

## **MASISA: Throughout its Value Chain**

FUNDES and MASISA have worked hand in hand in order to bring Latin American SMEs into the future. MASISA believes in SMEs as a fundamental pillar of doing business. The approach to this collaboration is very varied; capacity development of carpenters or forestry SMEs, supplier-, distributor-development or micro franchises. Along the wide range of projects MASISA always follows the goal to foster SMEs professionalization as well as formalization, components it considers necessary to engage in ameliorating the quality of life of the communities in which the company works. Furthermore, MASISA has developed a model “*Inclusion, Chaining and Base of the Pyramid*”, which is at the core of the companies’ business development/intelligence. The model allocates current and potential e.g. distributors or suppliers at the center and invests in developing their business capabilities to in a further step include them into their value chain. The model has to be understood as a tool assuring income, improving efficacy, decreasing costs and risks, assuring competitiveness, and last but not least, diminishing the environmental footprint as well as social inequality.

For instance, Masisa developed the program “Carpenter’s development” in Mexico, which intended to modernize carpenters’ administrative and commercial skills in order to be able to respond to their clients’ needs. The trainings developed were solidly structured and focused on providing management tools such as leadership skills, teamwork, inventory management, indicator development, risk-management, customer development, knowledge about sustainable materials as well as environmental product certification. MASISA’s investment showed clear social and financial returns for SMEs. The company experienced substantial efficiency and profitability improvements: Not only did 7000 carpenters learn to guarantee high quality customer service, but also did carpenters reduce their costs by 15-20% and hence improving carpenters utilities. Furthermore MASISA- carpenters was strengthened and as a consequence SMEs demand for MASISAs products.