



IMIX :

SMALL OPPORTUNITIES FULFILL GREAT DREAMS



IMIX

A Colombian team accepted the challenge of bringing easy access to credit to rural areas with its solution "Acá se fía" [roughly: "get it now, pay it later"], hand in hand with strategic allies, such as cooperatives and adequate amounts to enable small-scale producers to fulfill their dreams. This solution provides support at the right time to people like Margarita, who has increased her production of *huipils* (a traditional garment), benefiting not only the final producer, but the entire value chain.

IMIX's Mayan dragon lands in Guatemala.

The IMIX team, a startup founded in 2018 in Colombia, had the ambition to expand to bring a solution to the countryside throughout Latin America.

IMIX is a technology development company that has decided to refocus its direction and take all its lessons learned and experience in financial inclusion projects to generate solutions such as "Acá se fía", an app that increases access to credit in rural areas through an innovative expansion of points of sale.

When they applied to Innovatech, they had a clear commitment to adapt their solution to meet the real needs of the rural areas within the project, as well as to focus on the target populations: women, youth, and indigenous people. Guatemala met all the requirements and in addition, they already had their ally Julio Ruiz, leader of Fintexport. This is how IMIX was born in Guatemala.

Neither one nor the other — balance

The problems in rural areas of Guatemala are very similar to those of the rest of Latin America: rough roads in poor condition, lack of connectivity, and difficult access to financial service providers close to the communities. This represents a major barrier to financial inclusion and access to adequate financing. So, what happens, when an initial investment is needed to start a business and to cover basic needs, but available resources are not enough?

The "Acá se fía" solution is designed to serve more than one type of producer in rural areas, so that they have access to adequate financing that covers their needs but that does not make them default their payments. This solution can be adapted to the different services offered by NBFIs (Non-Banking Financial Institutions), so that there is a "fiado" (i.e. local business as point of sale) and producers have access to inputs from before planting or production; that is, at the time they need them most.

When we talk about NBFIs, we are referring to cooperatives, rural banks or other types of institutions that bring financial services to remote areas. Why is this distinction necessary? Because both, in terms of administrative processes and distance, these institutions are closer to the producers and tend to have a greater bond of trust.

IMIX knows that improving access to working capital allows small producers in rural areas to increase their production and income, so its focus is directly on access to inputs and raw materials to ensure sales of the final product; this means providing credit for planting, raw materials such as weaving yarn, and many others, and this in a way that does not limit sales power. Their allies are the NBFIs, which, in turn, are deployed at points of sale to reach the last mile.

Time to release the quetzales.

In Guatemala, the needs of rural areas were amplified by language barriers, with more than 21 official dialects prevalent among the indigenous population, and a high percentage of people who do not read or write, which also hinders access to formal financial services. It was the perfect link to find IMIX, which was willing to navigate these paths.

After a lot of searching for the perfect match, IMIX allied with entities such as Coopsama, a savings and credit cooperative founded in 1984, and focusing on the agricultural and productive sector in the Alta Verapaz, Quiché, and Petén areas.

With IMIX, the cooperative increased its credit placement, while reducing the costs of the points of sale located in the producers' communities, choosing trusted stores or agro-input stores as point of sales, which in turn increase their turnover and, additionally, help their referrals to obtain credit. This mechanism represents a win-win situation for all involved parties and reinforces the link of a value chain in rural areas.

Margarita just needed a chance.

Let's have a closer look at the opportunity Margarita received to understand better the accomplishments of IMIX in Guatemala. Margarita is a community leader in Tactic, Alta Verapaz, Guatemala. In her community, her native language, Poqomchi, is still spoken. Margarita is head of a group of 45 women weavers of *huipils*, who have maintained this tradition for more than 47 years.

Margarita has been working her loom for more than 20 years. Dora, her friend, sells her the threads, apart from supporting her in placing the *huipils* with her clients. 'Doña Dora, do we have an order?' This is how a call between these two close allies usually starts: **two women boosting each other's businesses.**

Dora has her own business to run and, with the support of Coopsama and IMIX, she can make Margarita and her team's projects a reality, while ensuring the stability of her own business. She is in control of the delivery of yarns to start weaving and receiving finished *huipils*. With "Acá se fía", Dora can provide Margarita with in-kind credit directly from her business, supplying her with yarns to put "looms to work".

Coopsama states that it is "a system by women for women, to benefit Guatemalan families.

Experimentation is part of the growth.

IMIX has traveled many kilometers to find its end user, because beyond "finding customers", using the startup's solution represents a unique opportunity for small producers, those who are on the bottom of the pyramid but who cultivate the livelihoods of many people or, like the weavers, who preserve a valuable handicraft of Guatemala's native peoples.

Thanks to the grant provided by the Innovatech Project, and the support of the mentoring team that accompanied it, IMIX has successfully implemented its solution in the countryside. At the end of this project, productive financing was granted for more than Q.10,350,000 (equivalent to more than 1,320,000 USD) benefiting more than 750 people in rural Guatemala. This has a direct impact on increasing household income to improve their quality of life. In addition, it allows NBFIs to simplify their processes to achieve their goal of providing productive loans where they are needed, at the right time.

"There is no small investment to achieve a big dream."

