



THREE INSIGHTS

HOW CAN BUSINESS PARTNER TO HELP SMALL RETAILERS THRIVE?

LESSONS FROM LATIN AMERICA

GLOBAL GOALS SUMMIT / RESILIENCE / WEBINAR / 20 SEPT 2022

We would like to thank the following lead discussants and members of the Business Fights Poverty community for their participation:

Dan Cohen, CEO and Founder, **Tienda Pago**; **Catalina Garcia**, Global Director of Corporate Affairs, **AB InBev** and Board Director, **AB InBev Foundation**; **Susana Mendoza Alvarez**, Digital Trade Marketing Manager, **AB InBev**; **Kathy Mignano**, Operations Officer, Gender and Economic Inclusion, **IFC**

Hosted with **AB InBev**

Across the value chains of companies like AB InBev, there is a network of millions of entrepreneurs—from small-scale farmers to neighbourhood shops. These small and medium businesses (SMBs) are critical to the success of these value chains while also generating important livelihood opportunities and services for local communities.

During COVID-19, many SMBs had to quickly adapt and adopt digital payments and other financial technology, or 'fintech'. This session looked at how companies can best support SMBs to maximise the benefits of this shift. Simple tools, training, and using data to improve access to finance were just some of the ways that companies, in partnership with others, are currently exploring.

INSIGHT 1: SMALL BUSINESSES ARE CRITICAL TO VALUE CHAINS AND COMMUNITIES, BUT THEY ARE STRUGGLING

AB InBev works closely with around 6 million customers who sell their beer around the world, 20,000 farmers, and 50,000 suppliers. In the words of **Catalina Garcia**, "if [those small businesses] grow and [are] sustainable, [AB InBev] is sustainable as well". For this reason, AB InBev makes local support for small businesses a key priority of its ESG strategy.

Communities also rely on small businesses. As **Dan Cohen explained, small businesses "serve around 80% to 90% of the population**

that lives nearby", representing opportunities for individual and collective growth. Examples were given of how women-owned SMBs offered opportunities to empower their owners and managers as leaders and agents of change within their communities, including initiatives to improve local security together with the police and local authorities.

However, SMBs currently face a range of challenges threatening both supply chain resilience and community well-being. For example, they often lack financial and digital footprints, bank accounts, or access to and understanding of financial services. This is exacerbated by the mistrust that small business owners often feel towards organised,

There is an old saying: 'it takes a village to raise a child'. And in a way, we're all that village trying to raise this child. So doing it alone doesn't work.

Dan Cohen, CEO and Founder, Tienda Pago

Being in love with problems can actually help us—we will understand that sometimes we need to give up on the idea we had, and that actually allows us to innovate and iterate.

**Susana Mendoza Alvarez, Digital Trade
Marketing Manager, AB InBev**

formal institutions. Women entrepreneurs in particular face further barriers to accessing financial tools and services and have less time to focus on their businesses given the disproportionate amount of time spent on unpaid care and domestic work.

INSIGHT 2: TECHNOLOGY OFFERS GREAT POTENTIAL FOR GROWTH, BRINGING EFFICIENCIES, LEARNING OPPORTUNITIES, AND ACCESS TO FINANCE

COVID-19 has had a mixed effect on SMBs—on the one hand, it has pushed many communities further into poverty, reducing incomes and spending power. On the other hand, it has accelerated new ways of doing business, including the use of digital and online tools. As **Susana Mendoza explained, “sometimes we have to give up on the idea we had, and that allows us to innovate and iterate”**. Fresh thinking is needed to overcome some of the tech challenges communities face. The gender gap in access and use of mobile technology remains stubborn. **As Kathy Migano explained, “even when they do have access to a phone, there is a big gap in the application of that phone for business purposes”**. There is also increasingly an ‘age’ gap whereby younger generations are leaving family-run businesses and taking the technological know-how with them.

To help address these challenges, some companies have started harnessing technology to provide learning opportunities and access to finance. These include tools that can reach many more SMBs, such as online e-commerce training as well as hybrid

tools that can help small businesses sell online as well as in-store. AB InBev cited a Business2Business (B2B) platform, ‘Base’, which allows businesses to connect with their customers on a daily basis and provides them with training to help them transition from paper to digital book-keeping and inventory management. Some companies are also partnering with specialist organisations like Technoserve to help link SMBs with credit services and international markets.

Panellists agreed that fintech solutions designed to help SMBs need to be simple and intuitive to encourage adoption and that there is a need to build trust with businesses to help them see the benefits of tech, not just the cost.

INSIGHT 3: TO SCALE SUPPORT FOR SMALL BUSINESSES, UTILISE EXISTING SUPPLY CHAIN DATA TO IDENTIFY GAPS AND MEASURE PROGRESS

Panellists agreed on the importance of multi-level, multi-sector partnerships to scale up efforts to support small businesses, including banks, retailers, and governments. Such partnerships can increase the effectiveness and scale of a company’s programmes, particularly when a company considers which partners complement what the company offers and who brings the local knowledge that aids scalability. Piloting and evaluation were also considered important. **As Catalina Garcia said, “we start small so that we can test the different initiatives, interventions, and projects; we evaluate, learn, and replicate what’s worked”**.

Useful examples of recent partnerships that can help SMBs included the IDB Lab (the innovation laboratory of the Inter-American Development Bank Group), which specifically brings together relevant stakeholders to support entrepreneurs and link them with companies. Kathy Migano described the benefits that B2B e-commerce platforms can have for fast-moving consumer goods manufacturers that source from small retailers. This includes creating efficiencies and building up a digitised data picture—including how many women are involved in the distribution network, what the size of the business is, and how they are performing.

Overall, the panel was clear that harnessing this sort of data and working with knowledge partners, including Universities, can really help us to understand where the gaps and opportunities are to support SMBs in a digital world.

RESOURCES SHARED:

- **REPORT:** [AB InBev 2021 ESG](#)
- **STRATEGY:** [AB InBev Smart Drinking](#)
- **WEBSITE:** [AB InBev Foundation](#)
- **WEBSITE:** [Tienda Pago](#)
- **WEBSITE:** [IFC Gender](#)
- **WEBSITE:** [Inter-American Development Bank Group innovation laboratory \(IDB Lab\)](#)
- **WEBSITE:** [TechnoServe, Business Solutions to Poverty](#)