



HEC MONTREAL

2024 SBC COMPETITION



**social
business
creation**

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SOCIAL INNOVATION - ONLINE PITCH

WICHAY

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1. Introduction

In the heart of Peru, amidst the vibrant tapestry of its diverse communities, lies Wichay, a beacon of hope and empowerment. With a mantra echoing empowerment and transformation, "Empowering hands, transforming lives: Our art, our strength, our future," Wichay is more than a social initiative—it's a catalyst for change. At its core, Wichay is dedicated to contributing to the United Nations' Sustainable Development Goals, particularly SDG 1, 8, and 11, by addressing the pressing issues of poverty, inequality, and sustainable community development. With a vision to be a national reference for positive impact, Wichay embarks on a journey to uplift vulnerable communities by providing training, fostering entrepreneurship, and creating sustainable economic opportunities. The landscape in Peru is rife with challenges, from entrenched poverty to stark social inequalities. Wichay confronts these realities head-on, recognizing the root causes—economic need, lack of education, informality in labor, and limited access to resources—and devising innovative solutions to surmount them. Through comprehensive skills training, access to financing, market development initiatives, and organizational strengthening, Wichay empowers individuals to unlock their full potential. From carpentry to weaving, Wichay cultivates talents and equips participants with the tools to thrive in the marketplace. But Wichay's impact extends beyond economic empowerment. It fosters personal growth and community resilience, nurturing a sense of pride in cultural heritage and promoting sustainable practices in artisanal production. By empowering individuals, Wichay catalyzes a ripple effect of change, transforming not only lives but entire communities. Wichay's uniqueness lies in its holistic approach and innovative strategies, which transcend conventional practices. With unwavering support from stakeholders like the Universidad del Pacifico and the SBC delegation, Wichay is poised to make a tangible difference, one empowered individual at a time. As Wichay continues to evolve, it embraces the lessons learned from the field—the importance of financial education, the value of community support networks, and the need for ongoing evaluation and adaptation. With an eye toward expansion, sustainability, and international projection, Wichay stands ready to chart a new course towards a more equitable and prosperous future for all.

2. Social business idea

2.1. Social mantra one-liner

"Empowering hands, transforming lives: Our art, our strength, our future."

2.2. Contributions to UN goals

Vision: To be an initiative recognized, as a reference, at the national level for its positive impact on the reduction of poverty and social inequality in Peru, through training, the promotion of entrepreneurship and the creation of sustainable economic opportunities for the vulnerable communities.

Mission: Empower people from vulnerable communities in poverty through the development of skills, the creation of sustainable economic opportunities and the promotion of ancestral cultural practices. This with the purpose of contributing to their personal and professional development, allowing them to generate income and improve their quality of life.

UN objectives:

General objective: Contribute to the reduction of poverty and social inequality in Peru through the development of skills and the creation of sustainable economic opportunities.

Specific objectives: Wichay promotes inclusive economic growth in Peru, generating opportunities and empowerment for people. Additionally, Wichay contributes to the recognition and construction of a more prosperous future throughout the country.

SDG 1 → END OF POVERTY

Reduce by 20% the number of people in extreme poverty in the communities where Wichay operates within 5 years.

Increase the average income of people participating in Wichay activities by 15% within a period of 3 years.

Provide training in technical and soft skills to a minimum of 800 people in economically vulnerable situations within a period of two years.

SDG 8 → DECENT WORK AND ECONOMIC GROWTH

Increase the employment rate of people participating in Wichay by 10% within a period of 2 years

Promote the creation of 5 microbusinesses in the communities where Wichay operates within a period of 5 years

Reduce the youth unemployment rate by 5% in the communities where Wichay operates within 4 years

SDG 11 → SUSTAINABLE CITIES AND COMMUNITIES

Provide a safe and secure space for a minimum of 500 people to participate in Wichay activities within 2 years

Implement a participatory governance system in the management of the initiative, involving the participants, local authorities and civil society organizations within a period of 1 year

Promote the development of skills related to crafts and local production in a minimum of 200 people within a period of 3 years

3. ESG preparedness

Project theme: comprehensive plan that seeks to empower people with limited resources to develop new skills and be able to financially support themselves, while at the same time we will seek to promote the added value they offer to society.

Environmental:

Minimal environmental impact: The project will be designed taking into account sustainable practices, such as reducing industrialization and minimizing waste.

Environmental education: Training modules on sustainable environmental practices could be included so that participants become aware of the importance of preserving the environment.

Social:

Inclusion and equity: The project will focus on low-income people, promoting inclusion and equal opportunities for all.

Skills development: Training will be provided in new skills that allow participants to improve their employment opportunities and generate sustainable economic income.

Promotion of social value: The added value that participants contribute to society through the development of their skills will be highlighted, promoting social integration and recognition of their contribution.

Governance:

Transparency and accountability: Clear project monitoring and evaluation mechanisms will be established to guarantee transparency in the use of resources and accountability to all interested parties.

Stakeholder participation: Different stakeholders, such as beneficiaries, community organizations and donors, will be involved in the design and implementation of the project, ensuring participatory and collaborative governance.

3.1. Target issues

Scale: the problem that this project addresses has multiple aspects, and some of them have been entrenched in Peruvian society for a long time.

First of all, we can mention the aspect of poverty. The report of the National Institute of Statistics and Informatics (INEI) has recently been released, which, considering the results obtained by the National Household Survey (ENAHU), reliably estimates the country's poverty levels every year. Thus, as we now know that during 2023, more than half a million people were thrown into poverty during this year (1.5% more than in 2022), and that the number of extreme poor increased by nearly 250 thousand people (0.7% more than 2022). This has been due to multiple factors (political, social, environmental), but what is clear is the evident lack of a quality life in about a third of the Peruvian population, which should raise the alarm of our authorities, and interested international entities such as the United Nations.

And if we analyze these figures in more depth, we will see that, in rural areas, it reaches almost 4 out of every 10 inhabitants (39.8%), and that in urban areas, this figure decreases to 26.4%. This shows only part of the inequality that exists in the country, and how there is a particular neglect in those most vulnerable areas.

And if we continue reviewing the issue of vulnerability, with the INEA report we will realize that nearly 9 and a half million people (28.2% of the population) are in a vulnerable situation. This means that, although it is true that they are not poor people, in the event of any unexpected change in their economy, they are very likely to fall into a situation of poverty.

So, if we consider the number of poor people, extremely poor people and people in vulnerable situations, we will realize that 62.9% of the population lives in constant uncertainty as to whether they will be able to meet their basic needs or not. This involves 21 million 213 thousand people, almost $\frac{2}{3}$ of the Peruvian population who are not capable of having an adequate quality of life, and who have been most affected by the last governments that our country has had.

If we talk about illiteracy, 7.3% of the poor population does not know how to read or write; If we talk about the participation rate in the labor market, $\frac{1}{3}$ of the poor population (66.6%) does not work, compared to 70.9% of the non-poor population; If we talk about health insurance; 77.3% of the poor population only has the insurance provided by the state (which is very inefficient), while in the case of the non-poor population, only 55.1% has this insurance, being people in situations of vulnerability is the one that uses this insurance the most (70%); If we talk about connectivity, we will realize that more than $\frac{1}{5}$ of the population has not connected to the internet during 2023 (22.1%)

And everything mentioned above affects the quality of life of the population at the national level, both coast, mountains and jungle; both urban and rural. Furthermore, the level of inequality among people in Peru is evident, with the poorest people being the ones who suffer the majority of these social gaps.

Unfortunately, all of these issues have been very little addressed by the relevant authorities, such as mayors, governors, and the presidency. What is really needed is to create a multi-sector plan that involves everything from awareness campaigns to employment, medical, technological and social opportunities that benefit, above all, the most affected and vulnerable parties, such as women in Peru. And it is in this sense that our idea arises, to provide new opportunities for progress to those people who do not want to get ahead, but rather that they have not been given the respective opportunities to do so. We seek to make a profound change not only in their lives, but in the community that surrounds them: modifying the community ideology and making profound changes within society.

Fieldwork:

INEI (2024). *Perú: Evolución de la pobreza monetaria 2021-2023*. Recuperado de: <https://www.gob.pe/institucion/inei/informes-publicaciones/5558423-peru-evolucion-de-la-pobreza-monetaria-2014-2023>

3.2. Root causes

The problem that Wichay faces is the need to implement a comprehensive plan that empowers people with limited resources, giving them the opportunity to develop new skills and achieve economic self-sufficiency. Additionally, Wichay seeks to promote the added value that these people offer to society through their work and talent. In this context, it is essential to identify and address the underlying causes that limit access to economic opportunities and skills development, in order to design effective strategies that empower these people and foster positive change in their lives and communities.

Economic need: Many low-income people face urgent economic need, because their income is not enough to cover their basic needs: such as food, housing and education. This economic need can limit their ability to invest in their personal and professional development, thus perpetuating their situation of economic vulnerability.

No instruction regarding the value of their work: Lack of understanding about the value of their work can lead poor people to underestimate their potential and not take advantage of available opportunities to improve their skills and generate income. This can result in a lack of motivation to seek new opportunities, and settling for low-paid jobs or precarious working conditions.

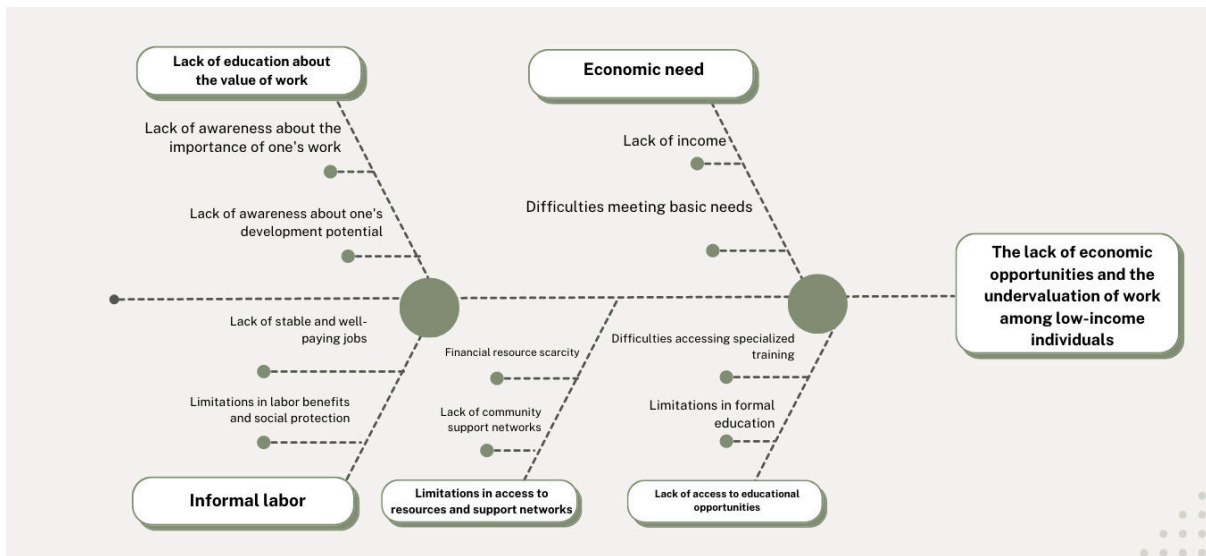
Labor informality: The high incidence of informal employment among low-income people can limit their ability to access stable, well-paid jobs, as well as labor benefits and social protection. Labor informality can perpetuate economic instability and make it difficult to develop specialized skills necessary to advance in their careers.

Lack of access to educational opportunities: Lack of access to formal educational opportunities or specialized training can limit the professional and personal development of low-income people. Without adequate education or training, it is difficult for these

individuals to acquire the skills necessary to compete in today's job market and improve their economic situation.

Limitations in access to resources and support networks: Low-income people may face limitations in access to financial resources, materials or support networks that provide them with the necessary assistance to develop their skills and establish themselves economically. Lack of access to resources and support networks can hinder your ability to overcome obstacles and take advantage of opportunities for personal and professional development.

The causes can be seen reflected in the following Ishikawa diagram:



CIUP. (2021). Análisis y propuestas para combatir la informalidad laboral en la nueva normalidad.

<https://ciup.up.edu.pe/analisis/analisis-y-propuestas-para-combatir-la-informalidad-laboral-en-la-nueva-normalidad/>

Loayza, N. (n.d.). Causas y consecuencias de la informalidad en el Perú. Retrieved November 24, 2022, from

<https://www.bcrp.gob.pe/docs/Publicaciones/Revista-Estudios-Economicos/15/Estudios-Economicos-15-3.pdf>

3.3. Current solution landscape

The current landscape of solutions for social and environmental problems is crucial to addressing the triple planetary crisis we face: climate change, biodiversity loss and pollution.

- a. **Global Resources 2024:** The “Global Resources Overview 2024” report from the United Nations Environment Program (UNEP) highlights the urgent need for a global

transformation towards sustainable resource use. This report analyzes the trends, impacts and distributional effects of resource use. Some key points include:

- The world consumes more and more natural resources.
- The demand for resources will continue to increase in the coming decades.
- Without urgent action, resource extraction could increase by 60% by 2060, carrying significant risks.
- Bold political action is required to phase out unsustainable activities and promote alternative solutions.

- ***Pros:***

- It directly addresses the problem of overexploitation of natural resources.
- Recognizes the importance of a global approach to addressing the environmental crisis.
- It emphasizes the need for bold and systematic political action.

- ***Cons:***

- Implementing significant changes in the global economy can face resistance from established interests.
- It requires a profound re-evaluation of global business and consumption models.
- The transition to sustainable resource use can be costly and require long-term investments.

b. **Agenda 2030 and Sustainable Development Goals (SDGs):** The 2030 Agenda, established by the UN in 2015, defines clear goals for a sustainable future in areas such as poverty, health, climate action and responsible consumption. Solutions must align with these objectives to address social and environmental problems.

- ***Pros:***

- It provides a clear and structured framework to address a variety of social and environmental challenges.
- Promotes collaboration between different sectors of society.
- It offers a set of metrics to measure progress towards sustainable development.

- ***Cons:***

- The implementation of the SDGs may be hampered by a lack of financial resources and technical capacities in some countries.
- Some goals may conflict with each other, making them difficult to achieve simultaneously.
- The lack of effective accountability mechanisms can limit compliance with commitments.

c. **Climate actions and the Paris Agreement:** Limiting global temperature rise is essential for a sustainable future. Businesses, policymakers and civil society must take comprehensive short- and long-term climate action, in line with the goals of the Paris Agreement on climate change.

- ***Pros:***

- Establishes an international framework for climate action.
- Promotes cooperation between countries and sectors.
- Mobilize financial and technological resources to support the transition to a low-carbon economy.
- **Cons:**
 - Implementation can be hampered by a lack of political will and the influence of economic interests.
 - Some measures may raise concerns about job losses in fossil fuel-dependent sectors.
 - Lack of compliance and implementation can undermine the effectiveness of the agreement.

In summary, each of these perspectives offers a valuable approach to addressing the environmental and social crisis, but their successful implementation will require overcoming a series of challenges. The key will be international collaboration, bold political action and the mobilization of adequate resources to achieve meaningful change towards sustainability.

Fieldwork:

- ¿Cuáles son los desafíos para lograr que el planeta sea más sostenible? (2020, 22 septiembre). Foro Económico Mundial. <https://es.weforum.org/agenda/2020/09/como-salvar-el-planeta-cuales-son-los-desafios-para-lograr-que-el-planeta-sea-mas-sostenible/>
- **Datos prom Perú:** https://www.mef.gob.pe/contenidos/presu_public/documentacion/evaluacion/Informe_Final_PROMPERU.pdf
- Panorama de los recursos globales 2024. (s. f.). UNEP - UN Environment Programme. <https://www.unep.org/es/resources/Global-Resource-Outlook-2024>
- Vivimos insosteniblemente y así no alcanzaremos en 2030 las metas medioambientales de desarrollo sostenible. (2022, 4 noviembre). Noticias ONU. <https://news.un.org/es/story/2021/05/1492352>

3.4. Solution to implement:

Wichay is an innovative social initiative that seeks to combat poverty and social inequality in Peru through the economic empowerment of people in vulnerable situations. Wichay's social solution design is based on a holistic approach that addresses the root causes of poverty and promotes sustainable development at the individual, family and community levels.

Key components of Wichay's social solution design:

1. **Skills Training:** Wichay offers vocational skills training and advocacy programs that equip participants with the tools and knowledge necessary to independently generate

income. These programs focus on skills in demand by the market, such as carpentry, carving, sewing, weaving and other craft areas.

2. **Access to financing:** To support participants' entrepreneurship, Wichay facilitates access to financing through training, scholarships and other flexible financing modalities. This allows participants to invest in tools, materials and other resources necessary to start or strengthen their businesses.
3. **Market development:** Wichay provides support to participants in the marketing of their products, creating effective sales channels both locally and internationally. This includes participating in craft fairs, creating virtual stores, and collaborating with companies and organizations seeking high-quality artisanal products.
4. **Organizational strengthening:** Wichay promotes the formation of associations and cooperatives among participants, encouraging teamwork, collaboration and knowledge exchange. This strengthens the negotiation capacity of the participants and allows them to access better market opportunities.
5. **Personal Empowerment:** Wichay not only focuses on developing technical and business skills but also promotes personal empowerment of participants. This includes workshops on self-esteem, leadership, financial education and other topics that promote the comprehensive development of people.

Anticipated impacts of Wichay's social solution:

1. **Poverty reduction:** Wichay is expected to contribute significantly to poverty reduction in Peru by generating sustainable income opportunities for participating individuals. This translates into a better standard of living, access to basic services and greater economic security for families.
2. **Reducing social inequality:** By economically empowering people in vulnerable situations, Wichay helps reduce social inequality gaps in Peru. This contributes to a more just and inclusive society, where everyone has the same opportunities for development.
3. **Strengthening communities:** Wichay promotes community development by encouraging collaboration, local entrepreneurship, and valuing artisanal culture. This strengthens the social fabric and creates more resilient and prosperous communities.
4. **Preservation of cultural heritage:** By focusing on the revitalization of traditional craft skills, Wichay contributes to the preservation of Peru's cultural heritage. This protects the country's cultural identity and enriches the cultural offer for future generations.
5. **Contribution to sustainable development:** Wichay promotes sustainable practices in artisanal production, using local materials and reducing environmental impact. This contributes to the conservation of the environment and the sustainable development of the country.

3.5. Solution uniqueness

Wichay stands out for its innovative and effective approach to addressing poverty and social inequality. By introducing new strategies to the community, Wichay offers novel solutions that go beyond conventional practices. This is reflected in its ability to significantly improve the economic and social conditions of the participants, thus surpassing other existing alternatives in the community. With a comprehensive and efficient approach, Wichay promotes equitable and sustainable development at the individual, family and community level.

Thus, the uniqueness of Wichay is evident in the following aspects:

1. Wichay introduces innovations in the community where the project is implemented, offering novel approaches to address existing problems in a more effective and sustainable way.
2. The approach to solving the problem through Wichay is relatively new, as it adopts innovative strategies and methods that differ from conventional practices, allowing a more significant impact on improving the economic and social conditions of the participants.
3. The solution provided by Wichay clearly surpasses other existing alternatives within the community where it is implemented, as it addresses limitations and deficiencies in a more comprehensive and efficient manner, promoting more equitable and sustainable development at the individual, family and community level.

4. Stakeholder engagement

4.1. Engagement strategy

Support strategies and stakeholders:

- **Identification of local needs and resources:** Communities can begin by identifying their local needs and resources. This involves an analysis of the existing skills within the community and the employment or entrepreneurship opportunities in the area, which in this case are low.
- **Creating support groups and community networks:** Establishing support groups and community networks can be an effective way to share resources, knowledge and experiences between community members (digitize them). These networks can provide a space for the exchange of ideas, collaboration on projects and mutual support in skills and business development.
- **Organization of training programs and workshops:** Organization of training programs and workshops for the development of specific skills that are relevant to the needs of the local labor market or for starting local businesses. These programs can be facilitated by community experts or through collaborations with educational institutions or nonprofit organizations. (alliance with NGOs or PROMPERU).
- **Promotion of entrepreneurship and the local economy:** Through a national and international connection channel, we will seek to support local entrepreneurs by

providing access to financing, training in business management and creating support networks for the development and promotion of local businesses.

- **Advocacy for rights and inclusion:** Communities can work together to advocate for their rights and promote the social and economic inclusion of all their members. This may involve participating in awareness campaigns, collaborating with human rights organizations, and promoting public policies that promote equity and social justice.

4.2. Social support campaign performance

At this point we must begin by saying that the moral and financial support that we have obtained from the Universidad del Pacífico and the SBC delegation has been essential to continue working on our project and to continue to maintain it until we meet our proposed objective.

Regarding moral support, it has been crucial to have the support and motivation of the Vice Dean of Administration, with its representative Luis Miguel Alegre, who has been accompanying us since our application was accepted. Along these lines, Luis has always been willing to resolve our doubts, we received his invitation to an introductory meeting where we were congratulated for our participation and had the opportunity to introduce ourselves and get to know each other better. For her part, Miss Ruth, representative of Social Business Creation, has also shown complete willingness to resolve any questions or queries that may arise. So, in that sense, through the two mentioned we have close contact and constant communication that helps us advance in each step of the contest and also strengthens the sense of belonging and commitment to the project.

On the other hand, regarding financial support, have 100% financial support from the university (as evidence that this information is accurate, we attach a screenshot of the official email from the Dean's Office of the Universidad del Pacífico), This financing has been very useful to us to be able to register and stay in the competition with the ability to carry out our initiatives more effectively and broadly. In addition, it supports the trust of our educational institution. This financial support, in some way, can also facilitate the expansion of our project and its impact on the community.

In short, the moral and financial support, as a sign of commitment, makes us understand the value they are offering to our initiative and the importance it has for the university community.



Luis Miguel Alegre <lm.alegren@up.edu.pe>
para bcc: mí

22 abr 2024, 11:57 ☆ ↶ ⋮

Estimados participantes:

Reciban un cordial saludo del Vicedecanato de Administración.

El motivo de mi comunicación es para informarles que se les ha otorgado la beca al 100 % para el financiamiento de la inscripción.

¡Muchos éxitos en sus proyectos!

Luis Miguel Alegre Nontol
Vicedecanato de Administración



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5. Learning curve

During the development of the project, we have identified the specific needs of low-income families, such as limited access to employment opportunities, education, health or basic resources, as this understanding is essential to design effective interventions that we can use in development. of our project. We have also discovered the importance of economic empowerment for these families, including job training, access to microcredit or business development programs and most importantly, being a channel for promotion. We consider that it is essential to continue strengthening this aspect, providing opportunities for families to generate income in a sustainable way.

Financial education emerged as a key need, since many people tend to lack basic knowledge about how to manage their finances and it would not hurt to teach or reinforce this topic for the first time; Implementing financial education programs can make a big difference in the long term. Likewise, we have observed the value of community support networks to start or continue with an idea and/or project that you have. These networks can provide not only material resources, but also emotional and motivational support for families. Finally, it is important to maintain an ongoing monitoring and evaluation process to measure the impact of the project and make adjustments when necessary; This would involve collecting data, conducting analysis, and obtaining feedback from stakeholders.

Now, we could improve our project through the following points:

- Evaluate the possibility of expanding the scope of the project to reach more families in need in the community.
- Look for new innovative ways to address the economic challenges families face, such as the use of technology, alternative business models or strategic partnerships.
- Work on strategies to ensure the long-term sustainability of the project. For example, create alliances with local companies, government institutions or NGOs.

- Further involve the community in project design and implementation, ensuring that interventions are culturally sensitive and appropriate to local needs.
- Strengthen monitoring and evaluation mechanisms to accurately measure project impact and use this information to continually improve interventions.
- Expand the system of projection and promotion of added value (international)

6. Conclusion

In conclusion, Wichay's multifaceted approach tackles poverty's root causes, equipping individuals with the tools for self-sufficiency. By fostering collaboration and cultural preservation, Wichay empowers communities and safeguards Peru's heritage. As Wichay expands its reach and partnerships, it has the potential to become a model for social initiatives worldwide.