

*July 2015*

**Project Report**

# **Empowering women with entrepreneurial and financial management skills**

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*By Caroline Asiala, Project Manager*



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## **Introduction**

Extreme Response International (ER) is a humanitarian aid organization working to end extreme poverty in the Americas, Africa, and Asia. The organization is based in the Christian faith and supported by missionaries and churches around the world.

The Quito Dump Program supports a community of people in Quito, Ecuador that make their living selling recyclable materials from a waste transfer station in the city to a private recycling company. Among other programming, the Quito Family Resource Center offers the women of the community domestic abuse counseling, support groups, life-skills training, and bible studies. In 2014, the women's group began making handmade crafts using recycled materials (see Annex 1 for photographs). Seeing a potential economic opportunity, staff members began selling the products to short-term volunteer groups.

Due to the growing popularity of the products, in June 2015, ER staff and volunteers began an additional project with the women's group at the Quito Family Resource Center to train participants in entrepreneurial and financial management skills in an effort to empower them to discover alternative sources of income to recycling. Objectives for the project were divided in short and long-term goals listed below.

Long-term goal: to transition participants to independence in product design, production, sales, inventory management, pricing, and financial management for any type of business they wish to pursue.

Short-term goals:

1. Identify and contact potential partners doing work in entrepreneurial skills training, women's advocacy, women's empowerment, etc. in Ecuador and the region
2. Identify strategies for the future of the artisanal products made from recycled materials
3. Facilitate weekly workshops on topics such as financial management and budgeting, sales and customer service, inventory management, etc.

## **Preparation and design**

Meetings with ER staff and volunteers established the schedule, potential topics, and attendance expectations for the workshops. Workshops were scheduled for 6 Wednesday mornings in July and August from 8 to 9:30 AM in the Family Resource Center.

ER staff and volunteers worked together to create agendas, discussion topics, and interactive activities for each workshop. Each week, workshop agendas were modified, considering the previous week's accomplishments and lessons learned. Online resources (Annex 2) were adapted and utilized to supplement workshop agendas.

Each workshop followed a similar structure:

1. Ice-breaker
2. Review of the previous week's discussion
3. Introduction of the new topics
4. Guided discussion
5. Interactive simulation or activity
6. Closing questions and concerns

## **Implementation**

### ***Workshops***

Due to scheduling conflicts with other programs, only 3 of the 6 planned workshops were held. Below are brief descriptions of each meeting held.

**Theme:** Introduction

**Date:** 24 June 2015

**Time:** 8:00 – 9:30 AM

**Location:** ER Family Resource Center

**Attendance:** 20 participants

Notes:

*The purpose of the first workshop was to introduce the project, the new volunteer facilitator, and to learn from the participants about their crafts, other products they might like to sell, and how comfortable they feel in interacting with people they don't know. A fold was distributed to each participant for saving notes, worksheets, or other papers used during the workshops. Attendance was higher than expected and participants felt comfortable speaking in the group.*

**Theme:** Self presentation and customer service

**Date:** 1 July 2015

**Time:** 8:00 – 9:30 AM

**Location:** ER Family Resource Center

**Attendance:** 9 participants

Notes:

*In the first part of the workshop, discussion topics included posture, facial expression, tone of voice, eye contact, and other aspects of non-verbal communication. In partners, participants were asked to act out a conversation using clear non-verbal cues to indicate attitude and emotion.*

*In the second part of the workshop, participants were asked to share their experiences with customer service, good and bad. With each story, participants were asked to identify the successful and unsuccessful aspects of the situation and what the vendor could have done to improve their experience.*

*In the last part of the workshop, participants were split into 2 groups: vendors and customers. Participants performed role-play exercises taking turns being both vendors and customers. A brief reflection at the end of the exercises helped the participants identify strengths and weaknesses.*

**Theme:** Costs and revenue: calculating profit

**Date:** 8 July 2015

**Time:** 8:30 – 10:00 AM

Site: café near ER Family Resource Center

Attendance: 7 participants

Notes:

*Due to miscommunication with ER staff and road closings for the Pope's visit to Quito, the Resource Center was not opened in time for the workshop. Instead, the facilitator and participants walked down to the nearest café and had a roundtable discussion about the week's topics: budgeting and calculating profit.*

*The group identified different types of businesses and discussed the definition of a business. The facilitator briefly explained the concepts of costs, revenue, and profit. Working together to identify the costs and revenue of different types of businesses, the group completed 3 examples: a restaurant, an artisanal crafts business, and a household. The group discussed the importance of recording money made and spent to plan for future events. Participants discussed their own incomes and financial struggles.*

### ***Participants***

Twenty-five women in total participated in the project; 7 attended more than one workshop. During the first and second meetings, personal information was gathered on a voluntary basis.

Participants' ages ranged from 23 to 67 years. Most were married with children and live with multiple family members. Participants came from all parts of the city, sometimes traveling for hours on public transportation to reach the center or their place of employment. Most have at least basic literacy, although the exact level of education completed remains unknown. Two participants reported having previous experience in business and sales. All participants that attended the first workshop reported reluctance to interact with people they don't know (i.e. potential customers), although only 3 reported refusal to do so.

General interest about topics covered in the workshops was higher than expected, especially for the first workshop. Participants' desire to talk and learn from each other was evidenced in the third workshop, when all 7 of the attendees, who came to the center despite road and school closings for the Pope's visit, agreed to change locations for the day to avoid cancelling the meeting altogether.

## **Future Scenarios – the way forward**

It should be noted that there are countless possibilities for both the organization's women's advocacy program and the participants of the program themselves. Three specific scenarios for the future of the project were identified. Each requires additional action by both Extreme Response staff and participants of the program. The three scenarios are placed in order of dependency on ER staff. The first requires minimal support from ER staff and places the products in the hands of the participants of the program entirely. The second requires more intensive support for the participants and the sale of their products by ER staff, but offers a structure that would transition the participants to independence in an estimated 12 months. The third requires the most of ER staff.

### **Scenario 1: Continuing business skills and sales training**

In this scenario, ER staff and volunteers would continue hosting weekly workshops on entrepreneurial skills. Topics for workshops could include basic accounting, inventory management, sales and customer service, and legal permitting for selling in street fairs. ER staff would encourage participants to work in small groups to sell in tourist markets on weekends, but not take an active role in selling the products. Once a consistent group of participants has been established, ER would partner with other organizations, such as Fundación Junior Achievement Ecuador, to do more intensive training on financial management. More information about JA Ecuador can be found in the "Potential Partners" section (page 9).

### **Scenario 2: Asociación de participación/Association of participation**

Definition: an association of participation is one in which a businessman gives one or more people a share in the profits or losses of a business.

In this scenario, ER would support participants in starting what is called an "association of participation," or cooperative. This type of association does not have a specific legal status, but is exempt from bureaucratic formalities required by registered companies in Ecuador. This scenario would require intensive intervention on the part of ER staff and may require recruiting a long-term volunteer or intern to manage the project.

Within the structure of an association of participation, participants would take on one or more of the following roles:

- Designers/artisans would design/make the products. Responsibilities for these participants would be ensuring the quality of their products, working with saleswomen to follow market trends, and providing products for inventory.

- Saleswomen would sell the products in street markets and identify other opportunities to sell products. Responsibilities for these participants would be working with administrators to get the necessary permits to sell products at fairs/street markets, interacting with customers, and making and accurately recording sales.
- Administrators would manage money, inventory, and human resources. Responsibilities for these participants would be bookkeeping, distributing product and money to and from participants, and making connections with other outlets to sell products.

Support from ER would include space for making products, providing supplies to make products, and continuing training for each specific role.

ER staff would need to take an active role for at least the first 12 months to ensure fairness, communication, and skills training. However, with proper training and support, this particular structure would allow the participants of the training program to become independent in all aspects of their business. ER and participants could follow Sinchi Warmi, a women's association of participation in the Amazon, as an example of how to set up such an organization. More information about Sinchi Warmi can be found in the next section.

### **Scenario 3: A new social enterprise project**

This scenario requires the most long-term action by ER staff.

There are a number of organizations around the world that provide participants an avenue for the sale of their artisanal products. Information of examples such as Camari and Threads of Hope can be found in the next section "Potential Partners" and in Annex 4. Many of these social enterprise-type projects are part of larger programs or organizations that provide other services to communities in which they work.

To start a social enterprise aspect of ER's work, ER would need to designate at least one staff member or long-term volunteer or intern to the project full-time to ensure the project receives the appropriate attention. In this scenario, ER would buy products at a fair price from participants in the women's program and partner with churches, organizations in Ecuador, small fair trade stores in the US, and online platforms to sell products to individuals and shops in Ecuador and other parts of the world.<sup>1</sup>

To begin partnerships with stores and organizations in other parts of the world, it is important to become fair trade certified by a fair trade association, such as the World Fair

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<sup>1</sup> More research must be done on the legal requirements for exporting products to the US or other countries. A guide for small-scale exporting projects can be found at <http://agoa.info/images/documents/5176/Exporting%20to%20the%20US%20-%20A%20guide%20to%20small%20foreign%20exporters.pdf>.

Trade Organization<sup>2</sup> or the Fair Trade Federation<sup>3</sup>. Initial requirements for membership in these associations are compliance with their fair trade principles and legal registration in the country (ies) of operation for at least 2 years. Membership in these associations will allow ER into a community of organizations and individuals who support fair trade and will open opportunities for forging new partnerships for the development of their program. It will also give ER legitimacy when partnering with fair trade companies to sell products to customers.

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<sup>2</sup> For additional membership information about WFTO, visit <http://wfto.com/members-and-products/how-join-wfto>.

<sup>3</sup> For additional membership information about the Fair Trade Federation, visit <https://www.fairtrade federation.org/membership-requirements-4/>.

## **Potential Partners<sup>4</sup>**

### *Fundación Junior Achievement Ecuador*

Junior Achievement Ecuador runs a program called Mujeres Emprendadoras. This program provides women who run small enterprises with financial management and business skills in one month of study. JA partners with other organizations' women's programs to conduct four three-hour classes in various locations around the country. JA provides the facilitator, the curriculum—specifically designed for women ages 30 to 50 years old with little education—as well as the necessary materials for the participants to use in class and at home to apply the concepts discussed in the class. JA has also partnered in the past with financial institutions to provide participants of the program with microloans.

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### *CENIT – El Centro de La Niña Trabajadora*

CENIT is an organization devoted to ending child labor in Quito. Team NADENA is a group of women at the organization that make products out of recycled materials including cards, bags, and jewelry. CENIT helps the artisans with supplies, a space to make products, sales of the products, and financial management. The structure of their program is still being designed. CENIT would be an excellent resource for learning about best practices social enterprise and female empowerment.

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### *Sinchi Warmi*

Sinchi Warmi is an association of participation located in the Ecuadorean Amazon. Eleven indigenous women started the association in 2004 to sell their artisanal products. Later, they were given a donation to construct a tourism center, which consists of a hotel, a restaurant, and an aquatics center.

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### *Camari*

Camari is a social enterprise that offers artisans and farmers direct outlets for selling products and fair payment for products. They provide this service to more than 6,500 farmers and artisan families. They offer training, credit, technical assistance, and fair marketing of products. They sell products with SERRV<sup>5</sup>, a fair trade nonprofit online store that offers a platform for multiple organizations to sell artisanal products from around the world, much like BoughtBeautifully.org (listed below).

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<sup>4</sup> Additional material and contact information about organizations in Quito can be found in Annex 4.

<sup>5</sup> When contacted directly, SERRV said they were not interested in going through a new partner process because their partner organizations already have export experience and they have a partner in Viet Nam who already supplies recycled paper products. However, if ER were to partner with one of their existing partners, SERRV may be an accessible platform.

*Maqita Cushunchic Comercializando Como Hermanos (MCCH)*

MCCH is a cooperative marketing organization of groups that works to improve the incomes of families by providing artisans and farmers with alternative routes to sell their products. MCCH also works with Serrv.org to sell their products online.

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*Bought Beautifully*

Bought Beautifully is one of many non-profit companies based in the United States that offers a platform for the sale of fair trade products from vendors around the world. This particular company has a unique “Kingdom impact” criteria that sets it apart from other organizations, meaning that they only accept vendors whose products support the spread of Christian mission and beliefs around the world. To become a vendor on the website, there is an application process and a set of criteria that must be met, including age, working environment, and fair wage requirements. Vendors are responsible for the shipment and distribution of products to the states. Vendors often partner with churches to ensure the products reach the customers.

Contact information:

Emily Betzler

[emily@boughtbeautifully.org](mailto:emily@boughtbeautifully.org)

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*Threads of Hope Textiles*

Threads of Hope is a non-profit foundation that assists artisans in Peru to reach the international market with their products. Their mission is to end poverty for their participating artisans by supporting sales of handmade products. They are a vendor on the Bought Beautifully website. This organization would be a good contact to learn about the Bought Beautifully system and the logistics of getting the products to customers.

Contact information:

Cinde Rawn

Director

Phone(s): 9728097500

[cinde@threadsofhopetextiles.org](mailto:cinde@threadsofhopetextiles.org)

7400 Gurney Dr.

Plano, TX 75024 United States

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## Annex 1

### *Examples of artisanal products made by the women of Extreme Response Ecuador's women's group*

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Products range in price from \$2 to \$30, depending on size and intricacy of design.



## Annex 2

### *Links to online resources*

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African Growth and Opportunity Act (AGOA)

<http://agoa.info/toolkit/exporter-resources/exporter-readiness.html>

This webpage offers a number of resources for international organizations that wish to export to the United States. It includes an export readiness assessment, a guide for small foreign exporters, and a presentation on business planning.

CARE International in Kenya

Small Business Management Skills: A community-based approach *Facilitator's Guide*

<http://edu.care.org/Documents/Small%20Business%20Management%20Skills%20-%20Facilitator%20Guide.pdf>

This link provides a guide to facilitators of Small Business Management Skills training programs. It includes 6 modules: introduction, business management, marketing, costing and pricing, record keeping, and business planning.

United Nations Food and Agriculture Organization (UNFAO)

Simple bookkeeping and business management skills *Facilitator's Guide*

<http://www.infonet-biovision.org/res/res/files/499.SimpleBookkeeping.pdf>

This training document is an excellent resource for designing activities to teach simple accounting practices. The activities are specifically designed for people with limited education. The training plan includes 11 lessons: the importance of bookkeeping, the use of symbols in bookkeeping, income and expenditure, the use of the cash book, profit and loss, how to use the profit, buying and selling on credit, the credit book, costing and pricing, business planning, and business management. It is part of a larger series of training documents published by UNFAO.

## Annex 3

### *Directory of related organizations in Quito, Ecuador*

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**Name of organization:** Documenta (Instituto Europeo de Estudios para la Formación y el Desarrollo)

**Name of project:** Fortalecimiento de la Microempresa Productiva de la Asociación de Mujeres Indígenas Inmigrantes Sumak Allpaa en Quito

**Objective(s):**

Overcoming barriers of triple discrimination: ethnic, cultural, and gender

The objective of this project was to improve the quality of life of a collective of indigenous women, empowering the association to construct a space for economic welfare and social inclusion.

**Activities:**

Production and commercialization of clothing, including traditional clothing of indigenous groups in Ecuador

**Results:**

- The project has fortified self-esteem and dignity of the indigenous women that live in the area, providing them with a stable work space.
- It has consolidated the association, providing it with legal rights to act commercially in the Ecuadorean economy
- It has allowed for the creation of a safe space where the women can work, interact, and commercialize their products.
- It has contributed to the creation of stable employment and a social medium to overcome economic scarcity and lack of training for the women.
- It has facilitated the diversification of productive activities through a microcredit program.

**Link:**

[http://www.documentacooperacion.org/index.php?option=com\\_content&view=article&id=314:fortalecimiento-de-la-microempresa-productiva-de-la-asociacion-de-mujeres-indigenas-inmigrantes-sumak-allpa-quito&catid=141:enlaces&Itemid=227](http://www.documentacooperacion.org/index.php?option=com_content&view=article&id=314:fortalecimiento-de-la-microempresa-productiva-de-la-asociacion-de-mujeres-indigenas-inmigrantes-sumak-allpa-quito&catid=141:enlaces&Itemid=227)

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**Name of organization:** CARE Ecuador

**Name of project:** Más mujeres, mayor autonomía social y económica de mujeres indígenas, afrodescendientes, y mestizas en situación de pobreza y vulnerabilidad

**Objective(s):**

*General objective:* to contribute to the improvement of the quality of life for vulnerable indigenous, afro-descendant, and mestizo women in poverty through training in income-generating activities and inclusive business development

*Specific objective:* to fortify the women's autonomy as heads of the household with agricultural activities in the ecological corridor Cayambe – Otavalo – Ibarra – Valle del Chota in the provinces of Pichincha and Imbabura, with a focus in organization, social inclusion, gender equality, and climate change.

**Financial Support:** Cartier Charitable Foundation

**Timeline:** January 2014 to December 2016

**Budget:** 600.000 Euros

**Enlace:** <http://www.care.org.ec/mas-mujeres-mayor-autonomia-social-y-economica-de-mujeres-indigenas-afrodescendientes-y-mestizas-en-situacion-de-pobreza-y-vulnerabilidad/>

**Contact information:**

Calle El Nacional No. 39-139 y El Telégrafo, sector Batán Bajo.

Quito - Ecuador

Phone numbers:

+593.2.2253615

+593.2.2253611 Office in Quito

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**Name of organization:** Manna Project

**Name of Project:** Small Business Development Program

**Objective(s):** to provide basic professional skills in business development, accounting and money management. Participants have access to resources to develop and implement specific, individualized strategies for success.

**Activities:** The project is a cooperative creates dignified work and a steady income for over 25 women. In addition to economic stability, working with the cooperative provides educational and leadership opportunities.

**Link:** <http://mannaproject.squarespace.com/livelihoods#ecualivelihoods>

**Contact information:**

Manna Project International

PO Box 536144

Orlando, FL 32853

Phone:

615-290-5746

[info@mannaproject.org](mailto:info@mannaproject.org).

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**Name of organization:** Junior Achievement Americas

**Name of project:** Mujeres Emprendedoras

**Objective(s):** to develop entrepreneurial capacities for vulnerable women so that they can take risks and make decisions that benefit them as an individual and the community as a whole.

- To stimulate self-esteem, a feeling of purpose and belonging, and solidarity with other women with the purpose of developing their capacities as entrepreneurs in their communities.
- To incentivize the responsible use of credit as a tool for their business
- To guide the participants through the process of designing and creating their own business and accessing the necessary financial support.
- To help the women generate more resources to support the future of their homes and families.

**Link:** <http://women4development.org/>

**Contact information:**

Luis Salazar  
salazarl@jae.org.ec  
Fundación Junior Achievement Ecuador  
Director Ejecutivo  
De las Higuerillas y Alondras Sector Monteserrín  
Academia Cotopaxi. Centro de Lenguas.  
Quito, Ecuador  
www.jae.org.ec

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**Name of organization:** Cordaid

**Name of project:** Small scale projects for women empowerment

**Objective(s):**

To give support to women to develop themselves socially, culturally and economically in a society where women rights are respected, with a special focus on women groups and the projects are varying from agricultural projects (goat, chicken and fish farms, coffee and honey produce) to small shops and businesses at their homes in textiles, chocolate and jewelry.

**Activities**

Cordaid and Melania support projects in the following fields:

- Awareness and organization
- Management training
- Literacy training and (informal) education
- Crop farming, livestock farming practices sharing
- Improvement and protection of natural environments
- Health and nutrition programming
- Small scale trade processing and other income generating activities

Example: a women's group of 12 in Guayaquil, Ecuador decided to start a small business in chocolates. They already had baking experience and went to a course on how to make chocolates and cakes. With the support of Melania they are able to buy the necessary equipment and can expand their venture. They have agreements with local farmers for raw chocolate and have made contact with small supermarkets and shops for selling their products.

**Link:** <https://www.cordaid.org/en/projects/small-scale-projects-for-women-empowerment/111540/>

**Contact information:**

info@cordaid.nl

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**Name of organization:** CENIT Centro Integral de la Niñez y Adolescencia

**Name of project:** Nadena—"Empowering Women through Art and Recycling"

**Objective(s):** To teach both handicraft and entrepreneurial skills.

**Activities:** 5 workshops to teach skills in design and production of items made with recycled materials

**Link:** <http://www.empoweringwomeninecuador.com/#!/projects/c21kz>

Contact information:

Zach Morris

venta.cenit@gmail.com

Team NADENA

CENIT- El Centro de La Niña Trabajadora

Huacho 150 y Jose Peralta

Barrio El Camal

Quito, Ecuador

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**Name of organization:** Camari

**Objective(s):** to support the improvement of quality of life through commercialization for small producers and to support the financial sustainability of small producers.

**Link:** <http://www.camari.org>

Contact information:

Phone(s): (593-2) 2523-613 / 2549-407 / 2567-112

Marchena OE2-38 y Versailles, Santa Clara, Quito – Ecuador

<http://www.camari.org/index.php/contactenos>

<http://www.serrv.org/product/camari/>

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**Name of organization:** Maquita Cushunchic Comercializando Como Hermanos (MCCH)

**Objective(s):** to work with families and small businesses to sell their agricultural and artisanal products to improve incomes of farmers and artisans.

**Link:** <http://www.fundmcch.com.ec/index.php>

Contact information:

Phone(s): (+593 2) 2670 925 / 926

Av. Rumichaca S26-365 y Moro Moro

(Barrio Turubamba) Quito, Pichincha, Ecuador

<http://www.fundmcch.com.ec>

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