



OPPORTUNITIES *for the* MAJORITY

Mi Tienda's Innovative Rural Supply Network

Small, family-run grocery stores, known as *tiendas de abarrotes*, are essential for supplying basic goods and services in thousands of low-income rural communities in Mexico.

These stores are convenient – many are open 24 hours a day – but they normally charge higher prices than supermarkets and other large retailers in big cities, because of their reduced economies of scale and higher associated transportation costs.

Mi Tienda, a Mexican company sponsored by private Mexican and international social investors, is dedicated to improving the lives of low-income families, enhancing the efficiency of the rural supply chain, and increasing the sales and productivity of small family-owned rural grocery stores. Providing door-to-door supply of basic products, as well as consultancy and training services, Mi Tienda focuses on benefiting small grocery stores in communities with populations of less than 5,000 inhabitants.

After launching operations in 1999 with a single pilot warehouse in the city of Atlacomulco, Mi Tienda currently provides distribution and technical assistance services to 620 grocery stores in that city's surrounding communities. This pilot warehouse now serves as a model for Mi Tienda's expansion plan to set up an additional 36 warehouses to service 22,000 grocery stores in communities of south central Mexico.

The IDB, using resources from its Opportunities for the Majority initiative, is supporting the expansion with a \$2 million loan, while other project sponsors, including private and institutional investors, are investing \$13 million in equity to complete the project's financial package. Promotora Social Mexico A.C., one of Mexico's most respected social foundations and main shareholder of Banco Compartamos, is providing a guarantee for the IDB loan.

Training is essential

Essential to the success of the program is the training component, in which Mi Tienda offers free technical advice to increase the skills of the grocery store owner-operators, most of whom have little formal education. Training is offered in administration, accounting, inventory management, product definition, and store layout and shelf placement.

The model of Mi Tienda shows how an efficient rural supply chain, combined with entrepreneurial training, can make more and higher quality basic goods available to rural communities at lower prices, while at the same time improving the lives and strengthening the skills of small rural microentrepreneurs.

The expansion of Mi Tienda's warehousing and training operations are expected to have a significant impact in improving living standards of both providers and consumers and to result in the testing of new techniques and approaches that could later be applied throughout Mexico and other countries of the region.



For more information about the program
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