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SUCCESS STORY: Cooperative-owned Finance Organization Helps Couple's Business Flourish



Turpilasa's administrative office.

May 2023 - Vick Turton, 40, had always dreamed of owning his own business, and in 2019 he finally took the leap. After years of working for large companies providing nutritional additives for poultry and pig farmers in Guatemala, he and his wife, Sofia Pivaral, 39, opened their own. They called it Turpilasa, a combination of their surnames. It would be a locally-owned service providing the ingredients necessary to raise the animals Guatemalans rely on for sustenance. Vick and Sofia had no way to know a global pandemic was about to change everything.

This women-led business opened in October 2019, in the town of San Jose Pinula, west of Guatemala City. Vick and Sofia hired an experienced poultry manager to help with sales, and Sofia developed the administrative side of the business. Soon bigger clients were interested – large corporations, who would buy in volumes that would ensure the success of the young business. It was time to hire more people and establish lines of credit with banks. But bigger clients require 60 days before paying, and Turpilasa cannot do the same with its suppliers. This created a financing gap. As COVID-19 slammed the brakes on the global economy, banks shut the door on Vick and Sofia. Without three years of financial history to prove their creditworthiness, they wouldn't get the financing.



Turpilasa's administrative team. Sofia Pivaral in the center of the picture, with Ivanna and Celeste.

“CREDIPYME was like an oasis in the desert for us,” Sofia recalls. “They allowed us to stay alive and keep growing.”

Then a friend told Sofia about CREDIPYME, a cooperative-based financial provider that serves businesses the national credit union system cannot, because of regulations. FENACOAC, Guatemala's national credit union association, and 23 Micoope credit unions invested \$5.1 million of their own funds to create CREDIPYME, with technical support and capacity building provided by the World Council of Credit Union (WOCCU) through the

USAID-funded Cooperative Development Program (CDP). CREDIPYME funds small- and medium-sized enterprises (SMEs) without requiring the extensive background and financial records that commercial banks require, helping to fill an \$18 billion financing gap in the country. It evaluated Turpilasa's offer, understood the potential, and provided the necessary financing.

Vick and Sofia could finally tend to their other problem – building a business from scratch during a global pandemic. Today, Turpilasa has grown from one couple's dream to a small business employing 17 people and sizing up new opportunities to expand and hire. Vick and Sofia are working on a new business unit specializing in human nutrition.



Antony, who is in charge of Turpilasa's warehouse, is one of the 17 people employed by Turpilasa

CREDIPYME remains a trusted partner, and discussions are underway on whether to open up a new credit line or expand the existing one, Sofia said. It is also helping Turpilasa to create a formal business plan. “We have big possibilities now,” Sofia said, “even if we are still just a little company”.

WOCCU, USAID and their development partners continue to fill the SME financing gap and create local opportunities for economic growth through programs such as the CDP Technology and Innovation for Financial Inclusion (TIFI) project. It was developed by WOCCU and funded by USAID to create and support solutions such as CREDIPYME, which in the first 10 months since its launch in June 2022 has supported 26 SMEs including Turpilasa. TIFI is also currently being implemented in Kenya, Senegal and Burkina Faso.

Photo credit (all photos): CDP TIFI Program

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