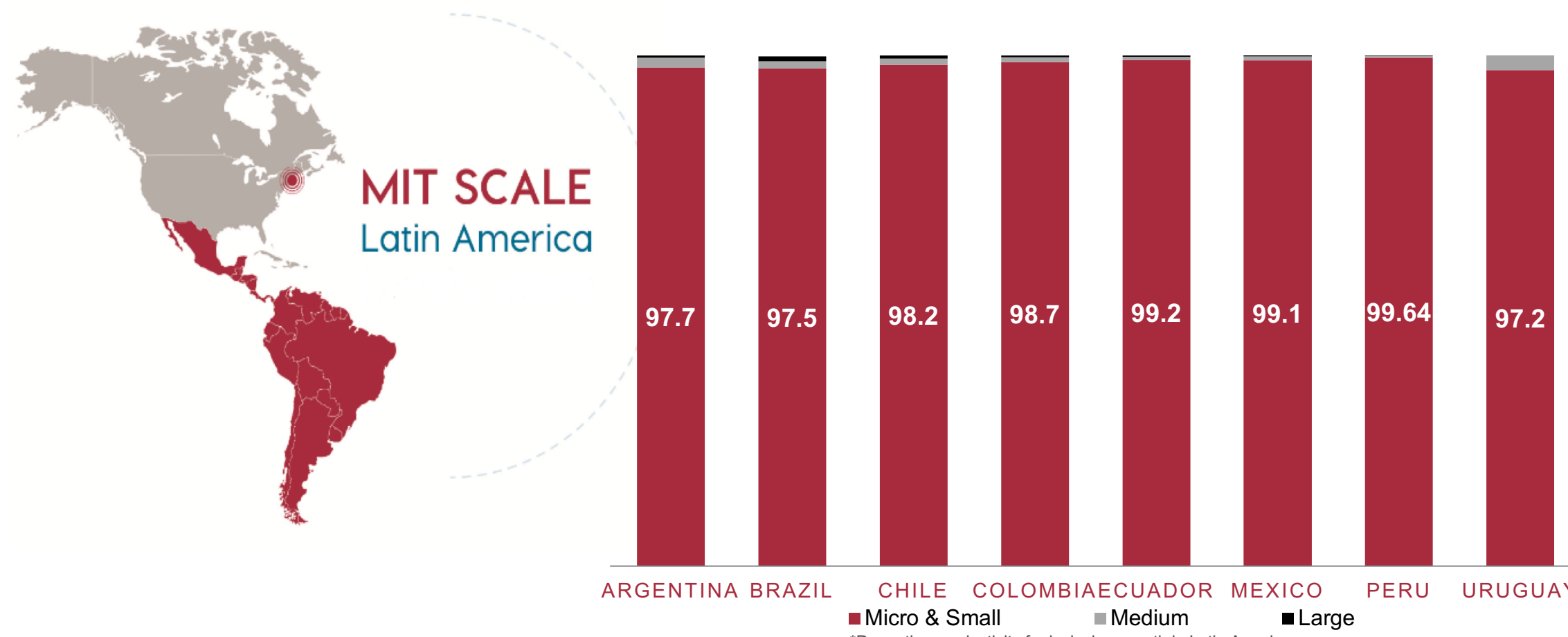


# Latin America's Bottleneck: Supply Chain @ Small Firms

## MOTIVATION / BACKGROUND

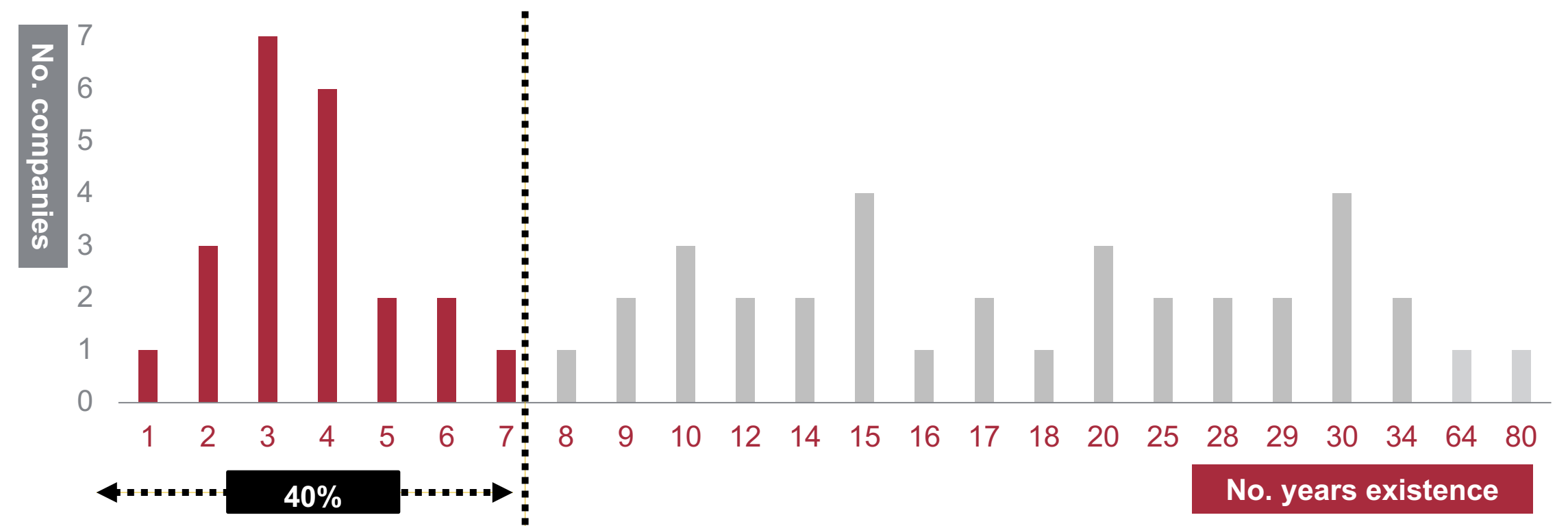
- Micro and small firms are 99% of the businesses
- 1 out of 4 companies fail every year due to lack of supply chain expertise.



## KEY QUESTION / HYPOTHESIS

**Key Question** What are the most important business and supply chain practices for improving small firms survival rate in Latin America ?

**Hypothesis** Small firms that have been around longer have developed business and supply chain practices that are relevant for the survival of the younger firms.



The data evaluated suggests that the years of existence of small firms can oscillate from 1 to 80 years. However, approximately 40% of these businesses range from 1 to 7 years.

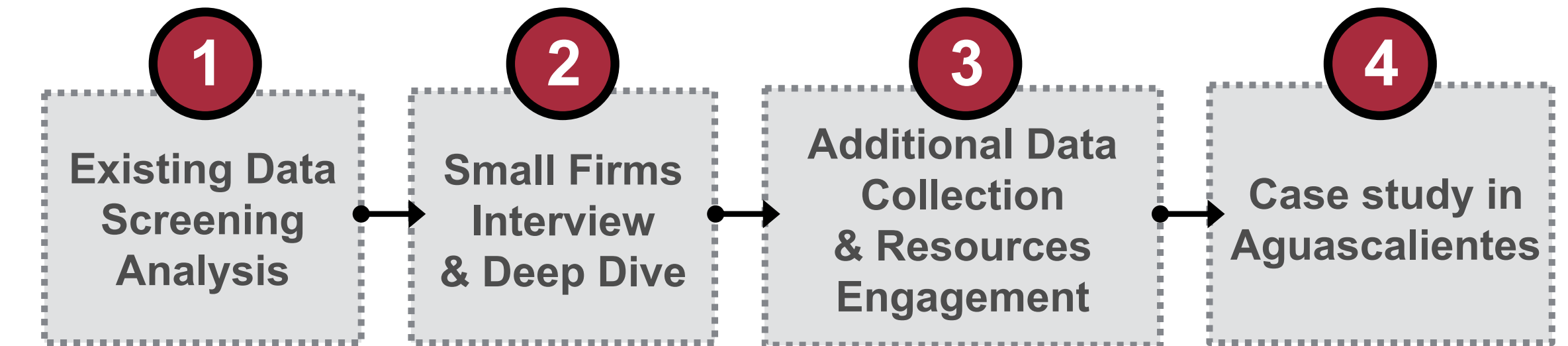


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## RELEVANT LITERATURE

- OECD-ECLAC (2012). Latin American Economic Outlook. SME Policies for Structural Change.
- OECD (2016). Better Policies Series. Promoting productivity for inclusive growth in Latin America.
- MIT CTL - MIT Global Scale Network. Micro SCM: Leveraging in small firms @ Latin America. Data Collection Guidelines Manual - Version 4.0

## METHODOLOGY



## INITIAL RESULTS

- Successfully conducted workshop to small firms (70% company engagement)
- Visiting small firms in Aguascalientes, Mexico to understand small firms beyond the spreadsheet
  - Interviews and deep dive
  - Main challenges

Key Concerns Heat Map

## EXPECTED RESULT

- Identified business and supply chain practices that small firms should develop to improve their survival rates
- A tailored case study for enterprises in Aguascalientes, Mexico

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