Mentorship Programs Build the Success of Women Entrepreneurs in Nicaragua

Maiko Nakagaki, *Global Programs Officer*, CIPE

**Article at a glance**

- Improving Nicaragua's economy involves supporting women to expand their businesses at the micro and small enterprise level.

- Leadership and confidence building are key factors for women entrepreneurs to expand their businesses in Nicaragua.

- Exposing university students to real-world business environments through internship opportunities is important to spur professional and personal growth.

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**Background**

Nicaragua has made strides in its economic growth in the last two decades, but it remains one of Latin America's least developed nations. Its productivity and real earnings\(^1\) have stagnated in the last few years, and the unemployment rate among educated youth is nearly 30 percent (the national average age is 22 years).\(^2\) Micro, small, and medium enterprise growth has been touted as the answer for Nicaragua's development\(^3\), but the country remains one of the most difficult places in Central America to start a business.\(^4\) For instance, the licensing process takes more than 200 days to complete.\(^5\) This is even more pronounced for women entrepreneurs who confront a myriad of challenges, including access to finance\(^6\) and a deeply rooted machismo (male-dominant) culture that prevents them from achieving gender equality in the economy.\(^7\) For women business owners to survive in such an environment, it is crucial for them to have a supportive professional network. One organization in particular – Red de Empresarias de Nicaragua (REN)\(^8\) or the Network of Nicaraguan Businesswomen – is doing exactly this.

REN was officially founded in 2013 to unite and strengthen the growth of women entrepreneurs throughout Nicaragua. When REN read CIPE’s Guide to Youth Entrepreneurship Programs for Chambers of Commerce and Business Associations\(^9\), it was inspired to apply the best practices laid out in the guide to its local context and develop a capacity building project for a segment of the population that is a key driver of Nicaragua’s future: young women and female micro-entrepreneurs. REN developed a nine-month mentorship program\(^10\) to improve the leadership and entrepreneurship skills of female university students and entrepreneurs, and they implemented the program with CIPE support in 2014.

**Mentorship Structure**

REN created a unique mentorship structure that maximized the number of beneficiaries of the project. Each mentoring team consisted of a mentor, mentee, and an intern; REN linked successful women entrepreneurs to female university students with business degrees (who served as interns) and emerging women micro-entrepreneurs (who were the mentees).

To select the most motivated individuals, REN invited all of its members to apply as a mentor or a mentee and approached top universities in Managua to recruit interns. REN received an overwhelming number of applications for mentee and intern positions, as well as expression of interests from REN board members to serve as mentors. REN then put together ten teams (30 participants total) based on the industries of the mentor and mentee’s companies, as well as the background of the intern’s education. Each group worked to improve the mentee’s business.

The mentor served as a coach for the intern and the mentee. Whenever one had question – such as how to create a sound accounting system (from the intern) or how to negotiate with potential buyers (from the mentee) – the mentor led by example and shared their knowledge or experiences. As the intern worked with the mentor to develop organizational changes for the mentee’s business, for example, the intern learned first-hand how a real business operates and applied the skills that she learned in school. On the other hand, through the mentorship program, the mentee received advice and technical support from an experienced businesswoman and an intern.

In addition, REN organized monthly training workshops on specific operational topics requested by the mentees and interns. The mentors, as well as REN members with expertise in specialized subjects (such as accounting standards and inventory), led the meetings. These workshops were great opportunities for mentees and interns to learn new skills, and also for the program participants from different locations to come together and network with one another.
Team Highlight: Florita Ortiz, Eloisa Washington, and Carmen Davila

The unique mentorship structure resulted in professional and personal growth for the participants. One example is the mentoring team consisting of Florita Ortiz (mentee), Eloisa Washington (intern) and Carmen Davila (mentor).

Ortiz runs a small bakery, Delicias del Norte, which produces traditional masa cookies eaten with coffee (rosquillas). She joined the program because she wanted to expand her business to different cities in Nicaragua. Ortiz was matched with Washington, who has a marketing background from her studies, and Davila who owns Carmelitas Coffee, a large coffee bean company. When Washington and Davila assessed Ortiz’s business, it was clear that Ortiz made quality organic products, but her company lacked good marketing and branding. So the goal for the mentorship became to improve Delicias del Norte’s marketing strategy.

Given the ubiquity of technology in Nicaragua, Ortiz - who lives in Ocotal (a town four hours away from Managua) - was able to work well with Washington, who is from Masaya (an hour away from Managua), and Davila (based in Managua) despite the distance. They communicated with each other at least twice a week via SMS, email, and skype to update on the progress of their tasks.

The team worked together for less than a year to achieve tangible results for Ortiz’s company. For instance, prior to the mentorship, Ortiz asked her friends in her town for their opinions on the taste of the cookies or the packaging. However, Washington pointed out that Ortiz’s friends only represent a small fraction of the market and that she needed to do thorough market research. Using the intern’s marketing skills, the intern and the mentee conducted a market survey to determine what the customers wanted. From the survey results Ortiz found out that people were craving fruit-based flavors and that they were often eating her products while “on-the-go” in cars.

These insights encouraged Ortiz to develop two new flavors of cookies (including using jams produced by a REN board member’s company, Jaleas Callejas), and to create a new logo that indicates that the cookies are organic. They are also developing smaller packages so that people can buy her products in less quantities.

The survey results also sparked the idea in Davila (the mentor) to approach convenience stores and bodegas at gasoline stations in Managua as possible vendors. Davila and Ortiz pitched to several stores, and they successfully closed an agreement with the convenience chain store Quick Stop, which agreed to carry Ortiz’s cookies in a handful of stores.

Ortiz reflected that this mentorship program changed her business, her life, and her community at-large. Not only has her profit increased by 20 percent, she added three new full-time employees (she originally had a staff of 15 when she began the program) to meet her sales demands. “In addition to expanding my business, I’m happy to employ more people in my community and spread the wealth. And the program gave me confidence that I could do more. And I have!” she said.

Lessons Learned

CIPE interviewed all the participants at the end of the mentorship program to hear what impact this experience had on them. Overall, they highlighted that mentorship is an empowering experience that develops both the personal and professional lives of those involved. The following are key outcomes from this mentorship program.

Leadership and Confidence Building

Both the mentees and the interns voiced that the mentorship exposed them to confident leaders who motivated them.

Francis Perdomo, an intern who worked with a Cuban-immigrant micro-entrepreneur who runs a small chocolate factory, learned from her mentee that obstacles are not permanent. “Hearing my
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mentee’s story – how she arrived in Managua with less than a few dollars, and then built a successful chocolate factory with money she saved – was a good life lesson. I learned from her that one must be creative and adaptable to your environment in order to survive. And that even if you have nothing, you can still succeed as long as you have good self-esteem and the mentality that you will make it.”

Similarly, Isabel Escalante, a mentee who owns a small marketing consulting firm, gained confidence from taking part in the program. “My mentor [Marla Reyes] helped grow my business and myself. She taught me how to sell my value-added to customers who could go to anyone else for their marketing needs. She also taught me the importance of setting achievable goals with specific timelines for motivation. But what really made a difference in the last nine months is her believing in me and my work, which strengthened my confidence. Marla pushed me out of my comfort zone to be more assertive.”

Escalante’s mentor, Reyes, agreed that her mentee did change. “Isabel is a businesswoman. She already has the hard skills to run her own company. What she needed were certain soft skills that would make her company even more attractive - someone who her customers would say “oh yes, I want her as a consultant” So I worked with Isabel to improve her professionalism. It was amazing to see her transform in nine months. She became a more confident speaker and a leader.”

Networking through Association

In a country like Nicaragua, where machismo is deeply embedded in the culture, it can be challenging for women entrepreneurs to thrive. They are often very busy wearing multiple hats – in addition to running their businesses, women entrepreneurs are usually the main caretakers at home. That’s why a community like REN is important, where women are encouraged to network and talk about their businesses with others going through similar experiences.

Lua Martinez, a micro-entrepreneur who runs a bakery said, “REN helped expand my network with not only my mentor and intern, but with other micro-entrepreneurs who are also learning. On a day-to-day basis, being an entrepreneur is a lonely business. You don’t really get feedback from anyone but your customers. You don’t really brainstorm with anyone else. That’s why REN is important for me. I’ve met other small business owners who have shared with me their failures and triumphs. Learning from other people’s experience is priceless. And this network I’ve built would’ve never happened if it wasn’t for this mentorship program...if it wasn’t led by REN who has the power to convene us together.”

Internship - A Stepping Stone for Female University Students

In economies around the world, internships have been noted as a critical experience for students to obtain full-time employment or to learn the skills required to start a business in the future. Internships allow students to apply the skills they’ve learned in classrooms, learn business etiquette, build their networks, and gain perspective on how companies and organizations operate in the “real world.” This was certainly the case for the female students who participated in REN’s mentorship program. All the interns were full-time students, so they had competing priorities between school work and their internship. As a result, all the interns gained experience in time management and multi-tasking. In addition, getting exposure to how a real business operates was extremely meaningful because this was the first time that many of the interns had seen first-hand how an enterprise functions. Many of the interns expressed that this experience was useful for them to secure full-time positions at companies, and that it spurred their interest to start their own business once they save the money for the start-up costs.

Micro-entrepreneurs Formalize Their Businesses in Order to Grow

For Patricia Obando, who now has a registered jewelry company, it has been her dream to expand
her business. “I had been making and selling jewelry informally for the past five years. What started off as a hobby became a passion for me, and as the years went by, my desire to create more products became stronger. My mentor, and other micro-entrepreneurs I met through this program, all encouraged me to formalize my business, and they supported me along the way. If it wasn't for them, I might not have registered for another few years because it would’ve taken me some time to figure it out.” Obando subsequently formalized her business, and she is now in the process of applying for private bank loans so that she can hire an employee to expand her production volume.

Other mentees also commented that they registered their businesses because they wanted to expand their firms. Some of them had potential clients who would only hire them if the mentee's company was registered. Others needed to register their firms so that they could open a store at a mall, or export to neighboring countries, such as Costa Rica.

Therefore, micro-entrepreneurs of this program were not opposed to registering their businesses for tax reasons or to avoid government bureaucracy, but they were unsure how to go about. Moreover, their comments show that micro-entrepreneurs of the program were forward-thinking businesswomen who sought to formalize so that they could grow their businesses.

**Conclusion**

The reason why CIPE supported REN to develop and implement the mentorship program was because CIPE believes that women play an important role in both the private sector and society as a whole. Supporting women entrepreneurs is especially important in societies where the contribution of women to the economy is not recognized. By providing financial and technical assistance to REN for one year, CIPE helped REN make an impact for women entrepreneurs in the country.

Firstly, REN’s mentorship program improved the mentees’ businesses. Ninoska Flores, for example, had been operating her leather shoe company for over 20 years before she joined the program. But it wasn't until this program that she created an inventory of her products. With her intern's assistance, she developed an inventory system for all her shoes and her production is now more streamlined. “Now that we have a system, and actually record which products are selling more than others, we’ve seen a 15 percent increase in profit!” Flores said.

The program also produced impact for the community-at-large. For instance, Escalante (who is described earlier in this study) became a more confident individual during the course of the program, and became a leader in her community. “She self-nominated herself to become a REN board member this spring, and she won! That would’ve been unthinkable nine months ago – but she improved so much in terms of how she presents herself and how she communicates with others. I’m so proud to see her win a seat on the board, and to see her grow both personally and professionally,” said her mentor, Ryes.

By connecting established business women owners, female micro-entrepreneurs and young female university students, CIPE helped create a space for women to network and enhance their business skills, interpersonal skills, and leadership capacities.

While the mentorship program strengthened women entrepreneurs at the grassroots-level, CIPE will continue supporting REN in another project to empower businesswomen at the macro-level. REN, in cooperation with other leading civil society organizations in the country, are leading the Nicaraguan Businesswomen’s Agenda to advocate for a better business environment for businesswomen and spread awareness about the specific obstacles women entrepreneurs face. It will take time and patience for REN and its allies to advance legal reforms for a women entrepreneur-friendly environment, but it is an exciting journey
ahead. As Marina Stadthagen, the executive director of REN said, “without CIPE’s support and belief in REN – a community where women in business can bond and come together – it would be so much more challenging and complicated for women to grow their enterprises. We already have a difficult time navigating our society in a machismo culture; women need to support and help each other to grow so that we can improve our country’s growth.”

Endnotes


2 Ibid


7 Ibid


14 Quick Stop, http://qstp.net/


Maiko Nakagaki is a program officer for Global Programs at the Center for International Private Enterprise (CIPE), where she oversees projects involving youth and women entrepreneurship, local governance, and public private dialogue. Prior to joining CIPE, she worked for the International Finance Corporation (IFC) in Cairo and an international development consulting firm based in Washington, DC. She holds a master’s degree from Johns Hopkins School of Advanced International Studies (SAIS) and a bachelor’s from Mount Holyoke College.

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