

Management Response to the 2019 evaluation of “Alterna’s Direct Support to Ventures Report” conducted by the Argidius Foundation’s appointed independent evaluator, ITAD.

Alterna’s mission is to reduce systemic inequalities that affect societies, environments and economies in the region and beyond. Our mission is to bridge structural gaps by providing inclusive and high quality support to entrepreneurs and owners of Small and Growing businesses (E&SGBs). Alterna’s support is unique in our methodological blend between guiding entrepreneurs towards stronger business models and encouraging that they integrate social impact into their products, services and/or processes. We believe that all E&SGBs, from the most traditional to the most innovative, have the potential to make a difference in the world.

Argidius has been a key partner throughout Alterna’s journey and a fundamental part of our history. The longstanding relationship with Argidius began in 2014, only one year after the launching of our first business cultivation program. Since our first program, Alterna’s services have expanded to include: an impact investment fund, “business propulsion” via a one-on-one methodology, and program thematic group business cultivations. At Alterna we select, design and target interventions to guide entrepreneurs in contributing to key issue areas from landscape regeneration to women’s reproductive rights. Moreover, gender mainstreaming is a key part of what we believe in, with 49% of the E&SGBs in our network entrepreneurs in our network being women, compared to the average 13% as demonstrated in the Global Accelerator Learning Initiative dataset research (GALI).¹

Since the start of the relationship with Argidius, Alterna has provided business services to more than 1,200 E&SGBs. These E&SGBs operate in the most rural areas of Guatemala, to the nation’s capital, and beyond. Alterna is accelerating its regional expansion, adding to the 36 E&SGBs already served in Nicaragua, Panama, El Salvador, Honduras, and Costa Rica. With these achievements under our belt, the ITAD study is a welcomed moment of reflection on our external impact, internal processes and areas of improvement.

The impact on the E&SGBs in the Alterna network, with advanced entrepreneurs reporting an average sales growth rate of 63%, has much to do with the Alterna’s holistic approach that values knowledge, inspiration and connection.²

¹ GALI 2019 Year-End Data Summary

² 2017-18 Alterna anual survey data

Our flexible methodologies guide entrepreneurs to develop action plans that strengthen their business model and value proposition. Traditional and dynamic entrepreneurs report improvements such as the differentiation of their products/services for the former and preparation to scale for the latter. In addition to these valuable tools, our dynamic team works to inspire entrepreneurs, catalyzing the desire to execute their action plan. Finally, we believe that connection is an essential component of an E&SGBs success. More than 60% of entrepreneurs report that Alterna contributed to their acquisition of social capital a reality made possible thanks to the power of the our entrepreneurial network.

At Alterna we value not only the findings that highlight our successes, but also the areas of opportunity. We have enthusiastically taken on the report's findings by improving pipeline management, sophisticating the monitoring, evaluation and learning (MELI) department, and refining our service and ecosystem value propositions.

Pipeline management has been an important part of ensuring a strong match between entrepreneurs needs and ability with the services provided. Our inclusive approach combined with the reality that the majority of E&SGBs in Guatemala are born out of necessity rather than opportunity, requires a deep and nuanced understanding of the E&SGB and entrepreneur. Alterna is developing stronger pipeline management processes and segmentation tools to address this challenge.

MELI is one of the most anticipated areas of growth at Alterna. A newly formed MELI department aims to foment a culture of learning within the organization and the general ecosystem. In order to do this, we invested great resources into cleaning the existing databases, expanding the team, establishing internal processes and implementing innovative monitoring tools. With this foundation, we look forward to deepening our understandings of the effect our methodologies and services have on the evolution and impact of entrepreneurs and their E&SGBs.

Finally, Alterna's 2020-2025 organizational strategy, developed via a participatory approach, clarified each service's value proposition allowing for better segmentation, selection and measurement.

These past years have been comprised by innumerable achievements, learnings and challenges. We are proud and grateful for each one of them. The independent research commissioned by Argidius represents a valuable opportunity for our team to understand our work from an objective perspective. The Alterna management welcomes the general findings with humility and gratitude.