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Fair trade, unfair economy

by Justin Price

SERRV, a non-profit, fair trade organization located in Madison, is suffering in the tough economy but hopes, with new development plans, to survive the economic crisis.

SERRV profits have increased 20% this year from last year, but SERRV gift shop store manager, Susan Sheldon, isn't smiling yet.

"This year will be a struggle, it will determine if we stay open. We haven't even seen the bottom of the market. There is no doubt in my mind that 2009 will be worse than 2008, and I hope we are strong enough to keep this business going," said Sheldon.

SERRV markets the products of artisans in developing countries, including, Peru, Kenya, and Vietnam, and offers them fair prices for their goods.

SERRV's gift shop sales grew steadily since it's opening in Madison in June 2001, but then saw a dramatic fall in revenue in early 2007.

In 2007 SERRV saw a 5% drop in sales from what they say was a change in their consignment policy.

SERRV saw another 5% sales drop in 2008, due to the slow economy.

"We had a loss of over \$700,000 in 2008, which is very large for a small company like ourselves. It has caused us to cut way back on all of our expenses, cuts that aren't easy to make, but that are necessary," said Robert Chase, SERRV's CEO.

Losses in 2007 and 2008 have lead Chase to make what he calls "dramatic changes" in how SERRV is now being operated.

"We have drastically reduced our employment of temporary and seasonal employees. We have left a number of positions unfilled when people have left and all permanent employees including myself have taken a 5% pay cut and a 50% reduction in the contribution the organization makes to our retirement fund," Chase said.

Sheldon said she is feeling the dramatic change in the SERRV gift shop with fewer employees and the same workload.

"Everyones hours got cut and we had to get rid of the part-time assistant store manager, because we just couldn't afford it. It's a struggle, and I think you have to be someone who really believes in the company to keep going," Sheldon said.

Jason Hiller, a sales associate at the SERRV gift shop, is the only employee who hasn't had his hours cut but is compassionate for those who have.



Susan Sheldon, SERRV gift shop manager

"It's tough. I know what it's like to be scraping by. I only work on Sundays and occasional off-site sales so my hours haven't been cut but everyone else that works here has had their hours cut in half, if not more," Hiller said.

To save from cutting hours at the SERRV corporate office, employees from marketing, product development, and producer relations are now working at SERRV's gift shop when Sheldon needs time off.

Chase feels this is the best way to take some of the struggle of those working at the gift shop while keeping corporate employees working.

"It's a constant struggle," Chase said, "People are working harder, with less support and less pay."

SERRV is also working on plans to reduce it's budget by more then \$1 million in 2009, to try and save the organization.

SERRV has also increased the number of off-site sales, at churches and fair trade festivals to pick up any extra business possible.

"We have a wide variety of promotions going on and we are actively recruiting new customers and trying to bring old customers back," Chase said.

Sheldon is working on her own plans on how to increase sales at the SERRV gift shop by trying to start a media campaign to bring more attention to the organization.

"It's my goal by March 15, to design a complete year outreach plan to the media. We need to have our name constantly out there if we have a chance of making it. We need to get serious about how we are being promoted," Sheldon said.

Hiller has joined Sheldon to help promote SERRV by creating a Facebook group dedicated to the SERRV cause and actively tries to recruit new members.

While the World Trade Organization said that fair trade will survive the economic crisis at a October 2008 press conference, Hiller has his doubts.

"It's hard to have faith when you have so few customers walking through the door. Last Sunday we ended the day with a negative balance of \$267 because of returns from a consignment sale. It's not that I don't believe in the company, it's that I don't believe in the economy," Hiller said.



SERRV window sign

Though SERRV is struggling, Chase said he believes it's more important than ever to speak up about bringing core social values to all business transactions.

"Thousands of artisans and farmers are far worse off than we are and depend on us to support their families," Chase said.

Chase, Sheldon and Hiller all agree that their dedication to the cause is why SERRV has survived as long as it has.

"I think that SERRV brings a much needed feeling of positive consumerism. It's an important cause that's worth the struggle. If it weren't, we wouldn't be open," Hiller said.

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