Expert Meeting on
Investment, Innovation and Entrepreneurship for
Productive Capacity Building and Sustainable
Development

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BoP Entrepreneurship in a Developing Country: Brasil

by

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD
Bop Entrepreneurship in a Developing Country

Brasil

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Entrepreneurship in the Bottom of Pyramid (BoP)

The fundamental question:

How to support millions of microentrepreneurs in a sustainable way, using the strength of the market?
My experience with entrepreneurship education the last 24 years

400,000 books sold - 15 titles (first develop and then write)

University education:
• 400 institutions
• 5,000 teachers

Basic Education (4-17 years):
• 145 cities
• 2,000 schools
• 10,000 teachers,
• 400,000 students

Real entrepreneurs of BoP
No classes for the real entrepreneurs

Entrepreneurship education should be concentrated in Basic Education (4 to 17 years old) in order to generate cultural change (universities=hubs)

Entrepreneurship is a result of social contagion and spreads through networks

Entrepreneurship is a phenomenon of communities. Any public policy related to entrepreneurship should target cities or communities.

Government: create the environment and drop off
The question that triggered the methodology

The simple rationale: if one big company helps its thousands of microenterprises customers to grow, they will buy more from it.

Sales will increase in both sides.
The foundation: networks

Centralized

Descentralized

Distributed

Paul Baran - Augusto de Franco
Networks are for:

Hierarchies are for:

- Reproduction
- Teaching

Networks are for:

- Innovation
- Learning
Entrepreneurship learning: no broadcasting...
Social contagion: epidemics, emotion, religion, politics, entrepreneurship

There is a network (swarm) intelligence that survive the individuals
The real case:

Tenda
Wholesale Distributor (Cash & Carry) - Brasil

2011 - 2013

Top 3rd wholesale distributor in Brazil

Sales: U$ 1 Billion

250 thousands of micro companies as costumers

International Funding

Inter-American Development Bank

(US$ 10 MM)
The goal: increase profit by supporting 250 M microenterprises

Tenda Wholesaler

Increase sales in both sides

250,000 SME (*)

SME SME SME SME SME SME SME SME

Win-win

(*) Little barbecues, small grocery stores, hot-dog stands, cafeterias
The creation of cells

Each cell:
10 entrepreneurs

“An isolated entrepreneur is in very bad company”
(GCE, Quebec)

The best consultant for a small entrepreneur is another small entrepreneur
The cells forming the network

Each cell: 10 members

1 member

Network

Each member: new cells

Cell

Cell

Cell

Cell

Cell

Cell

Cell

Cell

Cell

Cell

Cell

Cell

Cell

Cell
The building blocks

The entrepreneur is the protagonist.

- Low cost
- Scale
No classes!
The school is the network.
Thank you!

Obrigado!