



Serving the Missing Middle with a Gender Lens: The VIWALA Story

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The Missing Middle in Latin America

1

Micro, small and medium-sized enterprises (SMEs) are significant job creators in Latin American economies, representing almost 60% of formal employment in the region.¹ However, SMEs are significantly less productive than large companies, representing only 25% of the value produced in the region, and not all SMEs are created equal—some will stay small and less productive, while others have the potential to scale and grow. These latter companies, known as small and growing businesses (SGBs), have the potential to become highly productive enterprises that contribute to innovation, increase economic dynamism, and boost competitiveness on the local level.² However, they face significant challenges when they try to scale, particularly in terms of access to finance.

According to the World Bank, between 55% and 68% of SMEs in emerging markets are unable to access the financing they need to grow.³ In Latin America, this financing gap impacts an estimated 27 million SMEs. Many of these enterprises are trapped in what is known as the **missing middle**, with financing needs that are too big to qualify for microfinance loans and too small or risky for other, more traditional financing, such as business banking, venture capital (VC), or private equity (PE).

Women entrepreneurs in Latin America and the Caribbean are overly represented in this missing middle and must fight to find adequate support and financing for their companies. Based on a study conducted by IDB Invest and ESADE, **a lack of access to capital was perceived as the main reason that women-led businesses failed.**⁴ A total of 73% of women-led SMEs in Latin America and the Caribbean are unable to access the resources they need to grow or are completely excluded from traditional financing. The credit gap for women-owned micro-businesses totals US \$5 billion and balloons to US \$93 billion for women-led SMEs.⁵ This limited access to financing stands in stark contrast to data regarding women's financial behavior, which shows that women are 54% less likely to default on a loan than men.⁶

According to the "Women in Venture" study published by Crunchbase, from 2012 to 2017 only 10% of total venture dollars went to companies with at least one female founder.⁷ Additionally, the International Finance Corporation found that only 5% of total PE and VC funding and 6% of contracts in the region went to women-led businesses, and the average PE/VC funding received by female founders totaled US \$500,000, while the average received by male founders totaled US \$12 million.⁸ Data from Pitchbook showed that 35%

of companies with all-male founding teams were able to successfully raise financing compared to only 2% of female-founded companies.⁹ According to the Global Accelerator Learning Initiative, startups founded solely by women receive only 66% of the financing received by male-founded startups.¹⁰

Gender lens investing emerged as part of efforts to address these trends and channel more resources to companies that are led by women and/or contribute to gender equality, whether through diverse founding and/or leadership teams, impact on the lives of women and girls, or diversity and inclusion measures that support women's active involvement and growth within the workforce. **Gender lens investing seeks to leverage capital to drive both financial returns and gender equality.**¹¹

Although this approach is still relatively new in Latin America (the first gender lens investment vehicles in the region were launched in 2018),¹² this approach has gained significant traction globally, growing from US \$1.3 billion of assets under management by investment funds with a gender lens mandate in 2017 to an estimated US \$5 to \$7 billion of assets under management across 225 private gender lens investment vehicles in 2021.¹³

2 Financing Women-Led Businesses Via Access to Finance and Technology



Although Latin America has one of the highest rates of female entrepreneurs, approximately 60% of these entrepreneurs operate in the informal sector.¹⁴ There is still a significant gender gap between the formal and informal sectors in Latin America, with only 67% of women between the ages of 25 and 54 employed in the formal sector versus 93% of men, and approximately 126 million women employed in the informal sector.¹⁵ **Both female employees and entrepreneurs/business owners face significant barriers when it comes to accessing financial services that respond to their needs**, including lack of information, limited access to assets that they can use as guarantees, legal barriers, an inability to access formal banking services, products and services that don't meet their needs, a lack of risk reporting systems with a gender perspective,

limited financial education, time constraints, and more.¹⁶ Additionally, 27% of women noted that they have experienced gender discrimination in professional situations (versus 4% of men), while 50% of women believe that equal opportunity between female and male entrepreneurs doesn't exist in the region.¹⁷

One way to close these gaps is by strengthening women's leadership. The financial benefits of having women on leadership teams is evident. Companies that include at least one woman on their board of directors reported financial returns 3.5% higher than companies with all-male boards, while companies where women made up more than 15% of the executive team reported 50% higher profitability compared to those with less than 10% of women in decision-making

roles.¹⁸ Investment funds that systematically implement a gender lens approach to their investments have noted that within their portfolio, companies with more gender-diverse and gender-balanced teams (where women hold at least 30% of executive positions and board seats) produce higher annual returns on investment, return on sales, return on assets, and return on equity versus companies with less diverse teams.¹⁹ Despite these clear benefits, only one in four formal companies in countries like Mexico is led by a woman or has a majority female leadership team,²⁰ and the majority of these companies are SMEs.

Technology and digital financial services represent an enormous opportunity to include populations that have been excluded from the traditional banking system, particularly

women. In Latin America, only 49% of women have bank accounts, whereas the OECD average is 94%.²¹ In contrast, approximately 80% of women in Latin America have access to smartphones and mobile internet services.²² Fintech companies that use technology are providing innovative and efficient financial services to create a digital ecosystem that supports the financial inclusion.²³

There is a sizable sector of female entrepreneurs in Latin America whose needs aren't being met and designing new financial tools that address the needs and potential of women in the region presents an enormous market opportunity. VIWALA is a new financial services company that is committed to serving this missing middle via digital products that incorporate a gender and diversity lens.



3 The VIWALA Story

3.1 Launch

Based on its prior work to understand the missing middle in Latin America, **New Ventures**, a social impact organization that provides financing, acceleration, and ecosystem building services to entrepreneurs in Latin America, started to explore ways to increase access to finance for businesses whose financing needs are too small for investment funds. As a social enterprise with more than 30 years of experience investing in women and providing financial services to populations that have traditionally been excluded from formal financial services, **Pro Mujer** saw an opportunity to reach new entrepreneurs and continue to advance gender equality.

During an event organized by La Red de Innovación e Impacto in Washington, D.C. in 2018, the United States Agency for International Development (USAID) presented an opportunity to access resources through its Partnering to Accelerate Entrepreneurship (PACE) initiative. Pro Mujer and New Ventures joined forces to apply for project funding to explore the possibilities offered by **revenue-based lending**, with Pro Mujer contributing expertise on gender equality and women's economic empowerment and New Ventures contributing expertise regarding accelerating and investing in projects with social and environmental impact.²⁴

The proposed project focused on catalyzing investment in early stage SGBs with social and environmental impact and on incorporating a gender lens into the investment process to produce both economic returns and support the empowerment of women and girls. The project was approved by USAID in 2018. New Ventures was responsible for the investment process and operations, while Pro Mujer committed to designing and implementing a gender equality

strategy, the communications regarding the initiative's gender lens investing, monitoring and evaluation, and knowledge management.

Both Pro Mujer and New Ventures conceived of the project as a long-term initiative, **incorporating VIWALA as an independent social enterprise under the umbrella of New Ventures.** The initial funding provided by USAID and TIMKE was key to successfully launching the investment vehicle and ensuring its operations over the first two years. At the conclusion of the first two years, both New Ventures and Pro Mujer decided to continue operating the initiative and expand its scope. As part of this second stage of operations, New Ventures took on the task of attracting investors to capitalize the project and launching the placement process.

3.2 Incorporating a Gender Lens

As previously mentioned, women-led companies and companies whose products and services target women and girls are overrepresented in the missing middle. VIWALA was created to help close the gender financing gap by mainstreaming a gender equality strategy across all operations and services.

The initiative's gender strategy was grounded in the following objectives:

- Identify and finance women-led companies.
- Identify and finance companies with a gender perspective or that create positive impact for women and girls.
- Promote gender lens investing in VIWALA portfolio companies.

VIWALA defined women-led companies and companies with a gender perspective as follows:

Women-Led Companies

Companies that meet at least one of the following requirements:

- The key decision-maker is a woman.

- The company is majority owned by a woman or women.
- One of the founders is a woman, and the female founder is actively involved in managing the company.

Companies with a Gender Perspective

Companies that are actively committed to improving the lives of women and girls. For the purposes of this initiative, at least 30% of the company's clients must be women and/or girls to be considered a company with a gender perspective, and the company should have either or both of the following in place:

- A clearly stated commitment to women and/or girls in their institutional objectives and mission.
- A gender strategy in place that focuses on women, girls, or on achieving gender equality.

3.3 Gender Perspective Checklist

As part of VIWALA's gender strategy, a checklist was created to ensure compliance with the gender perspective detailed above. The first version included various requirements that each company had to meet to be considered. However, initial feedback was that the checklist required considerably more time than was available during the due diligence process.

Pro Mujer and the VIWALA team then designed a shorter checklist that was easier to implement during the due diligence process. The new tool included 18 indicators grouped into 4 categories: Leadership and Governance, Companies Focused on Women and Girls, Work Environment, and Disaggregated Data.

3.4 Support from Pro Mujer

During its first two years of operations VIWALA underwent a constant process of change and evolution, rapidly adapting its processes and services to respond to the realities of the market. Similarly, the framework, tools, and processes used to implement and operationalize the gender strategy were adjusted and simplified to better adapt to the needs of SGBs.

Pro Mujer provided core support during this process to ensure that the updated tools were easier to use while still maintaining the essence of the objectives of the gender strategy.

VIWALA has managed to successfully identify both women-led companies and companies with a gender perspective and has successfully increased its capital deployment thanks to the ongoing evolution of its products.

Over the course of two years, VIWALA confirmed that revenue-based lending is a relevant financing mechanism for the initiative's target companies and has identified and tested two products targeted to female entrepreneurs with different levels of institutional maturity.

3.5 Designing a Relevant Product

Thanks to its learning organization culture, VIWALA has used the more than 1,200 applications it has received to date to get to know and learn from each applicant.²⁵ It quickly became clear that although revenue-based lending is an excellent option for SGBs, it isn't necessarily the best option for women-led or owned business. In 2020, the team started to explore the characteristics of a financial product designed specifically for female entrepreneurs.

Through focus groups and conversations with female entrepreneurs, the team was able to identify two major considerations:

- First, female entrepreneurs need more than just financial support; they need to feel like they are a member of and supported by a community.
- Secondly, the processes and guarantees of the application process represented a significant barrier to access for female entrepreneurs. For example, a significant number of female entrepreneurs were not even registered with the Mexican tax authority (Sistema de Administración Tributaria - SAT).²⁶

As part of its efforts to offer more than just financial support, VIWALA designed and launched an open community for female entrepreneurs and business owners, including learning sessions, known as “boostcamps,” on topics such as general management and work-life balance.

As part of its efforts to reach female entrepreneurs with more limited resources, VIWALA also designed a smaller-ticket financial product that requires fixed, monthly payments rather than a personal guarantee. If these monthly payments are made in full and on time, the entrepreneur is then able to apply for revenue-based lending.

3.6 From Project to Company

The project's initial objective was to create an investment fund that would target companies that were too small to receive funding from more traditional venture funds, such as Adobe Capital.²⁷ This fund would deploy a revenue-based lending product primarily targeting SMEs led by women or that benefit women and girls, with an average ticket size between US \$20,000 and \$250,000 based on the average annual sales revenues of SMEs in Mexico (US \$100,000).

The initiative first took the form of a small investment fund. However, it quickly became clear that the operational costs of the fund structure were too high for small-ticket investments, and it was necessary to think about a more efficient model. New Ventures also quickly realized that managing the fund internally represented significant challenges and decided to spin the project out and establish VIWALA as an independent entity.

In mid-2019, a CEO with a long track record of launching projects and a demonstrated business vision and impact joined the team to begin structuring VIWALA as an independent business.

3.7 Changing the Business Model

One of the first steps taken during the process was transitioning VIWALA from a fund model to a fintech model. It quickly became clear that VIWALA needed a model that featured a quick and easy loan structuring process and a fast and straightforward application, while also maximizing sustainability by decreasing loan placement and management costs. To successfully scale, VIWALA needed to define its product and operating structure.

To accomplish this, the team adopted a learning organization culture that facilitated experimentation, innovation, and learning. VIWALA used feedback and lessons learned from clients and potential clients to create products and services that better fit the needs of the company's target market, while also improving operational efficiency by incorporating cost-effective technology solutions and processes to support the company's transition from venture fund to fintech with a learning organization culture.

3.8 Organizational Strengthening

In addition to evolving the business model, the VIWALA executive team recognized the need to strengthen the company's operating structure and team. First, substantial legal changes were made to the loan contracts to make a revenue-based lending structure viable. Key hires were then made in the strategy, marketing, operations, billing, internal audit, and communications departments. Subsequently, technology solutions were implemented to simplify and automate the loan application and monitoring process. Lastly, the communications strategy was completely overhauled—key messages were established to better reach women, the website was redesigned (aesthetic and layout), and three core lending products were defined based on VIWALA's target markets.

4 VIWALA Products

4.1 Lending Products

As a learning organization, VIWALA is committed to iterating and evolving its products to respond to the needs of its clients. Currently, the company offers four different financial products:

- **Crédito Mujeres.** Targeted to women-led companies and companies that benefit women and girls. This revenue-based lending structure is available to companies that can verify their monthly sales and is offered both with and without a guarantee, depending on the size, terms, and risk of the deal.
- **Crédito Impulsa.** Available to women-led companies and companies that benefit women and girls. Offered as a fixed-installment loan, this product is targeted to companies that are unable to provide guarantees and that are not registered with the SAT.
- **Crédito Diversa.** Available to companies led by members of the LGBTQIA+ community²⁸ or that seek to benefit said community. This revenue-based lending structure is available to companies that can verify their monthly sales and is offered both with and without a guarantee, depending on the size, terms, and risk of the deal.
- **Crédito Impacto.** Available to companies that generate social or environmental impact. This revenue-based lending structure is available to companies that can verify their monthly sales and is offered both with and without a guarantee, depending on the size, terms, and risk of the deal.



4.2 What is revenue-based lending?

Revenue-based lending is a general term that can apply to both capital and debt financing structures. Unlike traditional investments where the investment total is fixed, investors in a revenue-based lending structure receive a percentage of the business's monthly or quarterly revenue until a predetermined amount has been paid, typically a multiple of the initial investment (for example, between 2 and 2.5 times the original investment amount).

There are several differences between revenue-based lending and debt financing, including that there are no fixed payments. Instead, companies pay investors a percentage of the business's total monthly or quarterly income. During a period with no sales, a business will not have to make a payment to investors. On the flip side, if the company's actual income outperforms projections, it will pay investors more quickly.

	REVENUE-BASED LOAN	VS TRADITIONAL	VS EQUITY
Payments	100% aligned with sales	Fixed	None
Moratory Interest	Not common	Very common	NA
Credit track record	Helps create positive track record	Tends create negative track record	Does not create a track record
Company ownership	Does not take equity	Does not take equity	Takes a portion

Three of the financing options offered by VIWALA use a revenue-based lending structure that require companies to make monthly payments based on their total revenue.

5 Results During the First Two Years



5.1 Loan Placements

From 2019 through the first quarter of 2021, VIWALA provided loans with terms ranging from 36 to 48 months to 20 companies via its 4 products: 10 via Crédito Mujeres, 4 via Crédito Impulsa (fixed payments), 4 via Crédito Diversa, and 2 via Crédito Impacto.

Of the 20 loan placements made to date, 9 went to businesses that meet the criteria established in VIWALA's gender strategy, 7 went to men-led

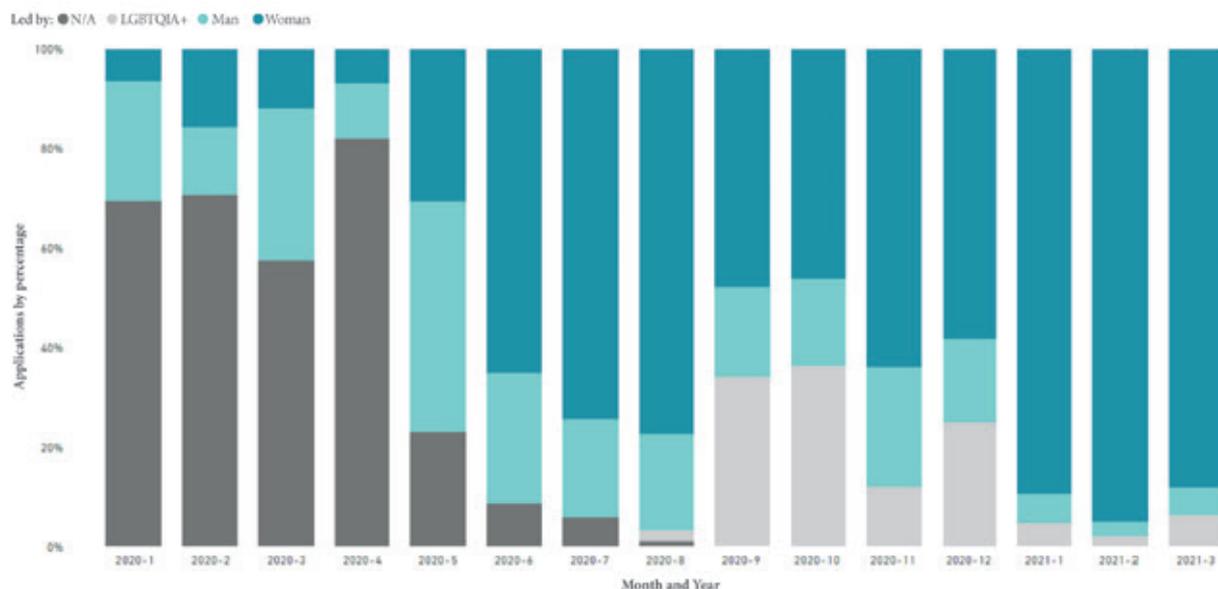
businesses, and 4 went to companies led by members of the LGBTQIA+ community.

Although the average loan totaled MXN \$805,000, the average loan received by women-led businesses was only MXN \$466,667, while the average for the men-led businesses was MXN \$1.65 million. The average loan given to companies led by members of the LGBTQIA+ community was MXN \$500,000.

5.2 Sourcing and Monitoring Loan Applications

During the period from 2019 through March 2021, VIWALA received approximately 1,337 loan applications, 20 (1.5%) of which were approved and 1,281 of which were rejected (96%).²⁹

Of the total applications received by VIWALA, 56% were submitted by women-led businesses, 16% by men-led businesses, and 9% by businesses led by members of the LGBTQIA+ community. Initially, a significant percentage of applications did not include gender-disaggregated data, as VIWALA started to accept applications while it was still configuring its customer relationship management (CRM) system. In 2020, the applications without information on the gender of the executive team were discarded and VIWALA adjusted its CRM to ensure that this information was included on all future applications (see Graph 1).



Graph 1. Percentage of applications broken down by the gender of the business leader or owner, 2020-2021 (through March 2021) Source: VIWALA

One of the lessons learned during the first few years of operations was the importance of effectively communicating with women entrepreneurs looking for financing. To increase loans made to women-led businesses, the VIWALA communications team adjusted the communications and positioning strategy for the woman-focused financial product. In 2020, the number of female entrepreneurs that started the application process increased, and from January to March 2021, 90% of applications received were submitted by women-led businesses, representing a sharp increase from prior months, when this number hovered around 50%.

More money has now been placed with women-led businesses, opening the door to effectively scaling access to finance for businesses that have traditionally been excluded.

5.3 Communications and Positioning

Across all four lending products offered by VIWALA, most clients are organizations from the missing middle, largely consisting of women-led companies, a reflection of the gender gap in terms of access to credit.

To respond to this demand, and with support from USAID and Pro Mujer, VIWALA decided to prioritize its Crédito Mujeres product.

This presented a communications and marketing challenge, as New Ventures is extremely well known in the impact investing space in Mexico, but the organization is not known for a specific focus on gender. From the beginning of the project, Pro Mujer provided support to develop and strengthen an effective communications strategy, including

digital content (10 blog posts and vlogs) that highlighted the partnership with VIWALA,³⁰ emphasized the importance of gender lens investing,³¹ and shared some of the barriers that female entrepreneurs face.³²

During the process to redesign the website, the team recognized that VIWALA's communications and positioning strategy needed to focus on women-led businesses, a niche that hadn't been fully developed by New Ventures. Following the design of the initiative's gender strategy, the team updated the content and design of the website, including updating the images and target audience, to reach more women entrepreneurs

6 Case Studies



Granjas Murlota

<https://www.grupomurlota.com/>

Grupo Murlota supports community development by improving families' living conditions and economically empowering women in rural communities in Mexico. The organization provides all the inputs necessary to raise laying chickens and commercialize their eggs (supplies, infrastructure, training, and logistics and distribution support). Since the beginning, Granjas Murlota has provided comprehensive guidance so that women can take responsibility for the full process, from raising the hens to commercializing the eggs. The company is committed to improving the quality of life of the women that it works with and provides support to improve women's financial management skills and increase their profits.

VIWALA Product:
Crédito Impacto



Ascalapha

<https://ascalapha.com/>

Ascalapha is a social enterprise that connects end consumers with Mexican artisans. The organization works with companies to supply corporate gifts and manages special projects while supporting and promoting traditional artisanal techniques. Since 2017, Ascalapha has worked to connect artisans with high-value projects that not only offer access to steady income, but also share the stories behind each piece. The company's impact model is focused on increasing families' income by up to 2.5 times through the production of handicrafts, as well as guaranteeing their participation in projects at least once every three months.

VIWALA Product: :
Crédito Impulsa



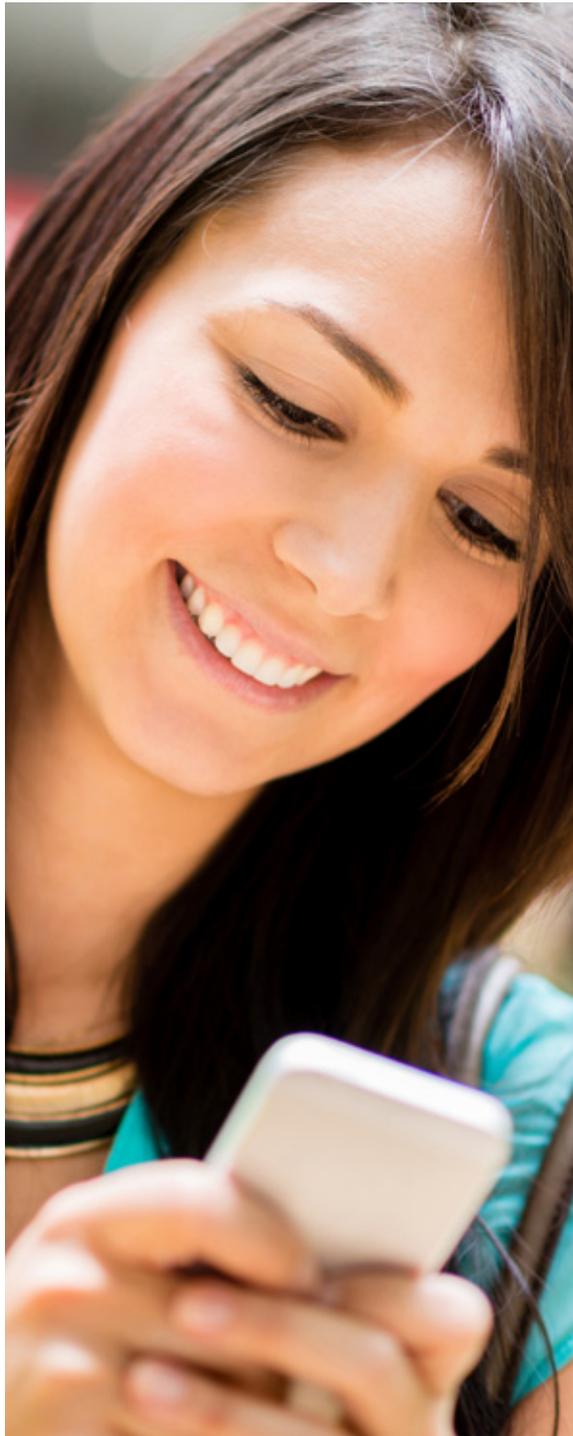
Altitud

<https://altitudsofom.com/>

Altitud is a social impact organization that supports female entrepreneurs and micro-enterprise owners via innovative and accessible financial services. Altitud offers a program called Mujer Productiva (Productive Women), which works with women that are interested in launching their own businesses in the textile, beauty, or food and beverage industries, but don't have the necessary financial resources. The organization also seeks to provide financial opportunities to help female heads of household increase their income. As a social enterprise, Altitud reinvests 55% of profits to increase its impact and maximize its impact as a change maker.

VIWALA Product:
Crédito Mujeres

7 Lessons Learned During the First Two Years of Operations



7.1 The benefits of a starter fund to experiment, learn, and adjust

VIWALA first began as a joint initiative between New Ventures and Pro Mujer, with support from USAID. The first two years of operations were key to learn more about the market and adjust the financial products accordingly. The economic and technical support provided by USAID was invaluable during the process to define the products and processes that would best serve the needs of the project's target market.

To meet the project objectives, VIWALA designed and tested various innovative financial products to better serve companies that have traditionally been excluded from or ignored by traditional structures. In the face of this challenge, the initial funding offered a key opportunity to learn, iterate, and refine VIWALA's product offering.

7.2 Transitioning from impact investing fund to fintech

Overhauling VIWALA's business model was one of the most significant changes implemented during the first two years of operations. The organization's focus on SGBs makes it impossible to implement a search and selection process like those implemented by more traditional investment funds, primarily because the operations and overhead involved in maintaining a fund-like structure are too much for the smaller ticket investments that are appropriate for VIWALA's target companies.

The team quickly realized that to reach more companies with smaller ticket investments, it was necessary to make the selection and placement process more efficient and decrease the barriers to access for VIWALA's lending products. As a result, the company pivoted to become a fintech rather than an investment fund.

7.3 Standardizing processes and streamlining approval workflows

As the team started to focus on increasing the efficiency of the processes, it quickly recognized the need to completely overhaul the structure of the organization. Priority was placed on standardizing processes and streamlining the selection and placement workflows, and technology solutions were incorporated throughout the process, from sourcing to contract monitoring.

Although there is still room for improvement, the changes made to the monitoring platform and the integration of all the platforms have helped significantly decrease the approval time, which will in turn facilitate better short- and medium-term outcomes.

7.4 Blended finance products offer incredible potential

The global crisis caused by the COVID-19 pandemic offered VIWALA the opportunity to onboard additional investors, complementing the organization's existing capital reserves. In 2020, the organization started to test a new blended finance product that combined capital with a market interest rate with philanthropic and development capital with a 0% interest rate to offer a finance product with a significantly below market interest rate.

This experience helped highlight the important role that blended finance products can play in eliminating barriers to access for female entrepreneurs. VIWALA was able to lower required guarantees and increase loan totals while maintaining lower interest rates. This experience also showed that it is just as important to know the profile of the client as it is to know the profile of the investor.

7.5 Women-led companies need more than just access to finance

The number of loans given to women-led companies were significantly lower than expected. To understand why, the VIWALA team assessed the relevance of the products offered; one of the primary takeaways of this process was that female entrepreneurs are looking for more than just financing—they want to be members of a community that supports them, inspires them, and encourages them to take risks. The team also found that a significant number of companies were unable to provide the required guarantees and weren't at a point in their development where they could track their monthly sales via the SAT.

In response, VIWALA launched its “bootcamps” series to complement its financial products and create a sense of community among female entrepreneurs in Mexico while also developing a product targeted to women-led businesses that were unable to provide guarantees but that would benefit from financing.

7.6 The importance of gathering sex-disaggregated data

To understand if the VIWALA initiative was effectively addressing the financing gap experienced by women-led businesses, New Ventures had to adjust its existing CRM platform to collect data on the gender breakdown of the leadership team of each applicant.

The team is now able to monitor the percentage of male versus female applicants in the client acquisition funnel and answer key questions, including the following: How many men are applying for financing? How many women?

How does this number change or evolve as applications move through the funnel? At what stage of the process do women face the most challenges? Asking and answering these questions has allowed the VIWALA team to adjust and improve its processes and offer more inclusive products.

7.7 Aligning the gender perspective and management processes

VIWALA piloted its gender lens strategy during the first few months of the project's operations, and it quickly became clear that the requirements established in the strategy added an excessive burden to the due diligence process. In response, the team refined the criteria used and designed a more functional, streamlined checklist to assess the incorporation of a gender perspective within each company applying for financing. Aligning this checklist with the team's day-to-day management process was key to ensuring the incorporation of a gender lens into the loan application and placement process.

7.8 Effectively communicating VIWALA's differentiated lending products

VIWALA is focused on providing access to finance for companies in the missing middle, with a particular focus on women-led companies. However, the initiative also works to support other high-potential missing middle companies led by members of the LGBTQIA+ community and/or with a social/environmental impact.

VIWALA established differentiated communications, positioning, marketing, and support strategies for each financial product it offers to effectively reach the initiative's target audience. Additionally, the use of a differentiated communications strategy rather

than a single communications strategy allowed the VIWALA team to create a larger, differentiated client acquisition funnel.

7.9 Incorporating a lean startup perspective encouraged a learning organization culture

To create a financial product for a target market that has traditionally been excluded from the financial sector, it was crucial for VIWALA to adopt an innovative and experimental approach that facilitated iteration without redefining the entire workflow. The team incorporated a lean startup methodology, which seeks to create viable businesses by focusing on client needs and using client feedback to fuel business-hypothesis-driven experimentation and iterative improvements.

The implementation of the lean startup methodology allowed VIWALA to become a learning organization that encourages experimentation, learning, improvement, and iteration, ensuring that the initiative can effectively respond to the shifting needs of its target market.

7.10 The value of personalized follow-up

The transition to a fintech business model went hand-in-hand with the key realization that it was still necessary to provide each company with personalized support. In other words, the VIWALA team understood that it had to use technology to increase the efficiency of its processes while still maintaining the close and personalized relationships that characterize an impact investment fund.

VIWALA must continue to maintain a balance between effectively scaling and streamlining its application and placement processes while also preserving a close, high-touch relationship with its clients.

8

Challenges Over the Next Two Years



a. Scaling access to finance: During the first two years of its operations, VIWALA structured a fintech model and experimented with different products targeted to the missing middle. In the short term, VIWALA faces the challenge of how to reach more clients with its existing products, as well as how to adjust these products to ensure that they continue to meet the needs of the organization's target market.



b. Test and validate new blended finance products focused on women-led businesses: Creating a blended finance product that combines various capital sources with different requirements represents an opportunity to create a new product that effectively facilitates women's access to finance. As part of this process, VIWALA must engage with and onboard investors and partners that are committed to this type of investment.



c. Deepen the gender lens applied across VIWALA's portfolio: VIWALA initially focused on understanding what women-led businesses need to access financing to support their growth. During this second stage, VIWALA must strengthen its policies and procedures to deepen and improve the company's gender lens.



d. Sustainably incorporate a gender lens into the day-to-day operations of the company: Since its inception, a gender lens has been foundational to VIWALA's operations. Although the due diligence process required updates to better align it with the day-to-day management of the company, the team must continue to implement the updated gender checklist and ensure that it is sustainably incorporated into VIWALA's day-to-day operations.



e. Incorporate and implement internal technology platforms: The incorporation of agile processes and technology platforms represents an opportunity to integrate all existing systems and optimize the lending process.

Notas al final

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- 25 A learning organization is a company that facilitates learning and continuously transforms itself.
- 26 The SAT is the government agency responsible for ensuring that all individuals and corporations comply with all tax and customs regulations. More information is available at: <https://www.sat.gob.mx/home>
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