



Achieving Social & Business Impacts Through Gender-Smart Strategies: A Case for SMEs, Investors, and Donors

September 2021



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1. Introduction

This report presents the preliminary results and learnings from an 18-month initiative implemented by AlphaMundi Foundation (AlphaMundi), Value for Women (VfW), and nine small and medium enterprises (SMEs) in AlphaMundi's portfolio to **pilot gender-smart strategies – strategies designed to both address gender disparities and improve business performance.**

This initiative and report were funded by USAID's Gender Equality and Women's Empowerment (GenDev) Hub through INVEST, a buy-in mechanism implemented by DAI, to mobilize private capital for women's entrepreneurship and economic empowerment. The INVEST initiative is testing the hypothesis that investing for gender balance and equity increases profits and returns on investment, as well as improving development outcomes. Longer term, INVEST seeks to offer insights, data, and lessons learned that encourage investors and asset managers to more widely adopt gender-smart approaches.

In this report, we are pleased to present the **topline preliminary results at the close of the main project period in August 2021.** Specifically, we zero in on the experiences, early results, and learnings of gender-smart activities, and **offer SMEs, impact investors, and donors concrete examples and proof of the business and social benefits of embedding gender into business models.**

Initial findings point to positive and exciting results, with additional impacts expected as the SMEs further advance activities in the coming months, companies complete at least one business cycle, and we receive financial reporting data. We will continue to collect and analyze impact data through the end of 2021.

Snapshot of Key Impacts

1. Increased market size and client retention

Businesses achieved an increase in women suppliers and customers as a result of gender-smart market research and recruitment.

2. Improved diversity and employee satisfaction

Businesses saw increases in satisfaction after the introduction of new gender-smart HR policies and practices.

3. New gender lens funding opportunities

Businesses accessed additional funding from gender lens investors to support women employees and customers.

2. Aims, Objectives, and Rationale

Momentum for gender lens investing (GLI) is growing, and more and more investors are aligning their processes and investing theses with gender criteria. This is evidenced in part by the increased capital moving with a gender lens, as tracked by Project Sage 3.0ⁱ.

With the GLI field still nascent, innovations and insights are emerging at lightning speed with new ideas and approaches being tested, iterated, and shared. As the definition and understanding of gender lens investing expand,ⁱⁱ **many practitioners are**

wondering how to go beyond “counting women”, how to avoid “pink-washing”, and how to best apply gender lens investing and achieve double and triple-bottom lines.



Twiga Foods distribution center

While GLI often focuses on providing capital to women-led businesses, there are multiple other opportunities to incorporate inclusive practices across business operations and internally with the workforce. These opportunities, including gender technical assistance (TA), are yet to be widely adopted across the impact investing field. **Gender TA helps SMEs, whatever their starting points, to create intentional strategies and take actions toward the improvement of the lives of women and/or girls and promote gender equality.** These strategies can target SMEs’ customers, workforce, suppliers, and other key women stakeholders.

AlphaMundi and VfW partnered under the INVEST initiative to respond to this opportunity and, specifically, to help embed gender practices across SMEs’ business operations -- regardless of the leadership, ownership, or product offered -- to improve social and financial returns and support women’s advancement at all levels of the SMEs. We brought together our respective expertise as an impact investor and gender advisory firm, respectively, to develop and pilot gender-smart strategies aligned with business priorities, thereby ensuring that gender work would be compelling to company leadership in the long run. Beyond benefiting these particular SMEs and women stakeholders, through this initiative we aspired to also build the evidence case for supporting SMEs with gender TA.

This approach is still new and evolving. Donor support, like that from INVEST, is critical for this work, subsidizing the cost and risks of testing promising innovations.

3. Stakeholders

Implementing Partners

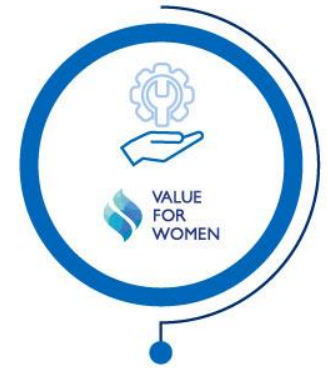


USAID is the donor and provided funding for this program via **INVEST**, an initiative that mobilizes private capital for better, more sustainable development results. With **USAID's GenDev Hub**, INVEST is working with leading partners to advance blended finance for women's economic empowerment.



AlphaMundi Foundation (AMF) is the sister nonprofit organization to **AlphaMundi Group (AMG)**, and the primary recipient from and liaison with INVEST. AMF and AMG participated in the screening and selection of investment ready companies from AMG's portfolio of investees. AMF collaborated with and supported the companies and VfW in executing their gender-smart strategies.

AMG is an impact investment firm. AlphaMundi Foundation was established in 2016, and supports social entrepreneurs with technical assistance, business first gender-smart interventions, and impact measurement.



Value for Women (VfW) is a specialized advisory firm helping organizations advance gender inclusion. VfW provided technical assistance to companies, leading the development and implementation of an assessment and diagnostic process, and customized recommendations and support to apply a gender lens to business challenges.

The nine SMEs that participated in this initiative to pilot gender-smart strategies included both **business-to-consumer (B2C) and business-to-business (B2B) companies, ranging from microfinance institutions (MFIs) and financial technology (fintech) companies to agro-processors**, all located in Latin America or Africa. These SMEs are included in the map below and introduced in the text that follows.

Participating Businesses



Apollo Agriculture is a technology company in Kenya that uses machine learning and automated operations technology to help small-scale farmers access resources to maximize their profitability.

Fundación Espoir is an Ecuadorian microfinance institution that provides financing, along with health and education services, to low-income micro-entrepreneurs, most of whom are women.

INSOTEC is an Ecuadorian microfinance institution that provides individual loans, micro-insurance, and technical assistance to micro-entrepreneurs and smallholder farmers.

Kentaste (Coconut Holdings Ltd.) is a coconut processor in Kenya that produces coconut oil, coconut flour, coconut milk and cream, and sells these products in the region and internationally.

Phoenix Foods is a leading Peruvian agro-industrial company that sources and commercializes fruits, vegetables, and other value-added foods.

Sempli is an online lending platform that serves small and medium sized businesses in Colombia with loans between USD 10K-100K, and has as its mission to support the underserved small business sector.

Tienda Pago is a regional financial technology company that provides short-term, renewable lines of credit to micro/small retailers in Peru and Mexico, connecting them to fast-moving consumer goods.

Twiga Foods is a B2B e-commerce company that sources quality fresh and processed foods from farmers and food manufacturers, and delivers to over 10,000 distinct small retailers daily.

Villa Andina is a Peruvian agro-industrial company that sells healthy, organic food products, and promotes environmental sustainability and economic development of farming communities.

4. Methodology

VfW supported the selected SMEs over an 18-month period. We began by carrying out a Gender Assessment that identified each business’s gender gaps and opportunities aligned with its business model. From there, we worked with each SME to design, implement, and measure the results of a set of highly tailored strategies with intended business and social impacts.

This gender-smart methodology draws on VfW’s accumulated experience providing technical assistance to SMEs and leverages sector learnings. Developed and honed by VfW since 2012, an earlier version of the methodology was first formally piloted in a collaboration with the Shell Foundation in 2017.ⁱⁱⁱ Since then, VfW has scaled this approach with 20+ other impact investors. For this initiative, the methodology also incorporated innovative components including: deployment of an Employee Satisfaction & Organizational Culture Survey as part of the Gender Assessment, the creation of brand-new gender strategies and supporting guidance, and more streamlined and user-friendly tools to support implementation and results monitoring.



Kentaste, a Kenyan coconut processing company and one of the nine participating SMEs

Below we describe the nine stages of the process deployed with the participating SMEs.

Methodology

The engagement included nine distinct stages completed over an 18-month period.

- 01**  **Partner Selection**
VfW and AlphaMundi: a) developed criteria (i.e., bandwidth, interest, good financial standing) for identification and selection of a shortlist of AlphaMundi investees to participate in the initiative; and b) met with business' senior leadership to discuss participation benefits and the time and resources required.
- 02**  **Gender Assessment**
This comprised three elements to identify business challenges and opportunities for applying the gender-smart approach: **1)** VfW's proprietary Gender and Business survey; **2)** key informant interviews with CEOs and representatives across business areas; and **3)** VfW's Employee Satisfaction and Organizational Culture survey.
- 03**  **Menu of Options**
Drawing on Gender Assessment results, VfW developed a list of gender-smart strategies for the business to select from, including both internal human resources strategies and external strategies focused on customers and suppliers.
- 04**  **Strategy Prioritization**
VfW facilitated a discussion with CEOs and representatives from different business areas to help each business understand and rank strategies, and to ensure that the shortlist of strategies aligned with business priorities and resources.
- 05**  **Strategy Selection**
Businesses chose the strategies to pursue under this initiative, and with VfW's support, developed detailed implementation plans. Strategies included quick wins (i.e., in human resources), as well as multi-step strategies that kicked off with market research to identify specific actions for increasing engagement with women customers and/or suppliers.
- 06**  **Piloting of Strategies**
Businesses implemented multiple strategies, straddling both human resources and business areas such as client outreach, marketing, and sales. VfW supported implementation by developing tools, guidance, and gender-smart adjustments to products and services based on the market research results (for during and after this initiative).
- 07**  **Monitoring and Measurement of Results**
Businesses tracked progress throughout implementation, reporting on a set of quantitative and qualitative metrics co-designed by businesses and VfW.
- 08**  **Analysis and Recommendations**
At initiative close, businesses consolidated their metrics and shared these alongside their learnings and insights. Businesses also incorporated key takeaways into internal and external-facing reports for wider distribution to the gender lens investing ecosystem.
- 09**  **Sustainability Planning**
VfW supported businesses to develop sustainability plans that detail how businesses will continue implementation beyond this initiative and embed new activities into their ongoing business operations.

Table 1 below presents the business areas in which SMEs applied a gender lens. Further details about the activities corresponding to each of these categories can be found in **Appendix I**. Additionally, **Appendix II** includes a comprehensive list of the gender-smart activities that each SME pursued.

Table 1:

Business areas in which SMEs applied a gender lens under INVEST project					
COMPANY	Market Research & Portfolio Analysis	Marketing & Communications	Supply Chain	Products & Services	Human Resources
	✓			✓	
	✓			✓	✓
	✓			✓	✓
	✓		✓		✓
					✓
	✓	✓		✓	
	✓	✓			✓
	✓	✓	✓	✓	✓
					✓

5. Outputs and Impacts

Outputs

This initiative was far-reaching, exceeding the target number of participating SMEs, and resulting in an impressive number of gender-smart activities, new policies and practices.

Key outputs of this initiative include:

- **9 businesses supported**^{iv}
- **110 SME staff trained**^v, through 7 trainings covering 3 topics (Gender-inclusive data collection, How to use the Gender Inclusion Checklist, and Gender-inclusive recruitment)
- **Internal (Human Resources):**
 - **7 new HR policies and guides with a gender lens created by Vfw** and implemented by 5 businesses^{vi}
 - **9 existing HR policies and guides improved by Vfw** to embed a gender lens and implemented by 6 businesses^{vii}
- **External (Customers and Suppliers):**
 - **13 gender-smart activities implemented** by 7 businesses
 - **15 gender-smart activities in progress or included in Sustainability Plans** for 7 businesses^{viii}

Business and Social Impacts

The gender-smart pilots resulted in the following preliminary business and social impacts for the SMEs, as of the close of the main project period in August 2021. Additional impacts are expected and will be tracked as the SMEs further advance activities in the coming months.^{ix}

1. Marketing and outreach to women customers and suppliers boosted market size and client retention for three SMEs, increasing bottom lines.

- Kenyan coconut processor Kentaste saw an almost **3x increase in the number of women suppliers** as a result of targeted recruitment and registration of women suppliers.
- Ecuadorian MFI Espoir saw that **in the first month, 297 women clients** who had never accessed its digital non-financial services **completed e-platform courses**, as a result of market research with women and subsequent actions; today, these women make up 47% of the MFI's e-platform users.
- Kenyan food marketplace platform Twiga Foods **doubled the number of vendors taking loans** in two months, following targeted efforts to improve outreach to women, increasing their vendor base among those that had previously lacked access to finance.

2. Gender inclusive HR interventions improved gender diversity and employee satisfaction for three SMEs, promoting recruitment and retention of top talent.

- Peruvian agricultural processor Villa Andina **increased women applicants by 20% and women hired by 23%** after the company applied a gender lens to recruitment.
- Kenyan food marketplace platform Twiga Foods saw **employees' overall satisfaction with the company increase by 20+ points** after the company incorporated gender into its Code of Conduct and adopted a Return-to-Work (post-maternity leave) policy.
- Mexican and Peruvian fintech Tienda Pago saw **women employees' perception of career advancement opportunities increase by 33%** after the company improved career development opportunities.

3. Becoming more gender-inclusive unlocked new funding opportunities from gender lens donors and investors for two SMEs.

- Ecuadorian MFI Espoir secured **USD 3M** for their new financial product for women.
- Kenyan coconut processing firm Kentaste secured additional grant funding from another impact investor for further gender actions.

Below we provide further detail on each of the impact findings.

1. Marketing and outreach to women customers and suppliers boosted market size and client retention for Kentaste, Espoir and Twiga Foods, increasing bottom lines.

Kenyan coconut processing firm saw an almost 3x increase in the number of women suppliers as a result of targeted recruitment and registration

Kentaste is a coconut processor in Kenya that produces a number of coconut-derived products, including: coconut oil, flour, milk, and cream. These products are sold in 300 grocery stores across the region and exported internationally. The initial Gender Assessment and market research **revealed opportunities for Kentaste to boost the reliability, quality, and sustainability of its supply by increasing engagement with women coconut suppliers.**

Specifically, findings revealed how Kentaste's existing incentive structures, processes and services were unintentionally a) biased against women farmers and b) not reaching women suppliers equitably, due to a lack of intentionality and focus on gender inclusion. In response, Kentaste decided to focus on strategies to increase the number of women suppliers from its baseline of 21% to a target of 30%. These strategies consisted of **deliberate identification of, outreach to, and communications and training with women farmers** in the face of social norms that had initially limited the company's visibility of these women farmers.

Over a single month, **these actions increased by 2.7x the number of women coconut farmers** recruited by Kentaste (38 women in June, 104 in July), bringing their endline percentage of women suppliers to 24.5%, demonstrating solid progress towards their 30% target. Furthermore, Kentaste **anticipates that business productivity will improve** as a result of women's participation in farmer training, resulting in improvements in farming practices and yields.

“This work has provided us with a reason and resources, and the Value for Women team helped us to realize the return on investment, both commercial and social, that comes from this effort.”

–Kentaste Management

In one month, 297 women clients of an Ecuadorian MFI accessed the firm's digital non-financial services for the first time

Fundación Espoir is an Ecuadorian MFI that provides services to over 45,000 low-income micro-entrepreneurs — 73% of them women — combined with health and education services. It is one of the leading MFIs in Ecuador and specializes in communal banking. **During the early months of COVID-19, Espoir experienced customer attrition and was unable to recruit new customers.** In response, the business decided to focus their gender work on customer retention strategies.

A key element of Espoir's value proposition to its women customers has always been its non-financial service offerings, particularly education. These education offerings are highly valued by women customers and are important for cementing customer loyalty and potentially growing the business's market share of women. Due to COVID-19, Espoir was forced to significantly alter its offering — and shift from in-person to virtual delivery. Espoir feared this shift would make the content inaccessible for women borrowers, particularly rural women group borrowers who were thought to have limited access to technology.

To Espoir's excitement, market research carried out with VfW's support investigating women customers' preferences revealed that Espoir's assumptions were wrong. The findings showed that **Espoir's women customers, including rural group borrowers, were more digitally savvy and connected to technology than Espoir had known.** In addition, these women customers were interested in receiving business and finance-focused content via digital channels.

In light of these findings, **Espoir adjusted its approach to actively connect women to e-learning opportunities.** When Espoir launched its new e-learning platform, the MFI made it available not only to individual credit customers (as they had initially intended), but to Espoir's entire credit base, including rural group borrowers, who are mostly women.^x Initial data indicates success of the platform: **within the first month, 297 women group borrowers completed courses on the platform.** Today, women group borrowers represent 47% of all platform users, **indicating a significant value-add and opportunity to improve customer satisfaction and loyalty.**



“The finance and business content [on the e-learning platform] can help our clients to better manage their businesses. This positively impacts our portfolio performance.”

–Espoir Management

Number of vendors taking loans grew by more than 2x following targeted efforts to improve outreach to women

Founded in 2014, Twiga is a B2B e-commerce company that focuses on food and grocery in informal retail. Twiga currently employs 1,000 people committed to sourcing quality fresh and processed foods from approximately 200 farmers and 70 food manufacturers and delivers to over 10,000 distinct small retailers daily, with about 100,000 registered vendors on their platform to date. Twiga aims to ensure sustainable, equitable, and stable prices on food and other essential commodities.

Twiga’s business model is based on payment on delivery with 60% of registered vendors being women. Due to the various challenges that customers are experiencing, especially concerning accessing working capital, Twiga launched a formal loan product called SokoLoan in 2020 to provide informal vendors with financial support. The need for this product is significantly larger for women. Further to, and with the support of VfW, Twiga carried out market research to document, among other things, vendors’ service needs, preferences, and access to finance. Through a market research study, Twiga collected valuable information about the various services and needs of its vendor base. The research indicated an **opportunity to ramp up communication and promotion of SokoLoan in order to attract new vendors**, and support existing ones to invest in and grow their businesses.

As a result, **Twiga improved the way it promotes and communicates SokoLoan to attract new business.** Based on the results of the Gender assessment findings, Twiga employed targeted efforts to improve outreach to women. This activity was carried out over a period of two months and the results indicate that Twiga **grew the number of vendors taking loans by 2X**. Overall, Twiga **increased its total loan portfolio from 363 to 746 vendors over the course of the two months**.

Another outcome from VfW’s support was **Twiga’s recognition of the need to systematically sex-disaggregate their database.** This would enable them to better understand the gender breakdown of SokoLoan users, study usage and preference differences across market segments, and tailor

communications, promotions, and services to each segment. Twiga is now in the first phases of systematizing sex-disaggregated data collection and analysis.

2. Gender inclusive HR interventions improved gender diversity and employee satisfaction for women and men alike

A wealth of evidence finds that **businesses with higher representation of women in their leadership and workforce outperform those with lesser gender diversity,**^{xi} and also have higher levels of customer service and loyalty.^{xii} Companies with inclusive and transparent HR policies and systems tend to **attract more and better talent, have improved retention rates, and reduced absenteeism and turnover,**^{xiii} all critical to business profitability and efficiency given that replacing a staff member can cost approximately 85% of their annual salary.^{xiv} **Gender inclusive workplaces can also improve market access** and share by attracting high-value, international buyers looking to improve gender diversity in their supply chains, as well as attract investors applying a gender lens to their decisions.^{xv} Also, corporate Diversity & Inclusion programs have been found to positively impact customer satisfaction and help improve the company's brand image.^{xvi}

The introductions to this data at the outset of the initiative, coupled with recommendations from the Gender Assessment, set the stage for most of the businesses to pilot gender-smart activities focused on HR. Indeed, the SMEs were keen to embed gender approaches into their talent management policies and processes. Below we highlight the promising early results from these activities:

Women job applicants increased by 20% and women hired by 23% after a gender lens was applied to recruitment practices

Villa Andina is a Peruvian B2B agro-industrial company that produces and commercializes healthy organic food products, while promoting environmental sustainability and economic development of farming communities. Villa Andina sources from more than 1,100 small and medium producers and provides TA, training, and financial support to these producers.

Villa Andina faced **challenges attracting female talent to leadership positions and several of the departments that had historically been staffed by men** (for instance, logistics and occupational safety departments). Recognizing the links between gender diversity and business performance, as well as to bolster Villa Andina's reputation as a gender inclusive employer and therefore attract top talent, the agribusiness sought to increase representation of women. With guidance from Vfw, Villa Andina **piloted changes to its recruitment policy and processes to achieve greater diversity across the business.** These adjustments included, for instance, removing male pronouns from job descriptions, including details about benefits, flexibility, and workplace perks, and standardizing job interview questions to reduce the risk of bias.^{xvii}

Within two months of piloting the new inclusive recruitment practices, **the number of women applicants for vacant roles increased by 20% and the number of women newly hired increased by 23%.** Villa Andina is pleased with these results, and attributes the improvements to the changes the business piloted with Vfw.

“To include workers of both sexes shows that we are an inclusive business. It's an opportunity for us. Diversity of opinion helps the business.”

–Villa Andina Management

Survey on Employee Satisfaction & Organizational Culture Offers New Insights That Can Increase Leadership Awareness of and Commitment to Gender Equity Within the Company

As part of the Gender Assessment, Vfw supported SMEs in applying its Employee Satisfaction & Organizational Culture survey. This survey was distinct from standard employee surveys because it **included questions on employees’ perceptions of the business’s culture and values**, and because the analysis not only aggregated responses but also **separated women’s and men’s responses**.

From the results, businesses learned, for example, how employees graded the company’s commitment to gender equality, openness to flexible work arrangements (i.e., for parents), and career advancement opportunities — and how these responses differed for women and men.

For most businesses, this was the **first time they received data that highlighted differences between women and men employees**. Gaps and disparities identified by the survey inspired several SMEs to improve HR policies and practices.

Employees’ overall satisfaction increased by 20+ points after the company adopted gender inclusive policies and practices

Twiga Foods, the B2B food distribution business in Kenya, was especially **keen to build an inclusive workplace culture, and particularly one that did not penalize working mothers**. To this end, Vfw supported Twiga with specific workforce actions:

- Creation and implementation of a **new Return-to-Work Policy**, which instituted structured touch points (“keeping in touch days”) while on leave, and other practices to ensure a smooth transition back to work from parental leave;
- Development of a **“Gender Inclusion Checklist”** to guide day-to-day interactions and workplace practices to build a more inclusive organizational culture (e.g., guidance on how to conduct inclusive meetings and trainings to maximize women’s participation); and,
- Design of a **“Gender Sensitivity Curriculum”** to improve managers’ understanding and awareness of gender inequalities and ability to address them in the workplace.

Additionally, Twiga integrated gender and diversity into its Code of Conduct and socialized this with its employees through town halls and other internal communications. Inspired by this engagement, the company also conducted a wholesale review and grading of all positions to ensure gender pay equity.

The organizational culture actions **improved Twiga employees’ overall satisfaction and specific satisfaction with the company’s commitment to gender equality, work-life balance and accommodating the needs of parents.** These are summarized in the table below, as measured by the baseline and endline applications of the Employee Survey.

Table 2: Increase in Twiga Foods’ Employee Satisfaction from baseline to endline

Employee Satisfaction metric	Women increase	Men increase
<i>Employee loyalty (Net Promoter Score)^{xviii}</i>	25 points	20 points ^{xix}
<i>The company takes seriously accommodating parents and their diverse needs (i.e., caretaking obligations, mother’s room, parental leave, etc.)</i>	24%	22% ^{xx}
<i>Employees can take time off for family or personal reasons without this affecting their career advancement or promotion</i>	31%	12% ^{xxi}

“Once you have a more balanced and satisfied workforce, it feeds into achieving long term objectives.”

–CEO, Twiga Foods

Women employees’ satisfaction with professional development improved after the company adjusted HR practices with a gender lens

Tienda Pago is a fintech company that provides short-term, renewable lines of credit to underserved micro/small retailers in Peru and Mexico. By providing cashless credit access to store owners, Tienda Pago enables store owners to increase their key inventory, improve revenue, and develop a formal credit history. Tienda Pago serves over 20,000 clients, 70% of whom in Peru are women.

Tienda Pago’s Employee Survey revealed that employees reported being highly satisfied. However, there was **room to improve women’s career advancement opportunities.** Tienda Pago, with the support of VfW, carried out qualitative research to understand why women and men had different perceptions of career advancement opportunities. Then, they took several actions to improve women’s career

development opportunities, for example, by implementing career development plans for individual employees and implementing flexible work arrangements.^{xxii} In light of these actions, **satisfaction with professional development opportunities among Tienda Pago women employees in Mexico increased by 33%** (from 47 to 80%). In Peru, where women employees' satisfaction started off high (94%), it improved by 6%. By improving career opportunities for women, **Tienda Pago expects to improve retention, thus building their talent internally.**

My main insight from this initiative is learning to analyze and contextualize [Employee Survey] results about perceptions and gender equity. By identifying the different needs that women and men have in the workplace, we'll be able to create an environment that's more comfortable for the entire team."

-Tienda Pago Liaison

Employee Survey revealed substantial gaps in organizational culture for one company, motivating deeper review and an overhaul of current HR systems

Data from one company's **Employee Survey not only revealed that employees were dissatisfied** (low Net Promoter Score score of -11 for women and 4 for men) **but also pointed to potential issues in the organizational culture.** In the survey's open-ended questions, employees noted disrespectful treatment by managers, work expectations outside of scheduled hours, and favoritism.

In light of these Employee Survey results, **the company received support from AlphaMundi and Vfw to create an action plan and the company utilized internal resources to hire an external HR firm to investigate the labor climate and create new policies and systems.** In the resulting action plan, which covered various workforce topics and included a strong gender focus, the company committed to, among other actions:

- Removing bias from its recruitment process (such as using an inclusive job description template and more varied dissemination channels to reach women);
- Adopting a Gender Checklist that guides staff in daily actions that promote gender equality and minimize bias (including best practices on inclusive internal communications, meeting best practices, and feedback mechanisms); and,
- Improving the system for employees to register grievances (namely, adding an anonymous channel and creating a committee trained to investigate and resolve cases).

Had the company not participated in this initiative and administered the Employee Survey, **it is possible that these issues would not have risen to the fore until they were causing attrition or more serious challenges, and even then they may not have been addressed systematically.**

3. Becoming more gender-inclusive unlocked new funding opportunities from gender lens donors and investors, multiplying SMEs' reach and impact

Applying a gender approach through participation in this initiative has given SMEs the gender knowledge and credibility to apply and qualify for additional gender lens funding.

Espoir secured USD 3M investment for their new financial product for women

Espoir, with support from VfW, implemented strategies to be more intentional in advancing gender equality. These included internal strategies, such as implementing a gender-Inclusive performance management system, and external strategies, including educational videos in formats more appealing to women customers and enabling the e-learning platform with women-focused content. These actions, alongside Espoir's commitment to serve women, gave rise to their winning the *Violeta* award,^{xxiii} which recognizes businesses that apply good business practices to create and sustain equality in the workplace. Following this, Espoir secured a USD 3 million investment with favorable terms, to develop a new financial product for women to complement the non-financial services already on offer for women.

Kentaste secured additional funding from an impact investor to continue advancing gender work

In light of Kentaste's gender actions as part of this initiative, the company was able to make the case that gender is a business priority. This helped Kentaste to access gender-focused philanthropic funding from one of its investors, Acumen, for new facilities to benefit women employees.

6. Learnings and Recommendations

The insights on best practices and lessons learned generated by this initiative are critical for the growing movement of investors, donors, and SMEs interested in taking gender-smart actions and approaches. The learnings and recommendations from this collaboration follow, building on previous reports.^{xxiv}

1. VfW's Employee Satisfaction and Organizational Culture Survey was a powerful catalyst and tool for building buy-in for gender-smart activities

Most of the businesses had not systematically solicited feedback from employees prior to this initiative, and if they had, they had not disaggregated results between women and men. The results emerging from the Employee Survey were therefore highly interesting and motivating to the teams. Businesses that became aware of gender disparities for the first time were inspired to act and, with VfW's support, identified strategies to redress the disparities (see earlier examples). Meanwhile, businesses that saw minimal disparities and positive results were affirmed in their approach and attention to inclusivity — and shared these results externally with donors and investors. The businesses appreciated receiving quantitative data,

both as a foundation for action and as a baseline against which to measure progress and results of gender activities they would go on to implement.

Recommendation for investors and businesses

Solicit employee feedback, using VFW's or a similar employee survey, and disaggregate results by women and men to identify actionable gaps and disparities.



2. CEO engagement was higher than anticipated, increasing the relevance and sustainability potential of this gender initiative

Active engagement of SME CEOs at key milestones — and especially at strategy selection — ensured that selected strategies aligned with current business priorities, and that they were not siloed or one-off activities. CEOs' participation, and their endorsement of these strategies, contributed to better follow-through than we have seen in other engagements, and raised the sustainability potential of these strategies. The businesses shared they were keen, in light of this initiative, to continue advancing the specific gender activities and to apply a gender approach more broadly across the organization.



Kentaste team members speaking about their product

“[The biggest impact has been the] change and behavior from my management team. They feel more empowered because they see us, as a company, prioritizing these things and that has led them to feel more dedicated and empowered towards the work... This has made a big impact in our operations.”

–CEO, Kentaste

Recommendation for investors

Actively involve CEOs and senior leadership at key milestones, including at initiative inception and during the gender diagnostic, selection of strategies, and monitoring of progress and impacts, to help increase SME teams’ motivation and align efforts with the most salient business priorities.

3. Peer learning enabled businesses to affirm the importance of their commitments and tap into implementation lessons from other businesses

AlphaMundi leveraged its position and influence to convene investee CEOs and senior leadership in a formal learning network. The workshops conducted via this learning network created an opportunity for open discussions and to share learnings about the strategies businesses were pursuing, inspiring participants to reflect on their own practices. One business pursuing only an external strategy, for instance, came to see the value in pursuing internally-focused HR strategies.

The positive feedback from the peer learning events indicates appetite for a network of businesses that have undertaken similar TA to support sustainability and accountability once formal collaborations end.

Recommendations for investors and donors

Create spaces for businesses that have pursued similar gender-smart activities to convene and learn from each other.

4. SMEs strongly valued the formalization of their gender commitment and saw it as a foundation for social and business impacts down the road

Articulating a gender commitment in writing (i.e., in a gender statement or policy) gives businesses a common language and clear vision about how gender relates to their business, enabling them to communicate this vision to staff and external stakeholders. Publicizing this statement, including on a company's website and external materials, could also positively impact brand reputation, with a trickle-down effect on sales and talent recruitment.

"For me, it's all about strategy — we were doing things before, but it wasn't documented or monitored. Now we have a strategic method and know we'll be monitoring everything we have been able to start."

—HR Manager, Kentaste

Recommendation for businesses

Formalize your commitment to gender by developing 1) a Gender Commitment Statement that articulates the vision and relevance of gender for your business, and 2) an Action Plan for realizing that vision.

5. Flexibility to adjust gender activities to tap into emerging opportunities increased gender and business impacts

In contrast to other initiatives, customization did not only happen at each pilot's inception, but later as well. Pivots were important for iterating and improving gender actions. For instance, Tienda Pago shifted from a focus on promoting work-life balance to developing career paths, seeing the latter as an area it could more effectively work on to redress gender disparities.

Recommendation for investors, donors, SMEs

At several points throughout an engagement, expect and encourage SMEs pursuing gender-smart activities to reflect on whether they need to adjust planned activities to maximize gender and business impacts. A longer implementation period, i.e., over 12 months or more, enables pivots, iteration, and strong alignment with businesses' preferences and timelines.

6. Businesses' contributions of time and financial resources are key to successful engagement

As seen in previous VFW engagements, a commitment from partners to contribute staff time (including that of CEOs, key liaisons, heads of departments and field staff for data collection) and cash (e.g. outsourcing external data collection expertise) is key to implementing gender-smart strategies because it ensures collaboration and the business is invested in success.

Recommendation for SMEs and donors

Businesses should avail the necessary staff, with remits and decision-making capabilities as relevant to the strategies, on the understanding that intensity of engagement will fluctuate over the project period.

Where possible, **donors** should consider providing: (1) flexible and longer periods of performance to pilot strategies to accommodate variation in business cycles and seasonality; and/or (2) incremental resources for strategy implementation, including direct financial contribution towards SMEs, to defray corresponding implementation costs

7. Challenges

This engagement ran from April 2020 to August 2021, taking place entirely in the context of COVID-19. We adjusted our approach in this context by: modifying timelines as needed to accommodate the businesses, shifting activities such as training and strategy sessions from in-person to virtual delivery, and checking in with the SME partners more frequently to continue moving activities along. This was different from our standard hybrid (virtual/in-person approach), which leverages periodic in-person touchpoints to make significant progress on activities. The result was that we were able to execute an impressive number of activities and measure impacts, though at a more limited scale than would have been possible in a normal operating environment.

Other challenges included:

- **The collection of sex-disaggregated business data was slower than anticipated.** Pursuing strategies targeting women customers and/or suppliers requires businesses to have knowledge of these segments' needs and preferences, and most of the businesses in this initiative were not collecting this data prior to our engagement. As a first and necessary step then, we supported businesses to design and implement sex-disaggregated data collection to understand the preferences of women customers and/or suppliers, analyze data, and develop gender-smart strategies based on these results. These activities took significant time — more so in the COVID-19 context — and several businesses reported less available resources to implement the follow-on actions identified from gender market research after this undertaking. Fortunately, the data collection process in its own right benefited companies, building teams' capacity to collect and use sex-disaggregated data for decision-making and programming going forward. Future engagements could budget more time and potentially resources for businesses collecting sex-disaggregated data for the first time.

- **The 18-month timeline was not ideal for all businesses:**

The initiative benefited from a relatively long implementation period, allowing time for a comprehensive Gender Assessment and the implementation of myriad strategies across different business areas, as opposed to only one or two pilots per business. The downside, however, was that not all companies could sustain a high level of engagement throughout this period. In several cases, project liaisons were rotated off the project, and onboarding their replacements took weeks to months. One business shared they would have preferred to work in short bursts, for instance, a few months



Villa Andina processing plant during the COVID-19 pandemic

with one business team and then a few months with another, as opposed to a longer trajectory with several departments at once. Again, this was all compounded by the COVID-19 circumstances, which made businesses busier and more resource-constrained than usual. Future engagements would benefit from further customization of timelines and sequencing of strategies to each business's unique cycles.

8. Sustainability

To ensure impact is sustained and grows beyond this engagement, **Sustainability Plans** were developed by each of the businesses, with support from VfW. These roadmaps assign roles, responsibilities, timelines, and metrics for continued gender strategy work beyond the project period. In some cases, businesses have set up internal Gender Committees to carry this work forward.

Examples of actions to be implemented under the Sustainability Plans include **changes to products and services, marketing, sales, and data collection**:

- Espoir will develop a credit product focused on women's needs that complements the adapted non-financial services. In addition, Espoir will continue building its education team's skills to collect and analyze sex-disaggregated data and use it to inform the design of products for women.
- INSOTEC, an Ecuadorian microfinance institution, will launch a massive communications campaign with messages focused on women customers' wellbeing, to increase the number of women customers and their usage of non-financial services.
- Twiga Foods, in the coming months, will develop a financial literacy program (targeted to reach 30% of women vendors), a savings product and medical insurance for women vendors. These actions seek to respond to low literacy and financial access challenges and Twiga hopes they will increase women vendors' revenues, loyalty and satisfaction with Twiga.

Many of the strategies and changes implemented during the initiative will also continue to generate impact long into the future. Among these, the HR, recruitment and organizational culture strategies will continue to contribute to a more inclusive workplace. In addition, sex-disaggregated data collection and analysis as a core practice will enable businesses to gain insights into gendered differences and inform decision making going forward.

AlphaMundi will also continue to **convene and grow the CEO network** to create an active community of practice that supports participants and bolsters future similar interventions.

Finally, **forthcoming additional findings from these pilots will be shared in future publications, as well as via the Gender-Smart Enterprise Assistance Research Coalition (G-SEARCH).** G-SEARCH is composed of AlphaMundi and five other like-minded impact investors committed to investing with a gender lens. These investors are supporting portfolio company SMEs with gender TA and building the evidence base for this GLI strategy. The results from this project will be included in this research initiative, with final research products slated for publication in mid-2022.

9. Conclusion

The results achieved to date by AlphaMundi, Vfw, and the nine participating SMEs demonstrate the impact potential for applying a gender lens to SMEs' business operations, particularly through gender-smart activities supported by targeted TA. Indeed, we saw **exciting early impacts across different contexts: among SMEs with varied business models and in different geographies, sectors, and business areas**. Previous research has had a more limited focus, with pilots carried out with fewer business types (i.e., only B2C businesses, and not B2B ones as in this initiative) and a more limited set of strategies.

Initial results affirm that the myriad business and social impacts include:

- **Improved recruitment and/or retention of customers and suppliers**, through targeted marketing, sales, and outreach to women stakeholders;
- **Higher employee satisfaction** that can lead to better retention and cost savings, in light of gender lens adjustments to human resources policies and practices; and,
- **Additional funding** from investors and/or donors who appreciate the SME's enhanced gender focus.

These results are especially promising given that SMEs implemented the pilots entirely during the COVID-19 crisis. Businesses' significant progress and business and social results point to the potential for more impact down the road, and on the other side of this pandemic.

Ultimately, gender inclusion is a journey not a destination, and receiving gender TA for these businesses is the start, rather than the end, of that journey. Building foundations of commitment and capacity, and taking incremental steps to identify and implement gender-smart activities, are critical first steps for these businesses — and have the potential for long-term commitment and deep impact.

“The seed has been planted, but it will bloom after [the formal initiative ends].”

–Twiga Foods Management

Endnotes

ⁱ Project Sage (2020) '[Tracking Venture Capital, Private Equity and Private Debt with a Gender Lens](#)'

ⁱⁱ Gender lens investing has three main entry points:

1. Provision of capital to businesses that are led by women and/or to businesses that positively impact women, girls, or gender equality;
2. Application of a gender lens across the investment process by mitigating biases and identifying opportunities;
3. Advancement of gender diversity in the investment firm.

Further details about GLI entry points can be found in VfW's report [How to Invest with a Gender Lens](#).

ⁱⁱⁱ Value for Women (2017) "[A Business First Approach to Gender Inclusion](#)"

^{iv} As per INVEST 1.5: Number of transactions; Counts transactions directly supported by INVEST. Types of transactions include company, fund/instrument, or infrastructure. Stages include active, closed, and supported.

^v As per GNDR-8: Enabling Environment; Number of persons trained with USG assistance to advance gender equality or female empowerment objectives in the context of their official/formal role(s) within a public or private sector institution or organization. Public or private sector institutions or organizations include, but are not limited to: government agencies forming part of the executive, judicial, or legislative branches; public and private health, financial, and education institutions; and civil society organizations such as rights advocacy groups, business associations, faith-based groups, and labor unions.

^{vi} The companies that implemented new HR policies and guides include: INSOTEC, Phoenix Foods, Villa Andina, Kentaste, Twiga. The policies and guides include: Return to Work Policy; Anti-harassment and Non-Discrimination Policy; Light Duties Policy; Gender Inclusive Recruitment Guidelines; Gender Inclusion Checklist; Gender Commitment Statement; Gender Lens Training Guide.

^{vii} The companies that implemented improved HR policies and guides include: Fundación Espoir, INSOTEC, Kentaste, Villa Andina, Phoenix Foods, Tienda Pago. The policies and guides revised by VfW to incorporate a gender lens include: HR Manual; Code of Conduct; Company Travel Policy; Discipline, Disciplinary Action & Grievance Handling Procedure; Occupational Health and Safety; Staff Advance Policy; Recruitment, Selection, Appointment and Exit Procedures; Remuneration, Leave and Benefits Procedures; Procurement Policies.

^{viii} VfW co-created with each SME a Sustainability Plan to continue taking the gender work forward. These plans elaborate the gender-smart activities that the businesses will continue and initiate after the formal project concludes in August 2021. More context is provided on these plans in Section IX.

^{ix} Appendix II comprehensively captures all results to date, as well as forthcoming anticipated results as businesses continue to pursue the activities and launch new activities.

^x Modules include: "Tips for Saving", "Credit and Its Implications", "Entrepreneurship", and "Financial Health", among others.

^{xi} IFC (2017a), "[Investing in Women: New evidence for the business case](#)"

^{xii} Bartleby (2019) The Economist: "[Employee happiness and business success are linked](#)"

^{xiii} IFC, 2017a

^{xiv} IFC (2017b). "[Tackling Childcare: The Business Case for Employer-supported Childcare](#)"

^{xv} IFC (2017b)

^{xvi} Financial Alliance for Women (2018). "[Unlocking the Potential of the Women's Market: The Gender Diversity & Inclusion Imperative](#)".

^{xvii} Standardization of job interview questions included: removing questions about age, marital status, children, as well as other questions that can lead to discrimination against women job seekers.

^{xviii} Net Promoter Score (NPS) is a measure of loyalty between a business and its customers or in this case, employees. Scores range from -100 to +100. Anything above zero is considered positive, with anything above 50 being excellent. The improvements in Twiga’s NPS score take it from “good” to “excellent”, and this trend is corroborated by improvements in additional satisfaction metrics.

^{xix} The baseline for women was 23 which increased to 48; for men, this was 48, increasing to 68.

^{xx} The baseline for women was 43% which increased to 67%; for men, this was 50%, increasing to 72%.

^{xxi} The baseline for women was 50%, which increased to 81%; for men, this was 72%, increasing to 84%.

^{xxii} Tienda Pago’s activities to improve career development opportunities included: holding a Gender Sensitization Training with top leadership; implementing career development plans with leaders; creating new mechanisms to solicit feedback; and implementing flexible working arrangements to accommodate parents’ needs, which disproportionately benefited women in the COVID-19 context due to their increased care work.

^{xxiii} The Violeta Award’s mission is to disseminate gender inclusive business models, recognizing and publicly positioning businesses that apply good business practices to create and sustain equality in the workplace. Businesses are evaluated on the basis of their adherence to three pillars: 1) Commitment to hiring and sustaining female employment; 2) Promotion of equal rights between women and men in the workplace; and 3) Prevention of violence against women both in the workplace and in the communities where the business operates.

^{xxiv} For instance, Value for Women (2017) “[A Business First Approach to Gender Inclusion](#)”

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