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Women driven entrepreneurship

The case of SABI PLUS in El Salvador and OUNI in Luxembourg

As part of its vision, the Luxembourg Microfinance and Development Fund aims to stimulate entrepreneurship, with a particular focus on the most excluded. LMDF is by no means the only institution with such an aim. Across the globe, we are seeing a real interest in entrepreneurship and startups, be it the wish to encourage the Fintech industry in Luxembourg or the campaigns that many nations are running to attract entrepreneurial talent to their shores.

At LMDF, we are particularly interested in social entrepreneurs, those who not only aim to start a successful business, but hope also to contribute to social development through doing so. To explore the issues surrounding social entrepreneurship, LMDF has spoken to two groups of female entrepreneurs, SABI PLUS in El Salvador, who work with AMC, an MFI supported by LMDF, and OUNI in Luxembourg. Although the two businesses come from very different contexts, the groups of social entrepreneurs face similar challenges.

Female Social Entrepreneurs

Following a course on producing personal care products from natural herbs, twelve women from Morazán in El Salvador became interested in starting a business. They therefore decided to launch SABI PLUS, also known as 'Women in harmony with nature', in 2013. However, it soon became clear that the women needed to know much more than the basics of creating products. They had to have a sales


strategy, a business plan and resolutions to all sorts of logistical problems, from finding a suitable location to sourcing bottles, labels and machinery. The organisation they had initially worked with was not able to help them. Faced with these challenges, only 5 of the women decided to go ahead with the project.

On the other side of the world, in Luxembourg City, a cooperative called OUNI (Organic Unpackaged Natural Ingredients) started to take shape in 2015. The founders had met via a social network. One of the founders, Patricia, had posted "I am fed up of all this plastic; Who wants to open a packaging-free shop?" Six women picked up on this frustration and the initial simple message was translated into OUNI, a company aiming to open the first packaging-free supermarket in the country, offering organic and regional products.

Financing issues

Back in Central America, the dedicated group of women had a hard first year in business. Initially they had no support and could not find an organisation that would provide a loan. This meant that each member had to use part of their family income to purchase material and equipment, but family incomes were minimal and it was a real challenge to meet the expenses and stay solvent. The women realised that they could not continue like this.

Fortunately, AMC - a microfinance institution (MFI) with which LMDF works, paid them a visit, and seeing the business' potential and the women's



passion, suggested that they participate in a programme designed for female entrepreneurs.

The women at OUNI are showing similar determination when it comes to collecting funding. Following positive feedback from the Luxembourg community, OUNI has taken an unconventional route to financing. Instead of seeking credit, they are selling shares to be member of the cooperative that they have founded. In just three months, they have raised EUR 160,000 from over 400 shareholders and they are still seeking a further EUR 20,000 which will enable them to hire a location and buy all the necessary equipment.

Skills, skills, skills

Both groups started out with a lack of business skills, but have now received training. In El Salvador, this came from AMC which provided courses in topics from business innovation through to product costs and customer services. The women have also participated in further workshops to learn how to create natural cleaning products to diversify the product line.

In Luxembourg, the women from OUNI were part of the start-up program 1, 2, 3, Go Social which provided accountancy training and support in writing business plans. They also received help from a coach, the Luxembourg Chamber of Commerce and even from other packaging-free shops. All in all, the team found that setting up a business in Luxembourg was a relatively smooth process. One of the founders had previously lived in Guatemala and really felt for the entrepreneurs in El Salvador- in her experience working there was “like looking for information in a jungle”.

Remaining challenges

SABI PLUS has now been legally constituted on the other side of the world, but challenges still remain. One of the main ones is accounting and billing, something the women are not used to doing. Nonetheless they are confident that, with the support of AMC, they will be able to resolve these issues and they even hope in future to expand beyond the territories of Morazán. Interestingly the OUNI team also states that accounting will be one of the challenges when opening their shop. Coordination of work shifts and the hunt for the right location and equipment are also top of their to-do-list. There are other common difficulties for the two nascent businesses. Time management and scheduling around a family is never easy, but both teams note that a perk of having an all-women group is the ease of distributing tasks without neglecting each other’s family duties.

Both groups managed to set up their business with the help of people who were convinced that their business could succeed and who supported them with their business development. The process of setting up a social business in any corner of the world, of caring about the environment and spreading social awareness, is similar, as shown by the shared challenges the entrepreneurs face. The two groups are positive about the experience- Anne one of OUNI’s founders encourages others to try it out too: “Believe in your idea and go for it”.

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The women's group SABI PLUS created in 2013 is also known as "women in harmony with nature" // AMC El Salvador



The Luxembourgish cooperative OUNI, Organic Unpackaged Natural Ingredients // OUNI