

OVERVIEW

iDEal Tecnologías Social Enterprise

Objective/Mission: Helping small and medium sized farmers increase their incomes by providing access to products, such as low-pressure irrigation systems; knowledge on how to increase production; and access to markets.



Description of services provided: At the individual farmer level, iDEal's team of technicians trains farmers on the installation, use, and maintenance of the technology (technical assistance), as well as providing information about crop management and after sales services (follow up, spare parts, problem solving). With other organizations, iDEal supports them on their irrigation projects by providing technical support, but also project management support and monitoring.

The problem we are trying to solve

Small and medium sized farmers mostly produce in the rainy season only. By using affordable low pressure irrigation systems, farmers can also produce in the dry season and create additional income and improve their family's livelihood. Also, water is limited in Nicaragua, therefore technologies which reduces the amount of water used for irrigation are needed (more crop per drop!). Furthermore, there is no company or NGO in the Nicaraguan market that provides irrigation solutions to small farmers.

Successes

We have established a profitable retail network of 15 retailers who help generate sales and increase the productivity of farmers. We also sell services, which include consulting, installation and project management. Selling these services to other organizations is one means of covering operational expenses while we grow our business.

Challenges

At the time iDEal started operating, irrigation was new to Nicaragua. This made selling irrigation systems to farmers difficult. iDEal had to educate them about the technology and convince them to buy the product. Meanwhile, product supply from India was slow and poor quality, further compromising sales to farmers.

Despite limited resources, we are striving to increase sales, both direct sales to farmers and sales to organizations. Strong reliance on fluctuating sales revenues leaves iDEal vulnerable to cash flow shortages between sales.

iDEal Tecnologías: a brand leader in corporate social enterprise

From a technical standpoint, iDEal Tecnologías has strong technical expertise in low pressure irrigation technology and crop management. We also provide project management across iDE teams including iDE Honduras. iDEal is proving that social enterprises work and contributing to iDE's experience and practice in operating a social enterprise.

From a financial standpoint, iDEal Tecnologías currently contributes financially to iDE through securing project grants. In the future, iDEal expects to pay dividends from its profits to iDE.

From a brand and reputation perspective, iDEal is a recognized leader in corporate social responsibility in Central America due in large part to our strong partnership with government officials, our customers, and the iDEal staff. iDEal has a reputation as an honest business focused on a market segment that gets little attention. We have earned this reputation through consistently building trusting relationships with farmers and partner organizations.

Exit Strategy

iDEal is currently exploring exit strategies. One exit strategy could be to sell the business as an ongoing operation. This decision depends on if iDE believes that iDEal will grow faster with private ownership or that the financial risk is too high for iDE. However, as long as we are able to cover cash flow challenges through service sales, we'd like iDEal to remain with iDE. Another exit strategy could be to find investors, who want to co-invest in iDEal whereby iDE becomes part of an investor pool, lowering both the risk and reward of owning and operating iDEal.



Doña María is a farmer client using the iDEal drip kit. Her overall report: she is very happy with crops she has been able to grow: beans, watermelons, cucumbers, corn, and peppers.

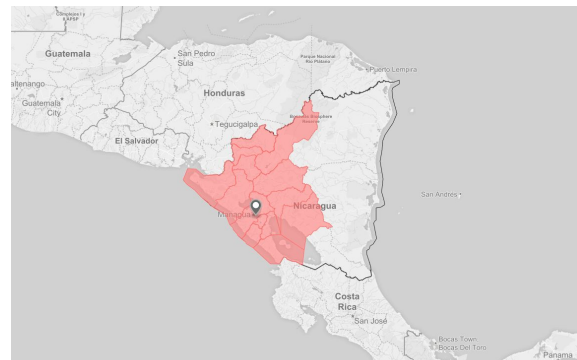
Recognized as a Rare Example

iDEal Tecnologías was part of a large regional study conducted by ICCO analyzing corporate social responsibility of companies in Central America. iDEal was highlighted as one of five successful cases. Our organization was recognized as a rare example of a Central American company that takes corporate social responsibility seriously.

iDE Nicaragua

iDEal Tecnologías & Cía. Ltda.
Altamira III Etapa
Embajada de México 75 varas arriba
frente a la trenza
Managua

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