

UNITING FOR GROWTH:

**HOW SMALL BUSINESSES AND
VOLUNTEERS CREATE JOBS AND STABILITY**



A LETTER FROM THE CEO

Dear Bpeace Community,

At Bpeace, we’re making a real difference in the U.S. and Central America, offering hope and opportunity where it’s needed most.

In Central America, we’ve seen firsthand the resilience of entrepreneurs who, despite numerous challenges, are committed to creating good jobs in their communities.

Take Iliana Benítez, founder of Vertex Studio in El Salvador. Through our program, she:

- Doubled her company’s revenue.
- Created seven new well-paying jobs in one year.
- Expanded her tech business.
- Now invests in startups and launched a mobile credit line for female ride-share drivers.
- Mentors future female tech leaders.

Iliana’s success story demonstrates how your contributions create a ripple effect of positive change.

As we look to 2024/2025, Bpeace’s efforts will be guided by four key themes:

Adaptability and Resilience: We’ll continue supporting businesses in navigating volatile economic and political landscapes, ensuring they can thrive amidst adversity.

Empowering Women and Youth: We’re expanding our women’s leadership programs and youth training, recognizing these groups as catalysts for sustainable economic development.

Tailored Growth: Segmentation is crucial for Bpeace’s effectiveness and impact. By recognizing that businesses at different stages of growth require tailored interventions, we can design programs that precisely meet their unique needs.

Leveraging Technology: We’re adopting a hybrid model that combines digital tools with personalized engagement, allowing us to support businesses at various growth stages more effectively.

Ultimately, **Bpeace’s mission is about empowering people — to grow, and build strength in their local communities.** In Central America, we address the root causes of migration, offering alternatives to those who would otherwise leave. In the U.S., we coach minority-owned businesses to better compete and therefore grow.

Every job we help create is a thread in the fabric of a more stable, prosperous and peaceful community.

Thank you for being an integral part of this transformative mission.

With gratitude,



Alexandra Salas
Alexandra Salas,
CEO, Bpeace



ONE MISSION. HUNDREDS OF THOUSANDS OF LIVES IMPROVED.

Bpeace believes that employment is the bridge to education, poverty reduction and improved health, and that jobs for women are vital to women's advancement and to elevating their peaceful influence on society.





Currently we work in:



EL SALVADOR



GUATEMALA



UNITED STATES



HONDURAS

We deliver high-quality customized business consulting through volunteer business experts (a.k.a. Skillanthropists) to carefully vetted small and medium-sized businesses in crisis-affected communities.



48,000

FAMILY MEMBERS SUPPORTED
THROUGH JOBS CREATION IN
EL SALVADOR, GUATEMALA
AND THE U.S.



\$450M

TOTAL REVENUE
INJECTED INTO LOCAL COMMUNITIES

\$64M

NEW INCREMENTAL
REVENUE GENERATED BY
BUSINESS LEADERS



NET REVENUE
GROWTH RATE

11,713

TOTAL
JOBS



1,052

NEW JOBS



NET JOBS
GROWTH
RATE

4%



189

small businesses in
the Bpeace portfolio

723

people upskilled




For every \$1
invested
by Bpeace,
businesses
generated \$19
in new revenue.



\$28.7M
FINANCING RAISED BY BUSINESS LEADERS



25%
of business leaders
accessed funding



\$204K
Median funding
amount obtained



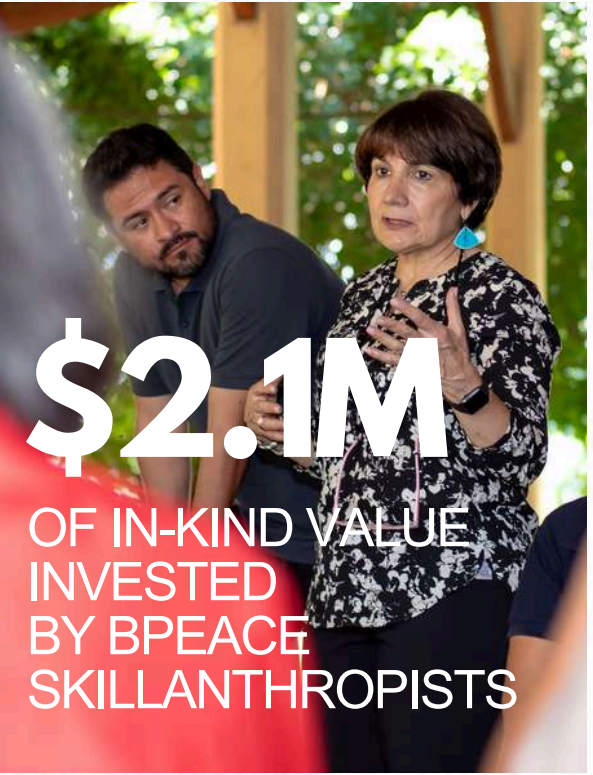
**76% OF CAPITAL RAISED WAS IN THE
FORM OF DEBT FINANCING**



286
VOLUNTEER
SKILLANTHROPISTS
ENGAGED



6,200+
HOURS OF ADVISORY
DELIVERED



\$2.1M
OF IN-KIND VALUE
INVESTED
BY BPEACE
SKILLANTHROPISTS



WOMEN LIFTING WOMEN

Women-led businesses employed a notably higher proportion of women (68%) compared to male-led businesses (32%).

Women-led businesses raised **55% of the total investment** obtained in 2023, for a total of **\$15.3M**.

\$105K
Median investment amount obtained by women-led businesses.

Women-led business success: 68% of women-led businesses increased their revenues in 2023.

Women now represent 52% of our portfolio's total workforce, marking the highest proportion since the pandemic and remarkable progress on gender diversity in the workplace.

74% Women-led businesses

6,048 Women employees

11% Women employees growth rate



MEET BEAUTY DEPOT: DISTRIBUTOR OF PROFESSIONAL BEAUTY AND HAIRCARE PRODUCTS

In 2023, Beauty Depot joined our Pradera Impulsa cohort, sponsored by CMI in Guatemala, and worked with marketing and sales expert Yvette Franco on developing a scoring system to define product profitability, and a comprehensive sales strategy including

the development of a recognition plan for the sales team aligned with the KPIs. As a result, **revenue grew 16%, profits doubled and the company added seven new full-time jobs to reach a total of 126 employees, of which 110 are women.**

“Yvette guided us in getting organized and transformed our approach to our work. She clarified the crucial decision-making process for introducing or removing products from our inventory. Although it was a significant amount of work, it was immensely satisfying.”

Stefanie Lemcke, General Manager, Beauty Depot



*“I supported Beauty Depot to enhance its profitability, and it brought me **immense personal satisfaction**. Seeing the tangible impact of our collaborative efforts was **incredibly rewarding**, knowing it will shape their future operations.*

*I take great pride in working from my strengths, **engaging in meaningful projects** with people who genuinely value my time and expertise. It's fulfilling to be seen as an expert who can **make a difference**, something every professional aspires to experience.*

At the end of the day, small businesses face similar challenges, whether they're in the U.S. or Guatemala. They're all seeking best practices to boost profits and create jobs.”

Bpeace Skillanthropist Yvette Franco



EMPOWERING YOUTH, BLUNTING MIGRATION

Youth Unemployment Crisis: In Latin America, youth unemployment is at 16%, with 60% in informal employment (ILO, 2022).

Migration Drivers: Low-productivity informality and lack of good jobs push individuals to migrate. Informal employment increases the likelihood of migrating for work by 65.4% to 96.4%.

Youth Demographics: Youth aged 15-29 make up 30% of the population in Guatemala and Honduras, and 28% in El Salvador. Nearly 28% of this group lacks access to education, employment or training, driving migration to the U.S. due to regional instability, climate change and economic challenges.

Bpeace's Impact:

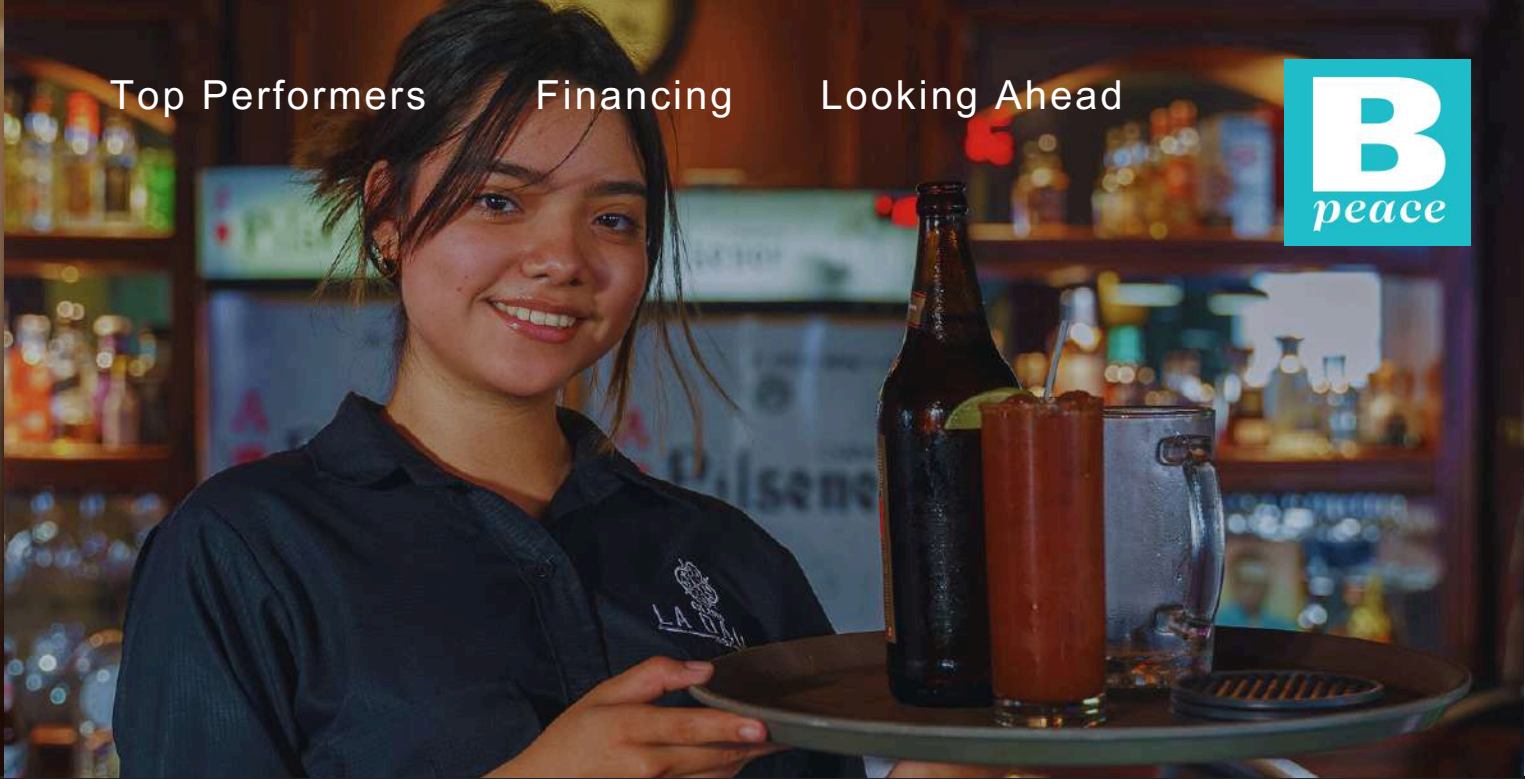
Job Creation for Youth: In 2023, Bpeace businesses hired 13% more youth than in 2022, **employing almost 4,300 individuals under 30 years old.**

Providing Hope: These jobs provide hope and a constructive perspective to an entire generation.

Blunting Migration: Supporting business growth generates good jobs and helps increase the path to economic prosperity at home.

Adapting to Gen Z: Business owners report challenges in managing younger employees (Gen Z), who bring unique expectations and work styles.





ADDRESSING TALENT EMIGRATION AND SKILLED LABOR SHORTAGES

Employee Emigration Concerns: In Central America, 38% of Bpeace businesses are concerned about employee emigration. This issue is particularly acute in El Salvador, where the concern is 12 percentage points higher than in Guatemala. El Salvador's smaller population and the workforce being drawn away by H-2B visas exacerbate this situation, with small businesses competing for talent with the U.S.

Sector-specific Challenges: The challenge is most pronounced in labor-intensive sectors such as manufacturing, business services (cleaning, professional safety, outsourcing), tourism, retail, logistics and construction. These businesses require support to enhance their competitive advantage.

U.S. Talent Shortage: In the U.S., 46% of Bpeace businesses report the lack of skilled talent as a top concern.



A full-page background image of a surfer with long blonde hair, wearing a white t-shirt and patterned shorts, riding a bright blue surfboard on a dark blue ocean wave. The surfer is in a crouched position, leaning forward, with white foam from the wave splashing around the board.

MEET HOTEL MICHANTI: HOTEL AND RESTAURANT FOR SURFING ENTHUSIASTS

In 2023, Hotel Michanti joined our Travel Maximizer cohort in El Salvador and worked with Skillanthropist Jordan Less on streamlining operations and enhancing the restaurant's profitability while balancing it with a commitment to sustainability.

Together, they identified key financial metrics, analyzed historical data, optimized the menu, re-evaluated the employee meal program and enhanced the hotel's online presence.

As a result, revenue grew 24% in 2023. In 2023, the company also hired four more full-time positions and six part-time. 100% of their employees are under 30 years old.

"We are immensely grateful; our profitability has surged from 3% to 10% in just a few months. Jordan's guidance completely transformed our results. Even when they seemed minor adjustments, they made a big difference."

Roberto Avila, Manager, Hotel Michanti



2023 BPEACE PORTFOLIO LANDSCAPE

Portfolio Overview: In 2023, Bpeace’s portfolio included 189 small businesses, achieving an average annual growth rate of 13% and creating 2.7 new jobs per business.

Impact of Economic Conditions: Throughout 2023 and early 2024, our portfolio navigated volatile regional and global economic conditions. With 72% of our portfolio reporting productivity gains in 2023, Bpeace businesses saw slower workforce growth compared to their revenue growth. They created 36% fewer new jobs than in 2022 but also experienced a 20% decrease in job losses, indicating improved job stability.

Challenges Following the Great Resignation: While some recovery is evident, the aftermath of the Great Resignation and evolving work preferences continue to impact job market dynamics. Employment shifts have created challenges for employers across industries, such as talent shortages in industries like hospitality, retail and healthcare; unprecedented turnover rates; and higher recruitment and retention costs.

Sector-Specific Trends: Bpeace’s focus on sectors like tourism, retail and food in Central America, where seasonal employment and temporary staffing are common, means businesses hire for short periods during busy seasons. Some also rely on volunteer work from foreign guests, which is not reflected in employment statistics. Similarly, in the U.S., there has been a shift toward gig-based or contract-based work, particularly in cohorts with a high representation of solopreneurs.

We are closely monitoring these trends, measuring new jobs created and lost while refining our job creation metrics to reflect our portfolio’s diverse circumstances.

Economic uncertainty: High financing costs and limited access to working capital hampering job creation.

Political instability: Elections and unrest in Central America affecting business confidence and operations.

Regional issues: Climate-related disasters, migration pressures and logistics tensions impacting small and medium-sized enterprise (SME) resilience.

Bpeace's Response:

- Refine job creation metrics to accurately reflect diverse portfolio circumstances.
- Enhance monitoring systems to track job creation, seasonal job creation and loss in real time.
- Develop tailored support programs to help SMEs navigate economic uncertainty and access financing.
- Provide resources and training on adapting to changing work patterns and talent retention strategies.
- Facilitate knowledge-sharing among portfolio companies to address common challenges.

JOBS AMID SHIFTING LABOR LANDSCAPE: SUCCESS AND CHALLENGES HIGHLIGHT NEED FOR TARGETED SUPPORT

In 2023, Bpeace Business Leaders demonstrated resilience and growth, creating **1,052 new jobs—a 14% increase from 2022**. This achievement is particularly noteworthy given the lingering effects of the Great Resignation and evolving workforce dynamics.

While 55% of Business Leaders expanded their workforce, others faced significant challenges, resulting in **605 job losses**. The net gain of 446 jobs underscores a critical divide: Our top performers set records, while smaller, less-resourced businesses struggled to compete in a tight labor market.

This disparity highlights the ongoing hurdles in employee retention and

recruitment, especially concerning Gen Z workforce integration.

Stable Good Jobs: Full-time employment in Central America increased by 5%, while part-time and temporary employment decreased by 30%, indicating a shift toward more stable, permanent positions.

U.S. Performance: Businesses in the U.S. cut jobs by 6%, while the Small Business Jobs Index grew by 1.2%.

Global Staffing trends: There was an 8% decrease in full-time jobs and a 6% increase in part-time and temporary jobs, reflecting the reliance on flexible staffing by smaller businesses and solopreneurs.





REVENUE GROWTH OUTPACING ECONOMIC TRENDS

Bpeace businesses injected \$450M into local economies in 2023.

Strong Performance in 2023

Bpeace’s businesses collectively generated **\$64M in new revenue**, marking a **23% increase from 2022**. While 68% of businesses experienced revenue growth, others faced **losses amounting to \$11M**. The net revenue gain was \$53M, reflecting a 19% growth since the baseline and 13% compared to 2022.

Despite moderate economic growth (2.5% GDP in the U.S., 3.5% in El Salvador and Guatemala), our portfolio grew:

- 39% in the U.S. with \$2.2M of new revenue generated
- 11% in El Salvador with \$34.3M
- 22% in Guatemala with \$16.2M

Anticipated 2024 Outlook

Expected moderate growth similar to 2022 due to:

- Political landscape
- Supply chain challenges
- Ongoing inflation
- Elevated interest rates



EMPOWERING GROWTH: EXPORT EXPANSION PROPELS SALVADORAN BUSINESSES

Remarkable Export Growth Boosts Revenue: Businesses in El Salvador have achieved significant strides in export growth, driving substantial revenue increases. Notably, women-led businesses are leading this charge, showcasing their pivotal role in the economic landscape.

In our Salvadoran portfolio:

- Exports grew from \$37M in 2022 to \$48M in 2023, representing a 31% growth in export amount compared to a nationwide decrease of 8.7%.
- Exports accounted for 14% of our portfolio’s total revenue in 2023, vs. 12% in 2022.

- In 2023 only, Salvadoran businesses exported \$48M. This reflects their particular export-oriented profile and our cohort's focus on expanding into foreign markets.
- Women-led businesses exported 57% of the total amount of Salvadoran exports. Women-led businesses also grew their exports 10% compared to 2022, while male-led businesses grew 71%.
- Guatemalan businesses' exports dropped by 18% in 2023, compared to a nationwide decrease of 9.5%.





TOP PERFORMERS: CATALYSTS OF EXCEPTIONAL REVENUE GROWTH AND JOB CREATION

J O B S

- 55% of businesses created 1 or more jobs in 2023.
 - Together, they created 1,052 new jobs.
- 32% of businesses lost 1 or more jobs.
 - Together, they lost 605 jobs.
- 13% of businesses maintained jobs.

R E V E N U E

- 67% of businesses grew their revenues in 2023.
 - Together, they generated \$64M of new revenue.
- 22% of businesses lost revenue.
 - Together, they lost \$11M.
- 11% of businesses maintained their revenue.

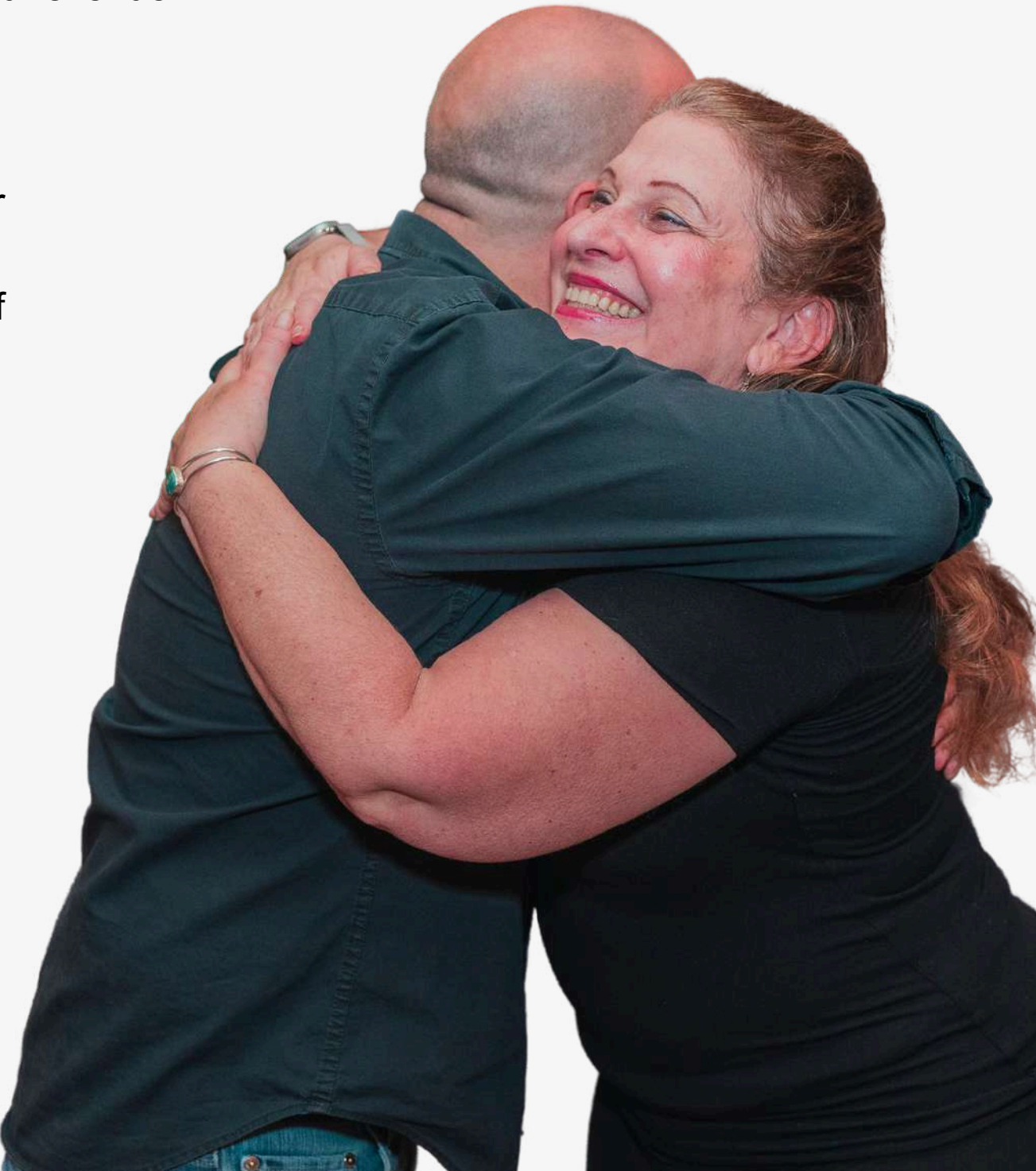
A significant impact of top-performing businesses on overall portfolio performance:

- 17 businesses represented 64% of the new jobs created. All had revenue over \$800K.

What we learned: The high-touch model works for high-growth businesses. It requires high investment of staff time and cost per business is high, approx. \$8K-\$10K per business.

For businesses under \$500K, a streamlined and less resource-intensive program will be developed. This approach aligns with funders' expectations, as they are supporting competitor programs costing \$3K or less.

- 19 businesses represented 66% of the new revenue generated. All had revenue over \$1M.



SEGMENTATION TO FUEL PROGRAM INNOVATION

Segmenting our portfolio enables us to innovate new program models for leadership and small businesses, which often have small teams juggling multiple responsibilities. We are currently developing a personalized, targeted approach with less intensive resource demands.

Pilots include:

- **Supplier Diversity Maximizer:** Focuses on helping diverse businesses become more competitive for future procurement opportunities.
- **Leaders Circle:** Aims to strengthen the leadership abilities of previous women Bpeace graduates.

GROWTH PROJECT FOCUS OF TOP PERFORMERS

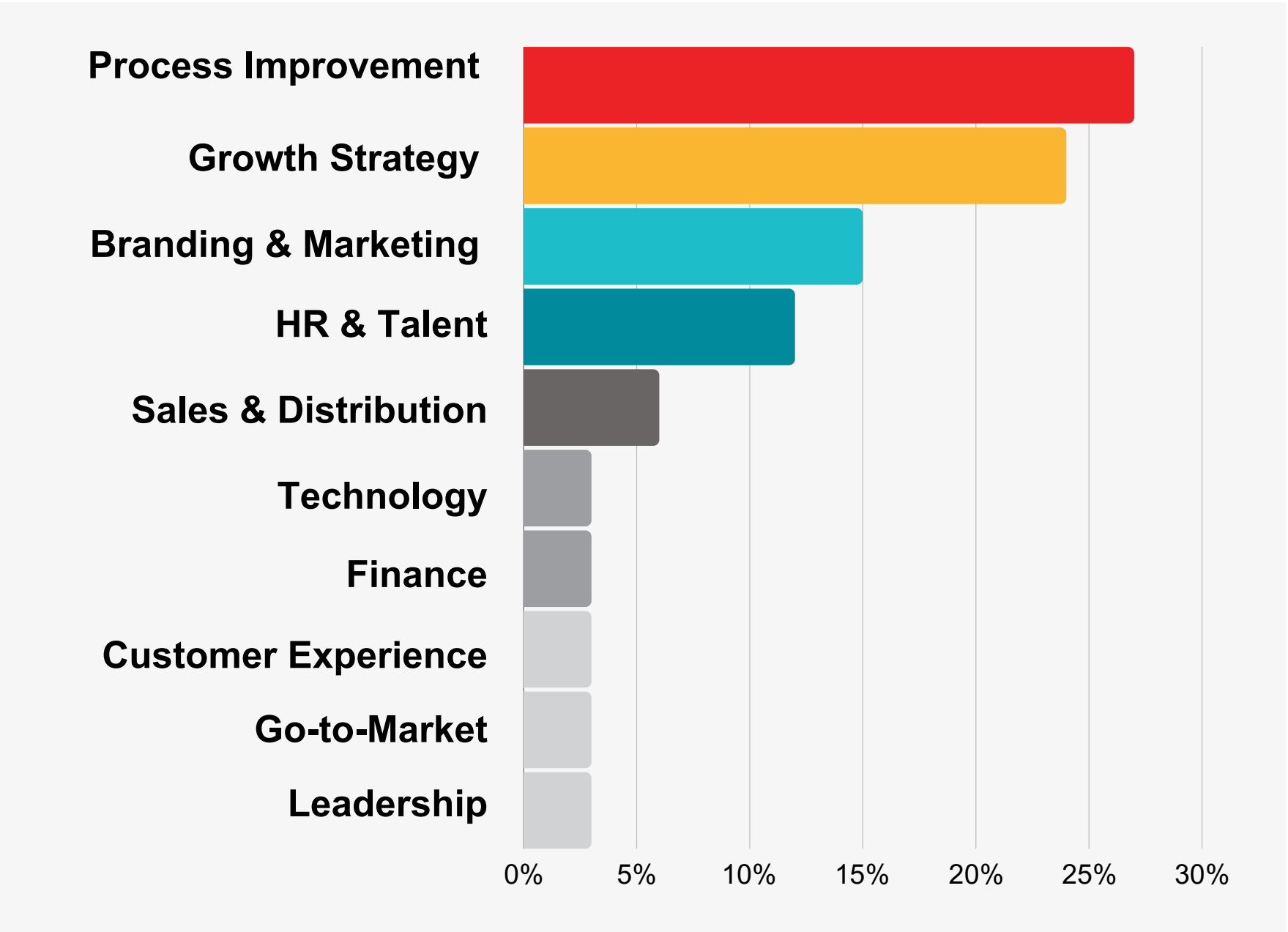


A Growth Project is an intensive, personalized, and demand-driven collaboration between Fast Runners and Skillanthropists, focused on addressing the business’s top challenge or growth opportunity.

Process improvement and growth strategy collectively account for more than half of the Growth Projects among Bpeace’s top revenue and jobs creators.

In contrast, HR & talent management, finance and technology, identified as significant challenges by businesses in 2023 and 2024, constitute only 18% of the Growth Projects.

GROWTH PROJECT FOCUS OF TOP PERFORMERS





EXPANDING CAPITAL TO DIVERSE BUSINESSES: A PROVEN MODEL FOR ECONOMIC GROWTH

When Bpeace met Ebony, Cassy Electric was generating a few hundred thousand dollars in revenue, despite 25 years in operation. Through the Bpeace Maximizer program, the company received personalized pro bono consulting in financial packaging and pitching. The outcome: Ebony secured the necessary funds, tripling the company’s revenue and surpassing the \$1 million milestone.

“When I came to this business four years ago,” Ebony recalls, “it was really basic. Everything was tied to my mother; we couldn’t even have a payroll.”

The impact of strategic support and mentorship: Ebony’s story epitomizes the transformative potential of strategic support and mentorship for women and intergenerational family businesses.

“One of the most valuable insights we gained from Bpeace was learning how to make our money work for us,” Ebony explains. “Instead of merely spinning our wheels, we learned to use our capital strategically to establish a long-standing company where people want to work.”



A RELATIVELY SUPPORTIVE FUNDING ENVIRONMENT

High success rate to access financing: In 2023, 53% of businesses sought financing. Of these, 70% successfully secured funding, indicating a relatively supportive funding environment.

Impact of Bpeace’s role: 42% of businesses acknowledged that Bpeace played a role in helping them secure funding.

Median funding amount obtained: \$204,000.



Each segment of the Bpeace portfolio requires targeted support due to the variety of their funding needs.

Business size	Average investment amount raised
\$1.5M - \$7.8M	\$1.8M
\$540,000 - \$1.4M	\$120,000
<\$540,000	\$65,000

SMALL AND MEDIUM-SIZED ENTERPRISES NEED BETTER FINANCING CONDITIONS

Future Funding Needs:
Looking ahead, 57% of businesses plan to seek funding in 2024, predominantly through debt (62% interested in loans and 37% in credit lines) with anticipated interest rates between 6% and 10%.

Interest Rate Challenges:
For businesses that raised debt, 54% encountered interest rates between 9% and 12%.

Reluctance for Equity:
52% of businesses expressed no interest in raising equity.

MAIN CHALLENGES FOR BUSINESSES TO ACCESS DEBT:

EXTERNAL FACTORS	<p>High interest rates: 43% of businesses cited high interest rates as a significant barrier.</p> <p>Existing loans: 27% already have active loans, complicating additional borrowing.</p> <p>Unattractive loan conditions: 17% found loan conditions unappealing.</p> <p>ESG: Increasing emphasis on sustainability criteria by financial institutions for credit approval.</p>
INTERNAL FACTORS	<p>Lack of guarantees: 23% of businesses struggle with offering sufficient guarantees.</p> <p>Inadequate financial statements: 15% have financial statements that do not accurately reflect their financial health.</p> <p>No recent profits: 15% of businesses have not seen profits in recent years.</p> <p>Unpredictable cash flow: 14% face issues with unstable cash flows, hindering their ability to secure funding.</p>

BUILDING ON 2023 ACHIEVEMENTS AND IMPLEMENTING NEW ACTIONS

- Enhancing Skillanthropist diversification and sector focus
- Building expertise in process improvement for the food industry
- Evaluating focus areas for Central American businesses
- Segmentin g the portfolio for effective investment
- Investigating cha llenges with financial reporting



ENHANCING SKILLANTHROPIST DIVERSIFICATION AND SECTOR FOCUS

Bpeace aims to diversify our Skillanthropists' profiles for 2024-2025, with increased outreach to Spanish-speaking, regional experts. Our experience with sector-specific cohorts in heavily regulated industries (such as food and pharma) emphasizes that local regulatory, financial and distribution systems knowledge is essential for effective support.

I was introduced to Bpeace 14 years ago, and was so impressed by its purpose model. Since then, I've had the pleasure of being a proud connector, Skillanthropist, and Executive Council member. The power of business to drive economic and social prosperity is real and, when you bring into the mix the Skillanthropist collective, you are also adding capability building like no other — tenured talent, proven expertise, a heart for service.

Anabell Iglesias, Bpeace Skillanthropist





BUILDING EXPERTISE IN PROCESS IMPROVEMENT FOR THE FOOD INDUSTRY

In preparation for six upcoming cohorts of Food Maximizer by the end of 2025, Bpeace is focused on expanding our bench of process improvement Skillanthropists with specialized expertise in the food industry.



EVALUATING FOCUS AREAS FOR CENTRAL AMERICAN BUSINESSES

While talent management and labor shortages are prevalent, they typically do not manifest in the Growth Project areas of focus for Central American businesses, nor do issues with access to finance. Bpeace is assessing whether Growth Projects in process improvement, growth strategy, marketing, and sales encompass activities related to cost analysis, financials, talent management, etc. This evaluation aims to determine if top-performing businesses in our portfolio are effectively managing finance and HR, enabling them to concentrate on other critical areas of growth.

Bpeace is also exploring the possibility of streamlining our offered topics accordingly. Understanding how business size segmentation impacts talent management capabilities will help us tailor our support to better meet the needs of businesses at different growth stages, enabling them to build more robust teams, employ dedicated internal finance personnel, and offer competitive salaries.



SEGMENTING THE PORTFOLIO FOR EFFECTIVE INVESTMENT

Our tailored programs are designed to meet the specific needs of businesses, often involving inputs from five to six pro bono consultants and significant investment of staff time and resources. These programs address the complex challenges of larger small businesses generating over \$1M in revenue, leading to substantial returns in terms of revenue growth and job creation.

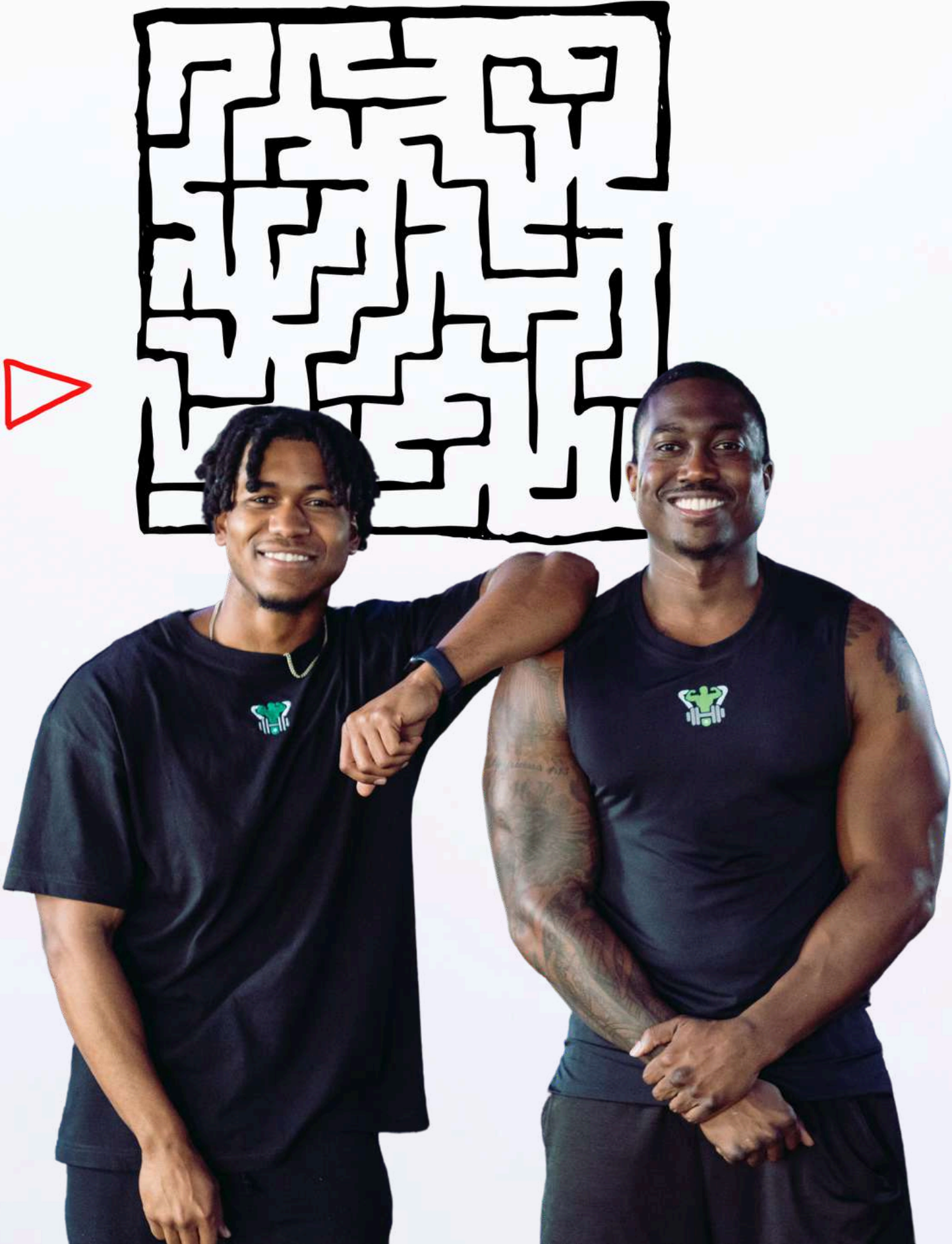
Recognizing the importance of supporting smaller businesses, we are expanding our approach to include targeted programs that focus on specific needs and offer a different fee structure to lower barriers for candidates. These initiatives require less intensive involvement from pro bono Skillanthropists, our staff and the businesses themselves, who are often managing multiple priorities. This balanced approach ensures that small businesses, regardless of size, but with growth potential, receive the support they need to thrive.





INVESTIGATING CHALLENGES WITH FINANCIAL REPORTING

Bpeace businesses face challenges in reporting revenue and profit data, with 38% updating their 2022 data during the 2023 collection cycle. Bpeace is investigating whether these challenges stem from limited access to and understanding of financials, external reliance on accountants, or if adjustments are needed in our data collection timing to facilitate better reporting.





REPORTING METHODOLOGY

- **Who is reporting?** Bpeace businesses self-report their progress annually for three years after joining our programs. They complete an online survey each year in February-April. Baseline data is collected during recruitment via application forms and validated during interviews.
- **Time frame:** All data is reported as of December 2023, unless otherwise stated.
- **Job creation:** Total jobs = full-time jobs + (part-time jobs + temporary jobs) x 0.25.
- **Family members supported:** For each full-time-equivalent job, we estimate the number of family members supported using data from the World Bank and Census Bureau.
- **Employees upskilled:** Our programs involve several team members from each business. We calculate the number of employees upskilled annually using the average number of team members per business in each cohort.
- **Women-owned and women-led businesses:** During application, candidates self-identify if their business is fully, partially or not at all owned/led by women. A business with at least one woman as an owner or leader is considered “women-owned or led.”
- **Cost per job:** This metric applies to cohorts with at least two years of impact data. We are counting cash investment only. Cost per job = new jobs / (number of businesses / cohort budget).

Country	Average size of families
El Salvador	4
Guatemala	4.5
United States	2.5

