



Katharine Pujol's Second Report

Thank you to the Jessica Jennifer Cohen Foundation and Frontier Market Scouts for supporting my opportunity to pursue my interest in impact investing and social enterprise at Alterna in Guatemala. I am excited to announce that I will be joining Alterna as a permanent staff member as the Monitoring & Evaluation Officer. In the coming year I plan to continue supporting Guatemala's entrepreneur ecosystem in a variety of ways and I hope to keep you updated on my future progress.

UPDATE:

All of Alterna's staff and fellows are back in Xela for the New Year! As I mentioned I will be heading up the metrics program for Alterna. Now that I have had direct exposure working with a few entrepreneurs, I feel that I am equipped to develop a metrics methodology that will result in informing decisions made by our entrepreneurs, Alterna, other players in Guatemala's entrepreneur ecosystem, and potential investors. Implementation will require simple and clear surveys, tools to help entrepreneurs select the metrics that most benefit them and their growth strategy, and a fluid system for analyzing and reporting recorded information. There will be an emphasis on monetizing impact, but we will be experimenting with ways to record and convey nonmonetary impact so that it is valued equally to monetized impact. Figuring out how easily recorded outputs can contribute to intended outcomes will be complex, but is essential to growing markets for social entrepreneurs.

We will have 5 new fellows this month from all over the world – from San Francisco to Vietnam to Italy to Canada with backgrounds in the financial industry, marketing, entrepreneurship, and NGOs. The Fellows Program is definitely a highlight of Alterna for me. Most of the fellows have had a couple years working in an industry in all different parts of the world, so it's exciting and refreshing to listen to their perspectives and get their insights on the work that I am producing. While developing and refining the financial tool, my co-worker and I had extensive help from tour of our other co-workers who previously worked in investment banking and auditing. As I developed a communications strategy for another entrepreneur I also was able to work closely with another fellow who had previously worked for a few years for the Canadian Government doing a lot of their communications and social media work. Additionally, I am looking forward to the opportunity to co-working directly with a fellow that I will be managing starting in February. In order to build the M&E program it will be essential to incorporate multiple perspectives. Having a partner to work on this with me will help to bounce ideas off each other and implement them in a more effective and efficient manner.

ACCOMPLISHMENTS:

- Developed, implemented, and refined a comprehensive and customizable production and financial tracking tool.
- Built a customizable pricing tool for Honduran artisan entrepreneurs who sell in international markets and provided training on how to use it.
- Supported launch of a new social enterprise from idea stage to fully operating from conducting external research, co-designing operational systems, and advising on cost-effective production decisions.
- Grew an entrepreneur's sales by 150% over a 5 month period by introducing and helping to implement communication strategies for attracting repeat customers as well as new ones. For the same entrepreneur designed and implemented a basic financial tracking system.

- Piloted a 3 year small loan to an entrepreneur to launch a new production facility that is predicted to double her production. Often business loan interest rates in Guatemala range from 30-36%, so we are trying to understand if providing loans as smaller interest rates is a service we can provide.
- Set up and customized Salesforce as Alterna's internal management system

CHALLENGES/LESSONS LEARNED:

- Convincing entrepreneurs to implement suggestions in a timely matter without having supportive data illustrating problems suggestions help solve and their potential outcomes.
- Lack of available information describing the current state of our entrepreneurs' markets.
- Insufficient internal tracking financial and operating performance systems in place. Most entrepreneurs tracked their performance in books or in confusing word and excel files prior to our engagement.
- Technical knowledge of how to use Excel and other basic technology systems is sometimes limited.
- Guatemalans have a different sense of time – often it takes many follow up emails and calls to get them to confirm meetings and to receive updates on statuses and feedback on projects. There isn't much urgency in delivering results, so I have learned that it takes patience, finding ways to inspire them to achieve the intended set impact, and placing more emphasis on developing a relationship based on trust
- Flexibility is essential to facing challenges in a developing country. Actively listening to entrepreneurs is essential to flexibility – often you have to trust the entrepreneur that they know their markets best. In facing challenges you have to make sure that tools implemented and advice given builds off their knowledge base and their resources. Often you will realize that by being flexible and adaptable to entrepreneurs end up teaching you more than you teach them
- Working bilingually is challenging especially when conveying advice. There are colloquial nuances that are essential to learning to develop and manage client relationships. One way I have also been able to grow my client relationships is having them help me expand my Spanish business vocabulary.

Alterna is now starting to pick up momentum. In the past four years we have served over 100 entrepreneurs. In the coming year we are looking to serve 300+. Soon I will be able to report the direct impact we have had on Guatemala's communities once our metrics system is in place. There is tremendous potential for Alterna to be a game changer in growing rural Guatemala's social entrepreneur ecosystem. I am very grateful to be taking part in this movement and I am excited for what the future of Alterna has in store.