

# What Future for Traidcraft?

*Richard Higginson in Conversation with Ram Gidoomal and Robin Roth*

*The UK's leading fair trade organisation, Traidcraft, recently announced a major reduction in its activities. Richard Higginson, who used to be a Traidcraft Foundation Trustee, went to see Traidcraft Chairman Ram Gidoomal and Chief Executive Robin Roth to find out why. He also asked them how they evaluated the achievements of the fair trade movement to date.*

**RH: Ram and Robin, thank you for your time. Let's get straight to the point. I hear Traidcraft is to cut 50 jobs reducing its core staff to just 12 people. This sounds extremely drastic. Why are you doing this?**

RR: Actually, I think it was long overdue. It was time for Traidcraft to get real, become more business-like and escape its more charity way of thinking. We had to wise up to the real world. We realised we have to be more efficient – it sounds cruel but just because you're a nice company doesn't mean you get special treatment in the world.

RG: For a long time now I've felt there was a need to revise staff levels. When I joined the board eight years

ago the disproportionate ratio of staff to level of business was something I commented on. Quite simply, we were overweight for the amount of business we had. I was told the company had already gone through one significant round of redundancies, and we wanted to give the new strategy a chance. But year on year over the last ten years sales have declined. Radical steps were needed.

**RH: Can you elaborate on the figures? What is the level of decline?**

RG: The peak of Traidcraft sales was around £17m in 2007; there has been a gradual decline ever since the banking crisis. How do you turn a business like this around? It's not

easy with a company that has an established culture and way of doing things. But we got to the point where either you have to cut decisively and make a fresh start or face the consequences, as has happened to Woolworth's among many other companies which have closed.

RH: So the company has now been reduced to a staff of 12?

RR: At present we are now in a bridging situation. We are working towards a core staff of 12 but we have not yet outsourced everything we intend to – we still have approximately 24 people with some employed in IT & warehousing. Selling the second warehouse in Gateshead will bring in another

