



BUSINESS FIGHTS POVERTY ONLINE 2020: REBUILD BETTER

FIVE INSIGHTS: HOW CAN COMPANIES AND OTHERS BEST WORK TOGETHER TO SUPPORT MSMES AND REBUILD BETTER?

DATE: **TUESDAY 14/07**

THEME: **OPPORTUNITY**

FORMAT: **WEBINAR**

SPEAKERS

■ **Concepción Blanco**, Senior Specialist, Client Solutions and Digital Innovation, **BBVA Microfinance Foundation**

■ **Cristianne Close**, Global Leader, Markets Practice, **WWF International**

■ **Pedro Cortez**, Impact Specialist, Business Call to Action, **UNDP**

■ **Payal Dalal**, Vice President, Global Programs, **Mastercard Center for Inclusive Growth**

■ **Catalina Garcia Gomez**, Global Director of Corporate Affairs, **AB InBev**

■ **Mario Gonzalez Lupercio**, Shared Value & Social Innovation, **CEMEX**

■ **Henning Ringholz**, Senior Executive, **Small Foundation**

Moderator: Zahid Torres-Rahman, CEO and Co-Founder, **Business Fights Poverty**

THIS WEBINAR OFFERED A DEEP DIVE INTO HOW LARGE COMPANIES, NGOS, AND INTERNATIONAL ORGANISATIONS CAN WORK TOGETHER TO SUPPORT SMALL BUSINESSES TO REBUILD BETTER. ACCORDING TO OUR SPEAKERS, COMPANIES CAN ADOPT THE FOLLOWING KEY ACTIONS TO BUILD A MORE RESILIENT ECONOMY: HELPING MICRO, SMALL AND MEDIUM ENTERPRISES (MSMES) WITH THE TRANSITION TO DIGITAL PLATFORMS, BETTER PROTECTING SMALL BUSINESSES FROM LOW-INCOME COMMUNITIES, AND INVESTING IN PARTNERSHIPS.

KEY INSIGHTS

SMALL BUSINESSES, THE BACKBONE OF OUR ECONOMIES, HAVE BEEN HUGELY IMPACTED BY COVID-19

Small businesses are the backbone of our communities; there are an estimated 150 million enterprises, contributing to half of global GDP. In more vulnerable regions, MSMES can be the only companies offering jobs and training, and whether they manage to grow sustainably may determine the fate of a country's economic prosperity. As Payal Dalal shared, COVID-19 is having unprecedented impact on MSMES across the globe, and we have seen dramatic falls in business activity and revenue due to lockdowns and restrictive measures. Henning Ringholz agreed: "COVID-19 has really exposed the vulnerabilities of supply chains, distribution chains and ecosystems."

LARGE COMPANIES CAN PLAY A KEY ROLE IN HELPING MSMES TRANSITION TO A DIGITAL ECONOMY

Large companies, governments, NGOs, and international organisations have work to do if they want to accelerate the recovery while looking after MSMEs. Small businesses need help to transition to a more digitalised economy, which demands that stores offer high-level virtual shopping experiences and that employees be trained in technological skills. Our speakers gave multiple examples of companies that, during the pandemic, helped MSMEs open their ecommerce platforms and sell online for the first time. These initiatives have provided a lifeline for many businesses and should be strengthened if we want to enhance the resilience of MSMEs as economies recover. In addition, Pedro Cortez shared the importance of providing MSMEs access to

quality information. For instance, learning how to improve their impact measurement and reporting can help them access new capital and investment opportunities.

COMPANIES CAN HAVE AN EXTREMELY POSITIVE ROLE IN BRINGING ABOUT INCLUSIVE DEVELOPMENT BY LOOKING AFTER THE FINANCIAL HEALTH OF MSMEs AND ENTREPRENEURS.

WE MUST TAKE THIS OPPORTUNITY TO STRENGTHEN THE CAPACITY AND RESILIENCE OF VULNERABLE MSMEs

Companies can have an extremely positive role in bringing about inclusive development by looking after the financial health of MSMEs and entrepreneurs. For instance, Concepción Blanco explained that MSMEs attended by her Foundation's microfinance programme, built around a commitment to help the most vulnerable and focused on low-income communities, have increased their sales and invested in training their employees. For Mario Gonzalez Lupercio, there is always an opportunity around investing in intangible assets and innovative initiatives and nurturing them to create the resilience needed for times of crisis.

LARGE BUSINESSES NEED TO WORK IN PARTNERSHIPS WITH OTHERS TO HELP MSMEs SURVIVE AND THRIVE

Large companies can help the creation and strengthening of partnerships with their peers, governments and civil society. This offers MSMEs an opportunity to learn best practices from their partners and their peers and provide them, for example, with quality information about management processes and financial support. "Partnerships between companies, governments, and civil society have never been as

fundamental as they are today", Catalina Garcia Gomez pointed out. Similarly, Cristianne Close emphasised "we should start looking at how we can join efforts and do much more together, think differently, leave our egos behind, change our own consumer and corporate behaviours."

AS WE REBUILD BETTER, WE MUST RECOGNISE AND TACKLE THE FRAGILITIES THE PANDEMIC HAS EXPOSED

MSMEs showed an incredible capacity to adapt and innovate in face of the pandemic. However, many companies have gone under as well. An essential lesson for large companies, governments, and civil society as we get out of this crisis is to work towards building a more resilient economy. We have also learnt with COVID-19 the importance of taking the question of development and sustainability much more seriously. Small businesses, farmers, and fishermen are key examples of the links between nature and the economy in food systems. For these reasons, MSMEs need to be at the heart of initiatives aimed at rebuilding better.

RESOURCES

- **BBVA Microfinance Foundation:** <http://www.fundacionmicrofinanzasbbva.org/en>
- **WWF International:** <https://wwf.panda.org>
- **Mastercard Center for Inclusive Growth:** <https://www.mastercardcenter.org>
- **Small Foundation:** <https://smallfoundation.ie>
- **Business Call to Action, UNDP:** https://www.undp.org/content/undp/en/home/partners/private_sector/BCTA.html
- **Strengthening Markets through Collaboration:** <https://businessfightspovetry.org/articles/report/strengthening-markets-through-collaboration>
- **How can companies support MSMEs in the wake of COVID-19?** https://snipbfp.org/C19_TK_MSMEs