for new customers when the market is slow. Because potters are positioned in a buyer-driven value chain, they are responsible for simultaneously producing and promoting their work.

*“Originally, Doña Wilma, Doña Santos, and the other potters in Ducuale Grande made rustic work to sell in neighboring villages. Without cars, it was hard for them to sell their work to widespread communities so they would travel by foot with their work on their heads.” –Doña Wilma Guevarra Centeno’s and Doña Santos de Jesus Guevarra Martinez’s profile*

In the past, Doña Wilma, Doña Santos, and other potters in Ducuale Grande had to put forth significant effort in finding their customers. They did what was required of them to sell their work, which meant carrying pottery on their heads to other communities. Now that they have access to automobiles and other modes of transportation most likely from nongovernmental organizations, they do not have to put forth as much effort in reaching their customers.

**11.1** Potters must consider their breakeven price regardless of the size of their orders that their buyers place. If potters do not know how to calculate the costs of their work, buyers could easily tempt potters to agree with any price that the buyers are willing to pay, especially if the order is for hundreds or thousands of pieces. Potters who can determine their breakeven price are less likely to be exploited by buyers than potters who cannot determine their breakeven price.

*“Sometimes, buyers will place their orders and pay for the work when it is completed. However, sometimes the potters have to change their price because the cost of their supplies increase. When this happens, the buyers can be reluctant to pay the higher price and try to negotiate. However, the potters have been trained to know how much they need to sell their work for to breakeven so they are reluctant to lower their price considerably.” –Doña Wilma Guevarra Centeno’s and Doña Santos de Jesus Guevarra Martinez’s profile*

Doña Wilma, Doña Santos, and the other members of the cooperative in Ducuale Grande understand the importance of calculating their breakeven price. With this understanding, they are less likely to be exploited by buyers who try to negotiate their pricing.

**12.0** In order to increase sales, potters should try their best to meet their buyers’ expectations and follow any suggestions they make. Because potters are positioned in a buyer-driven value chain, they need to maximize buyer satisfaction.

*“Buyers offer the potters their feedback when they visit their workshop. The potters take their feedback and keep records of individual client preferences.” –Doña Wilma Guevarra Centeno’s and Doña Santos de Jesus Guevarra Martinez’s profile*

The members of the cooperative in Ducuale Grande definitely understand the importance of listening to the suggestions of their buyers. So much so, that they keep record of them. Because of how attentive the potters are to their buyers’ suggestions, I listed this insight under “Unique Themes Identified from Doña Wilma Guevarra Centeno’s and Doña Santos de Jesus Guevarra Martinez’s profile”.

**14.0** In order for potters to receive large orders from buyers, they should prove to the buyers that they can produce high quality work on time. This can be done by potters showing their organizational skills to their buyers. Meeting deadlines is a significant way to maximize customer satisfaction.

*“Doña Wilma, Doña Santos, and the other members of the cooperative face several challenges when working for their buyers. The first challenge they face is meeting their buyers’ deadlines, which often prevent the potters from attending fairs.” –Doña Wilma Guevarra Centeno’s and Doña Santos de Jesus Guevarra Martinez’s profile*

Meeting the customers’ deadlines for Doña Wilma, Doña Santos, and other members of the cooperative in Ducuale Grande has often required that they do not attend fairs. While meeting their deadlines is a challenge, they understand the importance it has on maximizing their buyers’ satisfaction.

**15.0** One way that potters can learn how to make a new form or design is by their buyers bringing pieces to them or by providing photos of a particular piece. This is one of the best ways that potters can learn how to make a new piece that will appeal to their buyers.

*“Sometimes, buyers will provide an image or actual piece that they want the potters to replicate. During these times, the potters will teach themselves how to make the piece in order to make the buyer happy.” –Doña Wilma Guevarra Centeno’s and Doña Santos de Jesus Guevarra Martinez’s profile*

One of the ways that Doña Wilma, Doña Santos, and the other members of the cooperative learn how to meet the expectations of their buyers is when they provide a photo of a piece that they want the potters to make.

**18.0** Potters can greatly benefit from partnering with nongovernmental organizations. The benefits may include attending training sessions and accessing new markets. Unlike other buyers, nongovernmental organizations typically advocate for the advancement and economic wellbeing of the potters.

*“The first supplier that Doña Wilma, Doña Santos, and other member members of the cooperative worked with was Ron Rivera, the Coordinator of Potters Peace from 1988 until 2008....When he arrived, Ron played an instrumental role in supporting the development of the potters of Ducuale Grande. Ron helped by providing them with tools and local clay. He also took the potters to shows, both domestic and international. In 1996, he took the potters to a show in New Orleans, Louisiana. Ron saw the situation and the needs of the community, and trust was developed through the continued return of Potters for Peace. Potters for Peace still serves as their primary supplier...The members of the cooperative have learned new skills from working with Potters for Peace.” –Doña Wilma Guevarra Centeno’s and Doña Santos de Jesus Guevarra Martinez’s profile*

From accessing necessary supplies and markets to learning new skills, Doña Wilma, Doña Santos, and other member members of the cooperative in Ducuale Grande have greatly benefited from partnering with Potters for Peace.

### **Applicable Themes from the Meta-Analysis of Potters from San Juan de Oriente to Doña Wilma Guevarra Centeno and Doña Santos de Jesus Gravara Martinez**

The following themes surfaced from developing and analyzing the profiles of potters from San Juan de Oriente but not from Doña Wilma's and Doña Santos' profile. Because my understanding of Doña Wilma and Doña Santos is limited to their profile, I do not know if they are already following these themes. After developing and analyzing the profiles of potters from San Juan de Oriente, I think these themes are important enough to share with Doña Wilma and Doña Santos even if they are aware of the insights they hold. Hence, for each theme listed, I explain how the theme may apply to Doña Wilma and Doña Santos. Because they work with other potters in a cooperative, Doña Wilma and Doña Santos mentioned their collective efforts throughout the interview. As I result, I also apply the themes to the members of the cooperative when appropriate.

#### **Vertical Backward Joint Actions (Relationships with Suppliers)**

- 1.1** Potters can be resourceful by finding ways to decrease the costs for their supplies while still maintaining quality. Many of the potters' buyers are price sensitive. The more ways that the potters can ensure that the price of their work does not increase because of the cost of their supplies increasing, the more likely they will be able to price their work that it appealing to their target markets.

The more ways Doña Wilma, Doña Santos, and other members of the cooperative in Ducuale Grande can decrease the cost of their supplies, the more they will be able to appeal to their price sensitive buyers.

#### **Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)**

- 1.1** If potters make similar work, they will likely enter into price wars because they will be competing for the same customer base. In this case, supply will exceed demand, which will enable buyers to lower the potters' prices.

Doña Wilma, Doña Santos, and other members of the cooperative in Ducuale Grande make unique work in comparison to other Nicaraguan potters. Based on their interview, I am uncertain if they understand the potential economic impact if they would lose their competitive advantages. If other potters try to replicate their work, they would enter into price wars because supply would exceed demand. For this reason, I would encourage them to protect their competitive advantages.

- 8.0** Because potters can unexpectedly have buyers greet them in their workshops, they must always have inventory stocked. If potters do not keep their inventory stocked, they could potentially lose sales. Prospective buyers may not place orders with potters who do not have

pieces on hand. Because most potters cannot afford to maintain a large inventory, they need to do their best to promote their work as they are making more pieces.

A piece of advice that Doña Wilma and Doña Santos offered to potters in other isolated communities was to “keep your spirits high even if the sales are slow because you always need to be ready for the day when things get better”. This insight complements the importance of keeping one’s workshop stocked with pieces because one never knows when a buyer may visit. I hope that the members of the cooperative in Ducuale Grande practice this piece of advice in their own workshop.

**9.0** Potters should continuously improve their quality and diversify their work to maintain and expand their customer base. Buyers are more likely to consistently purchase potters’ work if they are making new pieces and improving their quality.

Based on developing and analyzing Doña Wilma’s and Doña Santos’ profile, I do not know if they and other members of the cooperative in Ducuale Grande strive to diversify their work. Because the techniques they use preserve their cultural integrity, I would encourage them to diversify the forms and functionality of their work rather than their glazing and firing processes.

**11.0** The type of buyers that potters work with can influence the potters’ pricing. Potters’ understanding of their value chains will increase if they can understand and assess their buyers’ anticipated profit margins. As potters learn more about how they are positioned in their value chains with respect to the type of buyers they work with, they may be able to identify and implement new ways of upgrading.

I strongly suggest that Doña Wilma and Doña Santos determine different pricing strategies for each type of buyer they work with if they have not done so already. If they can do this successfully, they may be able to identify and implement new ways of upgrading.

**12.1** If potters create a specific type of piece based off their customers’ suggestions, the potters should not have to lower their price. Demand for this particular piece must be high since their customers suggested that they make it. Due to the power of supply and demand, this scenario offers the potters more power even though they are positioned in buyer-driven value chains.

Doña Wilma and Doña Santos explained that when they follow the suggestion of their buyers, they want to ensure that their work meets the quality standards of their buyers. Additionally, they want to make sure that their work is appropriately priced to account for all of their costs. Furthermore, I would advice them to be reluctant to lower the price for their work even if the cost of their supplies decreased. The buyers suggested that the potters make an adjustment to their work because the buyers perceived that the market would like it. If the potters successfully execute the suggestions of their buyers, the buyers will be more inclined to purchase their work because they think that it will sell in the market. Because of the forces of supply and demand, the potters should not have to lower their prices.

**12.2** Potters should try to learn the primary elements that their buyers care about the most. This is another way that potters can appeal to their buyers and maximize buyer satisfaction.

Not only should Doña Wilma and Doña Santos follow the suggestions of their customers, but they should also attempt to learn which specific features and details their buyers like the most. This would help them to increase buyer satisfaction.

**12.3** Potters should not have to jeopardize the cultural integrity of their work to appeal to their customer preferences. In a buyer-driven value chain, potters can be pressured to sacrifice the cultural integrity of their work to appeal to their buyers. Each potter should have their own guidelines that predetermine what aspects of their work they are willing to change for a buyer and what aspects will remain the same to preserve their cultural identity in each piece.

During the interview with Doña Wilma and Doña Santos, they explained how they are challenged to standardize their work due to their unique glazing and firing processes. Although some of their buyers may prefer that all of their pieces look the same, the glazing and firing processes are ways for them to preserve their cultural identity. As a result, they should find other ways to alter their work that will satisfy their customers.

**13.0** Potters have to trust their buyers' understanding of customer preferences when they decide to change their work based off the buyers' suggestions. If potters follow their buyers' suggestions, they have to trust that their work will sell and their buyers will place more orders in the future. If the buyers can successfully predict market preferences and the potters successfully execute their buyers' suggestions, the fundamental forces of supply and demand will cause the potters' work to sell.

Because Doña Wilma and Doña Santos are positioned in a buyer-driven value chain, I strongly encourage them to trust the suggestions of their buyers when they recommend that they change something about their work. The storeowners and other intermediaries they work with should have a thorough understanding of market preferences because they interact with the final customers. Even if Doña Wilma and Doña Santos disagrees with his buyers' suggestions, I still think he should implement them.

**16.0** Intermediaries can abuse their power to vulnerably position the potters in their value chains. When potters sell their work to intermediaries, they are entirely dependent on their intermediaries to relay product feedback from the final buyers. Additionally, the intermediaries may not buy every piece they asked the potters to make. They may try to get the potters to lower their prices. Lastly, the intermediaries may not always pay a down payment for their orders.

From developing and analyzing Doña Wilma's and Doña Santos' profile, I know that they work with several intermediaries, which include nongovernmental organizations and storeowners. They spoke positively about these types of intermediaries. However, I would caution Doña

Wilma and Doña Santos not to work with any type of intermediary given the negative perspectives and experiences of several potters from San Juan de Oriente.

**16.1** Potters should always sign their work. This is especially important when potters sell their work to intermediaries because signing every piece will protect the authenticity of their work. By the potters signing their work, they are leveraging their power in their buyer-driven value chains so that others cannot get credit for pieces they made.

Doña Wilma and Doña Santos should always sign their work, especially when they sell to intermediaries. By doing so, they would be leveraging their power in their value chain so that others cannot get credit for the pieces they make.

**17.1** If potters have to sell their work to intermediaries, they should work with those who want to help them and who understand market preferences. Some of the most reliable and trustworthy intermediaries are nongovernmental organizations. They do not typically abuse the power they hold in their value chains.

As Doña Wilma and Doña Santos search for new intermediaries to sell their work to, they should select those who want to help them advance in their value chain and those who understand market preferences.

**19.0** Potters should typically avoid taking out loans from banks or other financial services because they often have high interest rates. Taking out loans with high interest rates would negatively affect the positioning of the potters in their value chains. If potters need additional capital, they should consult with a nongovernmental organization or some other entity that offer loans with low interest rates.

Doña Wilma and Doña Santos should avoid taking out loans because they often have high interest rates. Taking out a loan with a high interest rate would likely hurt their positioning in their value chain. Although Doña Wilma and Doña Santos would likely be able to fund the investment that they got the loan for, they would likely have to pay off the loan for many years, which would limit them from upgrading in other ways.

### **Inapplicable Themes from the Meta-Analysis of Potters from San Juan de Oriente to Doña Wilma Guevarra Centeno and Doña Santos de Jesus Gravara Martinez**

The following themes surfaced from developing and analyzing the profiles of potters from San Juan de Oriente but not from Doña Wilma's and Doña Santos' profile. Given my understanding of Doña Wilma and Doña Santos, the following themes are not relevant to their development as potters. For each theme listed, I briefly explain why the theme is not relevant to them.

#### **Vertical Backward Joint Actions (Relationships with Suppliers)**

**2.0** Colorants are necessary to produce the majority of pottery in San Juan de Oriente. Unfortunately, for the potters, the colorants can be difficult to access. As a result, potters may have to rely on a variety of people in their value chains to obtain access to colorants. Because

the potters are dependent on others to provide them with the colorants, they are vulnerably positioned along their value chains.

With the exception of Potters for Peace bringing natural glazes from other nearby communities, the glazes that Doña Wilma, Doña Santos, and the other members of the cooperative in Ducuale Grande use on their work are entirely natural and locally sourced. As a result, they do not have to face the challenge of working with another member in their value chain to access colorants.

- 2.1** It may be less expensive for potters to purchase colorants and other supplies from their buyers rather than from resellers. This is because as the number of value chain stakeholder participants increase, the profit margins for the potters decrease. The more ways that the potters can work directly with their buyers to sell their work or receive supplies, the more profit the potters will make.

With the exception of Potters for Peace bringing natural glazes from other nearby communities, the glazes that Doña Wilma, Doña Santos, and the other members of the cooperative in Ducuale Grande use on their work are entirely natural and locally sourced. As a result, they do not have to face the challenge of working with another member in their value chain to access colorants.

- 2.2** If potters are dependent on their buyers to access colorants, potters prefer to work with buyers who allow them to use the colorants to decorate any piece, regardless of which buyer purchases the work. Some buyers require the potters to only use their colorants on pieces that they will purchase. This is an example of the buyers practicing their power in a buyer-driven value chain. Because colorants are difficult to access, potters do not want to be limited in how they can use them, which is why they prefer to work with buyers who do not require the potters to only use their colorants on pieces that they will purchase.

With the exception of Potters for Peace bringing natural glazes from other nearby communities, the glazes that Doña Wilma, Doña Santos, and the other members of the cooperative in Ducuale Grande use on their work are entirely natural and locally sourced. As a result, they do not have to face the challenge of working with another member in their value chain to access colorants.

### **Horizontal Joint Actions (Relationships with Other Potters)**

- 4.1** A family of potters can divide responsibilities of the production process to make more pieces faster. Additionally, the potters can learn new ideas from each other to improve the quality of their work. Many potters work as family units to leverage their collective power so that they can upgrade in their value chains.

While some potters in Ducuale Grande likely work as family units, their primary structure revolves around the cooperative.

## **Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)**

**6.2** The potter's competitive advantage will enable the potters to build a larger and stronger customer base, which may offer greater access to colorants if the potters are dependent on their buyers for them.

With the exception of Potters for Peace bringing natural glazes from other nearby communities, the glazes that Doña Wilma, Doña Santos, and the other members of the cooperative in Ducuale Grande use on their work are entirely natural and locally sourced. As a result, they do not have to face the challenge of working with another member in their value chain to access colorants.

**17.0** If possible, potters should avoid selling to intermediaries. If possible, they should sell directly to the final buyer. The further disconnected the potters get from their final buyers, the smaller their profit margins will be.

Doña Wilma and Doña Santos may be able to make more money if they were able to sell more of their work to their final customers. However, because their community is geographically isolated, working with their intermediaries enables their work to be displayed and sold in more markets. However, they do need to be careful with the type of intermediaries they work with as they have the ability to negatively affect the potters' positioning in their value chain.



## **SANTA ROSA**

### **Introduction**

Santa Rosa is one of four isolated pottery communities in which I applied my findings and analysis of potters from San Juan de Oriente to the potters I interviewed in this community. Robert and I selected the four isolated communities based on their readiness to access the international market. We wanted to select potters from the isolated communities that were in a position to learn the most from the themes and patterns from the potters in San Juan de Oriente. Because the potters in San Juan de Oriente export their work overseas, it made most sense to select isolated communities that Robert and I considered ready to access the international market. Refer to my “Research Objectives and Methods” chapter for more information about how I selected the isolated communities.

In this chapter, I include a community profile for Santa Rosa, a joint profile for the two potters I interviewed simultaneously from this community, and an application of the meta-analysis across the potters from San Juan de Oriente to the two potters I interviewed from Santa Rosa. The community profile includes information about Santa Rosa’s pottery background, pottery production, and demographics. The community profile was enhanced by primary data I collected from the Nicaraguan potters. Refer to my “Research Objectives and Methods” chapter to know how I conducted the interview with the two potters, and how I developed the joint profile. In the profile, I first explain the potters’ background. Afterwards, I summarize the potters’ responses to the questions that addressed their joint actions with other members in their value chain. I conclude the profile with the potters’ explanation of their most important relationships and their advice to potters in other isolated communities. Lastly, I complete this chapter with an application of the meta-analysis across the potters from San Juan de Oriente to the two potters I interviewed from Santa Rosa. I used the meta-analysis that emerged from the potters in San Juan de Oriente to provide an interpretive frame for understanding the supply chain behavior of potters I interviewed from Santa Rosa. I classified each theme in one of four categories, which include unique themes, mutual themes, applicable themes, and inapplicable themes. Refer to my “Research Objectives and Methods” chapter to learn more about the format of this section. The numerical value associated with each theme are the same values I used for the themes listed in the section titled, “Themes Across Potters from San Juan de Oriente” in my “Meta-Analysis Across Potters from San Juan de Oriente” chapter.

### **Community Profile**

#### **Pottery Background**

The village of Santa Rosa was founded after the revolution and is one of the few agrarian cooperatives remaining from the Sandinista era. In the 1980’s, 30 families founded this community after being displaced Somoza and US intervention. Today, the residents do not freely allow anyone to live in their community. Anyone who wants to be a permanent resident has to live and work for the cooperative for 6 months to prove his or her work ethic. The members of the cooperative have the opportunity to work a variety of jobs to ensure that they are self-sustaining. (Silver, 2014 Brigade Blog by Ann Schunior – Part 4, Santa Rosa, 2014)

## **Pottery Production**

The potters produce a variety of utilitarian pieces including cups, plates, bowls, and saucers. (Maroney, Back In Santa Rosa – A Pottery Trip, 2014) They prepare their own clay to make each piece. The potters have to travel outside their community, across a field, and into the jungle to extract their clay. (Gilmour, 2013) After they bring the clay back to their workshops, the potters add water and sift the wet clay through a screen into a settling tank. (Maroney, Back In Santa Rosa – A Pottery Trip, 2014) They use a black clay which turns into a light brown after it is fired. (Gilmour, 2013)

## **Demographics**

The cooperative in Santa Rosa resides on a 3,000 acre plot of land. Approximately 700 people manage the operations. (Silver, 2014 Brigade Blog by Ann Schunior – Part 4, Santa Rosa, 2014) See Appendix D for a map of Nicaragua with the community's location.

### **Potter Profile: Isidro Zavala Perez and Maria de los Angeles Gutierrez**

## **Pottery Background**

Isidro began the interview by thanking Lindsey, Pooja, and me for coming, and welcoming us to Nicaragua. He said that when people like us come to their country, it motivates them to keep working. Maria de los Angeles Gutierrez (known as Angela) also said that she appreciates young people coming to learn about her work. She feels like it is a beautiful thing to be able to work in art.

Isidro is a potter in Santa Rosa and has been working with clay for 15 years. He learned from his mother-in-law, Angela, and his wife Consuelo. Before he started working with clay, he was not an artist. One day, he had to go to an art fair with his wife because she was sick. At the art fair, Isidro was interviewed on TV. At that point, he discovered how much media attention Nicaraguan art was receiving, especially pottery. Ever since then, he and his wife have been making things out of clay and they have been very happy.

Angela has been working with clay since she was a little kid in Santa Rosa. She learned from her mother. Angela is Isidro's mother-in-law. Her family has always been making pottery. Some of her family members worked in agriculture, but pottery is more secure for them. Angela wanted to become an artist because she wanted to make beautiful pottery. She loves that she always has to think of ways to improve her work and create new pieces. She makes her pottery at her house with her sons. Angela's husband and other family members help gather the wood, clay, and any other necessary supplies.

Initially, Isidro and Angela made traditional, rustic pieces like pots and pans for mixing corn. They have learned new techniques from Potters for Peace and have continued to improve. Today, Isidro and Angela make a variety of pottery including cups, plates, and other functional ware. They also make decorative pieces like a "Tree of Life" design that they learned from a Potters for Peace brigade. They are receptive to advice from the brigades.

Isidro and Angela live on a cooperative farm where everyone has plots of land to grow beans and other food. Isidro's wife Consuelo is the treasurer. The cooperative has 170 members. In addition to making pottery, the members are responsible for taking care of and tending to their plots of land, fish farm, and cattle. They also have pigs and chickens on the cooperative. Everyone helps each other. On the road leading to the community, there is a sign, which says that a "cooperativa" [cooperative] is two kilometers off the highway, when it is actually four kilometers away. From the sales of the artwork, they can better tend to the needs of the cooperative. They do not have time to rest because they are always working on something. Angela does many other things in her community, such as taking care of the kids in her house and working on the fish farm. She also likes to help nurse people who are sick.

### **Value Chain Insights**

#### *Vertical Backward Joint Actions (Relationships with Suppliers)*

Isidro and Angela are lucky that their community has acres of land with good clay. They do not have to buy their clay; they dig it directly from land in their community.

What makes their work unique is that they use all-natural colorants. Potters for Peace brings them colors from other communities that they cannot get from their land. They also have a new pottery style that they learned from a volunteer from Potters for Peace, which is black pottery. They make these pieces by using waste from a plant, which generates carbon and turns the pottery black. There are other people who make black pottery, but Isidro's and Angela's pieces are more durable. As a sales technique, they explain to potential buyers that their work is all-natural.

#### *Horizontal Joint Actions (Relationships with Other Potters)*

Santa Rosa's economy is primarily driven by the cooperative. With 170 members, the cooperative has the capacity to manage many activities. Each member puts in many hours to make sure the cooperative is running smoothly. Artists benefit from the community being run by the cooperative. Isidro and Angela will occasionally ask for help if they need it. Usually, they will need help if they are worried about making a certain deadline for a customer. In Angela's case, she has kids living nearby who are bored during the day so she has taught them how to polish pottery. She taught two kids how to do good work so they are ready when she needs them. If they have an emergency order, she can call on these kids to help, and she pays them. Angela said that work is like a road – there are branches going in and branches going out.

#### *Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)*

There are two types of buyers that Isidro and Angela deal with the most. There are visitors who buy their pottery from their workshop or at a fair. There are also the regular buyers, who Isidro and Angela need to survive. Angela is the only potter she knows who puts her address and phone number on the bottom of each pot. That way, anyone who is interested in purchasing her work can get in contact with her.

Occasionally, Isidro and Angela will receive very unique orders. For example, two weeks ago, they sent a large body of work to Spain to be displayed in an exhibition. They will be paid in full for any of their work that sells. The potters learned about the exhibition from doctors who have been working in a neighboring community for years. A year ago, the doctors visited Santa Rosa and the potters became friends with them. As an artisan, you have to be intelligent in order to take good care of your clients so they will return.

Attending many fairs has helped Isidro and Angela significantly. The fairs are where they usually meet their ongoing customers. Sometimes they will get help from whichever government agency is putting on a fair to transport their work. Last year, Isidro took 300-400 pieces to the Nica fair in Managua. For both Isidro and Angela, most of their regular buyers are intermediaries who they develop relationships with by meeting them at the fairs. After the intermediaries know the potters and assess the quality of their work, they go to the potters' workshops to place future orders.

At one point, Isidro had the idea of starting a pottery school in his workshop similar to what some of the potters do in San Juan de Oriente. As he was considering starting his own school, he got a call from someone who works with the mayor of Somoto after they attended one of the fairs in this community. This man really liked his work, and he asked Isidro if he could come back to Somoto to teach some kids how to throw and decorate. Isidro and his wife got paid \$400 per month to teach the kids, which is good money. Isidro would not have met this man if he had not attended the fair in Somoto.

Isidro and Angela know that when they work with intermediaries, they are going to be paid less. They understand that the intermediaries have their margins that they need to meet as well or they will not continue to come back. Because the intermediaries are their regular clients, they offer a consistent cash flow. They work with the intermediaries out of necessity because they cannot holdup large amounts of inventory in their workshop waiting for different clients to come who may offer them a better price. Angela does not sell on credit. Isidro and Angela are hesitant to lower their prices significantly when selling to the intermediaries because they have to consider the costs they incurred from attending the fairs.

When Isidro and Angela participate in fairs and have to pay for transportation, room, and board, they may not cover their expenses if their sales are too low. This is a problem that affects artists across the country. Isidro's challenge is to continuously improve the quality of his work so that he can sell his pieces at higher prices. Isidro said that a potter can make a simple piece, but if it has quality, that changes everything. Sometimes, potters will become fearful that their pieces are inferior to the work of other potters at the fairs. Isidro works to overcome this fear and have confidence that people will want to buy his work because of its quality. Isidro knows that it can be risky attending shows, but he feels like he will not get anything if he does not put out something. He knows that he has to make an effort to get his work out into the market.

Isidro and Angela have been able to improve the quality of their work by attending training sessions lead by Potters for Peace and other organizations. They have learned from a workshop in Managua to help their neighbors clean their yards because the curb appeal will attract customers. Isidro learned that to help your neighbor is to help yourself. When Potters for Peace leads brigades, the organization will usually take at least one potter with them to all the different

communities. One time, Isidro's wife, Consuelo got to go on a brigade, saw what other artists were making, and was inspired to improve her work. She has even said that she was not making true art until after she went on the brigade. By improving their quality, they started raising their prices. A piece they used to sell for 30 córdobas, they now can sell for 60. They have doubled their prices in some cases. Because Isidro and Consuelo have improved their quality, they are not afraid to raise their prices.

Isidro and Angela live for their clients. When they visit their workshops, they have to be happy to see them. Their clients are their priority because they have to sell their work. Even though they are working with a dirty material, their workshops have to be very clean. Their workspace has to be organized and their galleries have to be beautiful and clean.

For Isidro, sometimes a client can come to him with an idea and he has to struggle to figure out how to execute it. Out of Angela's love for her work, if she sees a flaw in a piece she made, she does not feel comfortable selling it to any buyer. She would not be satisfied if she sold work that has flaws or imperfections. Pottery is all about the details. The variation of their work depend on the preferences of their customers. Angela views her relationships with her customers as partnerships. If her customers have an idea for a specific piece, she will make it.

When a buyer asks if they can change their work or make a certain piece, Isidro and Angela are up for the challenge. Potters for Peace staff have brought many potters to Santa Rosa so that Isidro, Angela, and other potters in the community can learn how to make new forms and designs. According to Robert, the potters in Santa Rosa are always attentive and receptive to what they are learning. Isidro also relies on his wife when a customer would like them to make a different piece because she is very creative.

Before Isidro and Angela could invest into their workshops, they did not even have tables. They used to break many pieces because they had to put them on the ground to dry. Because the ground was not flat and smooth, the pieces would warp. It was really difficult for them to make their work. They were able to produce, but not nearly at the level of quality and quantity they are making today. Before they could afford to invest in their workshops, they used a door from an old latrine to make a table. They also took pieces of roofing and laid them on the floor to make the ground level. In the beginning, it was challenging to make their work without the required investments. They had much to overcome.

Before they could begin saving money, they needed to improve the quality of their work. That way, they were able to make enough money to begin saving. Basically, they had to work harder and listen to the suggestions from their buyers. They needed to work harder to make more money. Things have gotten much better since they were able to save their money and invest into their workshops. Over the years, Isidro and Angela have received great support from their community, nongovernmental organizations, and the government.

At one point, the community held a lottery for a family to win a free house. Isidro won, and now he and his family dedicate one of their homes to their gallery. They also have room for guests.

Potters for Peace has helped the potters in Santa Rosa tremendously. The organization donated the necessary shelving to display their work. Robert fixed Isidro's wheel about five years ago. As a potter, Isidro needs his wheel. He says that it is like a machete. You have to have it. Robert also fixed Angela's wheel about three years ago. When Isidro needed money to purchase a composting toilet, Robert from Potters for Peace supplied him with a loan. Isidro was able to pay off the loan by working for Robert by teaching pottery techniques in other communities. This toilet is important especially when tourists come to visit because the tourists need a clean toilet.

Potters in Santa Rosa have been able to benefit from a government program called 80/20. In summary, Robert explained that if the potters can put up 20% of the money for a particular investment to their infrastructure, the government will put up the other 80%. Isidro's wife, Consuelo is a part of another organization called the Business Women of Nueva Segovia. Through this organization, they were elected to participate in the 80/20 program. They had to put up 20,000 córdobas. From this program, they received many benefits including another wheel, tables, signs, banners, a tent, a glass display case, and a machine to process clay.

### **Reflections on Value Chain Development**

The most important relationships that Isidro and Angela have to maintain a stable and consistent income are with their intermediaries. Even though they have to lower their prices for the intermediaries, it is worth it for the potters to be able to sell their work consistently. Isidro knows that when the intermediaries come to his workshop, he has to allow them to buy what they want. He cannot push his work onto them. The intermediaries have to decide what they like.

Isidro's and Angela's advice to potters in other isolated communities is to continue to improve your quality. That way, you can get more clients. Treat your clients well and with respect. Also, stay organized. You can influence whether or not a client will place an order from you simply by your organizational skills. If clients come and see that everything is in order and your pottery is presented nicely, they will be more inclined to buy your work than if you are disorganized.

### **Application of Meta-Analysis across Potters from San Juan de Oriente to Isidro Zavala Perez and Maria de los Angeles Gutierrez**

#### **Unique Themes Identified from Isidro Zavala Perez and Maria de los Angeles Gutierrez**

The following themes surfaced from developing and reading Isidro's and Angela's profile, but not from developing and reading the profiles of potters from San Juan de Oriente. Because I desire to capture the perspective and experiences of Isidro and Angela, I list the unique themes that surfaced from their profile before I apply the themes surfaced from the potters in San Juan de Oriente to Isidro and Angela.

- Potters should leverage their competitive advantages to promote and sell their work.
  - *"As a sales technique, they explain to potential buyers that their work is all-natural."* –Isidro Zavala Perez's and Maria de los Angeles Gutierrez's profile

- If potters signs their work and write their address and phone numbers on the bottom of each piece, not only would this prevent intermediaries from taking credit of the potters' work, but it would also enable the potters' buyers to contact them in the future. This is a good strategy to secure future orders.
  - *"Angela is the only potter she knows who puts her address and phone number on the bottom of each pot. That way, anyone who is interested in purchasing her work can get in contact with her."* –Isidro Zavala Perez's and Maria de los Angeles Gutierrez's profile
- It is important for potter to develop a well-rounded perspective on how they can market their skills. In addition to making and selling pottery, another skill that that potters may possess is teaching. The ability to teach pottery techniques can be a profitable asset to potters.
  - *"At one point, Isidro had the idea of starting a pottery school in his workshop similar to what some of the potters do in San Juan de Oriente. As he was considering starting his own school, he got a call from someone who works with the mayor of Somoto after they attended one of the fairs in this community. This man really liked his work, and he asked Isidro if he could come back to Somoto to teach some kids how to throw and decorate. Isidro and his wife got paid \$400 per month to teach the kids, which is good money. Isidro would not have meet this man if he had not attended the fair in Somoto."* –Isidro Zavala Perez's and Maria de los Angeles Gutierrez's profile
- Buying on credit vulnerably positions potters in their buyer-driven value chains. By selling on credit, the potters essentially hand over their biggest bargaining chip, which is their pottery, before they receive payment from their buyers.
  - *"Angela does not sell on credit."* –Isidro Zavala Perez's and Maria de los Angeles Gutierrez's profile

### **Mutual Themes across Isidro Zavala Perez and Maria de los Angeles Gutierrez from Santa Rosa and the Potters from San Juan de Oriente**

The following themes surfaced when I developed and analyzed the profiles of Isidro and Angela from Santa Rosa, and potters from San Juan de Oriente. However, because Isidro and Angela are the only potters I interviewed from Santa Rosa, their perspectives and experiences are not necessarily representative of all the potters in this isolated community. Hence, for each mutual theme identified, I quote Isidro's and Angela's profile and explain how the theme only applies to them. Because they work with other potters in a cooperative, Isidro and Angela mentioned their collective efforts throughout the interview. As a result, I also apply the themes to the members of the cooperative when appropriate.

#### **Vertical Backward Joint Actions (Relationships with Suppliers)**

- 1.0** The quality of materials directly affects the quality of the potters' final product, which influences market appeal. Because the potters are positioned in buyer-drive value chains, the buyers hold the most power amongst all the value chain participants. This makes the potters'

relationships with their buyers more important than any other joint action. However, the potters' joint actions with their suppliers greatly influence their joint actions with their buyers.

*“Isidro and Angela are lucky that their community has acres of land with good clay.” –Isidro Zavala Perez’s and Maria de los Angeles Gutierrez’s profile*

Isidro and Angela understand the importance of use quality materials to produce their work. The better their materials, the better their final product will be. Ultimately, their buyers will be satisfied and they will be willing to pay higher prices. Isidro is not afraid to raise his prices if the quality of his work has improved.

### **Horizontal Joint Actions (Relationships with Other Potters)**

**3.0** Potters can improve their market accessibility by participating in a cooperative, especially if the members of the cooperative manage a gallery where everyone can display and sell a selection of their work. As the number of members increase, the more exposure each potter receives. Additionally, potters who participate in a cooperative prove to their buyers that they are organized, which builds trust.

*“Artists benefit from the community being run by the cooperative.” –Isidro Zavala Perez’s and Maria de los Angeles Gutierrez’s profile*

Because the cooperative in Santa Rosa consists of approximately 170 members, the potters benefit from being able to manage large orders. The self-sufficiency and organization of the cooperative likely attracts buyers.

**3.1** Participating in a cooperative can enable potters to share ideas, purchase raw materials at discounted rates, sell their work in new markets, and work together to fulfill large orders. As a result, potters who can organize themselves to create a cooperative can leverage their collective power to advance their positioning in their value chain.

*“Artists benefit from the community being run by the cooperative. Isidro and Angela will occasionally ask for help if they need it. Usually, they will need help if they are worried about making a certain deadline for a customer.” –Isidro Zavala Perez’s and Maria de los Angeles Gutierrez’s profile*

The members of the cooperative in Santa Rosa leverage their collective power to advance their positioning in their value chain. From how I understood Isidro and Angela, they do not need outside support because the cooperative is almost entirely self-sufficient.

**4.1** A family of potters can divide responsibilities of the production process to make more pieces faster. Additionally, the potters can learn new ideas from each other to improve the quality of their work. Many potters work as family units to leverage their collective power so that they can upgrade in their value chains.



*“She makes her pottery at her house with her sons. Angela’s husband and other family members help gather the wood, clay, and any other necessary supplies.” –Isidro Zavala Perez’s and Maria de los Angeles Gutierrez’s profile*

In addition to receiving support from other members of the cooperative, Angela receives support from her family. This allows Angela to effectively manage her orders.

### **Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)**

**6.0** Every potter needs to maintain their own competitive advantage by leveraging their core competencies and resources. Highlighting their differences to prospective buyers will attract new buyers to purchase their work and previous buyers to purchase their work more frequently.

*“What makes their work unique is that they use all-natural colorants. Potters for Peace brings them colors from other communities that they cannot get from their land. They also have a new pottery style that they learned from a volunteer from Potters for Peace, which is black pottery. They make these pieces by using waste from a plant, which generates carbon and turns the pottery black. There are other people who make black pottery, but Isidro’s and Angela’s pieces are stronger.” –Isidro Zavala Perez’s and Maria de los Angeles Gutierrez’s profile*

The aspects of Isidro’s and Angela’s work that make it unique is their all-natural colorants and their firing technique. Although they face some competition from other potters who use the same firing technique, Isidro and Angela claim that their pieces are stronger. By protecting their competitive advantage from their competitors, they increase their chances of attracting old and new customers.

**7.0** Potters need to invest into their workshops in order to attract tourists and make them feel welcomed. Because potters are positioned in a buyer-driven value chain, they need to maximize buyer satisfaction at all costs.

*“Isidro and Angela live for their clients. When they visit their workshops, they have to be happy to see them. Their clients are their priority because they have to sell their work. Even though they are working with a dirty material, their workshops have to be very clean. Their workspace has to be organized and their galleries have to be beautiful and clean.” –Isidro Zavala Perez’s and Maria de los Angeles Gutierrez’s profile*

Isidro and Angela understand the importance of treating their clients well and ensuring that they have a positive experience when they attend their workshop. Isidro bought a composting toilet for the main purpose of making sure his buyers were satisfied with their entire purchase experience.

**9.0** Potters should continuously improve their quality and diversify their work to maintain and expand their customer base. Buyers are more likely to consistently purchase potters’ work if they are making new pieces and improving their quality.

*“Potters for Peace staff have brought many potters to Santa Rosa so that Isidro, Angela, and other potters in the community can learn how to make new forms and designs. According to Robert, the potters in Santa Rosa are always attentive and receptive to what they are learning.” –Isidro Zavala Perez’s and Maria de los Angeles Gutierrez’s profile*

Isidro, Angela, and other members of the cooperative in Santa Rosa understand the importance of offering a diverse portfolio of work to their customers. Their desire to diversify their work is shown by their receptiveness to other potters who teach them new techniques.

**10.0** Potters should be proactive in searching for new customers when the market is slow. Because potters are positioned in a buyer-driven value chain, they are responsible for simultaneously producing and promoting their work.

*“Isidro knows that it can be risky attending shows, but he feels like he will not get anything if he does not put out something. He knows that he has to make an effort to get his work out into the market.” –Isidro Zavala Perez’s and Maria de los Angeles Gutierrez’s profile*

Because Santa Rosa is an isolated community, Isidro and Angela have to work hard to produce quality work and find their customers. Although Isidro is fearful of not breaking even when he attends a fair, he knows that he has to be proactive in seeking out his buyers.

**11.1** Potters must consider their breakeven price regardless of the size of their orders that their buyers place. If potters do not know how to calculate the costs of their work, buyers could easily tempt potters to agree with any price that the buyers are willing to pay, especially if the order is for hundreds or thousands of pieces. Potters who can determine their breakeven price are less likely to be exploited by buyers than potters who cannot determine their breakeven price.

*“Isidro and Angela are hesitant to lower their prices significantly when selling to the intermediaries because they have to consider the costs they incurred from attending the fairs.” –Isidro Zavala Perez’s and Maria de los Angeles Gutierrez’s profile*

Because Isidro and Angela understand the importance of cost analysis, they are less likely to be exploited by buyers than potters who do not know the significance of their breakeven price.

**12.0** In order to increase sales, potters should try their best to meet their buyers’ expectations and follow any suggestions they make. Because potters are positioned in a buyer-driven value chain, they need to maximize buyer satisfaction.

*“For Isidro, sometimes a client can come to him with an idea and he has to struggle to figure out how to execute it...Pottery is all about the details. The variation of their work depends on the preferences of their customers. Angela views her relationships with her customers as partnerships. If her customers have an idea for a specific piece, she will make it.” –Isidro Zavala Perez’s and Maria de los Angeles Gutierrez’s profile*

Isidro and Angela do their best to follow the suggestions of their customers because they know that this will help to increase their sales.

**14.0** In order for potters to receive large orders from buyers, they should prove to the buyers that they can produce high quality work on time. This can be done by potters showing their organizational skills to their buyers. Meeting deadlines is a significant way to maximize customer satisfaction.

*“Isidro’s and Angela’s advice to potters in other isolated communities is to continue to improve your quality. That way, you can get more clients. Treat your clients well and with respect. Also, stay organized. You can influence whether or not a client will place an order from you simply by your organizational skills. If clients come and see that everything is in order and your pottery is presented nicely, they will be more inclined to buy your work than if you are disorganized.” –Isidro Zavala Perez’s and Maria de los Angeles Gutierrez’s profile*

Angela and Isidro know the importance of being organized. This will attract buyers and make them more inclined to place larger orders than if they were disorganized. The buyers want to have confidence in their potters that they will be able to successfully manage their orders and complete them on time.

**17.0** If possible, potters should avoid selling to intermediaries. If possible, they should sell directly to the final buyer. The further disconnected the potters get from their final buyers, the smaller their profit margins will be.

*“Isidro and Angela know that when they work with intermediaries, they are going to be paid less. They understand that the intermediaries have their margins that they need to meet as well or they will not continue to come back. Because the intermediaries are their regular clients, they offer a consistent cash flow. They work with the intermediaries out of necessity because they cannot holdup large amounts of inventory in their workshop waiting for different clients to come who may offer them a better price.” –Isidro Zavala Perez’s and Maria de los Angeles Gutierrez’s profile*

Isidro and Angela understand why it would be more profitable for them to sell their work directly to the final buyer rather than to intermediaries. The more middle man required to get their work to the final buyer, the less profit the potters make. However, out of necessity for consistent cash flows, Isidro and Angela take a hit to their profit and sell their work to intermediaries anyway.

**18.0** Potters can greatly benefit from partnering with nongovernmental organizations. The benefits may include attending training sessions and accessing new markets. Unlike other buyers, nongovernmental organizations typically advocate for the advancement and economic wellbeing of the potters.

*“Potters for Peace brings them colors from other communities that they cannot get from their land. They also have a new pottery style that they learned from a volunteer from Potters for Peace, which is black pottery.” –Isidro Zavala Perez’s and Maria de los Angeles Gutierrez’s profile*

Potters for Peace assists Isidro, Angela, and other members of the cooperative in Santa Rosa by providing necessary colors to decorate their work and by teaching them new skills. Because of nongovernmental support, the potters are able to improve the quality of their work and upgrade their production process.

### **Applicable Themes from the Meta-Analysis of Potters from San Juan de Oriente to Isidro Zavala Perez and Maria de los Angeles Gutierrez**

The following themes surfaced from developing and analyzing the profiles of potters from San Juan de Oriente but not from Isidro's and Angela's profile. Because my understanding of Isidro and Angela is limited to their profile, I do not know if they are already following these themes. After developing and analyzing the profiles of potters from San Juan de Oriente, I think these themes are important enough to share with Isidro and Angela even if they are aware of the insights they hold. Hence, for each theme listed, I explain how the theme may apply to Isidro and Angela. Because they work with other potters in a cooperative, Isidro and Angela mentioned their collective efforts throughout the interview. As a result, I also apply the themes to the members of the cooperative when appropriate.

#### **Vertical Backward Joint Actions (Relationships with Suppliers)**

- 1.1** Potters can be resourceful by finding ways to decrease the costs for their supplies while still maintaining quality. Many of the potters' buyers are price sensitive. The more ways that the potters can ensure that the price of their work does not increase because of the cost of their supplies increasing, the more likely they will be able to price their work that it appealing to their target markets.

The more ways Isidro, Angela, and other members of the cooperative in Santa Rosa can decrease the cost of their supplies, the more they will be able to appeal to their price sensitive buyers.

#### **Horizontal Joint Actions (Relationships with Other Potters)**

- 4.0** In order to successfully fulfill large orders, potters must have workers who they can delegate responsibilities to. Additionally, the potters must monitor everyone's work to maintain quality control. Potters who can appropriately select and manage their workers will increase their likelihood of fulfilling their large orders on time while maintaining quality control.

Because the potters in Santa Rosa are a part of a cooperative, I assume that they already delegate responsibilities to each other so that their production can be more efficient. However, I did not explicitly learn this from interviewing Isidro and Angela, which is why I am emphasizing the importance of this theme here. By dividing responsibilities and monitoring each potter's quality of work, Isidro, Angela, and the other members of the cooperative could improve the quality and quantity of production. As a result, the potters could upgrade in their value chain.

**4.2** When potters receive large orders and need to hire other works, the potters should hire people with skills that they are weak in or do not have altogether. This will allow the potters to increase the quantity and quality of their work.

From how I understood Isidro and Angela, they do not need outside support because the cooperative is almost entirely self-sufficient. Based on their profile, I assume that they do not need outside support to fulfill large orders. However, it is still important to have a group of workers in their cooperative who have a diverse set of skills. That way, they can maximize their quality and customer satisfaction.

**5.0** Owning a kiln enables a potter to upgrade their production process in many ways. Potters who can invest in building their own kilns benefit from not having to transport their pieces to other potters' kilns in which the pieces may break and the other potters may require renting fees. Additionally, potters who can afford kilns of various sizes to accommodate the quantity of pieces they would like to fire can save money on raw materials, such as wood, in the long term.

When I interviewed Isidro and Marta, I did not learn about the specific ways that they have invested into their workshop. Nonetheless, I think this theme is important to emphasize. If Isidro and Angela are facing difficulties with their kilns because they need to be fixed or replaced, I strongly suggest that they address them. The firing process determines the final appearance of the potters' work. Potters could throw and decorate their work beautifully, but if their kilns are not working properly, their work could be ruined. The firing process is a significant factor that influences potters' ability to upgrade their production process.

### **Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)**

**1.1** If potters make similar work, they will likely enter into price wars because they will be competing for the same customer base. In this case, supply will exceed demand, which will enable buyers to lower the potters' prices.

Isidro, Angela, and other members of the cooperative in Santa Rosa leverage their competitive advantages to promote their work. Based on their interview, I am uncertain if they understand the potential economic impact if they would lose their competitive advantages. If other potters try to replicate their work, they would enter into price wars because supply would exceed demand. For this reason, I would encourage them to protect their competitive advantages.

**7.1** If potters' workshops are not located where many tourists will visit, they should try to find stores to sell their work where more tourists will come. Displaying work in multiple stores will increase market accessibility.

Isidro and Angela mainly sell to buyers who visit their shop and to intermediaries who they meet at art fairs. Based on their profile, I assume that at least some of their intermediaries are storeowners, but I do not know for sure. Nonetheless, I would encourage Isidro, Angela and the other members of the cooperative to intentionally seek out storeowners who could

resell their work to different markets. Because Santa Rosa is an isolated community, this would help increase the potter's exposure.

- 8.0** Because potters can unexpectedly have buyers greet them in their workshops, they must always have inventory stocked. If potters do not keep their inventory stocked, they could potentially lose sales. Prospective buyers may not place orders with potters who do not have pieces on hand. Because most potters cannot afford to maintain a large inventory, they need to do their best to promote their work as they are making more pieces.

Isidro, Angela, and the other members of the cooperative in Santa Rosa need to ensure that they maintain their inventory in their workshop regardless of the market demand. Because they are positioned in a buyer-driven value chain, they need to be ready at any time for a prospective buyer to visit their workshop.

- 11.0** The type of buyers that potters work with can influence the potters' pricing. Potters' understanding of their value chains will increase if they can understand and assess their buyers' anticipated profit margins. As potters learn more about how they are positioned in their value chains with respect to the type of buyers they work with, they may be able to identify and implement new ways of upgrading.

I strongly suggest that Isidro, Angela, and the other members of the cooperative determine different pricing strategies for each type of buyer they work with if they have not done so already. If they can do this successfully, they may be able to identify and implement new ways of upgrading.

- 12.1** If potters create a specific type of piece based off their customers' suggestions, the potters should not have to lower their price. Demand for this particular piece must be high since their customers suggested that they make it. Due to the power of supply and demand, this scenario offers the potters more power even though they are positioned in buyer-driven value chains.

I would advise Isidro, Angela, and the other potters in the cooperative to be reluctant to lower the price of their work when they follow the suggestions of their buyers. The buyers suggested that the potters make an adjustment to their work because the buyers perceived that the market would like it. If the potters successfully execute the suggestions of their buyers, the buyers will be more inclined to purchase their work because they think that it will sell in the market. Because of the forces of supply and demand, the potters should not have to lower their prices.

- 12.2** Potters should try to learn the primary elements that their buyers care about the most. This is another way that potters can appeal to their buyers and maximize buyer satisfaction.

Not only should Isidro and Angela follow the suggestions of their customers, but they should also attempt to learn which specific features and details their buyers like the most. This would help them to increase buyer satisfaction.

**12.3** Potters should not have to jeopardize the cultural integrity of their work to appeal to their customer preferences. In a buyer-driven value chain, potters can be pressured to sacrifice the cultural integrity of their work to appeal to their buyers. Each potter should have their own guidelines that predetermine what aspects of their work they are willing to change for a buyer and what aspects will remain the same to preserve their cultural identity in each piece.

The members of the cooperative in Santa Rosa are able to preserve their cultural identity by using locally sourced clay and colorants. I strongly encourage them to determine how they intend to protect their cultural identity as potters in the future if they have not done so already.

**13.0** Potters have to trust their buyers' understanding of customer preferences when they decide to change their work based off the buyers' suggestions. If potters follow their buyers' suggestions, they have to trust that their work will sell and their buyers will place more orders in the future. If the buyers can successfully predict market preferences and the potters successfully execute their buyers' suggestions, the fundamental forces of supply and demand will cause the potters' work to sell.

This theme is important to Isidro, Angela, and the other potters in the cooperative if they ever get concerned when their buyers place special orders that they may not actually purchase them. In these scenarios, there are several ways that the potters can leverage their power in their buyer-driven value chain. One of the most effect ways they can leverage their power is by requiring payment from their buyers in advance. The buyers could also agree to purchase the pieces when they are completed. However, Isidro and Angela ultimately need to develop trust with their buyers. If they follow their suggestions and meet their expected level of quality, the forces of supply and demand should entice the buyers to purchase the work. They would not have suggested to Isidro and Angela to adjust their work if they did not think that the new pieces would sell.

**15.0** One way that potters can learn how to make a new form or design is by their buyers bringing pieces to them or by providing photos of a particular piece. This is one of the best ways that potters can learn how to make a new piece that will appeal to their buyers.

Isidro and Angela should encourage their buyers to offer them product feedback. Furthermore, if their buyers make a suggestion to their form or style of pottery, Isidro and Angela should ask them to provide a sample piece or photo that the potters could emulate. Although the buyers can usually not offer ways for the potters to upgrade their production process, this method of product feedback can enable the potters to alter their production process to accommodate the development of new work.

**16.0** Intermediaries can abuse their power to vulnerably position the potters in their value chains. When potters sell their work to intermediaries, they are entirely dependent on their intermediaries to relay product feedback from the final buyers. Additionally, the intermediaries may not buy every piece they asked the potters to make. They may try to get the potters to lower their prices. Lastly, the intermediaries may not always pay a down payment for their orders.

Isidro and Angela take on the risks of working with intermediaries because they offer a consistent cash flow. Because their intermediaries are consistent with their purchases, Isidro and Angela said their most important relationships that enable them to maintain a consistent and stable income are with their intermediaries. In the interview, they acknowledged that their prices are often lower for the intermediaries than for other buyers. However, because they can determine their breakeven price, they still profit from working with the intermediaries. Although Isidro and Angela have found ways to develop trust with their intermediaries, I still would caution them, as intermediaries are capable of exploiting the potters given the power imbalance in their value chain.

**16.1** Potters should always sign their work. This is especially important when potters sell their work to intermediaries because signing every piece will protect the authenticity of their work. By the potters signing their work, they are leveraging their power in their buyer-driven value chains so that others cannot get credit for pieces they made.

Isidro and Angela should always sign their work, especially when they sell to intermediaries. By doing so, they would be leveraging their power in their value chain so that others cannot get credit for the pieces they make.

**17.1** If potters have to sell their work to intermediaries, they should work with those who want to help them and who understand market preferences. Some of the most reliable and trustworthy intermediaries are nongovernmental organizations. They do not typically abuse the power they hold in their value chains.

Isidro and Angela will often meet new intermediaries at the fairs. After assessing the quality of their work, the intermediaries will typically travel to their workshop if they would like to place an order. When Isidro and Angela attend fairs, I would advise them to ask the intermediaries questions about their understanding of market preferences and how they typically pay their potters. Their responses could indicate whether or not Isidro and Angela should work with them.

**19.0** Potters should typically avoid taking out loans from banks or other financial services because they often have high interest rates. Taking out loans with high interest rates would negatively affect the positioning of the potters in their value chains. If potters need additional capital, they should consult with a nongovernmental organization or some other entity that offer loans with low interest rates.

Isidro and Angela should avoid taking out loans because they often have high interest rates. Taking out a loan with a high interest rate would likely hurt their positioning in their value chain. Although Isidro and Angela would likely be able to fund the investment that they got the loan for, they would likely have to pay off the loan for many years, which would limit them from upgrading in other ways.



### **Inapplicable Themes from the Meta-Analysis of Potters from San Juan de Oriente to Isidro Zavala Perez and Maria de los Angeles Gutierrez**

The following themes surfaced from developing and analyzing the profiles of potters from San Juan de Oriente but not from Isidro's and Angela's profile. Given my understanding of Isidro and Angela, the following themes are not relevant to their development as potters. For each theme listed, I briefly explain why the theme is not relevant to them.

#### **Vertical Backward Joint Actions (Relationships with Suppliers)**

##### **2.0 Colorants are necessary to produce the majority of pottery in San Juan de Oriente.**

Unfortunately, for the potters, the colorants can be difficult to access. As a result, potters may have to rely on a variety of people in their value chains to obtain access to colorants. Because the potters are dependent on others to provide them with the colorants, they are vulnerably positioned along their value chains.

With the exception of Potters for Peace bringing natural glazes from other nearby communities, the glazes that Isidro, Angela, and the other members of the cooperative in Santa Rosa use on their work are entirely natural and locally sourced. As a result, they do not have to face the challenge of working with another member in their value chain to access colorants.

##### **2.1 It may be less expensive for potters to purchase colorants and other supplies from their buyers rather than from resellers. This is because as the number of value chain stakeholder participants increase, the profit margins for the potters decrease. The more ways that the potters can work directly with their buyers to sell their work or receive supplies, the more profit the potters will make.**

With the exception of Potters for Peace bringing natural glazes from other nearby communities, the glazes that Isidro, Angela, and the other members of the cooperative in Santa Rosa use on their work are entirely natural and locally sourced. As a result, they do not have to face the challenge of working with another member in their value chain to access colorants.

##### **2.2 If potters are dependent on their buyers to access colorants, potters prefer to work with buyers who allow them to use the colorants to decorate any piece, regardless of which buyer purchases the work. Some buyers require the potters to only use their colorants on pieces that they will purchase. This an example of the buyers practicing their power in a buyer-driven value chain. Because colorants are difficult to access, potters do not want to be limited in how they can use them, which is why they prefer to work with buyers who do not require the potters to only use their colorants on pieces that they will purchase.**

With the exception of Potters for Peace bringing natural glazes from other nearby communities, the glazes that Isidro, Angela, and the other members of the cooperative in Santa Rosa use on their work are entirely natural and locally sourced. As a result, they do not have to face the challenge of working with another member in their value chain to access colorants.

**Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)**

**6.2** The potter's competitive advantage will enable the potters to build a larger and stronger customer base, which may offer greater access to colorants if the potters are dependent on their buyers for them.

With the exception of Potters for Peace bringing natural glazes from other nearby communities, the glazes that Isidro, Angela, and the other members of the cooperative in Santa Rosa use on their work are entirely natural and locally sourced. As a result, they do not have to face the challenge of working with another member in their value chain to access colorants.

## **LA MAYSUTA**

### **Introduction**

La Maysuta is one of four isolated pottery communities in which I applied my findings and analysis of potters from San Juan de Oriente to the potter I interviewed in this community. Robert and I selected the four isolated communities based on their readiness to access the international market. We wanted to select potters from the isolated communities that were in a position to learn the most from the themes and patterns from the potters in San Juan de Oriente. Because the potters in San Juan de Oriente export their work overseas, it made most sense to select isolated communities that Robert and I considered ready to access the international market. Refer to my “Research Objectives and Methods” chapter for more information about how I selected the isolated communities.

In this chapter, I include a community profile for La Maysuta, a profile for the potter I interviewed from this community, and an application of the meta-analysis across the potters from San Juan de Oriente to the potter I interviewed from La Maysuta. The community profile includes information about La Maysuta’s pottery background, pottery production, and demographics. The community profile was enhanced by primary data I collected from the Nicaraguan potters. Refer to my “Research Objectives and Methods” chapter to know how I conducted the interview with the potter, and how I developed his profile. In the profile, I first explain the potter’s background. Afterwards, I summarize the his responses to the questions that addressed his joint actions with other members in his value chain. I conclude the profile with the potter’s explanation of his most important relationships and his advice to potters in other isolated communities. Lastly, I complete this chapter with an application of the meta-analysis across the potters from San Juan de Oriente to the potter I interviewed from La Maysuta. I used the meta-analysis that emerged from the potters in San Juan de Oriente to provide an interpretive frame for understanding the supply chain behavior of the potter I interviewed from La Maysuta. I classified each theme in one of four categories, which include unique themes, mutual themes, applicable themes, and inapplicable themes. Refer to my “Research Objectives and Methods” chapter to learn more about the format of this section. The numerical value associated with each theme are the same values I used for the themes listed in the section titled, “Themes Across Potters from San Juan de Oriente” in my “Meta-Analysis Across Potters from San Juan de Oriente” chapter.

### **Community Profile**

#### **Pottery Background**

The potters in La Maysuta primarily make ceramic water filters, but they also make decorative work. (Taylor, 2013) Don Domingo is a ceramic maker in La Maysuta. He and his family members use a potter’s wheel to produce their work. (Taylor, 2013) In addition to making pottery, his family owns approximately five acres of land to grow crops and raise livestock. One of Don’s sons, Ricardo, creates miniature houses. The houses often have multiple floors with detailed terra cotta roofs. (Silver, *The Potter Writes Again – Elinor in Nicaragua*, n.d.) Another one of Don’s sons is named Douglas, who I interviewed on my trip to Nicaragua.

## **Pottery Production**

Once the potters throw their pieces, they use a variety of methods to decorate their work. One of their unique decorations requires feathers and horsehair during the firing process. (Maroney, Nicaragua Community, 2015)

## **Demographics**

La Maysuta is approximately 220 kilometers from Granada. (Maroney, Nicaragua Community, 2015) The community is a part of Sabana Grande. It's located approximately three kilometers off of the main highway called, Cerro Grande. (Taylor, 2013) See Appendix D for a map of Nicaragua with the community's location. In order to reach the community, one must travel dirt backroads. (Taylor, 2013) Any resident of the community who wants to make a phone call has to walk two miles to a telephone pole on the International Highway. Most of the toilets are outhouses, but there is one toilet near the studio that flushes. (Maroney, Nicaragua Community, 2015) In addition to making pots, the potters also sell crops and raise livestock. (Maroney, Nicaragua Community, 2015)

### **Potter Profile: Douglas Nahum Lopez Bautista**

## **Pottery Background**

Douglas Nahum Lopez Bautista is a potter from La Maysuta and has been making pottery for seven to eight years. He started when an organization did a study of the clay in his community, and their results showed that the land held good clay. This called his attention and he began working in a group with eighteen young people. Unfortunately, twelve eventually left and only a few continued. Douglas worked the hardest of the group and legalized a cooperative with his father's donated land. In order to make more money so he could improve the quality of his life, Douglas left the cooperative for three weeks to farm but came back to pottery nevertheless. He learned to make water filters and started to love his work. In his first year, he ended up working alone and taught himself how to throw. Later he received thirty orders and got the money to make small pieces on a wheel for an order from the American Nicaraguan Foundation.

Douglas works very long hours as a farmer and potter. He said that he is the only person making filter receptacles for water filters in Nicaragua. To improve his skills as a potter, Douglas has worked with young people, attended training sessions, and partnered with nonprofit organizations including Potters for Peace.

## **Value Chain Insights**

### *Vertical Backward Joint Actions (Relationships with Suppliers)*

Douglas gets the clay from his own property, but the colorants come from Potters for Peace. He is grateful to not work with any intermediary supplier as this improves his sales.

### *Horizontal Joint Actions (Relationships with Other Potters)*

Ever since the cooperative declined in members, there has not been any improvement. However, working with nongovernmental organizations has helped Douglas improve his production process and develop relationships with new buyers. Some of the nongovernmental organizations that have supported him include Instituto de Promoción Humana [Human Promotion Institute], American Nicaraguan Foundation, University of Central America, Mira Flor, and Acción Contra Hambre [Action Against Hunger].

### *Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)*

Douglas primarily sells water filters to nongovernmental organizations. Initially, he had to find the organizations himself, but now, he has regular buyers. However, if there is no market, he will look for clients through radio advertisements or fairs.

A challenge that he has faced from selling to nongovernmental organizations is that they often want to name their own price for the filters, and if they cannot get their price, they want a discount. Because of this pattern, Douglas has raised his price so that the organizations end up asking for the original price of his work.

Douglas tries to improve the quality of his work and follow his buyers' suggestions. For example, he has taken customers' advice of adding decoration to his work to make his pieces more eye-catching. In order to improve the quality of his work, Douglas often has to increase the costs of his materials, which increases his price. Because he has experienced several buyers try to lower his price, he prefers to agree on the price with each buyer before he makes the receptacles.

Douglas has learned new techniques from Potters for Peace. By working with this organization, he has learned about colors and designs, and developed new skills. In 2010, Robert from Potters for Peace led a brigade to La Maysuta where they built a kiln for Douglas. This new kiln is more effective at firing Douglas' work, and has proved to be more economical and efficient than his previous setup. Douglas has been pleased to see his loss rate decline with using this new kiln.

Other than receiving support from nongovernmental organizations, Douglas has received occasional support from the government. He has been able to attend several art fairs through governmental support.

### **Reflections on Value Chain Development**

One of the most important relationships that Douglas has to maintain a stable and consistent income is with the American Nicaraguan Foundation. He does his best to please this buyer by consistently making high quality products and completing orders on time. Douglas's advice to potters in isolated communities is to attend art fairs. Even if you cannot bring your art, bring some marketing materials so that you can represent your work and gain exposure. Also, make accommodations for your customers and keep them happy. Always be friendly to your customers. Lastly, it is important to stay positive.

## **Application of Meta-Analysis across Potters from San Juan de Oriente to Douglas Nahum Lopez Bautista**

### **Unique Themes Identified from Douglas Nahum Lopez Bautista**

The following themes surfaced from developing and analyzing Douglas' profile, but not from developing and analyzing the profiles of potters from San Juan de Oriente. Because I desire to capture the perspective and experiences of Douglas as a potter, I list the unique themes that surfaced from this profile before I apply the themes surfaced from the potters in San Juan de Oriente to Douglas.

- If the potters know that their buyers will try to negotiate their prices, the potters should set their prices a little bit above their desired prices. This will provide room for negotiation. The potters will be satisfied because they received a fair price and the buyers will be satisfied because they had the opportunity to lower the potters' price.
  - *"A challenge that he has faced from selling to nongovernmental organizations is that they often want to name their own price for the filters, and if they cannot get their price, they want a discount. Because of this pattern, Douglas has raised his price so that the organizations end up asking for the original price of his work." – Douglas Nahum Lopez Bautista's profile*
- When buyers place their orders for work that has not yet been produced, the potters should agree with the buyers on pricing before they make the pieces. By the potters agreeing on appropriate pricing before they fulfill their buyers' orders, the potters are leveraging their power in their buyer-driven value chains so that they will maintain their expected profit margins.
  - *"Because he has experienced several buyers try to lower his price, he prefers to agree on the price with each buyer before her makes the receptacles." – Douglas Nahum Lopez Bautista's profile*

### **Mutual Themes across Douglas Nahum Lopez Bautista and Potters from San Juan de Oriente**

The following themes surfaced when I developed and analyzed the profiles of Douglas and potters from San Juan de Oriente. However, because Douglas is the only potter I interviewed from La Maysuta, his perspective and experiences are not necessarily representative of all the potters in this isolated community. Hence, for each mutual theme identified, I quote Douglas' profile and explain how the theme only applies to Douglas.

#### **Vertical Backward Joint Actions (Relationships with Suppliers)**

- 1.0** The quality of materials directly affects the quality of the potters' final product, which influences market appeal. Because the potters are positioned in buyer-drive value chains, the buyers hold the most power amongst all the value chain participants. This makes the potters' relationships with their buyers more important than any other joint action. However, the

potters' joint actions with their suppliers greatly influence their joint actions with their buyers.

*“He started when an organization did a study of the clay in his community, and their results showed that the land held good clay...In order to improve the quality of his work, Douglas often has to increase the costs of his materials, which increases his price.” –Douglas Nahum Lopez Bautista's profile*

Douglas began making pottery only when he learned that the land in La Maysuta held good clay. Before he even produced his first piece, he knew that the quality of his materials would directly influence his final product. This understanding has carried with him to today as he knows that if he wants to improve the quality of his work, he may need to spend more on his materials. If this happens, he will increase the price of his work to account for his costs.

- 1.1 It may be less expensive for potters to purchase colorants and other supplies from their buyers rather than from resellers. This is because as the number of value chain stakeholder participants increase, the profit margins for the potters decrease. The more ways that the potters can work directly with their buyers to sell their work or receive supplies, the more profit the potters will make.

*“Douglas gets the clay from his own property, but the colorants come from Potters for Peace. He is grateful to not work with any intermediary supplier as this improves his sales.” –Douglas Nahum Lopez Bautista's profile*

Because Douglas receives his colorants from Potters for Peace rather than from a reseller, his costs decrease. For him, he does not have to work with another value chain participant who would ultimately cut into his profit margin.

### **Horizontal Joint Actions (Relationships with Other Potters)**

- 1.1 Participating in a cooperative can enable potters to share ideas, purchase raw materials at discounted rates, sell their work in new markets, and work together to fulfill large orders. As a result, potters who can organize themselves to create a cooperative can leverage their collective power to advance their positioning in their value chain.

*“This [the quality of clay in his community] called his attention and he began working in a group with eighteen young people. Unfortunately, twelve eventually left and only a few continued. Douglas worked the hardest of the group and legalized a cooperative with his father's donated land.” –Douglas Nahum Lopez Bautista's profile*

A cooperative can offer many benefits for potters if they all work well together. Unfortunately, for Douglas, he felt like he worked the hardest out of all the members, which likely caused him to leave. All the potters did not work hard enough to leverage their collective power to advance their positioning in their value chain.

**5.0** Owning a kiln enables a potter to upgrade their production process in many ways. Potters who can invest in building their own kilns benefit from not having to transport their pieces to other potters' kilns in which the pieces may break and the other potters may require renting fees. Additionally, potters who can afford kilns of various sizes to accommodate the quantity of pieces they would like to fire can save money on raw materials, such as wood, in the long term.

*“In 2010, Robert from Potters for Peace led a brigade to La Maysuta where they built a kiln for Douglas. This new kiln is more effective at firing Douglas' work, and has proved to be more economical and efficient than his previous setup. Douglas has been pleased to see his loss rate decline with using this new kiln.” –Douglas Nahum Lopez Bautista's profile*

Because Douglas' loss rate has declined from using his new kiln, his profits have likely increased. This is one way Douglas has experienced how his new kiln allowed him to upgrade his production process.

### **Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)**

**6.0** Every potter needs to maintain their own competitive advantage by leveraging their core competencies and resources. Highlighting their differences to prospective buyers will attract new buyers to purchase their work and previous buyers to purchase their work more frequently.

*“He said that he is the only person making receptacles for water filters in Nicaragua.” –Douglas Nahum Lopez Bautista's profile*

Douglas has found his competitive advantage by making ceramic receptacles, which could help him maintain and expand his customer base.

**7.0** Potters need to invest into their workshops in order to attract tourists and make them feel welcomed. Because potters are positioned in a buyer-driven value chain, they need to maximize buyer satisfaction at all costs.

*Douglas' advice to potters in other isolated communities is to “make accommodations for your customers and keep them happy. Always be friendly to your customers.” –Douglas Nahum Lopez Bautista's profile*

Douglas understands that he needs to make his buyers feel welcomed when they visit his workshop. He wants to satisfy his buyers not only with his products, but with the entire purchase experience.

**10.0** Potters should be proactive in searching for new customers when the market is slow. Because potters are positioned in a buyer-driven value chain, they are responsible for simultaneously producing and promoting their work.



*“However, if there is no market, he will look for clients through radio advertisements or fairs.”  
–Douglas Nahum Lopez Bautista’s profile*

Douglas takes advantage of multiple communication channels to reach his customers. That way, when the market is slow, he can be proactive and seek out his buyers as he is producing more work.

**12.0** In order to increase sales, potters should try their best to meet their buyers’ expectations and follow any suggestions they make. Because potters are positioned in a buyer-driven value chain, they need to maximize buyer satisfaction.

*“Douglas tries to improve the quality of his work and follow his buyers’ suggestions. For example, he has taken customers’ advice of adding decoration to his work to make his pieces more eye-catching.” –Douglas Nahum Lopez Bautista’s profile*

Douglas understands that he will increase his sales if he follows his buyers’ suggestions. He understands that his buyers will likely be more satisfied if he implements their suggestions.

**14.0** In order for potters to receive large orders from buyers, they should prove to the buyers that they can produce high quality work on time. This can be done by potters showing their organizational skills to their buyers. Meeting deadlines is a significant way to maximize customer satisfaction.

*“One of the most important relationships that Douglas has to maintain a stable and consistent income is with the American Nicaraguan Foundation. He does his best to please this buyer by consistently making high quality products and completing orders on time.” –Douglas Nahum Lopez Bautista’s profile*

Douglas understands the importance of meeting deadlines while maintaining the quality of his work. He understands that the likelihood of retaining his customers will increase if he meets his deadlines.

**17.1** If potters have to sell their work to intermediaries, they should work with those who want to help them and who understand market preferences. Some of the most reliable and trustworthy intermediaries are nongovernmental organizations. They do not typically abuse the power they hold in their value chains.

*“Douglas primarily sells water filters to nongovernmental organizations.” –Douglas Nahum Lopez Bautista’s profile*

By Douglas selling his ceramic receptacles to nongovernmental organizations, he likely receives a better price than if he was to sell them to another type of intermediary. Nongovernmental organizations typically do not abuse their power to debunk the positioning of the potters in their value chains because their primary incentive to operate is not driven by making a profit. Instead, their missions are usually to assist the potters in some capacity. In

contrast, the other types of intermediaries typically want to make as much money as they can with little concern if it comes at the potters' expense.

**18.0** Potters can greatly benefit from partnering with nongovernmental organizations. The benefits may include attending training sessions and accessing new markets. Unlike other buyers, nongovernmental organizations typically advocate for the advancement and economic wellbeing of the potters.

*“...working with nongovernmental organizations has helped Douglas improve his production process and develop relationships with new buyers...Douglas has learned new techniques from Potters for Peace. By working with this organization, he has learned about colors and designs, and developed new skills.” –Douglas Nahum Lopez Bautista’s profile*

Douglas has benefited from partnering with nongovernmental organizations, especially Potters for Peace. Because of his partnership with Potters for Peace, his knowledge of pottery production has developed and he has been able to develop relationships with new buyers.

### **Applicable Themes from the Meta-Analysis of Potters from San Juan de Oriente to Douglas Nahum Lopez Bautista**

The following themes did not surface from developing and analyzing Douglas' profile. However, they did surface from developing and analyzing the profiles of potters from San Juan de Oriente. Because my understanding of Douglas is limited to his profile, I do not know if he is already following these themes. After developing and analyzing the profiles of potters from San Juan de Oriente, I think these themes are important enough to share with Douglas even if he is aware of the insights they hold.

#### **Vertical Backward Joint Actions (Relationships with Suppliers)**

**1.1** Potters can be resourceful by finding ways to decrease the costs for their supplies while still maintaining quality. Many of the potters' buyers are price sensitive. The more ways that the potters can ensure that the price of their work does not increase because of the cost of their supplies increasing, the more likely they will be able to price their work that it appealing to their target markets.

The more ways Douglas can decrease the cost of supplies, the more he will be able to appeal to his price sensitive buyers.

#### **Horizontal Joint Actions (Relationships with Other Potters)**

**4.0** In order to successfully fulfill large orders, potters must have workers who they can delegate responsibilities to. Additionally, the potters must monitor everyone's work to maintain quality control. Potters who can appropriately select and manage their workers will increase their likelihood of fulfilling their large orders on time while maintain quality control.

Douglas' most important relationship that enables him to maintain a stable and consistent income is with the American Nicaraguan Foundation. He does his best to please this buyer by consistently making high quality products and completing orders on time. From what I learned during the interview, I assume that Douglas does not work with other potters ever since the cooperative significantly declined in members. I suggest that he finds other potters who are reliable and who he can hire whenever he receives large orders. This would allow him to complete the orders in less time giving him more time to make work for other buyers.

**4.2** When potters receive large orders and need to hire other works, the potters should hire people with skills that they are weak in or do not have altogether. This will allow the potters to increase the quantity and quality of their work.

If Douglas would decide to hire other potters when he receives large orders in the future, I suggest that he hires people who are strong in skills that he is weak in or does not possess.

### **Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)**

**6.1** If potters make similar work, they will likely enter into price wars because they will be competing for the same customer base. In this case, supply will exceed demand, which will enable buyers to lower the potters' prices.

Douglas said that he is the only person making filter receptacles for water filters in Nicaragua. Based on his interview, I am uncertain if he understands the potential economic impact if he would lose this competitive advantage. If other potters try to replicate his work, they would enter into price wars because supply would exceed demand. For this reason, I would encourage him to protect his competitive advantage. Additionally, I would encourage him to continuously search for ways to make his work unique, such as diversifying his decorations.

**7.1** If potters' workshops are not located where many tourists will visit, they should try to find stores to sell their work where more tourists will come. Displaying work in multiple stores will increase market accessibility.

Because Douglas is positioned in a buyer-driven value chain, he should do whatever he can to make his work visible to prospective buyers. From what I learned during the interview, I do not know to what extent the location of his workshop limits his accessibility to his buyers. If he thinks that his location is limiting his sales, I suggest that he tries to sell his work in stores that may receive more attention from his target market.

**8.0** Because potters can unexpectedly have buyers greet them in their workshops, they must always have inventory stocked. If potters do not keep their inventory stocked, they could potentially lose sales. Prospective buyers may not place orders with potters who do not have pieces on hand. Because most potters cannot afford to maintain a large inventory, they need to do their best to promote their work as they are making more pieces.

Just like Douglas is proactive in searching for buyers when the market is slow, he should also be proactive in maintaining his inventory so that he is prepared to make a sale at any time.

**9.0** Potters should continuously improve their quality and diversify their work to maintain and expand their customer base. Buyers are more likely to consistently purchase potters' work if they are making new pieces and improving their quality.

While Douglas is a unique potter in that he specializes in making ceramic receptacles for water filters, I suggest that he still diversifies his work by using different designs and decorations. This will allow him to maintain his competitive advantage if many other potters would begin making ceramic receptacles. Additionally, it would allow help him maintain his current buyers.

**11.0** The type of buyers that potters work with can influence the potters' pricing. Potters' understanding of their value chains will increase if they can understand and assess their buyers' anticipated profit margins. As potters learn more about how they are positioned in their value chains with respect to the type of buyers they work with, they may be able to identify and implement new ways of upgrading.

I strongly suggest that Douglas determines different pricing strategies for each type of buyer he works with if he has not done so already. If he can do this successfully, he may be able to identify and implement new ways of upgrading.

**11.1** Potters must consider their breakeven price regardless of the size of their orders that their buyers place. If potters do not know how to calculate the costs of their work, buyers could easily tempt potters to agree with any price that the buyers are willing to pay, especially if the order is for hundreds or thousands of pieces. Potters who can determine their breakeven price are less likely to be exploited by buyers than potters who cannot determine their breakeven price.

Because Douglas is placed in a buyer-driven value chain, I strongly caution him to account for all of his costs when pricing his work. This could prevent him from being take advantage of by his buyers.

**12.1** If potters create a specific type of piece based off their customers' suggestions, the potters should not have to lower their price. Demand for this particular piece must be high since their customers suggested that they make it. Due to the power of supply and demand, this scenario offers the potters more power even though they are positioned in buyer-driven value chains.

If Douglas creates a specific type of piece based off a customer's suggestion, he should not have to lower his price given the forces of supply and demand.

**12.2** Potters should try to learn the primary elements that their buyers care about the most. This is another way that potters can appeal to their buyers and maximize buyer satisfaction.

Not only should Douglas follow the suggestions of his customers, but he should also attempt to learn which specific features and details his buyers like the most. This would help him to increase customer satisfaction and maintain his competitive advantage.

**13.0** Potters have to trust their buyers' understanding of customer preferences when they decide to change their work based off the buyers' suggestions. If potters follow their buyers' suggestions, they have to trust that their work will sell and their buyers will place more orders in the future. If the buyers can successfully predict market preferences and the potters successfully execute their buyers' suggestions, the fundamental forces of supply and demand will cause the potters' work to sell.

Because Douglas is positioned in a buyer-driven value chain, I strongly encourage him to trust the suggestions of his buyers when they recommend that he change something about his work. Ultimately, most of his buyers are the people who directly interact with the final customers so they should have a thorough understanding of market preferences. Even if Douglas disagrees with his buyers' suggestions, I still think he should implement them.

**15.0** One way that potters can learn how to make a new form or design is by their buyers bringing pieces to them or by providing photos of a particular piece. This is one of the best ways that potters can learn how to make a new piece that will appeal to their buyers. If Douglas' buyers suggest that he makes a change to his ceramic receptacles, and he needs more instruction to execute the change, he should ask his buyers to provide him with a photo of the final product that they would like Douglas to emulate.

**16.1** Potters should always sign their work. This is especially important when potters sell their work to intermediaries because signing every piece will protect the authenticity of their work. By the potters signing their work, they are leveraging their power in their buyer-driven value chains so that others cannot get credit for pieces they made.

Douglas should always sign his work, especially if he ever sells to intermediaries. By doing so, he would be leveraging his power in his value chain so that others cannot get credit for pieces he makes.

**19.0** Potters should typically avoid taking out loans from banks or other financial services because they often have high interest rates. Taking out loans with high interest rates would negatively affect the positioning of the potters in their value chains. If potters need additional capital, they should consult with a nongovernmental organization or some other entity that offer loans with low interest rates.

Douglas should avoid taking out loans because they often have high interest rates. Taking out a loan with a high interest rate would likely hurt Douglas' positioning in his value chain. Although he would likely be able to fund the investment that he got the loan for, he would likely have to pay off the loan for many years, which would limit him from upgrading in other ways.

### **Inapplicable Themes from the Meta-Analysis of Potters from San Juan de Oriente to Douglas Nahum Lopez Bautista**

The following themes surfaced from developing and analyzing the profiles of potters from San Juan de Oriente but not from Douglas' profile. Given my understanding of Douglas' situation as a potter, the following themes are not applicable to him.

#### **Vertical Backward Joint Actions (Relationships with Suppliers)**

##### **2.0** Colorants are necessary to produce the majority of pottery in San Juan de Oriente.

Unfortunately, for the potters, the colorants can be difficult to access. As a result, potters may have to rely on a variety of people in their value chains to obtain access to colorants. Because the potters are dependent on others to provide them with the colorants, they are vulnerably positioned along their value chains.

Douglas do not face major challenges with accessing colorants because he receives them from Potters for Peace.

**1.2** If potters are dependent on their buyers to access colorants, potters prefer to work with buyers who allow them to use the colorants to decorate any piece, regardless of which buyer purchases the work. Some buyers require the potters to only use their colorants on pieces that they will purchase. This an example of the buyers practicing their power in a buyer-driven value chain. Because colorants are difficult to access, potters do not want to be limited in how they can use them, which is why they prefer to work with buyers who do not require the potters to only use their colorants on pieces that they will purchase.

Because Douglas works with a nongovernmental organization to access his colorants, he is not restricted to use them to fulfill particular orders. Unlike some buyers who supply their potters with colorants, Potters for Peace will not require Douglas to use his colorants to fulfill particular orders.

#### **Horizontal Joint Actions (Relationships with Other Potters)**

**3.0** Potters can improve their market accessibility by participating in a cooperative, especially if the members of the cooperative manage a gallery where everyone can display and sell a selection of their work. As the number of members increase, the more exposure each potter receives. Additionally, potters who participate in a cooperative prove to their buyers that they are organized, which builds trust.

Douglas used to participate in a cooperative, but is no longer involved because the other members did not contribute.

**4.1** A family of potters can divide responsibilities of the production process to make more pieces faster. Additionally, the potters can learn new ideas from each other to improve

the quality of their work. Many potters work as family units to leverage their collective power so that they can upgrade in their value chains.

Douglas does not come from a family of potters.

### **Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)**

**6.2** The potter's competitive advantage will enable the potters to build a larger and stronger customer base, which may offer greater access to colorants if the potters are dependent on their buyers for them.

Douglas already is able to access colorants from Potters for Peace.

**12.3** Potters should not have to jeopardize the cultural integrity of their work to appeal to their customer preferences. In a buyer-driven value chain, potters can be pressured to sacrifice the cultural integrity of their work to appeal to their buyers. Each potter should have their own guidelines that predetermine what aspects of their work they are willing to change for a buyer and what aspects will remain the same to preserve their cultural identity in each piece.

Because Douglas does not come from a family of potters, the cultural value of his work may not be as important to him compared to a fifth generation potter. Additionally, because he specializes in making ceramic receptacles that I assume are sold domestically, he is not pressured to drastically change the style of his work to appeal to an international market.

**16.0** Intermediaries can abuse their power to vulnerably position the potters in their value chains. When potters sell their work to intermediaries, they are entirely dependent on their intermediaries to relay product feedback from the final buyers. Additionally, the intermediaries may not buy every piece they asked the potters to make. They may try to get the potters to lower their prices. Lastly, the intermediaries may not always pay a down payment for their orders.

Douglas primarily sells water filters to nongovernmental organizations. Because the missions of the nongovernmental organizations are not constrained to making profits, they can find ways to directly assist the potters and improve their positioning in their value chain.

**17.0** If possible, potters should avoid selling to intermediaries. If possible, they should sell directly to the final buyer. The further disconnected the potters get from their final buyers, the smaller their profit margins will be.

Douglas may be able to make more money if he sold his ceramic receptacles directly to the final buyer. However, because he sells the receptacles primarily to nongovernmental organizations, I assume that there are barriers that restrict him from selling to his final customers. Nongovernmental organizations would not be his primary buyer if he could readily access his target market.

## **LOMA PANDA**

### **Introduction**

Loma Ponda is one of four isolated pottery communities in which I applied my findings and analysis of potters from San Juan de Oriente to the potters I interviewed in this community. Robert and I selected the four isolated communities based on their readiness to access the international market. We wanted to select potters from the isolated communities that were in a position to learn the most from the themes and patterns from the potters in San Juan de Oriente. Because the potters in San Juan de Oriente export their work overseas, it made most sense to select isolated communities that Robert and I considered ready to access the international market. Refer to my “Research Objectives and Methods” chapter for more information about how I selected the isolated communities.

In this chapter, I include a community profile for Loma Ponda, a joint profile for the two potters I interviewed simultaneously from this community, and an application of the meta-analysis across the potters from San Juan de Oriente to the two potters I interviewed from Loma Ponda. The community profile includes information about Loma Ponda’s pottery background, pottery production, and demographics. The community profile was enhanced by primary data I collected from the Nicaraguan potters. Refer to my “Research Objectives and Methods” chapter to know how I conducted the interview with the two potters, and how I developed the joint profile. In the profile, I first explain the potters’ background. Afterwards, I summarize the potters’ responses to the questions that addressed their joint actions with other members in their value chain. I conclude the profile with the potters’ explanation of their most important relationships and their advice to potters in other isolated communities. Lastly, I complete this chapter with an application of the meta-analysis across the potters from San Juan de Oriente to the two potters I interviewed from Loma Ponda. I used the meta-analysis that emerged from the potters in San Juan de Oriente to provide an interpretive frame for understanding the supply chain behavior of potters I interviewed from Loma Ponda. I classified each theme in one of four categories, which include unique themes, mutual themes, applicable themes, and inapplicable themes. Refer to my “Research Objectives and Methods” chapter to learn more about the format of this section. The numerical value associated with each theme are the same values I used for the themes listed in the section titled, “Themes Across Potters from San Juan de Oriente” in my “Meta-Analysis Across Potters from San Juan de Oriente” chapter.

### **Community Profile**

#### **Pottery Background**

Women from the Muñoz family make the pottery as a ceramic cooperative in Loma Ponda. The women in this family have passed down this art form from generation to generation. (Zamora, 2017)



## **Pottery Production**

While the potters make utilitarian pieces including cups, dishes, and trays, they specialize in ornamental objects including vases, flower pots, dolls, piggy banks, airplanes, flutes, and more. The dolls that the potters make even have movable limbs. The potters are often inspired to stretch their creativity by art magazines that visitors bring them. (Silver, Ann Schunior Blog, Post #3 – Loma Ponda, n.d.)

Given the complexity of their work, most of what the potters produce is hand-built. All the raw materials required to make the pottery is extracted directly from their community. The women in the ceramic cooperative are grateful that the production of their artwork can be self-sustaining and dependent on the land in their community. After the pieces are hand-built or thrown on a kick-wheel, the potters will apply colorants made by local clays. After the decoration process is complete, the potters use a similar firing process that is done in San Juan de Oriente. (Silver, Ann Schunior Blog, Post #3 – Loma Ponda, n.d.)

## **Demographics**

Loma Ponda is located in the municipality of San Lucas, in the department of Madriz. The community is also an hour away from Somoto and about a kilometer from the Honduras border. (Osborne, 2017) See Appendix D for a map of Nicaragua with the community's location. The community is located on the top of a mountainside. Given the rough terrain, a four-wheel drive vehicle is necessary. Typically asking locals for directions is required to be able to find the community. Residents of the community collect their water from nearby streams and they do not use electricity. The potters also farm to have an additional income stream. (Pillers, 1998)

### **Potter Profile: Maria Marta Hernandez Muños and Carmen Hernandez Corales**

## **Pottery Background**

Maria Marta Hernandez Muños (known as Marta) is from the pottery community of Loma Ponda. She started learning how to make pottery from her mother at age eight. Those days, her mother would travel to different villages far away to sell her pots. As her mother got older, Marta and her siblings continued to work with her.

Carmen Hernandez Corales is also from Loma Ponda, and she started making pottery at the age of 15. She went to classes at school and then would come home and start working. She makes dolls on the wheel.

For both Marta and Carmen, pottery has been in their family heritage for many generations. Their families have been making pottery forever. Not only do they make pottery to sustain themselves, but also to continue their family's tradition. Marta and Carmen also plant corn and beans for food and raise livestock, but their main source of income comes from selling their pottery.

Their workshop is called "Loma Ponda". Since the workshop was founded, the potters in the community have never changed the name. Their workshop is named after the little hill [Loma]

and the winding path up the hill [Ponda]. The workshop is run as a cooperative. Everybody in their community knows that they make pottery, and when they want to buy pottery, they know who to visit. The potters have even been on TV a couple times.

In the 1980s, the potters in the cooperative of Loma Ponda met Ron Rivera, the Coordinator of Potters Peace from 1988 until 2008. Ron enabled them to change and improve their work by taking them to training sessions in Honduras, San Juan de Oriente, and other places. He was always encouraging them to change and improve their work. In the late 1980's, he took them to see a sculptor named Amanda Guzman, who made ceramic animal sculptures. This is when potters from Loma Ponda got the idea to make dolls with movable arms and legs. Over the years, Potters for Peace staff have spent a lot of time and money helping them move forward, and for that, they are grateful. Esperanza en Acción is another important partner that they are grateful for as well.

In addition to introducing the potters from Loma Ponda to other artisans, Ron made considerable investments to their workshop and designed their kiln. Before he built their new kiln, the potters were using the traditional bread kilns. With the new kiln, carbon does not get trapped, which reduces smoke blemishes on their work. The new kiln helped them to increase their quality and quantity of production. Because they are able to fire more pieces in the new kiln, they are able to use less firewood than when they used the bread kilns.

Marta, Carmen, and the other potters in the cooperative of Loma Ponda make a variety of unique pieces. They do not really make pots like everyone else. One of the pieces that they are well known for is their movable dolls. They also make pitchers, jars, pigs, chickens, frogs, turkeys, mermaids, planes, cars, trucks, and many other whimsical pieces.

## **Value Chain Insights**

### *Vertical Backward Joint Actions (Relationships with Suppliers)*

The type of pottery that Marta, Carmen, and other potters in the cooperative of Loma Ponda make is very different from the pottery made in San Juan de Oriente because they use all-natural colorants to glaze their pieces, which is called tague. The potters from Loma Ponda can extract many colors from their land. Because they use an all-natural glazing technique, the potters have to apply great pressure when polishing the pieces to make the tague adhere to their work. In addition to the tague, they also get the clay from their own community. Potters for Peace staff will occasionally bring them tague from other nearby communities that they cannot get from their own land.

### *Horizontal Joint Actions (Relationships with Other Potters)*

In the earlier days, many of their family members and others in the community made things out of clay. Unfortunately, several of these potters either have stopped making pottery or have passed away. Sadly, their children have not carried on the tradition. Because Loma Ponda is geographically isolated, it is difficult for the remaining potters to hire outside support. They used to have potters who would come and help them fill large orders when the path to their workshop

was still manageable. Ever since the rain washed away the path, fewer potters are willing to cross the river and travel up the windy path to reach the community. Not only does their geographic isolation restricts their access to outside support, but it also limits their customer base. The potters who still work together in the community are mainly family members who live close together.

*Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)*

Marta, Carmen, and other potters in the cooperative primarily sell their work at art fairs and directly to tourists from their workshop. They get many customers at the art fairs because their work is high in demand. The potters from Loma Ponda began attending the fairs when the Ministerio de Economía Familiar, Comunitaria, Cooperativa y Asociativa (MEFCCA) [Ministry of Family, Community, Cooperative and Associative Economy] invited them. One of the fairs that they regularly attend is in Somoto. They bring more traditional work to this fair because they know that the market prefers less expensive work, which typically are their traditional pieces. They will typically not bring their more creative work, like the dolls, because those pieces are more expensive. When they attend fairs in Managua, they call all their customers to tell them they are coming, and they sell all their work. Their work is so high in demand that when they do not attend a fair, people will call and ask where they are.

Because of where Loma Ponda is located, the potters face many challenges in transporting their work to the fairs. Sometimes, they have difficulty finding a vehicle to use. As a result, they occasionally need the mayor to come pick them up in a truck because it is difficult to transport their work to the nearest town by themselves. Additionally, when foreigners want to visit the workshop, the mayor will take them. They have also received help from the mayors' offices of Somoto and San Lucas to bring their work to the markets. The potters try to go to as many fairs as they can, but sometimes the weather prevents them from being able to make the trip. During the rainy season, they unfortunately cannot transport their work across the river due to flooding.

The potters from Loma Ponda also sell their work through three different stores. In the past, they sold more to these stores than they do now. The storeowners will call them when the need to restock their inventory. The potters have maintained their relationships with the storeowners because they have developed trust with them and they feel like they have been treated fairly.

Marta and Carmen make attractive work so they do not have to change it much, but if they do, they know how to do it. Marta and Carmen know the types of pieces their customers like by listening to their preferences and seeing what sells. They work on improving these pieces to make them even more desirable for their customers. Putting their love into their work is what motivates them to continue to improve their quality. If a certain customer wants a new design, they bring a picture, and then the potters work from the picture. Their main worry is that when they complete the piece, the customer will not come back and buy it, or they might not like it. If a customer came to them and asked for one of their pieces, but wanted a better version of it, Marta and Carmen would make it, but they would ask for more money. If a customer came to them and wanted them to make a piece in a couple days, they would ask for more time.

## Reflections on Value Chain Development

One of the most important relationships that Marta and Carmen have to maintain a stable and consistent income is with a woman who has a business that exports ceramics from Nicaragua. This woman is one of several buyers that Ron introduced to the potters in Loma Ponda. Their advice to potters in other isolated communities is to work hard and be organized. You cannot make much progress if you are not organized.

### Application of Meta-Analysis across Potters from San Juan de Oriente to Maria Marta Hernandez Muños and Carmen Hernandez Corales

#### Unique Themes Identified from Maria Marta Hernandez Muños and Carmen Hernandez Corales

The following theme surfaced from developing and reading Marta's and Carmen's profile, but not from developing and reading the profiles of potters from San Juan de Oriente. Because I desire to capture the perspective and experiences of Marta and Carmen, I list the unique theme that surfaced from their profile before I apply the themes surfaced from the potters in San Juan de Oriente to Marta and Carmen.

- When taking work to fairs or selling it in stores, potters should forecast the expected price points of their buyers. This will significantly determine the type of work the potters should sell. The more accurate the potters can predict their buyers' price point, the more work they will sell.
  - *"One of the fairs that they regularly attend is in Somoto. They bring more traditional work to this fair because they know that the market prefers less expensive work, which typically are their traditional pieces. They will typically not bring their more creative work, like the dolls, because those pieces are more expensive."* –Maria Marta Hernandez Muños' and Carmen Hernandez Corales' profile
- One way that potters can increase their sales at a fair is by calling their buyers to let them know that they will be attending.
  - *"When they attend fairs in Managua, they call all their customers to tell them they are coming, and they sell all their work."* –Maria Marta Hernandez Muños' and Carmen Hernandez Corales' profile
- If potters tailor their work to follow the suggestions of their buyers, they should increase their prices. A factor that potters need to account when pricing their work is the amount of customization in each piece.
  - *"If a customer came to them and asked for one of their pieces, but wanted a better version of it, Marta and Carmen would make it, but they would ask for more money."* –Maria Marta Hernandez Muños' and Carmen Hernandez Corales' profile

## **Mutual Themes across Maria Marta Hernandez Muños and Carmen Hernandez Corales from Loma Ponda and the Potters from San Juan de Oriente**

The following themes surfaced when I developed and analyzed the profiles of Marta and Carmen from Loma Ponda, and potters from San Juan de Oriente. However, because Marta and Carmen are the only potters I interviewed from Loma Ponda, their perspectives and experiences are not necessarily representative of all the potters in this isolated community. Hence, for each mutual theme identified, I quote Marta's and Carmen's profile and explain how the theme only applies to them. Because they work with other potters in a cooperative, Marta and Carmen mentioned their collective efforts throughout the interview. As a result, I also apply the themes to the members of the cooperative when appropriate.

### **Vertical Backward Joint Actions (Relationships with Suppliers)**

**1.0** The quality of materials directly affects the quality of the potters' final product, which influences market appeal. Because the potters are positioned in buyer-drive value chains, the buyers hold the most power amongst all the value chain participants. This makes the potters' relationships with their buyers more important than any other joint action. However, the potters' joint actions with their suppliers greatly influence their joint actions with their buyers.

*"The potters from Loma Ponda can extract many colors from their land. Because they use an all-natural glazing technique, the potters have to apply great pressure when polishing the pieces to make the colorants adhere to their work. In addition to the colorants, they also get the clay from their own community. Potters for Peace staff will occasionally bring them natural colorants from other nearby communities that they cannot get from their own land."* –Maria Marta Hernandez Muños' and Carmen Hernandez Corales' profile

Marta, Carmen, and other members in the cooperative in Loma Ponda leverage their natural resources to improve the quality of their work. The colorants that they cannot extract from their own land, Potter for Peace provides. The quality of their glazes is one feature that attracts a strong customer base. Additionally, the clay they use must be high enough quality to hand build their unique pieces. The potters' clay and glazes are both locally sourced and enable the potters to produce high quality work that appeals to their customers.

### **Horizontal Joint Actions (Relationships with Other Potters)**

**3.0** Potters can improve their market accessibility by participating in a cooperative, especially if the members of the cooperative manage a gallery where everyone can display and sell a selection of their work. As the number of members increase, the more exposure each potter receives. Additionally, potters who participate in a cooperative prove to their buyers that they are organized, which builds trust.

*"Marta, Carmen, and other potters in the cooperative primarily sell their work at art fairs and directly to tourists from their workshop."* –Maria Marta Hernandez Muños' and Carmen Hernandez Corales' profile

Marta and Carmen are members of the cooperative in Loma Ponda. Because of their contribution, they have been able attend art fairs and sell their work to tourists directly from the cooperative's workshop.

- 3.1** Participating in a cooperative can enable potters to share ideas, purchase raw materials at discounted rates, sell their work in new markets, and work together to fulfill large orders. As a result, potters who can organize themselves to create a cooperative can leverage their collective power to advance their positioning in their value chain.

Although I did not learn from interviewing Marta and Carmen of specific ways that the cooperative has enabled them to advance their positioning in their value chain, I am sure they would attribute much of their success to the organizational support of the cooperative. Because Marta and Carmen are members, they have access to a kiln and colorants provided by Potters for Peace, and can attend fairs with other potters.

- 5.0** Owning a kiln enables a potter to upgrade their production process in many ways. Potters who can invest in building their own kilns benefit from not having to transport their pieces to other potters' kilns in which the pieces may break and the other potters may require renting fees. Additionally, potters who can afford kilns of various sizes to accommodate the quantity of pieces they would like to fire can save money on raw materials, such as wood, in the long term.

*“In addition to introducing the potters from Loma Ponda to other artisans, Ron made considerable investments to their workshop and designed their kiln. Before he built their new kiln, the potters were using the traditional bread kilns. With the new kiln, carbon does not get trapped, which reduces smoke blemishes on their work. The new kiln helped them to increase their quality and quantity of production. Because they are able to fire more pieces in the new kiln, they are able to use less firewood than when they used the bread kilns.” –Maria Marta Hernandez Muños' and Carmen Hernandez Corales' profile*

Even since Ron helped to construct a kiln for the cooperative in Loma Ponda, Marta, Carmen, and the other members of the cooperative have been able to upgrade their production process. The quality of their work has improved because their firings are more consistent. They also save money on their supplies by having to purchase less firewood.

### **Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)**

- 6.0** Every potter needs to maintain their own competitive advantage by leveraging their core competencies and resources. Highlighting their differences to prospective buyers will attract new buyers to purchase their work and previous buyers to purchase their work more frequently.

*“Marta, Carmen, and the other potters in the cooperative of Loma Ponda make a variety of unique pieces. They do not really make pots like everyone else. One of the pieces that they are well known for is their movable dolls... The type of pottery that Marta, Carmen, and other potters in the cooperative of Loma Ponda make is very different from the pottery made in San*

*Juan de Oriente because they use all-natural colorants to glaze their pieces.” –Maria Marta Hernandez Muños’ and Carmen Hernandez Corales’ profile*

Marta, Carmen, and the other members of the cooperative in Loma Ponda are able to maintain their competitive advantage by creating unique ceramic forms and using all-natural colorants to glaze their work. The potters’ forms and glazes are the key qualities that attract people to purchase their work.

**7.0** Potters need to invest into their workshops in order to attract tourists and make them feel welcomed. Because potters are positioned in a buyer-driven value chain, they need to maximize buyer satisfaction at all costs.

*“Marta, Carmen, and other potters in the cooperative primarily sell their work at art fairs and directly to tourists from their workshop.” –Maria Marta Hernandez Muños’ and Carmen Hernandez Corales’ profile*

While I do not know of the ways that Marta, Carmen, and other members of the cooperative have invested into their workshop, I can assume that they have done enough because they are able to sell their work to customers directly from their workshop.

**7.1** If potters’ workshops are not located where many tourists will visit, they should try to find stores to sell their work where more tourists will come. Displaying work in multiple stores will increase market accessibility.

*“The potters from Loma Ponda also sell their work through three different stores. In the past, they sold more to these stores than they do now. The storeowners will call them when the need to restock their inventory. The potters have maintained their relationships with the storeowners because they have developed trust with them and they feel like they have been treated fairly.” –Maria Marta Hernandez Muños’ and Carmen Hernandez Corales’ profile*

Because Loma Ponda is geographically isolated, the relationships that Marta, Carmen, and the other members of the cooperative have with these three stores are critical for their market accessibility.

**9.0** Potters should continuously improve their quality and diversify their work to maintain and expand their customer base. Buyers are more likely to consistently purchase potters’ work if they are making new pieces and improving their quality.

*“One of the pieces that they are well known for is their movable dolls. They also make pitchers, jars, pigs, chickens, frogs, turkeys, mermaids, planes, cars, trucks, and many other whimsical pieces.” –Maria Marta Hernandez Muños’ and Carmen Hernandez Corales’ profile*

Marta, Carmen, and other potters in the cooperative of Loma Ponda are known for their unique work. Because they continuously try to expand their portfolio of work, their buyers are eager to see what new piece they will make next. This is one of the reasons why their work is high in demand, especially when they attend fairs.

**12.0** In order to increase sales, potters should try their best to meet their buyers' expectations and follow any suggestions they make. Because potters are positioned in a buyer-driven value chain, they need to maximize buyer satisfaction.

*"Marta and Carmen know the types of pieces their customers like by listening to their preferences and seeing what sells." –Maria Marta Hernandez Muños' and Carmen Hernandez Corales' profile*

Marta and Carmen maximize buyer satisfaction by considering the suggestions of their buyers as they are producing new work.

**12.1** If potters create a specific type of piece based off their customers' suggestions, the potters should not have to lower their price. Demand for this particular piece must be high since their customers suggested that they make it. Due to the power of supply and demand, this scenario offers the potters more power even though they are positioned in buyer-driven value chains.

*"If a customer came to them and asked for one of their pieces, but wanted a better version of it, Marta and Carmen would make it, but they would ask for more money." –Maria Marta Hernandez Muños' and Carmen Hernandez Corales' profile*

If Marta and Carmen made specific work based off the suggestions of their buyers, not only would they be reluctant to negotiate their price, but they would actually increase the price of their work.

**12.2** Potters should try to learn the primary elements that their buyers care about the most. This is another way that potters can appeal to their buyers and maximize buyer satisfaction.

*"One of the fairs that they regularly attend is in Somoto. They bring more traditional work to this fair because they know that the market prefers less expensive work, which typically are their traditional pieces. They will typically not bring their more creative work, like the dolls, because those pieces are more expensive." –Maria Marta Hernandez Muños' and Carmen Hernandez Corales' profile*

Marta, Carmen, and the other members of the cooperative have learned that sometimes the buyer cares more about the price of the work over any other element. Identifying what their buyers care about the most is what has made them high in demand, especially when they attend fairs.

**13.0** In order for potters to receive large orders from buyers, they should prove to the buyers that they can produce high quality work on time. This can be done by potters showing their organizational skills to their buyers. Meeting deadlines is a significant way to maximize customer satisfaction.



*“If a customer come to them and wanted them to make a piece in a couple days, they would ask for more time...Their advice to potters in other isolated communities is to work hard and be organized. You cannot make much progress if you are not organized.” –Maria Marta Hernandez Muños’ and Carmen Hernandez Corales’ profile*

Marta and Carmen understand the importance of producing high quality work on time. They also understand that in order to progress in their development as potters, they need to be organized.

**15.0** One way that potters can learn how to make a new form or design is by their buyers bringing pieces to them or by providing photos of a particular piece. This is one of the best ways that potters can learn how to make a new piece that will appeal to their buyers.

*“If a certain customer wants a new design, they bring a picture, and then the potters work from the picture.” –Maria Marta Hernandez Muños’ and Carmen Hernandez Corales’ profile*

One of the ways that Marta, Carmen, and the other members of the cooperative learn how to meet the expectations of their buyers is when they provide a photo of a piece that they want the potters to make.

**18.0** Potters can greatly benefit from partnering with nongovernmental organizations. The benefits may include attending training sessions and accessing new markets. Unlike other buyers, nongovernmental organizations typically advocate for the advancement and economic wellbeing of the potters.

*“In the 1980s, the potters in the cooperative of Loma Ponda met Ron Rivera, the Coordinator of Potters Peace from 1988 until 2008. Ron enabled them to change and improve their work by taking them to training sessions in Honduras, San Juan de Oriente, and other places... Over the years, Potters for Peace staff have spent a lot of time and money helping them move forward, and for that, they are grateful. Esperanza en Acción is another important partner that they are grateful for as well.” –Maria Marta Hernandez Muños’ and Carmen Hernandez Corales’ profile*

From accessing markets to learning new skills, Marta, Carmen, and other member members of the cooperative in Loma Ponda have greatly benefited from partnering with nongovernmental organizations.

### **Applicable Themes from the Meta-Analysis of Potters from San Juan de Oriente to Maria Marta Hernandez Muños and Carmen Hernandez Corales**

The following themes surfaced from developing and analyzing the profiles of potters from San Juan de Oriente but not from Marta’s and Carmen’s profile. Because my understanding of Marta and Carmen is limited to their profile, I do not know if they are already following these themes. After developing and analyzing the profiles of potters from San Juan de Oriente, I think these themes are important enough to share with Marta and Carmen even if they are aware of the insights they hold. Hence, for each theme listed, I explain how the theme may apply to Marta and Carmen. Because they work with other potters in a cooperative, Marta and Carmen mentioned their collective efforts throughout the interview. As a result, I also apply the themes to the members of the cooperative when appropriate.

### **Vertical Backward Joint Actions (Relationships with Suppliers)**

- 1.1** Potters can be resourceful by finding ways to decrease the costs for their supplies while still maintaining quality. Many of the potters' buyers are price sensitive. The more ways that the potters can ensure that the price of their work does not increase because of the cost of their supplies increasing, the more likely they will be able to price their work that it appealing to their target markets.

The more ways Marta, Carmen and other members of the cooperative in Loma Ponda can decrease the cost of their supplies, the more they will be able to appeal to their price sensitive buyers.

### **Horizontal Joint Actions (Relationships with Other Potters)**

- 4.0** In order to successfully fulfill large orders, potters must have workers who they can delegate responsibilities to. Additionally, the potters must monitor everyone's work to maintain quality control. Potters who can appropriately select and manage their workers will increase their likelihood of fulfilling their large orders on time while maintaining quality control.

When Marta, Carmen, and the other members of the cooperative in Loma Ponda are creating a large body of work, I would encourage them to divide responsibilities amongst each other and implement some form of accountability to ensure that everyone is working at their expected level of quality. Although I can confidently assume that the members of the cooperative already operate this way, I did not explicitly learn about how the cooperative is managed when I interviewed Marta and Carmen. Even if the members of the cooperative already operate in this way, I still think that this is an important theme to emphasize.

Poor infrastructure restricts potters from other communities to come and assist with orders that are difficult for the cooperative to manage. Due to flooding and erosion, the road leading to the community is difficult to travel. Given the importance of having accessible outside support, I would suggest that the members of the cooperative think of ways that they can address this concern. Finding a way to invest in a better infrastructure would enable potters to access the community as well as prospective buyers.

- 4.1** A family of potters can divide responsibilities of the production process to make more pieces faster. Additionally, the potters can learn new ideas from each other to improve the quality of their work. Many potters work as family units to leverage their collective power so that they can upgrade in their value chains.

Marta and Carmen both come from families who have been potters for many generations. During their interview, they told me that the most of the members of the cooperative are family members who live close together. Although I can confidently assume that each family divides responsibilities of the production process, I did not explicitly learn about roles of family members when I interviewed Marta and Carmen. Even if the families already operate this way, I still think that this is an important theme to emphasize.

Marta and Carmen mentioned in the interview that the younger generation has not carried on the tradition of making pottery. If the members of the cooperative were able to find a way to improve the road leading to their community, more customers would likely visit their workshop, which may encourage the younger generation to carry on the tradition of making pottery.

**4.2** When potters receive large orders and need to hire other works, the potters should hire people with skills that they are weak in or do not have altogether. This will allow the potters to increase the quantity and quality of their work.

When the cooperative requires outside support to fulfill an order, the members should hire potters with skills that they are weak in or do not have altogether. The quality of their work will improve, which will increase buyer satisfaction. Because the potters are positioned in a buyer-driven value chain, maximizing buyer satisfaction is critical to upgrade.

### **Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)**

**6.1** If potters make similar work, they will likely enter into price wars because they will be competing for the same customer base. In this case, supply will exceed demand, which will enable buyers to lower the potters' prices.

Marta, Carmen, and the other members of the cooperative in Loma Ponda make unique work in comparison to other Nicaraguan potters. Based on their interview, I am uncertain if they understand the potential economic impact if they would lose their competitive advantages. If other potters try to replicate their work, they would enter into price wars because supply would exceed demand. For this reason, I would encourage them to protect their competitive advantages.

**8.0** Because potters can unexpectedly have buyers greet them in their workshops, they must always have inventory stocked. If potters do not keep their inventory stocked, they could potentially lose sales. Prospective buyers may not place orders with potters who do not have pieces on hand. Because most potters cannot afford to maintain a large inventory, they need to do their best to promote their work as they are making more pieces.

Marta, Carmen, and the other members of the cooperative in Loma Ponda need to ensure that they maintain their inventory in their workshop regardless of the market demand. Because they are positioned in a buyer-driven value chain, they need to be ready at any time for a prospective buyer to visit their workshop.

**10.0** Potters should be proactive in searching for new customers when the market is slow. Because potters are positioned in a buyer-driven value chain, they are responsible for simultaneously producing and promoting their work.

Because Loma Ponda is geographically isolated, Marta, Carmen, and the other members of the cooperative need to work hard to search for new customers as they also work hard to produce more pieces.

**11.0** The type of buyers that potters work with can influence the potters' pricing. Potters' understanding of their value chains will increase if they can understand and assess their buyers' anticipated profit margins. As potters learn more about how they are positioned in their value chains with respect to the type of buyers they work with, they may be able to identify and implement new ways of upgrading.

I strongly suggest that Marta, Carmen, and the other members of the cooperative determine different pricing strategies for each type of buyer they work with if they have not done so already. If they can do this successfully, they may be able to identify and implement new ways of upgrading.

**11.1** Potters must consider their breakeven price regardless of the size of their orders that their buyers place. If potters do not know how to calculate the costs of their work, buyers could easily tempt potters to agree with any price that the buyers are willing to pay, especially if the order is for hundreds or thousands of pieces. Potters who can determine their breakeven price are less likely to be exploited by buyers than potters who cannot determine their breakeven price.

Marta, Carmen, and the other members of the cooperative in Loma Ponda need to understand the importance of calculating their breakeven price if they do not already. With this understanding, they are less likely to be exploited by buyers who try to negotiate their pricing.

**12.3** Potters should not have to jeopardize the cultural integrity of their work to appeal to their customer preferences. In a buyer-driven value chain, potters can be pressured to sacrifice the cultural integrity of their work to appeal to their buyers. Each potter should have their own guidelines that predetermine what aspects of their work they are willing to change for a buyer and what aspects will remain the same to preserve their cultural identity in each piece.

The members of the cooperative in Loma Ponda are able to preserve their cultural identity by using locally sourced clay and colorants. Additionally, they have not allowed market preferences limit their creativity, which is reflected in each of their whimsical pieces. I strongly encourage them to determine how they intend to protect their cultural identity as potters in the future if they have not done so already.

**14.0** Potters have to trust their buyers' understanding of customer preferences when they decide to change their work based off the buyers' suggestions. If potters follow their buyers' suggestions, they have to trust that their work will sell and their buyers will place more orders in the future. If the buyers can successfully predict market preferences and the potters successfully execute their buyers' suggestions, the fundamental forces of supply and demand will cause the potters' work to sell.

Marta and Carmen explained that they can get worried when they make a special order for a particular buyer, the buyer may not purchase it. In this scenario, there are several ways that Marta and Carmen can leverage their power as potters in a buyer-driven value chain. One of the

most effect ways they can leverage their power is by agreeing with the buyer that he or she will follow through and purchase the order. However, Marta and Carmen ultimately need to develop trust with their buyers. If they follow their suggestions and meet their expected level of quality, the forces of supply and demand should entice the buyers to purchase the work. They would not have suggested to Marta and Carmen to adjust their work if they did not think that the new pieces would sell.

**16.0** Intermediaries can abuse their power to vulnerably position the potters in their value chains. When potters sell their work to intermediaries, they are entirely dependent on their intermediaries to relay product feedback from the final buyers. Additionally, the intermediaries may not buy every piece they asked the potters to make. They may try to get the potters to lower their prices. Lastly, the intermediaries may not always pay a down payment for their orders.

From developing and analyzing Marta's and Carmen's profile, I know that they work with several intermediaries, which include nongovernmental organizations and storeowners. They spoke positively about these types of intermediaries. However, I would caution Marta and Carmen not to work with any type of intermediary given the negative perspectives and experiences of several potters from San Juan de Oriente.

**16.1** Potters should always sign their work. This is especially important when potters sell their work to intermediaries because signing every piece will protect the authenticity of their work. By the potters signing their work, they are leveraging their power in their buyer-driven value chains so that others cannot get credit for pieces they made.

Marta and Carmen should always sign their work, especially when they sell to intermediaries. By doing so, they would be leveraging their power in their value chain so that others cannot get credit for the pieces they make.

**17.1** If potters have to sell their work to intermediaries, they should work with those who want to help them and who understand market preferences. Some of the most reliable and trustworthy intermediaries are nongovernmental organizations. They do not typically abuse the power they hold in their value chains.

As Marta and Carmen search for new intermediaries to sell their work to, they should select those who want to help them advance in their value chain and those who understand market preferences.

**19.0** Potters should typically avoid taking out loans from banks or other financial services because they often have high interest rates. Taking out loans with high interest rates would negatively affect the positioning of the potters in their value chains. If potters need additional capital, they should consult with a nongovernmental organization or some other entity that offer loans with low interest rates.

Marta and Carmen should avoid taking out loans because they often have high interest rates. Taking out a loan with a high interest rate would likely hurt their positioning in their value chain. Although Marta and Carmen would likely be able to fund the investment that they got the loan

for, they would likely have to pay off the loan for many years, which would limit them from upgrading in other ways.

### **Inapplicable Themes from the Meta-Analysis of Potters from San Juan de Oriente to Maria Marta Hernandez Muños and Carmen Hernandez Corales**

The following themes surfaced from developing and analyzing the profiles of potters from San Juan de Oriente but not from Marta's and Carmen's profile. Given my understanding of Marta and Carmen, the following themes are not relevant to their development as potters. For each theme listed, I briefly explain why the theme is not relevant to them.

#### **Vertical Backward Joint Actions (Relationships with Suppliers)**

##### **2.0 Colorants are necessary to produce the majority of pottery in San Juan de Oriente.**

Unfortunately, for the potters, the colorants can be difficult to access. As a result, potters may have to rely on a variety of people in their value chains to obtain access to colorants. Because the potters are dependent on others to provide them with the colorants, they are vulnerably positioned along their value chains.

The glazes that the Marta, Carmen, and the other members of the cooperative in Loma Ponda use on their work are entirely natural and locally sourced. As a result, they do not have to face the challenge of working with another member in their value chain to access colorants.

##### **2.1 It may be less expensive for potters to purchase colorants and other supplies from their buyers rather than from resellers. This is because as the number of value chain stakeholder participants increase, the profit margins for the potters decrease. The more ways that the potters can work directly with their buyers to sell their work or receive supplies, the more profit the potters will make.**

The glazes that the Marta, Carmen and the other members of the cooperative in Loma Ponda use on their work are entirely natural and locally sourced. As a result, they do not have to face the challenge of working with another member in their value chain to access colorants.

##### **2.2 If potters are dependent on their buyers to access colorants, potters prefer to work with buyers who allow them to use the colorants to decorate any piece, regardless of which buyer purchases the work. Some buyers require the potters to only use their colorants on pieces that they will purchase. This an example of the buyers practicing their power in a buyer-driven value chain. Because colorants are difficult to access, potters do not want to be limited in how they can use them, which is why they prefer to work with buyers who do not require the potters to only use their colorants on pieces that they will purchase.**

The glazes that the Marta, Carmen and the other members of the cooperative in Loma Ponda use on their work are entirely natural and locally sourced. As a result, they do not have to face the challenge of working with another member in their value chain to access colorants.

## **Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)**

**6.2** The potter's competitive advantage will enable the potters to build a larger and stronger customer base, which may offer greater access to colorants if the potters are dependent on their buyers for them.

The glazes that the Marta, Carmen, and the other members of the cooperative in Loma Ponda use on their work are entirely natural and locally sourced. As a result, they do not have to face the challenge of working with another member in their value chain to access colorants.

**17.0** If possible, potters should avoid selling to intermediaries. If possible, they should sell directly to the final buyer. The further disconnected the potters get from their final buyers, the smaller their profit margins will be.

Marta and Carmen may be able to make more money if they were able to sell more of their work to their final customers. However, because their community is geographically isolated, working with their intermediaries enables their work to be displayed and sold in more markets. However, they do need to be careful with the type of intermediaries they work with as they have the ability to negatively affect the potters' positioning in their value chain.

## META-ANALYSIS ACROSS POTTERS FROM ISOLATED COMMUNITIES

### Verification that the Potters are Positioned in Buyer-Driven Value Chains

As you have seen from reading the applications of the meta-analysis of potters from San Juan de Oriente to the potters in each isolated community, the potters who I interviewed from the isolated communities are conscientious of their joint actions with their buyers. This is why the majority of the mutual themes across the potters from each isolated community and the potters from San Juan de Oriente deal with vertical forward joint actions than either vertical backward joint actions or horizontal joint actions. The applications of the meta-analysis of potters from San Juan de Oriente to the potters in each isolated community provide significant verification that the potters who I interviewed from the isolated communities are positioned in buyer-driven value chains. Because the buyers are the governors of the potters' value chains, the potters understand the importance of their relationships with their buyers. (Gereffi & Korzeniewicz, 1994) The themes that target the potters' relationships with their buyers are ways that the potters have found ways to leverage their own power to advance their positioning in their buyer-driven value chains.

Below is a quote from each of the profiles of potters from the isolated communities showing that the potters are positioned in buyer-driven-value chains.

*Douglas' advice to potters in other isolated communities is to "make accommodations for your customers and keep them happy. Always be friendly to your customers."* –Douglas Nahum Lopez Bautista's profile

*"Maria is the only potter she knows who puts her address and phone number on the bottom of each pot. That way, anyone who is interested in purchasing her work can get in contact with her."* –Isidro Zavala Perez's and Maria de los Angeles Gutierrez's profile

*"When they attend fairs in Managua, they call all their customers to tell them they are coming, and they sell all their work."* –Maria Marta Hernandez Muños' and Carmen Hernandez Corales' profile

*"The most important relationships that Doña Wilma and Doña Santos have to maintain a stable and consistent income is with the stores that sell their work."* –Doña Wilma Guevarra Centeno's and Doña Santos de Jesus Gravara Martinez's Profile

Because I verified that the potters who I interviewed from the isolated communities are positioned in buyer-driven value chains, I can safely assume that the majority of all potters in isolated Nicaraguan communities are positioned in buyer-driven value chains as well.



## **Application of Meta-Analysis across Potters from San Juan de Oriente to Potters from Isolated Communities**

The purpose of this meta-analysis is to compare and contrast the applications of the meta-analysis of potters from San Juan de Oriente to each isolated community. For the applications of the meta-analysis of potters from San Juan de Oriente to each isolated community, I only applied the meta-analysis of potters from San Juan de Oriente to the potters who I interviewed from the isolated communities. The goal of this meta-analysis is to better understand the positioning of all isolated potters in their value chains with respect to the potters' joint actions. As a result, I use the interpretative frame from the potters in San Juan de Oriente to examine the isolated communities as a group.

I allowed the unique themes identified from the potters in each isolated community to stand-alone. For the remaining three categories, I only included themes in the meta-analysis if potters from at least three of the isolated communities included them in the same thematic category. I figured that if potters from at least three of the isolated communities included a particular theme in the same category, I could safely assume that the categorization of the theme offered a generalized perspective of potters from any isolated community.

### **Unique Themes Identified from the Potters from the Isolated Communities**

The majority of all the themes uncovered from developing and analyzing the profiles of potters from the isolated communities deal with the potters' relationships with their buyers. This is appropriate as the potters are positioned in a buyer-driven value chain.

After reviewing all of them the unique themes, I noticed that the potters from the isolated communities offered rich insights into several touchpoints that potters have with their buyers. Each theme offers a way to leverage the potters' power when they interact with their buyers so that the potters can improve their positioning in their value chains. I clustered the potters' unique themes based on the chronological touchpoints that potters would have with their buyers. The touchpoints include, promotion, pricing, payment, and customer retention.

#### *Promotion*

As a sales technique, Isidro and Angela explain to their buyers that their work is made from all-natural materials. One of their competitive advantages is that they use clay and tague that are locally sourced and all-natural. When trying to convince a prospective buyer how their work is different from other potters' work, they are intentional in highlighting their competitive advantages.

#### *Pricing*

One way that Douglas protects himself from exploitation is by agreeing on a price with his buyers before he fulfills their orders. As a result, the buyers cannot lower his price. Additionally, Douglas will raise his prices for buyers who he knows will attempt to lower his

price. That way, he can allow the buyers to lower his price, but he will still make his expected profit.

Marta and Carmen sell various work depending on the price sensitivity of their buyers. When Marta and Carmen know that their intended buyers at a fair will likely purchase inexpensive work, the majority of the work they bring will be inexpensive. They also increase their price if a buyer requests them to alter their work in some way.

#### *Payment*

Angela from Santa Rosa does not sell on credit. If she would sell on credit, she would have to lose control of her most valuable asset, which is her pottery, before she receives payment for her work. As a result, she could easily be taken advantage of by her buyers.

#### *Customer Retention*

Doña Wilma and Doña Santos keep records of their buyers' preferences. By doing so, they know how they should alter their work to increase customer satisfaction. Maria from Santa Rosa writes her address and phone number on the bottom of each piece so that her buyers and anyone else who comes across her work can contact her. Marta and Carmen from Loma Ponda call their buyers whenever they are going to attend a fair. That way, their buyers know to expect them, and they have time to consider if they would like to place any orders. These unique themes are ways to maximize customer retention.

#### *Remaining Unique Theme*

After clustering each of the unique themes into promotion, pricing, payment, or customer retention, there was one remaining theme that I could not place in any cluster. This is because Isidro broadened his scope of work to consider ways that he could earn a profit as a potter that did not require him to make and sell pottery. As a result, he has found opportunities to teach other potters new skills and techniques. Teaching has played to his advantage because he does not have to be under the influence of his buyers in his buyer-driven value chain.

### **Mutual Themes across the Potters from Isolated Communities and San Juan de Oriente**

#### *Vertical Backward Joint Actions (Relationships with Suppliers)*

All the potters who I interviewed from the isolated communities understand how the quality of their materials directly impacts the quality of their final product. Because pottery is such a tactile form of art, the potters have to use their hands to work with every material that goes into making their work. Due to the potters' level of interaction with their materials, they have learned overtime how their materials can influence their production process and the overall quality of their work. Because they are motivated to meet their buyers' quality standards, they do whatever necessary to access the materials that will maximize the quality of their work. Thankfully, potters from isolated communities often have access to clay and glazes that is locally sourced, but they may occasionally supplement their materials by asking nongovernmental organizations for assistance or by traveling to nearby communities in search of higher quality or different materials.

### *Horizontal Joint Actions (Relationships with Other Potters)*

The majority of the potters I interviewed from the isolated communities work in a cooperative to produce and sell their work. The only potter who I interviewed that does not currently work in a cooperative is Douglas. This is because the other potters that he was working with were not putting forth the same amount of effort as him. Cooperatives can be a powerful tool for potters to leverage in their buyer-driven value chains if there are many potters who are willing to put in the time and effort to manage them. They can help the potters generate new ideas, access supplies, and sell their work in new markets. Potters hold more power in their value chains when the work together rather than when they work independently.

### *Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)*

When dealing with the potter's relationships with post-production stakeholders, there are many mutual themes across the profiles of potters from the isolated communities and San Juan de Oriente. This is appropriate given that the potters' buyers are categorized as a post-production stakeholder.

All the potters who I interviewed from the isolated communities understand the importance of maintaining their competitive advantage. The potters who I interviewed try to maintain their competitive advantage by using locally-sourced materials, making unique forms, and/or practicing an uncommon firing processes.

All the potters who I interviewed from the isolated communities also understand the importance of investing in their workshops. Because the potters are geographically isolated, it is critical that any buyer who visits their workshops are satisfied with not only the potters' work, but the entire experience. Another mutual theme that the majority of the potters from the isolated communities had with the potters from San Juan de Oriente is to be proactive in searching for new customers when the market is slow. Carmen and Maria from Loma Ponda are the only potters from the isolated communities who I did not learn from their interview if they intentionally search for new customers when the market is slow. However, I did learn that they are proactive in contacting buyers who have purchased from them in the past. I think building stronger relationships with existing buyers is just as important, if not more, than building new relationships with prospective buyers.

One way that all the potters from the isolated communities develop stronger relationships with their existing buyers is by following their suggestions. The potters know that if they do not integrate the buyers' feedback into their future work, the buyers will be less likely to place future orders. Another way to increase the likelihood of buyers placing future orders is by the potters consistently completing orders on time. This is another theme that all the potters from the isolated communities practice in their operations. They all understand that meeting deadlines is a significant way to maximize customer satisfaction.

Lastly, all the potters from the isolated communities who I interviewed greatly benefit from working with nongovernment organizations. Because the missions of the nongovernmental organizations are not constrained to making profits, they can find ways to directly assist the

potters and improve their positioning in their value chain. The ways that nongovernmental organizations can help potters in isolated communities include accessing materials, investing in their workshops, and selling their work in new markets.

### **Applicable Themes from the Meta-Analysis of Potters from San Juan de Oriente to Potters from Isolated Communities**

#### *Vertical Backward Joint Actions (Relationships with Suppliers)*

When I applied the themes that were uncovered from developing and analyzing the profiles of potters from San Juan de Oriente to the potters from the isolated communities, I emphasized the importance of finding ways to decreasing the costs of their supplies while maintain the quality of their work. None of the potters who I interviewed from the isolated communities explicitly mentioned this theme. While they may already be searching for new ways to lower their costs of their supplies, I decided that it would be a good idea to reemphasize the importance of this theme to all the potters from the isolated communities. The reason the potters should implement this theme if they have not already is because they are in more control of the costs of the supplies they use than the price that their buyers are willing to pay. If the potters can find ways to decrease the cost of their supplies, they can directly contribute to their bottom line.

#### *Horizontal Joint Actions (Relationships with Other Potters)*

When I applied the themes that were uncovered from developing and analyzing the profiles of potters from San Juan de Oriente to the potters from the isolated communities, I also emphasized the importance of working with other potters so that they can divide responsibilities and monitor each other's quality of work. Doña Wilma and Doña Santos from Ducuale Grande were the only potters from the isolated communities who explicitly mentioned this theme in their interview. The reason why the other potters from the other isolated communities should implement this theme if they do not already is that potters can improve their quantity and quality of their pieces if they divide responsibilities and monitor each other's work. Additionally, if the potters need to hire people to fulfill a large order, they should be strategic in hiring people who have different skillsets than them. This will enable the potters to increase the quantity and quality of their work even more.

#### *Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)*

Another theme that I emphasized to all the potters who I interviewed from the isolated communities is the importance of keeping their inventory stocked at all times. If the potters do not do so already, it is critical that the potters keep their inventory stocked because they can never predict when prospective buyers may visit their workshops.

I also emphasized several themes to the potters who I interviewed from the isolated communities that dealt with identifying and applying buyer preferences. I stressed the importance of learning the primary elements that the buyers care about the most. The only potters who I did not have to advise to consider this insight were Marta and Carmen from Loma Ponda. This is because they told me in their interview that they determine the type of work they bring to their fairs based on their buyers' preferences. I also stressed the importance to all the potters who I interviewed from

the isolated communities of trusting their buyers' understanding of customer preferences. If the potters follow their buyers' suggestions and meet their expected level of quality, the forces of supply and demand should entice their buyers to purchase their work. They would not have suggested to the potters to adjust their work if they did not think that the new pieces would sell. Additionally, potters who alter their work to fulfill special orders should not have to lower their price. Again, the only potters who I did not have to advise to consider this insight were Marta and Carmen from Loma Ponda. This is because they increase their prices when they make special orders for their buyers. Potters need to account for the level of customization when pricing their work.

Although it is very important for potters to follow the suggestions of their buyers, I also advised to the potters who I interviewed from the isolated community to preserve the cultural integrity of their work. This theme is critical for all potters in isolated communities to apply, especially those who work with international buyers. The only potter who I did not have to advise to consider this insight was Douglas because he specializes in making ceramic receptacles that I assume are sold domestically. As a result, he is not pressured to drastically change the style of his work to appeal to an international market.

Another theme that I emphasized to all the potters who I interviewed from the isolated communities is the importance of knowing the anticipated profit margins of their buyers. As potters learn more about how they are positioned in their value chains with respect to the type of buyers they work with, they may be able to identify and implement new ways of upgrading.

I also advised all the potters from the isolated communities to protect their competitive advantage. Based on the interviews of the potters from the isolated communities, I am uncertain if they understand the potential economic impact if they would lose their competitive advantages. If other potters try to replicate their work, they would enter into price wars because supply would exceed demand. For this reason, I would encourage them to protect their competitive advantages.

The objective of some intermediaries is to maximize their profit. As a result, I emphasized that intermediaries can abuse their power to vulnerably position the potters in their value chains. The only potter who I did not have to advise to consider this insight was Douglas because he primarily sells to nongovernmental organizations. Because the missions of the nongovernmental organizations are not constrained to making profits, they can find ways to directly assist the potters and improve their positioning in their value chain.

Another theme that I emphasized to the potters who I interviewed from the isolated communities is if they have to sell their work to intermediaries, they should work with those who want to help them and who understand market preferences. Some of the most reliable and trustworthy intermediaries are nongovernmental organizations because their missions do not incentivize them to abuse the power they hold in their value chains. Again, the only potter who I did not have to advise to consider this insight was Douglas. Because the intermediaries he works with are nongovernmental organizations, he likely receives a better price for his work than if he was to sell it to another type of intermediary. Nongovernmental organizations typically do not abuse their power to debunk the positioning of the potters in their value chains because their primary incentive to operate is not driven by making a profit. Instead, their missions are usually to assist

the potters in some capacity. In contrast, the other types of intermediaries typically want to make as much money as they can with little concern if it comes at the potters' expense.

Lastly, I advised all the potters who I interviewed from the isolated communities to always sign their work and to avoid taking out loans. By signing every piece, the potters would be leveraging their power in their value chain so that others cannot get credit for the pieces they make. Because loans often have high interest rates, they could easily hurt the potters' positioning in their value chains.

### **Inapplicable Themes from the Meta-Analysis of Potters from San Juan de Oriente to the Potters in Isolated Communities**

#### *Vertical Backward Joint Actions (Relationships with Suppliers)*

Several themes that were uncovered from developing and analyzing the profiles of potters from San Juan de Oriente dealt with colorants. These did not apply to any of the potters I interviewed from the isolated communities because they use locally sourced glazes and receive supplements from nongovernmental organizations. As a result, they do face significant challenges in accessing the colors required to glaze their work.

#### *Vertical Forward Joint Actions (Relationships with Post-Production Stakeholders)*

Another theme that was inapplicable to all the potters I interviewed from the isolated communities was utilizing the potters' competitive advantage as a way to access colorants from their buyers. This theme did not apply to any of the potters I interviewed from the isolated communities because they use locally sourced glazes and receive supplements from nongovernmental organizations.

## DISCUSSION AND IMPLICATIONS

### **Does change truly lie in the outliers of the standardization curve?**

As I uncovered the themes from San Juan de Oriente, I noticed that some themes were supported by more of the potters' profiles than others. In fact, some themes were only supported by one of the potters' profiles. These themes include the following: 1.1, 2.0, 2.1, 2.2, 4.1, 4.2, 6.1, 6.2, 7.1, 10.0, 11.1, 12.1, 12.2, 12.3, 16.1, and 17.1. Granted, all but two of these themes are sub-themes, which can explain why they are each supported by one of the potters' profiles. However, I reviewed how these themes were applied to each of the potters from the isolated communities to determine if change truly lies in the outliers of the standardization curve. While these themes may not be supported as heavily as the rest, they may offer significant relevance to the potters in the isolated communities.

Of the 16 unique themes listed above, I categorized 13 of them in the same thematic category for at least three out of four isolated communities represented in my interviews. The thematic categories include mutual themes, applicable themes, and inapplicable themes. Of these 13 unique themes, only one was a mutual theme, eight were applicable themes, and four were inapplicable themes. In other words, 62% of the unique themes uncovered from the potters in San Juan de Oriente are relevant to at least three out of the four isolated communities represented in my interviews. Refer to Appendix E to see how each unique theme is categorized. Although only one of the potters' profiles from San Juan de Oriente validated each of these unique themes, many of them proved to be relevant for the majority of the potters I interviewed from the isolated communities.

In my research study, potential change does truly lie in the outliers of the standardization curve. This is important to understand for future research, especially if a researcher, nonvermental organization, potters, or another stakeholder decides to prioritize and execute the themes uncovered from this study to the potters from the isolated communities. Just because some themes were not as heavily supported by the potters' profiles from San Juan de Oriente as others, this does not mean that they are less relvant to the potters in the isolated communities.

### **Upgrading and Joint Action Trends**

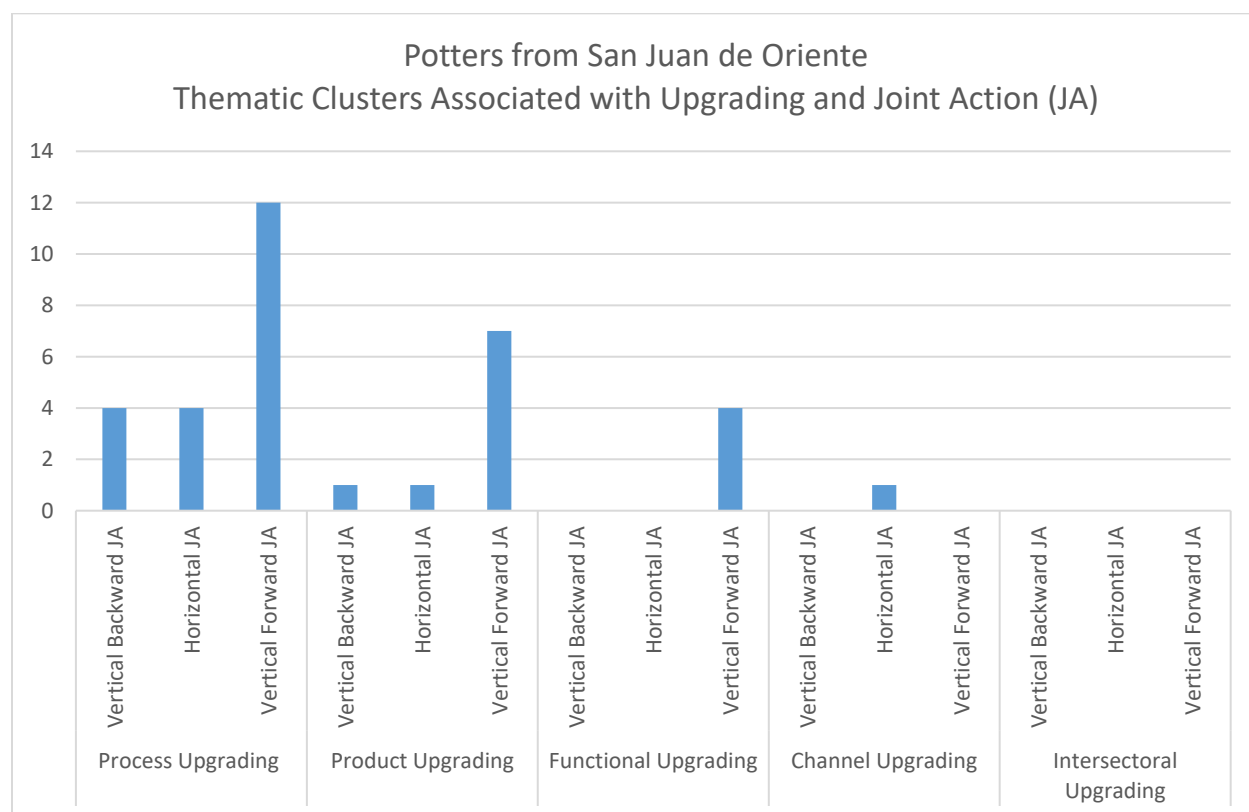
#### *Potters from San Juan de Oriente: Thematic Clusters Associated with Upgrading and Joint Action*

To conclude this chapter, I will directly connect my findings and analysis to upgrading and joint action. To reiterate, the purpose of my thesis is to identify future joint actions between potters in isolated communities and other members of their value chains to maximize sustainable income growth for the potters. My research assessed the potters' positioning with other members in their value chains to determine ways that they can upgrade, which in turn, would increase their income.

As I reflected on the themes uncovered from the potters in San Juan de Oriente, I clustered each theme with its appropriate type of upgrading. To do so, I reviewed the five types of upgrading

explained in my “Value Chain Analysis, Upgrading, and Joint Actions” chapter. The chart below shows how many themes are categorized for each type of upgrading and joint action. Refer to Appendix F to see how I categorized each theme with respect to its type of upgrading and joint action.

**Table 1: Thematic Clusters Associated with Upgrading and Joint Action for Potters from San Juan de Oriente**



From developing and analyzing the chart above, I uncovered two key insights. First, I confirmed again that the majority of the themes target forward vertical joint actions because the potters are positioned in buyer-driven value chains. I already verified this insight in my thematic analysis, but the chart above serves as a visual representation of the importance that the potters place on serving their buyers.

Second, I confirmed that it is more common for potters to achieve process and product upgrading than functional, channel, and intersectoral upgrading. This insight aligns with secondary research I gathered and compiled in my “Value Chain Analysis, Upgrading, and Joint Actions” chapter. “...Humphrey and Schmitz (2000) discuss the prospects of upgrading with respect to the pattern of value chain governance...[and] conclude that participation in a quasi-hierarchical chain offers very favorable conditions for process and product upgrading, but hinders functional upgrading.” (Pietrobelli & Rabellotti, *Upgrading in Clusters and Value Chains in Latin America*, 2004, p. 5) Humphrey and Schmitz defend their claim by analyzing the case of the Sinos Valley shoes

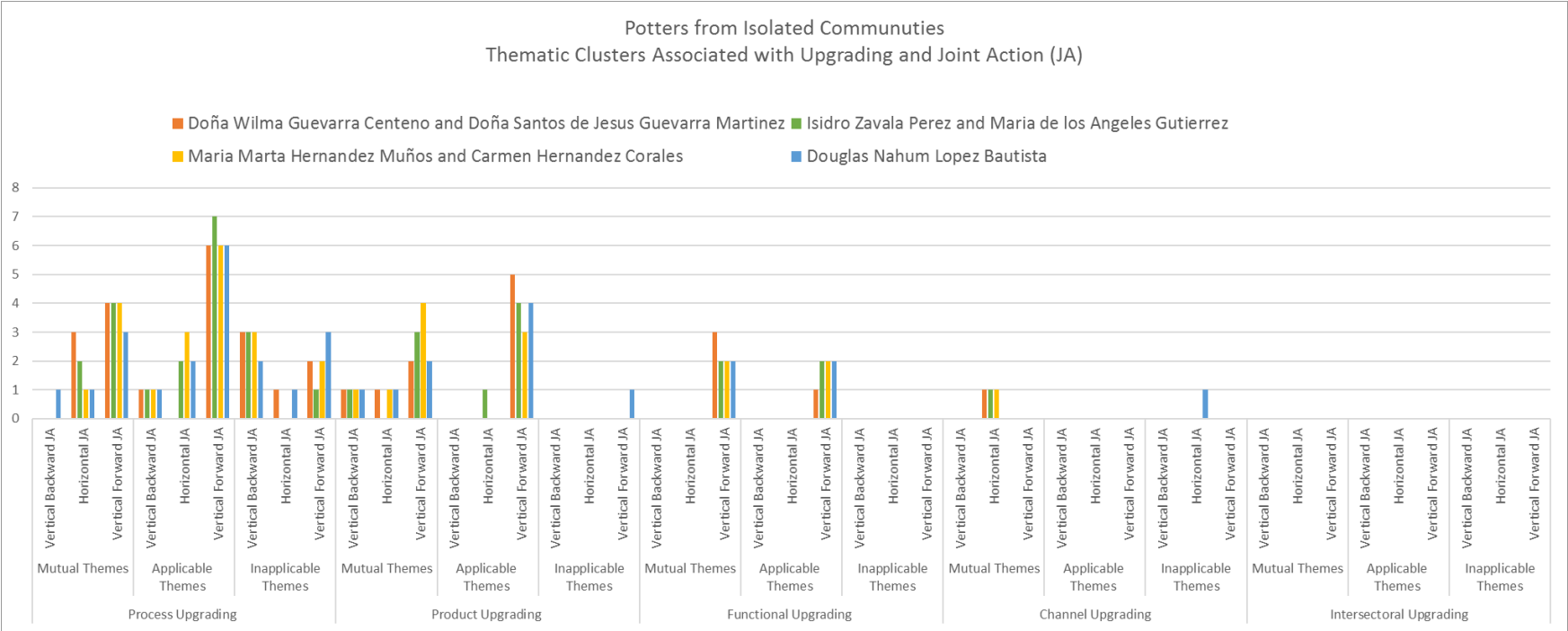


producers in the South of Brazil. Once the shoemakers had the capacity to achieve functional upgrading, their export manufacturers did not support them. In contrast to the Brazilian shoemakers, I found that the Nicaraguan potters are strongly supported by their international buyers to achieve functional upgrading. The buyers want the potters to take ownership of the logistics and export process. If the potters would achieve functional upgrading in this way, it would improve the buyers' efficiency and increase their profits. This explains why the themes uncovered from the potters in San Juan de Oriente that address functional upgrading are tied to the potters' joint actions with post-production stakeholders. Refer to Appendix F to see how I categorized each theme with respect to its type of upgrading and joint action. The buyers have an incentive to assist the potters in achieving functional upgrading. In contrast, the export manufacturers would potentially lose business if the Brazilian shoemakers achieved functional upgrading by improving their market knowledge and export logistics. For the Nicaraguan potters, I think the reason why functional upgrading is not as common as process and product upgrading is because the potters are limited in their time and resources to successfully execute other stages of the value chain other than making pottery. Functional upgrading takes a considerable amount of time for the potters to achieve because process and product upgrading takes their priority in an effort to please their buyers in their buyer-driven value chains.

*Potters from Isolated Communities: Thematic Clusters Associated with Upgrading and Joint Action*

After I clustered each theme that was uncovered from the potters in San Juan de Oriente with its appropriate type of upgrading, I applied the clusters to each thematic analysis of the potters from the isolated communities. The chart below shows how many themes are placed in each thematic category for the potters from the isolated communities with respect to their type of upgrading and joint action. By doing this, I uncovered two key insights that enhance my findings and analysis.

Table 2: Thematic Clusters Associated with Upgrading and Joint Action for Potters from Isolated Communities



First, for process, product, and functional upgrading, the majority of mutual themes address the potters' joint actions with post-production stakeholders. This proves that the potters in the isolated communities prioritize their relationships with their buyers just as much as the potters in San Juan de Oriente.

Second, for each potter who I interviewed from the isolated communities, there are more themes that are applicable to them that can enable the potters to achieve process upgrading in relation to their post-production stakeholders than in any other thematic category. A future research opportunity deals with prioritizing the potters' future joint action opportunities to maximize sustainable income growth. This chart will offer key insights into this research endeavor. Given the number of opportunities for the potters to achieve process upgrading in relation to their vertical forward joint actions, the themes in this thematic category should be prioritized over others.

## FUTURE RESEARCH OPPORTUNITIES

As I developed my thesis, I identified several research endeavors that can build off my findings and analysis. Because I designed my thesis to complement my personal values of advocating for the economic wellbeing of Nicaraguan potters in isolated communities, I prioritize the future research opportunities that I think will offer the most economic support to the potters in the isolated communities. The research opportunities are ranked from most relevant to least relevant with respect to complementing my research objectives and supporting the potters.

1. I think that it is imperative to present my findings to the Nicaraguan potters in the isolated communities. Upon completion of my thesis, I plan to create a multi-media presentation that summarizes key findings of my thesis in Spanish. I then will work with Potters for Peace and Esperanza en Acción to distribute the presentation materials directly to the potters in the isolated communities. This way, the potters do not have to wait for someone to present my thesis findings and consider ways that it should be implemented. Instead, they can be empowered to apply and prioritize my findings in the best way they see fit.
2. Now that I identified and applied themes to potters in isolated communities that target how their joint actions can enable them to upgrade in their value chains, researchers, nongovernmental organizations, and the potters themselves should consider how to prioritize the potters' joint actions with other participants in their value chains. For background on this topic, see the section in my "Value Chain Analysis, Upgrading, and Joint Actions" chapter titled, "Factors that Determine which Opportunities for Upgrading Should be Selected".

I recommend that a nongovernmental organization that has established credibility and trust with all of the potters from the isolated communities orchestrate a workshop. The nongovernmental organization could facilitate a dialogue amongst the potters to determine how the potters should prioritize and execute the themes uncovered in my thesis to improve their positioning in their value chains.

I thought of this research endeavor after reading a report published by the United States Agency for International Development in 2006 titled, "Haitian Handicraft Value Chain Analysis". The three objectives of the study were to "identify opportunities to increase sustainable competitiveness of the Haitian handicraft sector", to "clarify market actors' constraints and opportunities to increasing competitiveness by analyzing inter-firm relations...", and to "test a planning process in which participants in the handicraft sector use value chain analysis to establish priority activities, next steps and delegate tasks." (Derks, Barber, Kula, & Dalziel, 2006, p. 3) The researchers achieved their third objective by facilitating a stakeholder workshop. "The purpose of this workshop was to create a process through which participants from multiple levels of the value chain come together to develop their own action plan for making the handicrafts industry more competitive for all of them and more profitable for each of them." (Derks, Barber, Kula, & Dalziel, 2006, p. 23)

In the long-term, I think it would be strategic for a nongovernmental organization to facilitate a workshop with the Nicaraguan potters and their value chain participants to fulfill the same purpose of the workshop conducted in the research study described above. However, in the short-term, I think a nongovernmental organization should facilitate a dialogue only the potters to determine the best next steps that could improve their value chain positioning.

3. In my research process, I thought that I would collect sufficient research on each isolated community through secondary research and interviews. Unfortunately, I found that there is limited published materials on the history of the four isolated communities included in my study. Additionally, I did not learn much about the historical background of each isolated community during the interviews because I structured them in such a way to better understand how the potters are positioned in their value chains with respect to other value chain participants. As a result, my understanding of each isolated community's history is limited. I think that it would be beneficial for any future research opportunity to have a more thorough understanding of the isolated community's history. Hence, it could be beneficial for the potters in the isolated communities to have someone assess each community and compile community profiles in more depth. These profiles could set a strong foundation and provide rich context for future research opportunities. They could also enhance my research and offer contextual support during the facilitation of the workshop I explained in the second research endeavor listed. If the workshop was directed by a nongovernmental organization or someone with deep, local knowledge about each community, these profiles may not be necessary. However, this research endeavor could be potentially more important than the second research opportunity listed if someone were to orchestrate a workshop who does not have a thorough understanding of the isolated communities.
4. Below are two themes that I uncovered from developing and analyzing the profiles of potters from San Juan de Oriente. However, I did not include them in the meta-analysis across potters from San Juan de Oriente because I determined that they are not significantly relevant to the potters' joint actions with other value chain participants. If the workshop that I explained in the second research endeavor listed were to happen, these themes could be incorporated into the discussion in some way. However, the facilitator would need to be clear in the defining the purpose, scope, and desired outcomes of the workshop.
  - A potter's wheel can offer many benefits including the ability to increase production, decrease input costs, and practice new techniques.
    - *"Before he had access to a wheel, production was much slower. Ever since he purchased a throwing wheel, he has been able to increase his production. As a result, his input costs have slightly decreased. Additionally, he can learn and practice new techniques much faster than if he was only hand building. There is a faster learning curve with a throwing wheel."* –Horacio Salazar's profile

- *“The wheel allowed them to increase their production rate and improve the quality of their work. Additionally, making their work on a wheel decreased their costs because they use less clay per piece. Polishing their work is also faster when done on a wheel.” –Doña Vidalia’s and Demaris Hernandez’s profile*
  - *“Before he had the wheel, he had to rent wheels in other workshops. As a result, he had to transport his work, which caused many of his pieces to break. His final product was of lower quality than it is today. He produced less pieces as well because he was limited in the time he had access to a wheel. When he was using other peoples' wheels, he was barely breaking even. Everything was more expensive.” –Darwin Calero’s profile*
  - Potters can use the internet to promote their work and learn how to make new pieces.
    - *“He can improve his work by searching for pre-Columbian design on the internet and watching online videos to make certain pieces.” –Darwin Calero’s profile*
    - *“The internet and social media are important in promoting your work. It can help you to get your work out to the world. You can display your inventory online with pictures of your work. Prospective buyers can see the pictures and say what they want.” –Jacobo Potosme’s profile*
5. Because of how I conducted the interviews with the Nicaraguan potters, I uncovered unique themes from the potters in the isolated communities that I did not uncover from developing and analyzing the profiles of potters from San Juan de Oriente. These unique themes could be helpful for the potters in San Juan de Oriente to improve their positioning in relation to their value chain participants. Although the focus of my thesis is targeted to Nicaraguan potters in isolated communities, I conducted my research in such a way that allowed potential learning to occur for all the potters I interviewed. In addition to creating a multi-media presentation that summarizes key findings of my thesis for the potters in the isolated communities, I plan to make a similar piece for the potters from San Juan de Oriente.
  6. In my “Discussion and Implications” chapter, I explain that the Nicaraguan potters are strongly supported by their international buyers to achieve functional upgrading. The buyers want the potters to take ownership of the logistics and export process. If the potters would achieve functional upgrading in this way, it would improve the buyers’ efficiency and increase their profits. It could be interesting to compare how indigenous artisans in lesser-developed countries export their work. The artisans could learn from each other by learning of new ways to achieve functional upgrading to improve their market knowledge and export logistics.

## CONCLUSION

The purpose of my thesis is to identify ways that Nicaraguan potters in isolated communities can improve their joint actions with other members in their value chains to maximize sustainable income growth. I achieved this purpose by fulfilling my research objectives, which are listed below.

1. Determine how the potters from San Juan de Oriente have upgraded specifically due to their joint actions with other members in their value chain.
2. Conduct a thematic analysis that uncovers collective insights into the joint actions between potters in San Juan de Oriente and other members in their value chain.
3. Determine how the potters from isolated communities have upgraded specifically due to their joint actions with other members in their value chains.
4. Identify ways that the potters from the isolated communities can upgrade in the future by applying the thematic analysis of potters from San Juan de Oriente to the potters from the isolated communities.

My research objectives are grounded in the understanding that the potters know more about their artwork than I do. First, I listened to potters from San Juan de Oriente explain their relationships with other value chain participants. To capture their responses, I created a profile for each interview I conducted in San Juan de Oriente. Afterwards, I compiled their local knowledge into a cohesive list of themes that offer ways for Nicaraguan potters to leverage their position in their value chain to improve their joint actions with other value chain participants. Next, I listened to potters from Ducuale Grande, Santa Rosa, La Maysuta, and Loma Ponda explain their relationships with other value chain participants. To capture their responses, I created a profile for the potters from each of the isolated communities. Lastly, I applied every theme that I uncovered from the potters in San Juan de Oriente to the potters who I interviewed from each isolated community. Because of how I framed my research objectives, the only expert knowledge that I applied to my thesis was extensive background on value chain analysis, upgrading, and joint actions. Other than that, I leveraged the rich, local knowledge of all the potters to collect the data, develop the profiles, and conduct the analysis. As a result of implementing asset-based community development practices, I increased the applicability of my thesis to the Nicaraguan potters. However, it would be unrealistic and foolish to believe that the potters can directly apply my findings and analysis. It is for this reason that I am adamant about presenting the key insights of my thesis to the potters in a language and format that would be acceptable and inviting to them. Because I designed my thesis to complement my personal values of advocating for the economic wellbeing of Nicaraguan potters in isolated communities, I would be doing the potters a disservice if I do not bring back my findings to them.

Saying this, I will conclude my thesis by beginning what I think is the most important part of any research process, and that is bringing back my findings to the communities who made my thesis

possible. Below are some of the key insights that I plan on sharing with the potters from the isolated communities in some type of multi-media presentation. I do not include any expert terminology that framed my thesis because I want to ensure that the potters can understand my presentation materials. As the reader of my thesis, I am confident that you can understand where these key insights arose from my “Meta-Analysis across Potters from Isolated Communities” chapter and my “Discussion and Implications” chapter.

1. Be creative in lowering the cost of your supplies while maintaining the quality of your work.
2. Work with other potters whenever possible to increase the quality and quantity of production. Monitor each other’s work to ensure that every potter meets the same level of quality.
3. Always take care of your buyers from the beginning of the purchasing process to the end. You can attract new buyers if you emphasize the unique qualities of your work. You can retain buyers if you record their purchase preferences. Make sure that your workshop is inviting to your buyers and that you keep your inventory stocked at all times.

Although I formally completed my thesis, at this time, I have not yet completed the research process. Above are only introductions to some of the key insights I plan to share with the potters from the isolated communities.

As you can see, I still have more work to do in preparing my findings and analysis for the potters in the isolated communities. However, I am motivated more than ever before to make sure that my research returns to the isolated pottery communities of Nicaragua. By seeing the research process into competition, I am doing my small part in improving the economic stability for those who carry on the cultural traditions of Nicaraguan pottery from generation to generation.



# APPENDIX A

143

			Upgrading				
			Process	Product	Functional	Channel	Intersectoral
Joint Actions	Vertical	Backward					
		Forward					
	Horizontal	Bilateral					
		Multilateral					

## APPENDIX B

- Vertical, Backward Joint Actions
  - What value chain participants have you worked with that created vertical, backward linkages?
    - For each significant vertical, backward linkage, ask the following questions:
      - Who initiated the join action? If it was you, how did you learn about this potential vertical, backward linkage?
      - How has this backward, vertical linkage upgraded your product?
      - How has this backward, vertical linkage upgraded your process?
      - Has this backward, vertical linkage ever allowed you to expand your functional role in the value chain? If so, how?
      - Has this backward, vertical linkage ever allowed you to upgrade your channels?
      - Has this backward, vertical linkage ever allowed you to enter an entirely new value chain?
- Horizontal Joint Actions
  - Bilateral
    - Have you worked with another potter to produce your work? If so, tell me about that experience.
    - Who initiated the partnership?
    - Why did you partner?
    - How were responsibilities divided?
    - Did you partner to create a long-term relationship or to complete a particular order before a deadline?
    - How has this horizontal linkage upgraded your product?
    - How has this horizontal linkage upgraded your process?
    - Has this horizontal linkage ever allowed you to expand your functional role in the value chain? If so, how?
    - Has this horizontal linkage ever allowed you to upgrade your channels?
    - Has this horizontal linkage ever allowed you to enter an entirely new value chain?
  - Multilateral
    - Have you worked with two or more potters to produce your work? If so, tell me about that experience.
    - Who initiated the partnership?
    - Why did you partner?
    - How were responsibilities divided?
    - Did you partner to create a long-term relationship or to complete a particular order before a deadline?

- How has this horizontal linkage upgraded your product?
  - How has this horizontal linkage upgraded your process?
  - Has this horizontal linkage ever allowed you to expand your functional role in the value chain? If so, how?
  - Has this horizontal linkage ever allowed you to upgrade your channels?
  - Has this horizontal linkage ever allowed you to enter an entirely new value chain?
- Vertical, Forward Joint Actions
  - What value chain participants have you worked with that created vertical, forward linkages?
    - For each significant vertical, forward linkage, ask the following questions:
      - Who initiated the join action? If it was you, how did you learn about this potential vertical, forward linkage?
      - How has this forward, vertical linkage upgraded your product?
      - How has this forward, vertical linkage upgraded your process?
      - Has this forward, vertical linkage ever allowed you to expand your functional role in the value chain? If so, how?
      - Has this forward, vertical linkage ever allowed you to upgrade your channels?
      - Has this forward, vertical linkage ever allowed you to enter an entirely new value chain?

## APPENDIX C

- **Relationships with your suppliers**

- What types of suppliers do you work with?
  - For each type of supplier, ask the following questions.
    - For this type of supplier, who initiated the relationship? If you contacted them, how do you learn about them? What were your incentives to form this relationship?
    - How has your relationship with this type of supplier affected the quality of your pottery?
    - How has your relationship with this type of supplier affected how you make your pottery?
    - Has this relationship with this type of supplier affected the stage at which you complete your pottery before you sell it? For example, a potter may originally purchase clay from a supplier that has to be fired in a particular kiln that this potter does not have easy access to. As a result, this potter sold his pieces in the leather-hard stage. However, once this potter began to purchase clay from another supplier that did not require a complex firing process, he built his own kiln. As a result, this potter could now sell his pottery at the bisque stage. To reiterate, has your relationship with this type of supplier affected the stage at which you can complete your pottery before you sell it? If so, how?
    - Has this relationship with this type of supplier enabled you to access new markets? Has this type of supplier allowed you to gain information about the type of supplies you should purchase and how you should use them to make your pottery so that you can access new markets? If so, how?
    - Has this relationship with this type of supplier enabled you begin making and selling an entirely new type of artwork? If so, how?
    - How has this relationship evolved overtime? (may not be necessary given previous questions)

- **Relationships with other potters**

- With one potter
  - Have you worked with another potter to produce your work? If so, tell me about that experience.
  - Who initiated the partnership?
  - Why did you partner? What were your incentives to form this relationship?
  - How are the responsibilities divided?
  - Did you partner to create a long-term relationship or to complete a particular order before a deadline?
  - How has this relationship increased the quality of your work?

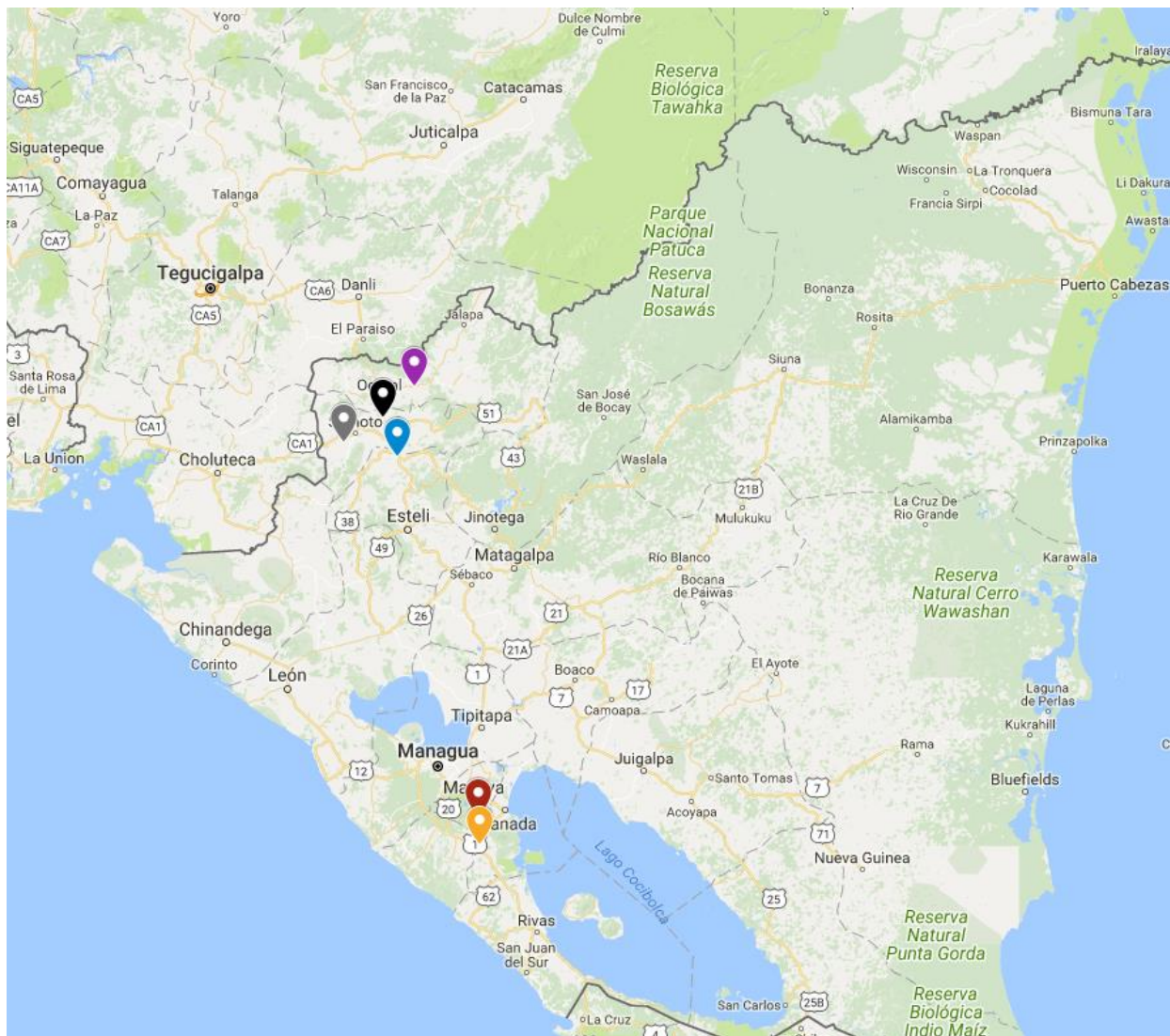
- How has the distribution of production responsibilities affected how you make the pottery?
    - Has this relationship affected the stage at which you complete your pottery before you sell it? If so, how? For example, a potter may originally sell his/her work after it has been thrown on the wheel, but now that he/she has partnered with another potter who has glazes, they can sell finished pottery.
    - Has this relationship allowed you to sell your pottery in new markets? If so, how?
    - Has this relationship enabled you to begin making and selling an entirely new type of artwork? If so, how?
    - How has this relationship evolved overtime? (may not be necessary given previous questions)
  - With two or more potters
    - Have you worked with two or more potters to produce your work? If so, tell me about that experience.
    - Who initiated the partnership?
    - Why did you partner? What were your incentives to form this relationship?
    - How were responsibilities divided?
    - Did you partner to create a long-term relationship or to complete a particular order before a deadline?
    - How has this relationship increased the quality of your work?
    - How has the distribution of production responsibilities affected how you make the pottery?
    - Has this relationship affected the stage at which you complete your pottery before you sell it? If so, how? For example, a potter may originally only sell bisque ware, but now that he/she has partnered with another potter who has glazes, they can sell finished pottery.
    - Has this relationship allowed you to sell your pottery in new markets? If so, how?
    - Has this relationship enabled you to begin making and selling an entirely new type of artwork? If so, how?
    - How has this relationship evolved overtime? (may not be necessary given previous questions)
- **Post-production roles**
  - What are the primary markets that you sell your pottery to?
    - For each market, address the following questions.
      - When did you first begin selling your pottery in this market?
      - What type of pottery do you sell in this market?
      - What challenges have you have faced to sell your pottery in this market?
      - For this market, who are the main people involved that assist with getting the pots to the final buyer? What are their roles? Of these

people, who do you directly work with to sell your pots in this market?

- Who initiated the relationship? If it was you, how did you get in contact with this person? What were your incentives to form this relationship?
- How has this relationship caused you to change/alter the pottery you make so that your work can sell better in this market?
- How do you receive product feedback from the buyers in this market?
- Once you receive the feedback, how do you learn new skills and techniques to alter the designs so that you can better appeal to the markets? Does anyone teach you?
- How have you changed the processes you use to make your pottery as a result from the product feedback from the buyers in this market?
- Have you ever took on the function of the person who you directly worked with so that you can increase your revenue? For example, a potter may originally sell its unfinished bisque pieces to a painter. However, this potter learned that he could make more money if he/she did the painting him or herself.
- Has this partnership enabled you to access to new markets to sell your pottery? If so, how?
- Has this relationship enabled you to begin making and selling an entirely new type of artwork? If so, how?
- How has this relationship evolved overtime? (may not be necessary given previous questions)

## APPENDIX D

- San Juan de Oriente
- Santa Rosa
- Ducuale Grande
- La Maysuta
- Santa Rosa
- Loma Ponda



## APPENDIX E

### Thematic Category Key

MT: Mutual Theme

AT: Applicable Theme

IT: Inapplicable Theme

Themes	Potters	Thematic Category (MT, AT, IT)	Result
1.1	Doña Wilma and Doña Santos	AT	AT
	Isidro and Maria	AT	
	Maria and Carmen	AT	
	Douglas	AT	
2.0	Doña Wilma and Doña Santos	IT	IT
	Isidro and Maria	IT	
	Maria and Carmen	IT	
	Douglas	IT	
2.1	Doña Wilma and Doña Santos	IT	IT
	Isidro and Maria	IT	
	Maria and Carmen	IT	
	Douglas	MT	
2.2	Doña Wilma and Doña Santos	IT	IT
	Isidro and Maria	IT	
	Maria and Carmen	IT	
	Douglas	IT	
4.1	Doña Wilma and Doña Santos	IT	Void
	Isidro and Maria	MT	
	Maria and Carmen	AT	
	Douglas	IT	
4.2	Doña Wilma and Doña Santos	MT	AT
	Isidro and Maria	AT	
	Maria and Carmen	AT	
	Douglas	AT	
6.1	Doña Wilma and Doña Santos	AT	AT
	Isidro and Maria	AT	
	Maria and Carmen	AT	
	Douglas	AT	
6.2	Doña Wilma and Doña Santos	IT	IT
	Isidro and Maria	IT	
	Maria and Carmen	IT	



	Douglas	IT	
7.1	Doña Wilma and Doña Santos	MT	Void
	Isidro and Maria	AT	
	Maria and Carmen	MT	
	Douglas	AT	
10.0	Doña Wilma and Doña Santos	MT	MT
	Isidro and Maria	MT	
	Maria and Carmen	AT	
	Douglas	MT	
11.1	Doña Wilma and Doña Santos	MT	Void
	Isidro and Maria	MT	
	Maria and Carmen	AT	
	Douglas	AT	
12.1	Doña Wilma and Doña Santos	AT	AT
	Isidro and Maria	AT	
	Maria and Carmen	MT	
	Douglas	AT	
12.2	Doña Wilma and Doña Santos	AT	AT
	Isidro and Maria	AT	
	Maria and Carmen	MT	
	Douglas	AT	
12.3	Doña Wilma and Doña Santos	AT	AT
	Isidro and Maria	AT	
	Maria and Carmen	AT	
	Douglas	IT	
16.1	Doña Wilma and Doña Santos	AT	AT
	Isidro and Maria	AT	
	Maria and Carmen	AT	
	Douglas	AT	
17.1	Doña Wilma and Doña Santos	AT	AT
	Isidro and Maria	AT	
	Maria and Carmen	AT	
	Douglas	MT	

## APPENDIX F

<b>Process Upgrading</b>	Vertical Backward Joint Actions	1.1, 2.0, 2.1, 2.2
	Horizontal Joint Actions	3.1, 4.0, 4.1, 4.2
	Vertical Forward Joint Actions	6.2, 11.0, 11.1, 12.1, 13.0, 14.0, 15.0, 16.0, 17.0, 17.1, 18.0, 19.0
<b>Product Upgrading</b>	Vertical Backward Joint Actions	1.0
	Horizontal Joint Actions	5.0
	Vertical Forward Joint Actions	6.0, 6.1, 9.0, 12.0, 12.2, 12.3, 16.1
<b>Functional Upgrading</b>	Vertical Backward Joint Actions	
	Horizontal Joint Actions	
	Vertical Forward Joint Actions	7.0, 7.1, 8.0, 10.0
<b>Channel Upgrading</b>	Vertical Backward Joint Actions	
	Horizontal Joint Actions	3.0
	Vertical Forward Joint Actions	
<b>Intersectoral Upgrading</b>	Vertical Backward Joint Actions	
	Horizontal Joint Actions	
	Vertical Forward Joint Actions	

## BIBLIOGRAPHY

- Harmonious Hands. (2014). *A Village of Pottery, San Juan de Oriente, Nicaragua*. Retrieved from Nicaraguan Art Pottery: [http://www.nicaraguanartpottery.com/who\\_we\\_are](http://www.nicaraguanartpottery.com/who_we_are)
- Bautista, D. N. (2017, November 21). Interview with Douglas Nahum Lopez Bautista. (T. Brewton, Interviewer)
- Calero, D. (2017, November 19). Interview with Darwin Calero. (T. Brewton, Interviewer)
- Corales, M. M. (2017, November 21). Interview with Maria Marta Hernandez Muños and Carmen Hernandez Corales. (T. Brewton, Interviewer)
- Craven, D. (2006). *Art and revolution in Latin America, 1910-1990*. New Haven: Yale University Press .
- Derks, E., Barber, T., Kula, O., & Dalziel, E. (2006). *Haitian Handicraft Value Chain Analysis*. United States Agency for International Development.
- Dunn, E., Sebstad, J., Batzdorff, L., & Parsons, H. (2006). *LESSONS LEARNED ON MSE UPGRADING IN VALUE CHAINS*. Washington, D.C.: ACDI/VOCA. Retrieved from [https://www.microlinks.org/sites/default/files/resource/files/ML4436\\_mr\\_71\\_upgrading\\_synthesis\\_paper.pdf](https://www.microlinks.org/sites/default/files/resource/files/ML4436_mr_71_upgrading_synthesis_paper.pdf)
- Esperanza en Acción. (2018). *Mission*. Retrieved from Esperanza en Acción: <http://www.esperanzaenaccion.org/mission.html>
- Field, L. W. (1999). *The Grimace of Macho Ratoñ: Artisans, Identity, and Nation in Late-Twentieth-Century Western Nicaragua*. Durham: Duke University Press.
- Gereffi, G. (1999). *A Commodity Chains Framework for Analyzing Global Industries*. Durham, North Carolina: Duke University. Retrieved from <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.608.812&rep=rep1&type=pdf>
- Gereffi, G., & Korzeniewicz, M. (1994). The Organization of Buyer-Driven Global Commodity Chains: How U.S. Retailers Shape Overseas Production Networks. In G. Gereffi, & M. Korzeniewicz, *Commodity Chains and Global Capitalism* (pp. 95-122). Westport, Connecticut: Praeger. Retrieved from [file:///X:/Downloads/1994\\_Gereffi\\_Role%20of%20big%20buyers%20in%20GCCs\\_chapter%205%20in%20CC&GC%20\(1\).pdf](file:///X:/Downloads/1994_Gereffi_Role%20of%20big%20buyers%20in%20GCCs_chapter%205%20in%20CC&GC%20(1).pdf)
- Gilmour, K. (2013). *Potters for Peace Trip to Nicaragua*. Retrieved from Clay Space 1205: <https://clayspace1205.wordpress.com/2013/02/26/peace-potters-trip-to-nicaragua/>

- Gutierrez, I. Z. (2017, November 21). Interview with Isidro Zavala Perez and Maria de los Angeles Gutierrez. (T. Brewton, Interviewer)
- Harmonious Hands. (2014). *The Many Styles of Pottery*. Retrieved from Nicaraguan Art Pottery: <http://www.nicaraguanartpottery.com/untitled>
- Hernandez, D. V. (2017, November 19). Interview with Doña Vidalia and Demaris Hernandez. (T. Brewton, Interviewer)
- Humphrey, J., & Schmitz, H. (2000). *Governance and Upgrading: Linking Industrial Cluster and Global Value Chain Research*. Institute of Development Studies. Retrieved from file:///X:/My%20Documents/PFP%20Thesis%20Fall%20Semester/Introduction/Humphrey.pdf
- Jaakkola Tours. (n.d.). *Nicaraguan Products*. Retrieved from Jaakkola Tours: <http://www.jaakkolatours.com.ni/comertiales.php?m=3>
- Kaplinsky, R., & Readman, J. (2001). *HOW CAN SME PRODUCERS SERVE GLOBAL MARKETS AND SUSTAIN INCOME GROWTH?* Brighton, England: Institute of Development Studies, University of Sussex; Centre for Research in Innovation Management, University of Brighton. Retrieved from <https://www.ids.ac.uk/IDS/global/pdfs/rkjr2.pdf>
- Lopez, E. d. (2017, November 19). Interview with Esperanza de Jesus Potosme Lopez. (T. Brewton, Interviewer)
- Lopez, O. N. (2017, November 19). Interview with Osvaldo Noel Potosme Lopez. (T. Brewton, Interviewer)
- Marketinks. (2017). *Overview of the Value Chain Approach*. Marketinks. Retrieved from <https://www.marketlinks.org/good-practice-center/value-chain-wiki/overview-value-chain-approach>
- Marketlinks. (2017). *Factors that Condition MSE Upgrading*. Marketlinks. Retrieved from <https://www.marketlinks.org/good-practice-center/value-chain-wiki/factors-condition-mse-upgrading>
- Marketlinks. (2017). *Opportunities for Upgrading*. Marketlinks. Retrieved from <https://www.marketlinks.org/good-practice-center/value-chain-wiki/opportunities-for-upgrading>
- Maroney, E. (2014). *Back In Santa Rosa – A Pottery Trip*. Retrieved from Potters for Peace: <http://www.nicaragua-community.com/back-santa-rosa-pottery-trip/>
- Maroney, E. (2015). *Nicaragua Community*. Retrieved from The Potter Writes Again: <http://www.nicaragua-community.com/potter-writes/>

- Martinez, D. W. (2017, November 21). Interview with Doña Wilma Guevarra Centeno and Doña Santos de Jesus Guevarra Martinez. (T. Brewton, Interviewer)
- Martinez, J. P. (2017, November 18). Interview with Juan Paulino Martinez. (T. Brewton, Interviewer)
- McCormick, D. (1998). *ENTERPRISE CLUSTERS IN AFRICA: ON THE WAY TO INDUSTRIALIZATION?* Nairobi, Kenya: Institute of Development Studies. Retrieved from [http://backonline.apswiss.ch/6001/enterprise\\_clusters\\_in\\_africa\\_industrialization\\_mccormick.pdf](http://backonline.apswiss.ch/6001/enterprise_clusters_in_africa_industrialization_mccormick.pdf)
- Nicaragua.com. (2018). *Ducuale Grande Women's Pottery Cooperative*. Retrieved from Nicaragua.com: <http://www.nicaragua.com/blog/ducuale-grande-womens-pottery-cooperative>
- Nicaragua.com. (2018). *San Juan de Oriente: The Town of Potters*. Retrieved from Nicaragua.com: <http://www.nicaragua.com/blog/san-juan-de-oriente-the-town-of-potters>
- Osborne, P. (2017). *Join our August Work Brigade*. Retrieved from Potters for Peace: <http://pottersforpeace.org/?p=1995>
- Pietrobelli, C., & Rabellotti, R. (2004). *Upgrading in Clusters and Value Chains in Latin America*. Washington D.C.: Inter-American Development Bank. Retrieved from [http://www.soc.duke.edu/sloan\\_2004/Papers/UNIDO\\_Pietrobelli-Rabellotti.pdf](http://www.soc.duke.edu/sloan_2004/Papers/UNIDO_Pietrobelli-Rabellotti.pdf)
- Pietrobelli, C., & Rabellotti, R. (2004). *Upgrading in Clusters and Value Chains in Latin America: The Role of Policies*. Washington, D.C.: Inter-American Development Bank. Retrieved from [http://siteresources.worldbank.org/INTEXPCOMNET/Resources/Pietrobelli\\_and\\_Rabellotti\\_2004.pdf](http://siteresources.worldbank.org/INTEXPCOMNET/Resources/Pietrobelli_and_Rabellotti_2004.pdf)
- Pillers, B. (1998). Visiting Potters in Nicaragua. *Ceramics Monthly*. Retrieved from <https://www.scribd.com/document/105115097/Visiting-Potters-in-Nicaragua>
- Potosme, F. (2017, November 18). Interview with Filipe Potosme. (T. Brewton, Interviewer)
- Potosme, J. (2017, November 19). Interview with Jacobo Potosme. (T. Brewton, Interviewer)
- Potters for Peace. (2018). *About Us*. Retrieved from Potters for Peace: [http://pottersforpeace.org/?page\\_id=8](http://pottersforpeace.org/?page_id=8)
- Salazar, H. (2017, November 18). Interview with Horacio Salazar. (T. Brewton, Interviewer)
- San Simian Lodge. (2018). *Our half-day Excursion to the White Towns*. Retrieved from San Simian: <http://www.sansimian.com/white-villages.php>
- Schmitz, H. (1992). ON THE CLUSTERING OF SMALL FIRMS. *IDS Bulletin*, 64. Retrieved from

- [https://opendocs.ids.ac.uk/opendocs/bitstream/handle/123456789/9414/IDSB\\_23\\_3\\_10.1111-j.1759-5436.1992.mp23003012.x.pdf?sequence=1](https://opendocs.ids.ac.uk/opendocs/bitstream/handle/123456789/9414/IDSB_23_3_10.1111-j.1759-5436.1992.mp23003012.x.pdf?sequence=1)
- Schmitz, H., & Nadvi, K. (1999). *Clustering and Industrialization: Introduction*. Great Britain: Elsevier Science Ltd. Retrieved from [http://backonline.apswiss.ch/6001/schmitz\\_and\\_nadvi\\_clustering\\_and\\_industrialization-introduction.pdf](http://backonline.apswiss.ch/6001/schmitz_and_nadvi_clustering_and_industrialization-introduction.pdf)
- Silver, A. (2014). *2014 Brigade Blog by Ann Schunior – Part 4, Santa Rosa*. Retrieved from Potters for Peace: <http://pottersforpeace.org/?p=1427>
- Silver, A. (n.d.). *Ann Schunior Blog, Post #3 – Loma Ponda*. Retrieved from Potters for Peace: <http://pottersforpeace.org/?p=1419>
- Silver, A. (n.d.). *The Potter Writes Again – Elinor in Nicaragua*. Retrieved from Potters for Peace: <http://pottersforpeace.org/?p=1541>
- Stanford. (n.d.). *Historical Background of Nicaragua*. Retrieved from Stanford: [https://web.stanford.edu/group/arts/nicaragua/discovery\\_eng/history/background.html](https://web.stanford.edu/group/arts/nicaragua/discovery_eng/history/background.html)
- Stanford. (n.d.). *Nicaragua*. Retrieved from Stanford: [https://web.stanford.edu/group/arts/nicaragua/discovery\\_eng/nicaragua/index.html](https://web.stanford.edu/group/arts/nicaragua/discovery_eng/nicaragua/index.html)
- Stanford. (n.d.). *Political History of Nicaragua*. Retrieved from Stanford: [https://web.stanford.edu/group/arts/nicaragua/discovery\\_eng/history/](https://web.stanford.edu/group/arts/nicaragua/discovery_eng/history/)
- Taylor, M. (2013). *And just like that there went 10 weeks*. Retrieved from Melissa Goes to Nicaragua: <http://melissagoestonicaragua.blogspot.com/2013/08/and-just-like-that-there-went-10-weeks.html>
- Vianica.com. (2018). *Ducuale Grande Crafts Workshop*. Retrieved from Vianica: <https://vianica.com/attraction/75/ducuale-grande-crafts-workshop>
- Walker, T. W., & Wade, C. J. (2011). *Nicaragua: living in the shadow of the eagle*. Boulder: Westview Press .
- Zamora, W. (Director). (2017). *Mujeres Artesanas de Loma Panda (The Women Potters of Loma Panda)* [Motion Picture]. Retrieved from [https://www.youtube.com/watch?time\\_continue=632&v=vCCLBkHQ3T8](https://www.youtube.com/watch?time_continue=632&v=vCCLBkHQ3T8)
- Zanzibar Trading Company. (2018). *Nicaraguan Pottery*. Retrieved from Zanzibar Trading: <http://zanzibartrading.com/nicaraguanpottery.htm>

# Academic Vita

## Thomas S. Brewton

### EDUCATION

---

#### **Pennsylvania State University, Schreyer Honors College**

**University Park, PA**

Smeal College of Business: Bachelor of Science in Marketing

**May 2018**

Minor: Civic and Community Engagement

Thesis Title: "A Comparative Analysis of Nicaraguan Pottery Value Chains"

Awards and Recognitions: Member of Beta Gamma Sigma; UPMC Scholar of the Pittsburgh Promise; Penn State Provost's Diversity Scholarship and President Freshman Award; Lola G. Duff and William H. Duff II Merit Scholarship

### PROFESSIONAL EXPERIENCE

---

#### **Pennsylvania State University**

**University Park, PA**

*Annual Giving Intern*

**October 2017-Present**

- Created a social media toolkit presentation for student crowdfunding campaigns
- Constructed a feedback survey for 20+ academic units that participated in Giving Tuesday

#### **Penn State Center Pittsburgh**

**Pittsburgh, PA**

*Study Away Pittsburgh Intern*

**May 2017-August 2017**

- Assisted with logistics, event management, marketing, and communications of the pilot Study Away Pittsburgh program
- Managed communication with directors from 30+ community partners and enrolled students
- Planned a two-day student orientation: created itinerary, developed budget, and designed presentation materials
- Constructed evaluation forms to receive feedback from community partners and enrolled students
- Created an electronic archive to organize all current and future program materials

#### **Students Consulting for Non-Profit Organizations (SCNO)**

**University Park, PA**

*Vice President of Logistics/Project Manager/Business Consultant*

**September 2014-Present**

- Plan and execute all events with corporate sponsors and community stakeholders for the academic year of 2017-18
- Created agendas and facilitated meetings with consultants and clients to advance and present project deliverables
- Researched five foundations and created a grant seeking toolkit to complement the client's mission
- Earned a Top Consultant award for critiquing a client's mission statement by suggesting structural and grammatical improvements and identifying creative methods to incorporate their mission throughout their website

#### **Affinity Connection, Inc.**

**State College, PA**

*Marketing Intern*

**June 2016-July 2016**

- Compiled and organized an electronic archive of approximately 250 sample materials to incorporate into marketing touchpoints for prospective client communication
- Utilized the electronic archive to create and implement market segment editorial calendar from August to December 2016
- Pushed over 4,500 emails to prospective clients: collaborated with multiple teams to develop marketing concepts, write cover letters and emails, update newsletter content and layout, and confirm accurate recipient lists

#### **Allegheny County Parks Foundation (ACPF)**

**Pittsburgh, PA**

*Volunteer Sales Representative*

**August 2016**

- Conducted door-to-door sale pitches to solicit \$500 to \$1000-level business sponsorships for an annual fundraising event

#### **University Park Undergraduate Association (UPUA)**

**University Park, PA**

*Business Consultant*

**January 2016-May 2016**

- Worked with a team of 5 consultants to create a cohesive business plan for the establishment of a Penn State ice cream truck
- Researched and analyzed the target market and composed a marketing plan and sales strategy
- Presented revisions of the business plan four times in front of various stakeholders

### ENRICHMENT EXPERIENCE

---

#### **Silk Road Global Project**

**Xinjiang, China**

*Participant*

**August 2015**

- Engaged in a cultural exchange program with 20 Chinese students for three weeks and facilitated a two-hour interactive presentation and discussion on American culture