

ONE YEAR

FUNDES catalyst

BUILDING

AN **IMPACT VENTURE** STUDIO.



It's been a year since we started FUNDES Catalyst with the vision to build the first impact venture studio in Latin America dedicated to going beyond subsistence entrepreneurship.

At the beginning we were only a few *locos*. We knew that to succeed and gain credibility, we needed to establish a strong foundation as fast as possible.

We focused on creating our business model and sourcing a stellar core team while building our first ventures and establishing a network.

And while it hasn't always been a walk in the park, one year later we are proud of where we are: we have four ventures in our portfolio generating substantial social impact, two promising innovative solutions in the pipeline, more *locos* as a part of our tribe and great partnerships.

The following read does not just showcase our successes. Although we want to bring you closer to our vision, we also want to give you an insight into our daily work: Yes, we love to celebrate our progress, but part of the venture building process is to face unexpected challenges, learn from them and adapt. It's important for us to share this part with you too!

We can't wait to see where our second year will take us. In any case: we're 100% committed to continue learning, growing our impact ventures and creating scalable and sustainable social impact in Latin America.

ENJOY THE READ! 

LET'S START WITH THE BASICS:

WHAT DO WE BELIEVE IN?

Microbusinesses and subsistence entrepreneurs are the backbone of the Latin American economy, representing 96% of businesses and comprising 64% of jobs. We believe they provide the best opportunity for development in the region, as its urgent challenges, such as rising inequalities, food insecurity, and climate change, require solutions rooted in Latin America's culture and traditional business fabric.

Despite their significance, subsistence entrepreneurs often lack access to market, capital, and education, making it difficult for them to grow and generate livelihoods for their communities. They also remain excluded from innovative markets, because their *value per user* (low margin, low ticket) is not as high as for other market segments.

At FUNDES Catalyst we think differently. We have the audacious ambition to provide millions (1M by 2026) of subsistence entrepreneurs with the tools to thrive - not just survive.

We are the first impact venture studio focused on building tech-enabled social enterprises servicing microbusinesses.

Our ventures enable these microbusinesses to:

- Upskill and digitize their operations,
- integrate into local value chains and digital marketplaces,
- aggregate into micro-franchises to strengthen their purchasing power and position in the market.
- and ultimately create jobs, and become agents of change in their communities.

We believe in:

- The power of aggregation of needs, demand and supply to reveal the potential of underserved users,
- accessible technology that solves everyday problems of microbusinesses and their ecosystem,
- entrepreneurship as a force to achieve sustainable and inclusive growth,
- viable business models to scale and perpetuate long-term impact.

SDG Contribution:



THE CENTERPIECE:

OUR CURRENT **PORTFOLIO.**

✓ LET'S GET TO THE HEART OF IT.

We currently run and support four impact ventures and two incubated projects in four countries (Perú, México, Colombia and Guatemala) and 3 verticals:

Farm to Store Delivery

to integrate microbusinesses to local value chains and digital marketplaces.



Making **healthy products accessible to all** by connecting local food producers with low-to-middle income consumers.

PERÚ & MÉXICO



Delivering group discounts to low income families through a strong network of Mom & Pop Shops and social commerce.

MÉXICO

Digital Learning Platforms

to upskill and digitize microbusinesses operations.



Upskilling microbusinesses through a white-label LMS offered to corporates to train their retailers at scale.

MÉXICO & LATAM



Connecting local artisans with simple digital solutions through a marketplace powered by micro-videos.

MÉXICO

Micro-Franchises

to strengthen microbusinesses purchasing power and position in the market.



Enabling beauty professionals to offer a full range of best-in-class and affordable beauty products and services.

GUATEMALA



Improving the livelihood of waste pickers through an inclusive recycling ecosystem.

COLOMBIA

MILESTONES

OF OUR YEAR LONG JOURNEY.

FUNDES
officially launches
FUNDES^{catalyst}
(JANUARY 2022)



is launched in México
(FEBRUARY 2022)



launches its Social
Commerce App
(MARCH 2022)



becomes part of the STRIVE
community
(APRIL 2022)

Elea believes in Catalyst to
launch another venture:

Voala!
(MAY 2022)



pivots from an
E-learning Platform to a
Marketplace of Digital Solutions
powered by microvideos
(SEPTEMBER 2022)

LORENA CHACON

enters as Co-Founder of
Voalá and launch
in Guatemala City
(SEPTEMBER 2022)

IDB LAB

funds a project
combining and offering
Merkomuna and ENKO to
700 Mom&Pop Shops
in the State of Mexico
(JULY 2022)

Our tech team launches



as a no-code platform
to back all our tech solutions
(JULY 2022)



Catalyst keeps growing. We're
now 15 in the core team + 4
cofounders and their respective
teams
(OCTOBER 2022)



reaches 4000 shopkeepers
and 36k families
(DECEMBER 2022)



reaches 539 recyclers,
26 association centers
and 267 waste generators
(DECEMBER 2022)

enKO

partners with PepsiCo
and Gepp to connect ENKO to
Gepp client management App:
GEPP en tus Manos
(DECEMBER 2022)

VICTORIA LIZARAGA

enters as Co-Founder of
EcoBodegas
(JANUARY 2023)

MATT DAHIREL

enters as Co-Founder
of our EdTech Venture

OUR IMPACT SO FAR:

Okay, I know we said we are not only going to showcase our successes... **But you have to let us have a little bit of fun.** While Voalá! and Pymental were still in their design and pilot phase, Merkomuna, Enko (Coppel Emprende), Reciclamos and EcoBodegas generated significant impact. In total, they've reached more than **15.5k users**. What you see below is an overview of our key data points per venture:



CoppelEmprende.

14,703
registered users

24,801
lessons taken

2
clients

20
partners

619k
total sales

41%
active users with of total
3908 registered

50%
of users complete **80%**
of lessons

54%
of users return to
platform



539
recyclers and **240** waste
generators

1069
kg recycled per month

40%
increase in the income
of recyclers

20%
increase of price for
waste material for **60%**
recyclers

*compared to 2020



4000
active stores

36k
benefitted families

1.1 MM
USD gross sales

9%
commission earned by
each shopkeeper



1,800
stores whereof **1024**
currently active

2,458
benefitted families

\$230k
total sales

\$23
average ticket

nice!

Although our impact numbers say a lot, to fully understand the social impact of our ventures we wanted to share **TWO STORIES** from our users:

THE STORY BEHIND:

GET TO KNOW AGAPITO @ECOBODEGAS

AGAPITO is a local healthy food producer in Lima, Perú producing a 100% natural juice called Nisfrut with zero sugar.

As he started out his business he faced some **critical challenges**:

- Small production plant with poor infrastructure.
- Limited variety in products.
- Suboptimal packaging.
- A sole distribution channel.
- Lack of network and client base due to being new to the market.

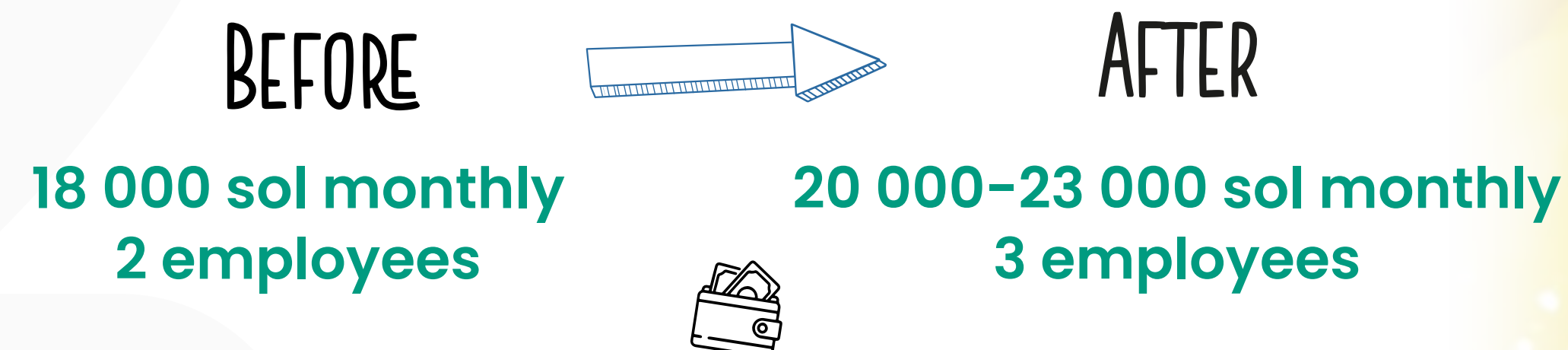
▶ Agapito struggled to establish his business and generate a stable income, causing significant stress in his everyday

Luckily, things changed quickly when Agapito decided to join EcoBodegas.

HERE'S HOW ECOBODEGAS TRANSFORMED HIS BUSINESS:

- Benefited from EcoBodegas white label branding.
- Got access to EcoBodegas distribution channel across the traditional retail.
- Joined the National Association of Ecological and Fair Trade producers.
- Improved packaging (475 ml and 1 Lt).
- Developed new drinks with flavor combinations.

These changes allowed him to increase monthly income by **27%** and hire a new employee, creating job opportunities:



THE STORY BEHIND:

GET TO KNOW LEIDY @RECICLAMOSJUNTOS

LEIDY leads a Recycling Association in Cartagena, Colombia. For a while it operated informally, with only 3 recyclers and **faced several challenges** due to the fragmented market:

- An unknown recycling warehouse with a limited network and therefore little impact.
- Not a legalized recycling entity.
- Limited business knowledge and missed income as recyclable material was not invoiced.
- Poor working conditions with no access to uniforms or protective gear.
- Limited staff capacity.
- Difficulty accessing new clients.

▶ Leidy was not able to grow the Association and improve income possibility, and therefore livelihood, for her and the other waste pickers.

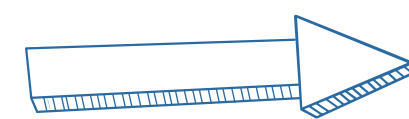
When Leidy formed part of Reciclamos Juntos, she was able to overcome hurdles and grow significantly:

HERE'S HOW RECICLAMOS JUNTOS TRANSFORMED HER BUSINESS:

- Access to the network of bulk waste generators and collection routes of *Reciclamos Juntos*.
- Formalization and EPA Green Business Certification for its Association of Recyclers.
- Training and peer-to-peer mentoring in business administration led to electronic invoicing.
- Access to formal uniforms, carts, and equipment for its recyclers.

These changes allowed Leidy to increase monthly recycled materials collected **×3** and sales **×3.5** and create new job opportunities:

BEFORE



AFTER

**600 kg - 1 ton
of recyclables
\$500k - \$1M COP
3 employees**



**3 - 4 tons of recyclables
\$3.5M COP
+14 employees**



LEARNING BY DOING:

TALES FROM **OUR DAILY WORK.**

In the following parts we deep dive into the ventures and innovative solutions for which we experienced the biggest learnings and changes this year. Also, we'll share a bit about our internal tech project.

Voalá!

Cosmétologie Internationale

THE **NEW KID** ON THE BLOCK.

WHO'S THAT??

We launched our newest impact venture Voalá! on Nov 22 after intense months of designing the business model and MVP. Voalá! is a microfranchise for beauty professionals in Guatemala. In its first phase we focus on three key element:

- 1 Building a marketplace with the best price conditions.
- 2 Offer certified courses to learn the latest beauty techniques and entrepreneurial skills.
- 3 Facilitate a social community for beauty professionals.





What's been key for our process?

The design process can be intense. Ideas.. hopes.. are being created and broken on a daily basis. It is definitely not for the faint of heart, but here are key elements that helped us in the process:

- **User investigation:** we spent a good amount of time interviewing our target users and understanding their challenges, patterns and expectations. Cultural immersion was important as the beauty industry is highly influenced by sociocultural factors.
- **Strong partner:** our funding partner elea has been an integral part of the design phase. They challenged us and provided their expertise. Those conversations can be tough but as you know, no pain, no gain.
- **Make a slim MVP:** It's not called *Minimum Viable Product* for nothing. Our vision is big but we committed to focus on three key elements. The rest has followed, as they prove to succeed.
- **Find THAT co-founder:** we were lucky to find Lorena Chacon, an ambitious entrepreneur with experience in the beauty industry who has launched previous ventures.

First and

Once you put yourself out there, the learning come fast. What we know so far:

- **We have to beat unexpected market conditions!** Although we mainly focus on individual salons we learned that the established ones have direct price discounts with suppliers. To find our sweet spot, we reviewed and prioritized our user profiles to understand who's currently not profiting from the market.
- **Leverage digital buying experience:** Digital sales is an advantage. If you're familiar with LATAM you know that social commerce is huge so we focus on Whatsapp sales and are planning the launch an online marketplace with a differentiated offer for the public and members of the microfranchise.
- **Merry christmas, happy valentines, mothers days..:** The holidays matter in the beauty industry. It's important to understand the peak times in order to plan, negotiate and shape offers accordingly both with regards to beauty professionals and suppliers.



SCALE, OPTIMIZATION, CONSOLIDATION.

About growing up.

Merkomuna is a community buying platform where shopkeepers make collective purchases for their customers so they can obtain discounts and have access to the benefits of e-commerce. Many of these customers are low-income families for whom groceries are a large portion of their daily expenses. Shopkeepers in turn are able to improve their product mix and increase income by earning commission on each sale. They also have the chance to improve their business skills through integrated e-learning. Last year, Merkomuna moved from a successful pilot and validated MVP into the market entry phase. It's a tough step but there's no way around it: After the baby years, when everyone loves and hypes you up... it gets more serious (remember when your parents asked you to pay your bills the first time? Yes, that feeling.) Here's how it went:

It's a (wr)App!

In 2022, Merkomuna passed an important milestone. With all its technology developed in-house, they launched their Community Buying App. The App is used by both end consumers as well as shopkeepers with the main objective to facilitate the community buying and order process. Launching the App enabled the team to scale the model successfully tested in the prototype phase leading to impressive results:

- Successful onboarding of **4000 shopkeepers** to Merkomuna, of which **60% are women**.
- Shopkeepers **increased their income through a 9% commission** on each group buying.
- **36'000 low-income consumers & families benefited** from an average 15% savings per ticket.
- **2.5. M USD seed funding raised**.

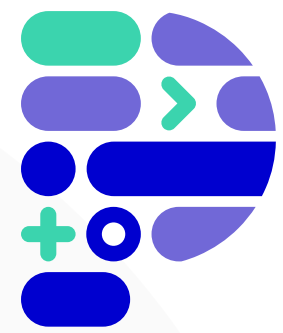


First insights and outlook.

With market entry, Merkomuna experienced a rapid growth phase that presented both challenges and opportunities:



- **Inventory management:** As sales grew, so did inventory since Merkomuna buys its products upfront. Balancing this dynamic was a tough challenge that could be alleviated with fintech solutions and now has been solved by putting it at center of the efficiency plans.
- **How you do it matters:** There are similar community group buying models out there but the execution of the solution is a key differentiating factor for success. This requires an excellent understanding of the users to which Merkomuna is fully dedicated.
- **Digitizing end-consumers:** Speaking of users.. In the first phase, end consumers were mostly targeted via shopkeepers. This focus is now shifting and the goal is to reach end consumers directly so that they initiate the orders digitally via their preferred shops. While in this step lies a large scale potential it also requires the target group to overcome any digital barriers which, again, requires a strong user-centered approach.



pymental.

A WIND OF CHANGE.

A use(r)less case.

Our excitement was high last year when we started testing Pymental – a gamified e-learning platform for microentrepreneurs to learn digital skills. However, if after some time your users don't use what you offer.. you know something's off. Looking for insights we had to acknowledge that:

- 1 Our targeted user group was too broad.
- 2 Our content was not aligned with their current needs – it was too advanced and not relatable, shown by a lack of engagement. And what does this call for? Yep, a pivot.

PI.. WHAT?

Pivot means changing a solution when you realize the current offer is not meeting the needs of your market. You better move fast and while it sounds gnarly, it actually marks an opportunity. Here's how we went about it with the critical eye and support of our partners Caribou Digital, Mastercard Center for Inclusive Growth and Argidius:

- **Putting ourselves out there:** We left our computers and went out in the field to speak with our audience. How do they use digital tools and platforms? We went until we had a solid understanding of how we can redesign our product to meet user needs.
- **Identifying our key user:** We identified quickly that artisans in Mexico show the highest use case potential. They were not only the most digitally-curious segment, but presented more time available to learn new skills, a higher value gained from selling online due to the COVID-19 pandemic's impacts on the flow of clients, and high potential to sell online due to the transportable nature of their products.
- **Adapting the product but keeping it simple:** Artisans' skills are unique, they need relatable content to engage with – the *traditional* e-learning process isn't sufficient. Based on the insights we gathered, we needed to make our content more relatable but also simple, focusing on solving key issues for this community.



Meet Pymental 2.0

The **first marketplace that leverages microvideos to connect artisans with simple digital solutions**. It enables users to adopt essential digital solutions in a few clicks thanks to:

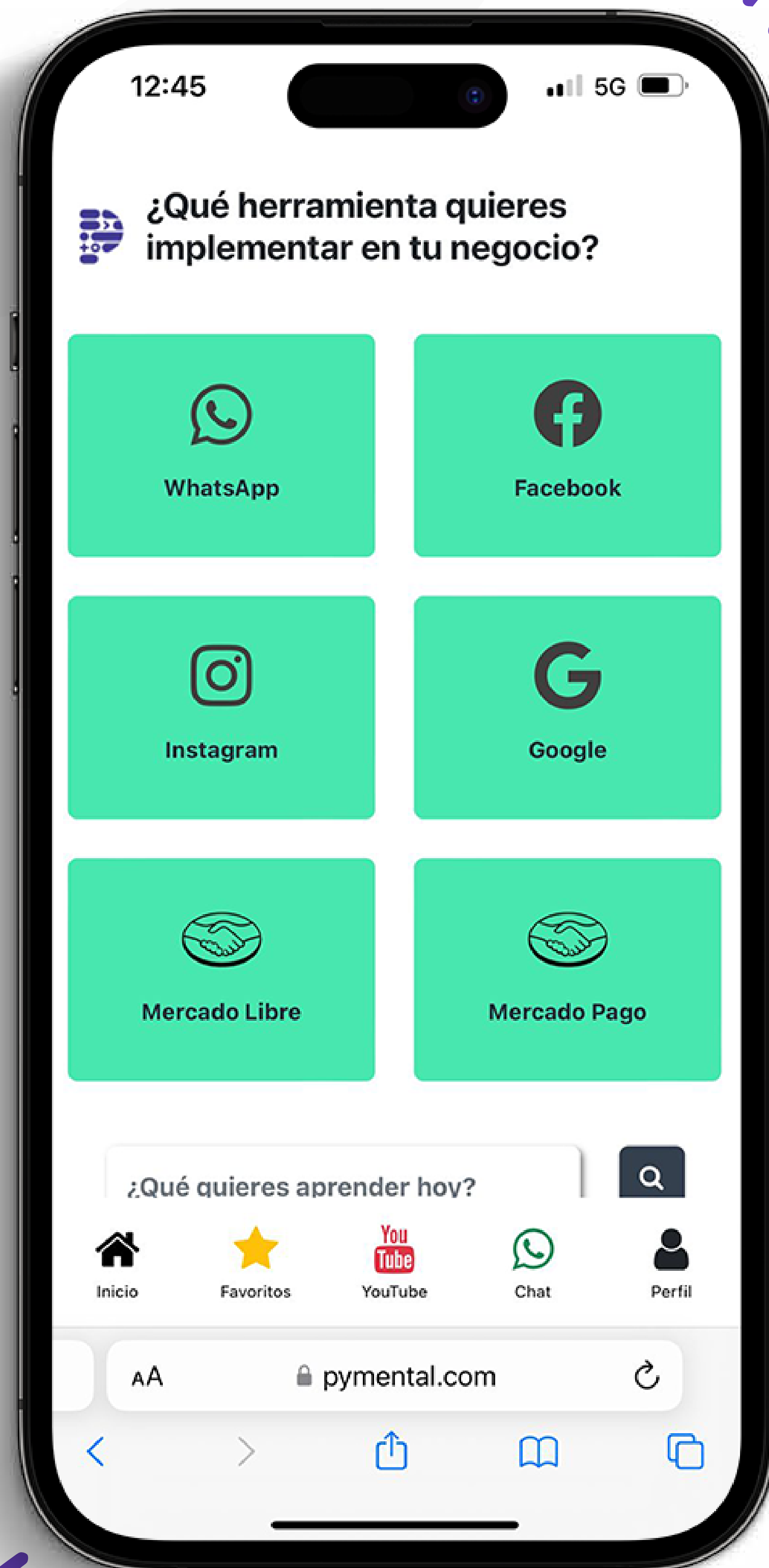
- Recommended, discounted digital tool, courtesy of partnerships with key technology providers.
- *How to*, step-by-step micro videos (<5min) addressing users' main issues.
- Learning from and engaging with peers who *look like me and talk like me*.

Building digital confidence.

Many artisans are hesitant to sell their products online due to worries regarding design theft, thus we needed a strong engagement strategy to build digital confidence:

- From the start **involve early adopters** (our community influencers) in the content creation process to ensure that Pymental's offering finds a strong fit in the artisan community.
- Create **relatable micro-content** as a way to increase familiarity. Effective micro-content prevents boredom and disinterest and encourages higher levels of video completion.
- Provide **opportunities to share artistic skills** as the unique designs of this user group wants to be recognized and celebrated.

Not only are these three core strategies essential in creating the right fit between product and community, but they allow Pymental to **provide value to digital tool providers** who seek to connect new groups with the digital world.





A MATTER OF PERSPECTIVE.

THE GOOD. THE BAD. THE EXCITING.

EcoBodegas started off in Perú more than five years ago with the vision of making healthier food available to low-to-middle income consumers by creating a direct value chain between local smallholder farmers, traditional shop keepers and their clients. What worked well in Perú motivated us to expand to other countries in Latin-America, first Colombia and more recently México. Spoiler alert: we had to shut down operations in Colombia. But good news from Mexico: we just started testing a new business model.

Important decisions.

What started in Colombia in 2018 with more than 1700 stores, dropped to 211 stores by the end of 2022, making it evident where our main challenge lied. Simply put: we had underestimated the cultural differences between Perú and Colombia as our previously successful approach struggled in this new context. Turns out the adoption rate in Colombia was much slower because shopkeepers had higher scepticism towards new products from unknown producers. This, combined with a low demand for healthy eating in the low-income community and competing supermarket chains made it hard to sustain operations and forced us to shut down. On the bright side, we drew some critical learnings:



- **Need for economies of scale to enable impact goals:** Generating sales in low income areas is not financially sustainable in the first phase. To make our products accessible and affordable for low income communities we need to achieve economies of scale to cover costs first.
- **Have an early buy-in strategy:** For the business to achieve sustainability in the long term all actors should contribute to the business plan from the beginning. Negotiations with producers should be prioritized as they have the strongest incentive.
- **Refine product catalog:** More high rotation products, that are already part of the typical market basket should be included in the product catalog.
- **Increase product marketing:** Many products are not sufficiently attractive. Effective branding can create a product identity and boost customer recognition.

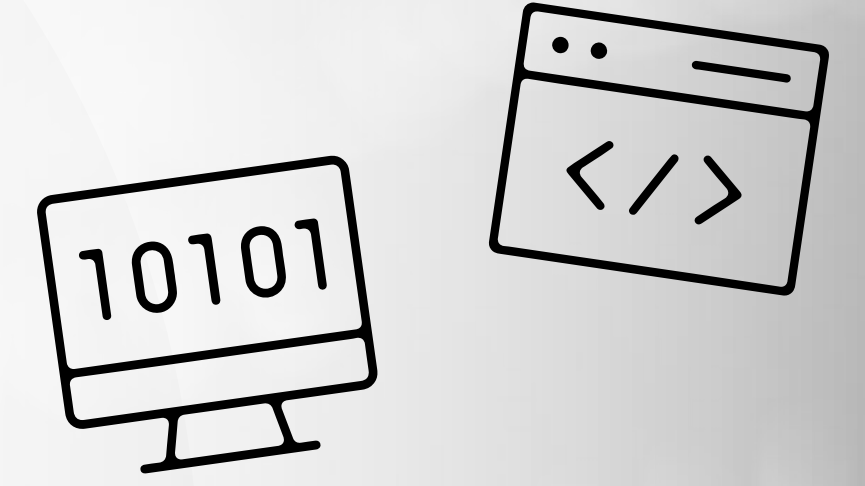
Launching a refined model.

Drawing from our learnings in Colombia and after a first pilot phase in México, we have now decided to test an adapted model. Here's what we plan to focus on:

- Strong focus on **smallholder farmers as we incentivise them to become partners.** We prepare them for market-readiness by offering advice on critical parts of their business to accelerate their sales.
- **Expand our shop network** from only focusing on mom & pop shops to all neighbourhood shops who have an interest in selling healthy and local products.
- Identify and **prioritize high rotation products** from strong sales categories.
- **Stronger focus on end-consumers through** competitive pricing, omnichannel strategy incl. webshop and increased branding efforts and marketing activities.

We are still refining the details but plan to take off in a few weeks. We just onboarded Victoria Lizzáraga - our new charismatic leader of EcoBodegas. Let's give her a few breaths. We will keep our audience updated on progress and look forward to sharing our first insights soon.





TECH FOR ALL, ALL FOR NO-CODE.

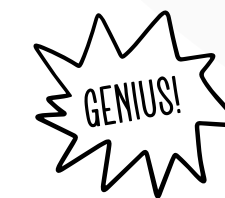
Leveraging the studio model.

One of the main advantages of the studio model is that you can reduce risk and leverage expertise, learnings and resources across ventures. In fact, the latter is a must! In our case, since we work with digital solutions, our team's tech brains have made it their goal to leverage technology across ventures to serve them in the best way and to facilitate the creation of new solutions. The outcome? Let us introduce to you: **Orquesta**.

"Pretty standard" is the new brilliant.

Orquesta was born after we realized that having an individual digital platform for each venture makes us miss out on business potential. At that point we had our first in-depth experiences that served as good indicators of our future needs. Also, we had just started to integrate services from one venture to the other. Hence, when Orquesta was born the time was just ripe to start building a standardized SaaS platform in order to streamline no-code microservices across our ventures. But let's be more specific about the benefits we expect from standardizing our technology:

- Have an efficient process for building digital platforms in-house that optimizes resources. We want to reuse as many resources as possible for all platforms.
- Have one product to offer all ventures and speed up the venture building process.
- Facilitate the integration (API + No-Code) with other platforms and become faster and more efficient in maintenance, adaptations and problem-solving.
- Standardize and unify data for better analysis and improved information for all the ventures. This allows us to have a unified Business Intelligence strategy to improve our performance and therefore, reach our impact goals.
- Centralize the integration of third-party services such as AWS, Sendgrid, Twilio, etc.



Fast rewards and first challenges.

At this point we're in the process of building several microservices. And while we're already witnessing great benefits there are also a few challenges we can see in the shorter and longer term:

- Positive first: we already have evidence that **we can produce platforms much faster** with Orquesta and focus on the user experience.
- A current challenge is to develop the modules and specialized user interfaces for each venture. **Even standardization has its limits.**
- In the long term we will have to keep adding more useful features for the ventures while doing **a flawless management of the API versions.**

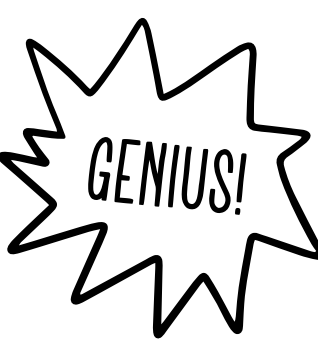
90%



OUR TEAM

OF PASSIONATE ENTREPRENEURS.

This text was not written by ChatGPT. We're real humans, different yet the same, curious empaths who are not afraid to get our hands dirty. We like to see ourselves as realistic dreamers who work hard towards a vision. **This is us.**



Victoria Lizarraga
CEO and Cofounder of **EcoBodegas**

Victoria is a savvy entrepreneur with experience in the LATAM healthy food market. Prior to joining Eco-Bodegas, Victoria founded her own business Raíces del Huerto (8 years) which commercializes packaged seeds, superfoods, and dried fruits from Mexico and Peru through the modern retail channel and online.



Lorena Chacon
CEO and Cofounder of **Voalá!**

Lorena has +25 years experience in the field of entrepreneurship, technology and cosmetology in Guatemala. She's a serial entrepreneur, having co-founded an academy for beauty salons, a digital health system that delivers quality and affordable medical care to underserved rural areas (Bitmec), and a consulting company for development agencies (Sincronia).



Jose Antonio Flores
COO and Cofounder of **Merkomuna**

Jose is passionate about creating digital solutions to problems and co-creating with startups. He has 8+ years of experience as an executive in supply chain, logistics, and finance across several corporations.



Ricardo Vaca
CEO and Cofounder of **Merkomuna**

Ricardo is an engineer, process improvement specialist and startup enthusiast. He has 10+ years experience occupying C-Level roles in successful tech startups such as HolaGus, Homie and now Merkomuna!



Matt Dahirel:
CEO and Cofounder of our coming **EdTech**

Matt is an avid entrepreneur with experience designing and selling innovative e-learning products. Matt founded his own E-learning Startup La Tatuadora (+8 years), to help young tattoo artists in Mexico kickstart their tattoo business through online courses and equipment kits.



THANK YOU TO OUR PARTNERS FOR TRUSTING US!

EcoBodegas



J.P.Morgan



Merkomuna

elea



ROZALIA
STIFTUNG
GEMEINNÜTZIGE STIFTUNG
LITAUEN



Eckenstein
Geigy
Stiftung



Enko



VISA

Reciclamos Juntos

foundation
BOTNAR

Julius Bär

Pymental



LOTEX
STIFTUNG



Voalá!

elea

