

EMPORIO LIDIA: A CASE STUDY OF AN INNOVATIVE BUSINESS IDEA FOR WOMEN IN CIUDAD DELGADO, EL SALVADOR

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INTRODUCTION

The research study on Innovative Approaches to Community Development in Ciudad Delgado, El Salvador was funded and led by the Conflict and Development Foundation (CDF) in collaboration with Shelter the Homeless International (SHIP). The overall objective of this program was to identify innovative development initiatives that are promoting peace and stability in communities coping with post-conflict challenges. The particular focus of this case study was to identify a program that is promoting income generation and entrepreneurship opportunities for women in a small community as a way to help reduce poverty and food security issues.

This program focused on the identification of an innovative approach to entrepreneurship development specifically related to women and rural livelihoods in the small community of El Pino in Ciudad Delgado, El Salvador. This initiative is part of the HESN Match Project supported by the Howard G. Buffett Foundation and conducted by the Center on Conflict and Development (ConDev) at Texas A&M University. The HESN Match Project promotes focused research on conflict in El Salvador, a priority country that from 1979-1992 suffered one of the most intense civil wars in contemporary Latin American history. This research project supported an individual researcher, Jana Stohler, conducting an internship program in Ciudad Delgado from May-July, 2014. Besides completed two case studies on innovative approaches to development, the researcher also collected data on drivers of conflict in the community, to better understand the conflict dynamics.

BACKGROUND AND CONTEXT

You are a single woman in a male-dominated society. You are the sole provider for your family. There are no jobs for women –or men, for that matter– and certainly no jobs that will allow you the flexibility to care for your family and earn a living. What do you do? This is the problem that Shelter the Homeless International Projects (SHIP) sought to solve in July 2013 when it began the SonRisa Program (recently re-named Emporio Lidia Program) at its facility in the El Pino neighborhood of Ciudad Delgado, El Salvador.

SHIP's work has focused on El Salvador for 10 years. Its primary focus in 2004 was to construct a facility for an orphanage located in nearby Soyapango, El Salvador. However, after the construction was complete in 2011 and SHIP thought their work was done, they realized that there was a segment of society that been overlooked or ignored, and that was the little neighborhood of El Pino, where poverty takes on a whole new definition.

The question was how to bring opportunity that allows single mothers in the community to provide for their families.

The Birth of a Business Opportunity for Unemployed Mothers

SHIP has a resale business, The SHIP Shop, in Bryan, Texas, that collects donations of new and gently-used clothing. Local businesses that make screen-printed t-shirts sometimes have errors, making those shirts unsellable locally. These businesses bring in boxes of these new shirts on a regular basis and donate them with one stipulation: They cannot be sold in the United States. SHIP began sending shipping containers loaded with these t-shirts, gently-used clothing, shoes, handbags, and other accessories to their facility in El Salvador.

In July 2013, the SonRisa Program began with a sales force of six women, and a manager was hired to oversee the operation. SHIP hoped to have 60 sales women within a year. In only 10 months, that number surpassed 100.

The program focuses on women in El Pino and in the surrounding community. Those who want to join the program and become sales representatives come to the Emporio Lidia shop on designated days and first complete an application form and go through an interview process with manager Raquel Moreno. When accepted into the program, a photo is taken of the new sales representative, and Raquel sends the photo along with the person's name and an assigned sales number to SHIP's administrative office in Texas, where an ID

badge is created. The new sales representative receives her photo ID badge and assigned ID number on her next visit to Emporio Lidia.

On her first visit, a woman is given 10 free t-shirts to start her business. She takes the t-shirts into the community and sells them for whatever price she can get, usually \$2 to \$3 each. Usually, women that approach the SHIP facility are in dire financial need, so those first 10 shirts can help them begin providing for her family. After the first 10 shirts are sold, women return to Emporio Lidia shop and are given 10 additional t-shirts. After the initial 20 free shirts, a woman can return to the Emporio Lidia shop to buy additional clothing at reasonable prices (\$1 for t-shirts, \$3 for jeans, and \$3 for shoes, for example) to sell and make a profit.

The Business Model

The project is run as a business, with procedures for conducting business:

- Women sales representatives are required to have their badges with them at every visit to the Emporio Lidia shop in order to purchase clothes.
- They must provide their ID number to obtain a receipt for the items purchased.
- After each visit, they sign next to their names on a spreadsheet and are provided an appointment time for their next visit.
- Appointments are scheduled on a rotating basis to provide a sense of fairness in the purchasing process and give them all an equal opportunity to select from the new products offered on each shopping day.
- Weekly appointments are scheduled at either 1:00, 2:00, or 3:00 pm on Wednesday or Friday, when the store is open to make purchases. For example, if her appointment is at 1:00 this week, the sales representative will come back at 2:00 next week, and then at 3:00 the week after that. If they are not at the gate when it is opened at 1:00, 2:00, or 3:00, they miss their opportunity to shop that day.
- Each woman comes only on Wednesday or Friday when the store is open for business; she must ask permission to come two days in one week.
- Approximately 10 women come through each hour; some buy a little, others buy more.
- If no women show up for their appointed time, Raquel uses that time to organize and replace merchandise for the next group.
- Each woman is given a receipt for her purchases, and a copy is kept by SHIP's store manager. If a woman wants to return an item, she must have her original receipt.
- New items to choose from are available each Wednesday and Friday. Stock is also replenished every hour to allow all women access to new items.
- The women can purchase from a wide variety of items – clothing of all types for all ages, toys, belts, bags, jackets, and shoes.
- Women have an option to put things on "layaway." They must return within 2 weeks to purchase the items, or the items go back out on the shelf for purchase.
- The women have the option to return items, if they are broken or torn, for credit on new purchases.
- At the end of each business day, the Manager totals the amount of the purchases and the number of items sold, which she forwards to SHIP's administrative office in Texas.
- At the end of the month, all receipts are gathered, and the Manager totals the month's sales and number of items sold.

OBSERVATIONS:

SHIP has been pleased with the progress of the new Emporio Lidia Program. It has exceeded expectations in many ways. It is bringing opportunity and hope to women who had neither.

Strengths of the program are:

- Each woman is put on a rotation basis, which allows her full access to new merchandise and fairness for all of the women.
- Each bag is checked for any extra items to ensure no one is taking anything prior to exiting the store.
- The Manager has each woman sign a spreadsheet prior to leaving and makes an appointment with her for the following week.
- Approximately 60% of the women who sign up to sell clothing return to purchase additional clothing to sell.
- The Manager spends time with each woman in prayer (since SHIP is a faith-based organization) and discusses challenges or concerns that need to be addressed prior to the woman entering the area to choose clothing to purchase.

- A half-price table is set up with clothing that has been there for a while or has been returned.
- Stock is replenished throughout the afternoon for the ladies to have access to new products during each shopping hour.
- All new clothing shipments are sorted and placed on an evenly distributed rotation.
- Some of the women have young children who are not in school and bring them when they come to shop. Therefore, all the toys are hung around a bar with string to keep children from wandering off with them.
- All women are given a list of the prices and are required to pay the full price listed for the items.
- All items are inspected for problems prior to being stocked.
- Prior to working for SHIP, the Manager sold clothes in the market. This experience has given her insight to share with the women who are now selling and growing their sales businesses.
- This shop has grown from a small store with limited items to sell to a larger store providing work to more than 100 women. Two women now consistently work at the shop on Wednesdays and Fridays, and two young men help with organizing the clothing to be sold.
- Items are restocked after the shop closes on Wednesday and Friday.
- From 4:00 to 6:00 on Wednesday and Friday, old items are taken to the storage room, and new items are brought in for the next sales day.

Weaknesses of the program:

- Some of the women overstay their allotted hour and run into the next hour, and some come early and are being let in early to shop. For example, if no one from the 2:00 group shows up, the 3:00 group comes in early and is allowed to look around prior to their appointment time. This problem is being corrected, and now the women are only being allowed in at their appointed time.
- Each woman is given a number as they arrive so they can check out in the same order. It allows the Manager to keep track of how long each woman stays in the store looking at things.
- The Manager is unsure of how many of the women are using this opportunity to sell the clothing for a profit. Some women may use the free shirts and reduced prices to provide for their families and friends.

CONCLUSION

SHIP recognized the importance of encouraging community initiatives and entrepreneurship in the development and growth of local economies. SHIP created the Emporio Lidia Program to facilitate income for women in the community that had extremely limited opportunities to work and care for their children.

SHIP's innovative Emporio Lidia Program consists of:

- Provision of a business opportunity for women living within a fragile community in which employment opportunities for women with children are extremely limited.
- Provision of business skills and sales opportunities.
- Motivation, individual attention, and mentorship.

FOLLOW-UP:

CDF/ConDev and SHIP are exploring ideas for submitting an ITA Concept Note. There is great need for innovative technologies to assist with business operations at Emporio Lidia, such as the use of barcode scanners for inventory purposes, computer software programs or apps to expedite receipts and returns. In addition, SHIP wants to initiate training programs for the women who are working at Emporio Lidia, including distance-education programs via Skype. Topics will include business development, financial management, and motivational topics. Special visual techniques must be explored since literacy is an issue in that community.