

Policy Programs & Government Outreach LATAM

# **DIGITAL ENTREPRENEURSHIP IN THE CARIBBEAN**

FACEBOOK

WELCOME

## Meet the Speaker



### **Héctor Faya**

Head of Policy Programs &  
Government Outreach for Facebook  
in Latin America and the Caribbean

# Agenda

**01**

## **Global State of Small Business Report**

**02**

## **Keeping the Local Economies Connected in Times of Crisis**

She Means Business

Boost with Facebook

Business Resources Hub

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01

# Global State of Small Business Report

FACEBOOK, THE ORGANISATION FOR ECONOMIC  
CO-OPERATION AND DEVELOPMENT & THE WORLD BANK

FACEBOOK





## GLOBAL STATE OF SMALL BUSINESS REPORT

### Overview

Several governments around the world have begun to loosen COVID-19 lockdown restrictions in recent months, as they balance attempts to limit the spread of the virus with efforts to revitalise economic activity. Some small and medium-sized businesses (SMBs) in these economies have begun to resume their in-person operations, although often in a limited manner. As closed businesses have started to reopen, policymakers' focus has begun to shift increasingly towards economic recovery and, in particular, towards building resilience in a post-COVID-19 world.

This report presents findings from Wave II of the 2020 Future of Business Survey, an ongoing data collection collaboration among Facebook, the Organisation for Economic Co-operation and Development (OECD), and the World Bank to survey SMBs worldwide that have Facebook Business Pages. Wave II was conducted 24–30 June 2020 and captures the views of more than 25,000 business owners, managers, and employees in over 50 countries. Wave I of the survey was conducted 28–31 May 2020.

For details on the methodology and sampling, see the full-length update at: <https://dataforgood.fb.com/global-state-of-smb>

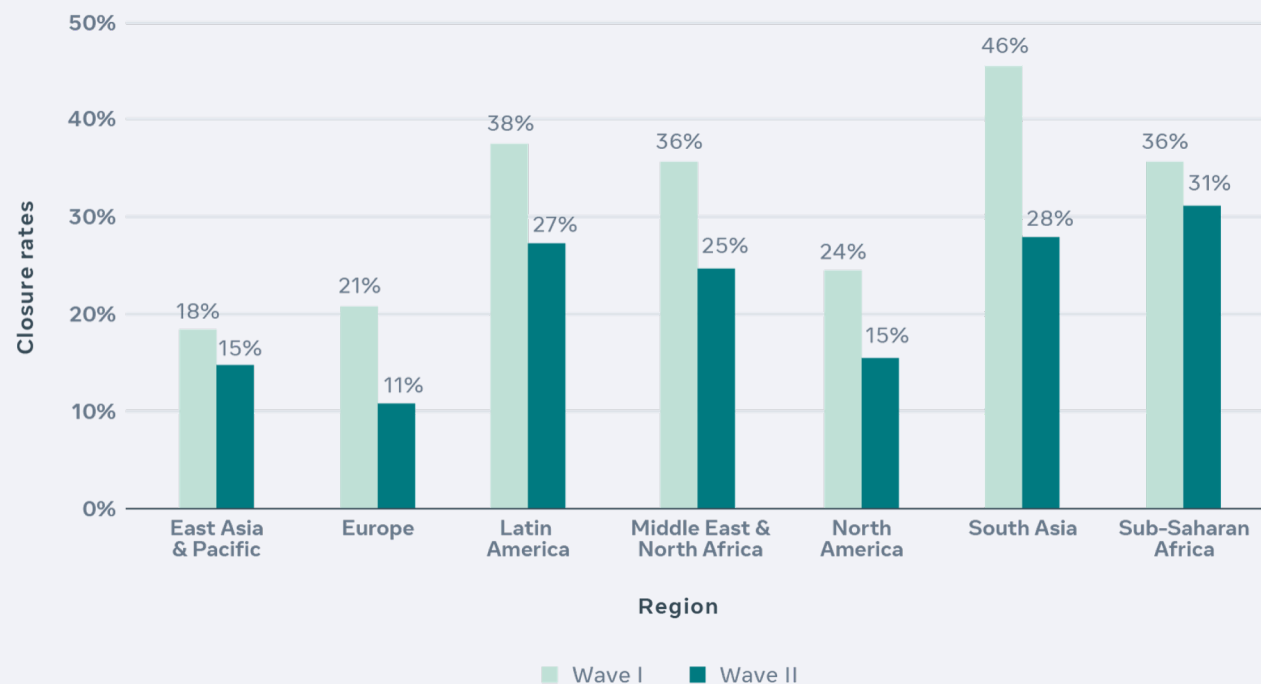


## GLOBAL STATE OF SMALL BUSINESS REPORT

# SMBs have begun to re-open as lockdown measures have eased...

- The proportion of SMBs that were closed fell by 8 percentage points in aggregate between Waves I and II, from 26% to 18%.
- A drop in closure rates was observed across all regions, particularly in South Asia (46% to 28%), where closure rates were previously the highest.
- Nevertheless, a quarter or more of SMBs remained closed in four of the seven regions sampled (Latin America, Middle East & North Africa, South Asia, and Sub-Saharan Africa).

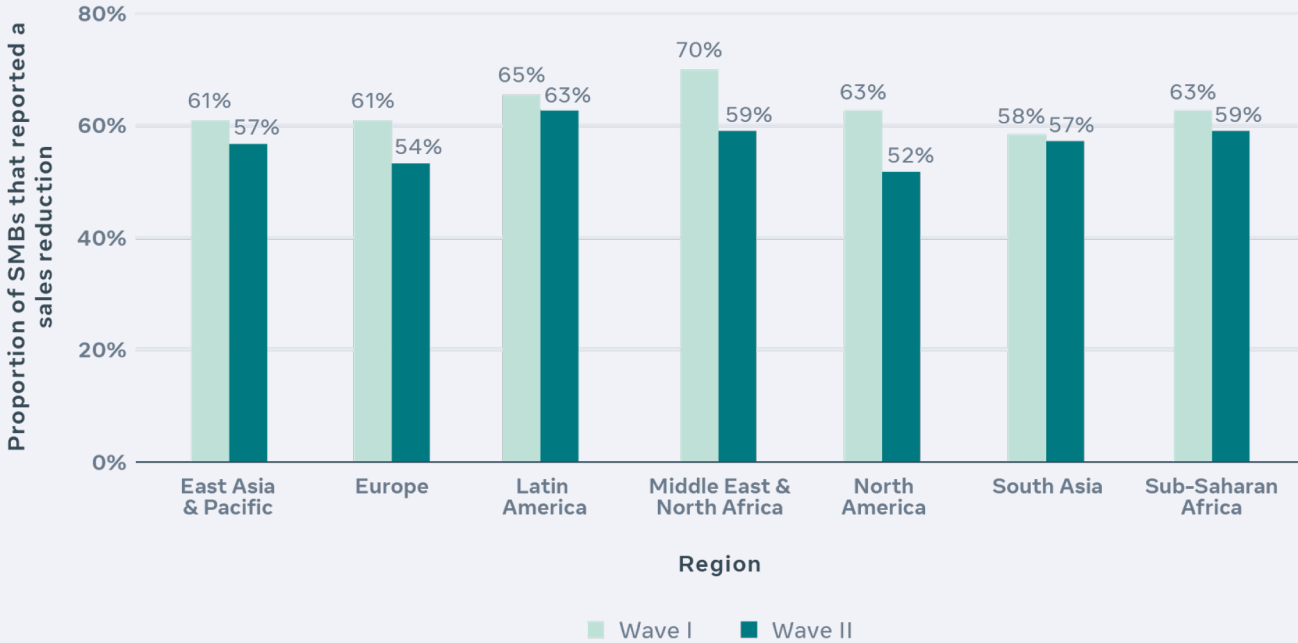
Closure rates, by region



# The proportion of SMBs that reported a year-on-year fall in sales remains significant

- In aggregate, 57% of SMBs operational at the time of the Wave II survey reported lower sales relative to the same 30-day period in 2019.
- This represents only a marginal (5 percentage point) reduction from Wave I (62%), but some regions and countries saw much stronger improvements.
- In particular, in sampled countries in the Middle East & North Africa and North America, the proportion of firms that reported a drop in sales compared to the same 30-day period in 2019 fell by 11 percentage points.

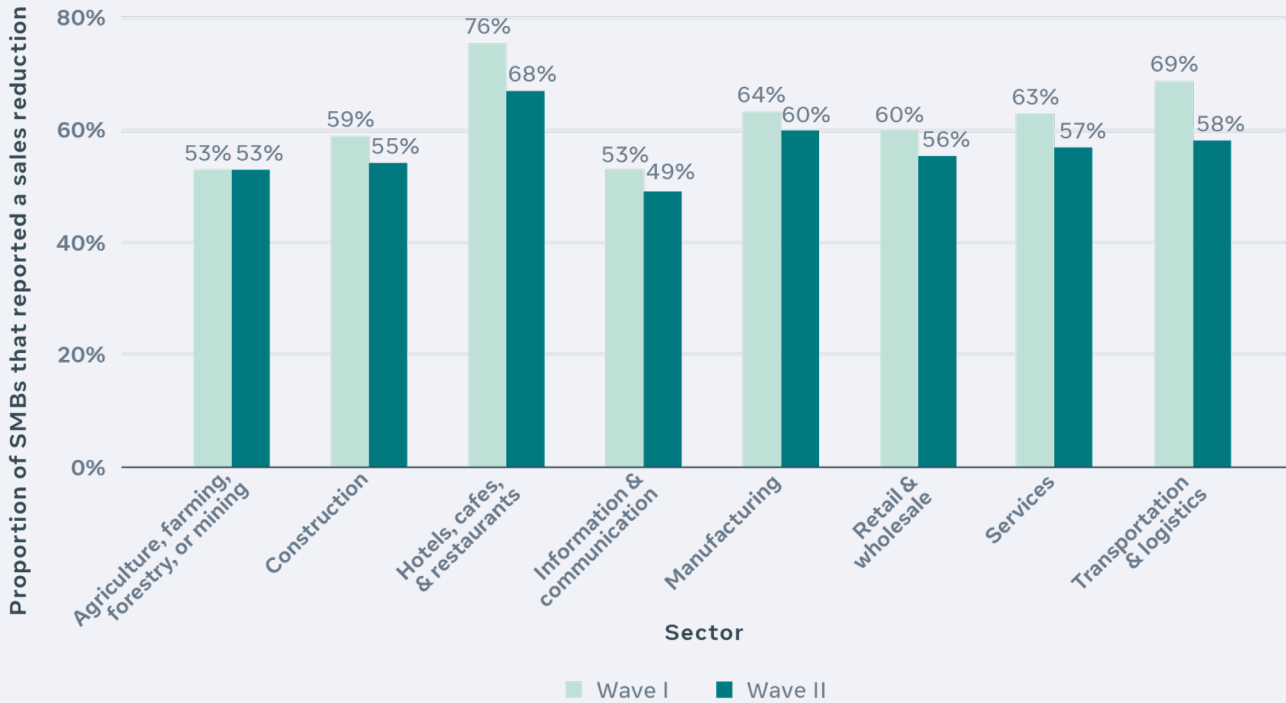
Proportion of SMBs that reported a reduction in sales relative to the same 30-day period in 2019, by region



# Hospitality and transportation sectors have seen the largest resumption in sales activity

- Sectors that in Wave I reported the highest proportions of open SMBs with lower sales relative to the same 30-day period in 2019 (hotels, cafes, and restaurants, together with transportation) saw the largest reductions in this statistic between waves, by 8 percentage points and 11 percentage points, respectively.
- However, the proportion of SMBs that have experienced a decline in sales remained higher than 50% in all sectors other than information and communication.

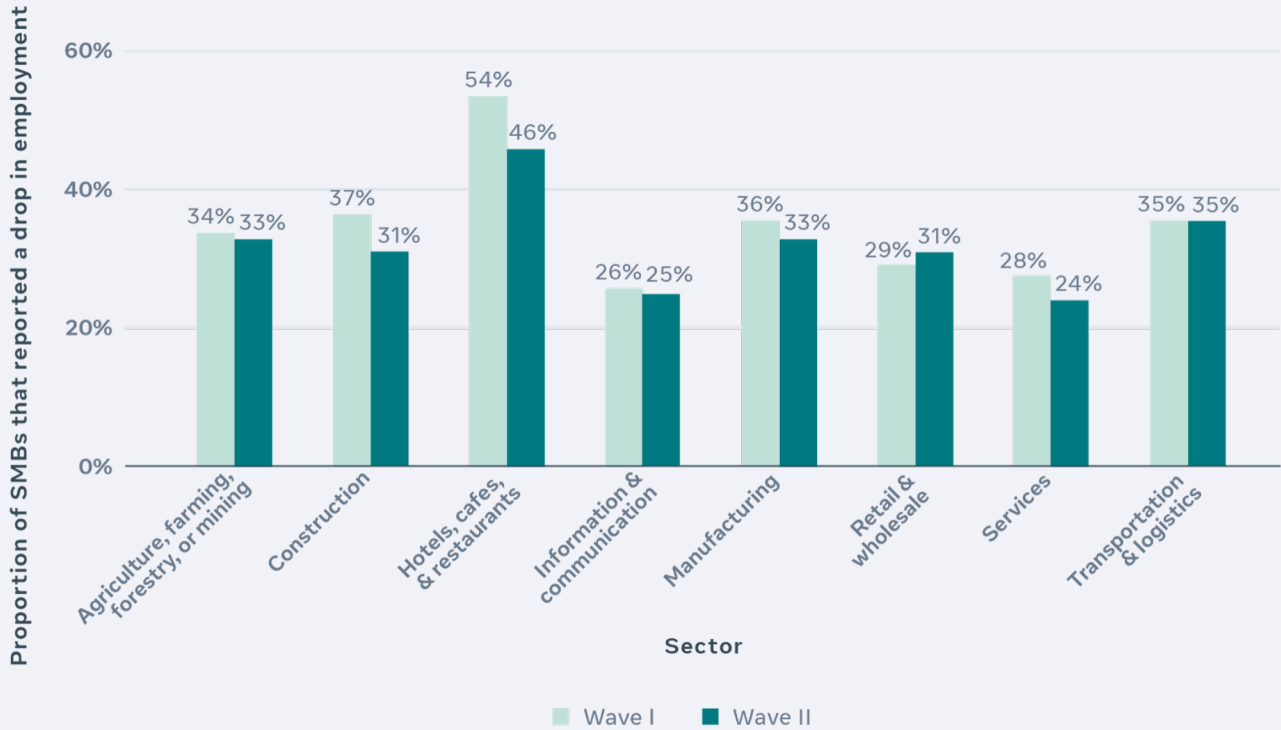
Proportion of SMBs that reported a reduction in sales relative to the same 30-day period in 2019, by sector



# SMBs have sustained reductions in headcount

- In aggregate, 31% of operational SMBs reported that they had reduced employment in response to the COVID-19 pandemic, compared to 33% in Wave I.
- Most sectors saw little change in the number of businesses that had reduced employment between Waves I and II, with the exception of SMBs in the hotels, cafes, and restaurants sector (from 54% to 46%) and in construction (37% to 31%).

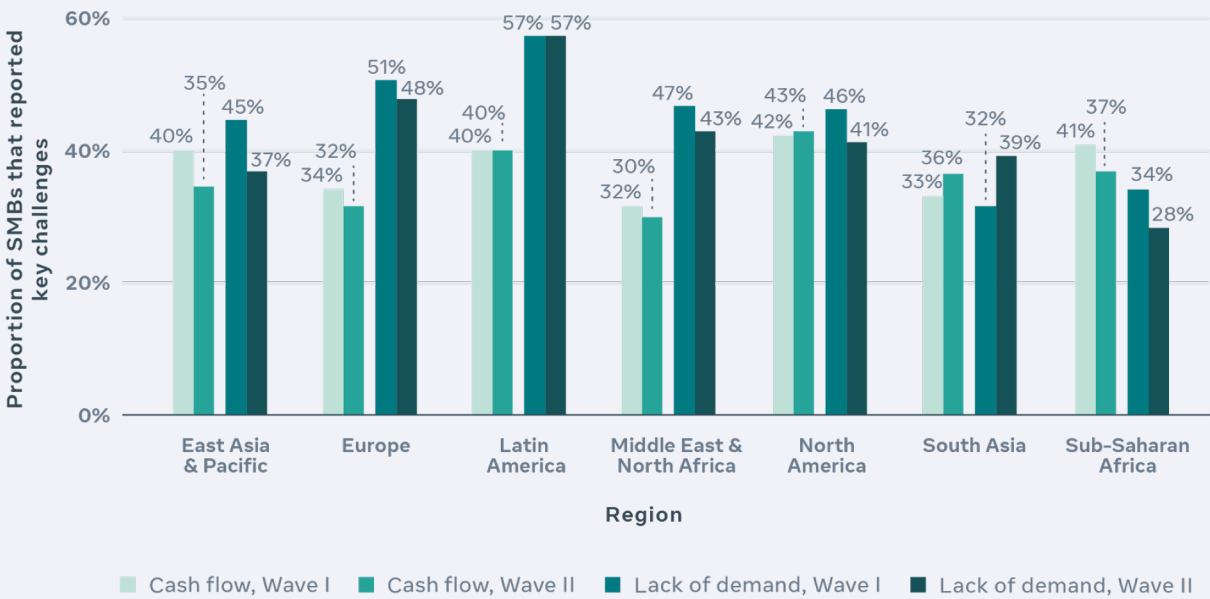
Proportion of SMBs that reported a drop in employment in response to COVID-19, by sector



# Many SMBs referenced cash flow and lack of demand as ongoing challenges

- Despite a marginal decrease in most regions (with the exception of sampled countries in South Asia), cash flow and lack of demand remained the most commonly referenced ongoing challenges by business leaders.
- In aggregate, the proportion of SMBs that referenced these challenges fell by only 3 percentage points between Waves I and II, to 34% (cash flow) and 43% (lack of demand).

Proportion of SMBs that referenced cash flow and lack of demand as key ongoing challenges, by region



# How small businesses in Kenya have been impacted



**62%** of SMBs on Facebook are **operational** or engaging in any revenue-generating activities



**75%** of operational SMBs on Facebook report that their sales this year are **lower** than last year



**65%** of operational SMBs on Facebook have **reduced** the number of employees/workers as a result of the COVID-19 pandemic



**47%** of operational SMBs on Facebook expect cash flow to be a **challenge** in the next few months



**46%** of operational SMBs on Facebook report **25% or more** of their sales were made digitally in the past month



**65%** of operational SMBs on Facebook feel **optimistic** about the future of their business

The first 2020 wave of the Future of Business survey among owners and employees was conducted on the Facebook platform between May 28-31, 2020 with at least 327 respondents in Kenya. In order to qualify for the sample, respondents were required to be an administrator of an active Facebook business page. Statistics are reported for those who owned or managed an SMB. Respondents were asked their opinions and experiences regarding the impacts of COVID on business operations. Respondents were invited to the survey and took it within the Facebook app, with participation completely optional and non-compensated. For more details on the methodology and sampling, visit: [dataforgood.fb.com/global-state-of-smb](https://dataforgood.fb.com/global-state-of-smb)

# How small businesses in Ghana have been impacted



66%

of female-led SMBs on Facebook (vs. **68%** of male-led SMBs) are operational or engaging in any revenue-generating activities



56%

of operational SMBs on Facebook report that their sales this year are **lower** than last year



47%

of operational SMBs on Facebook have **reduced** the number of employees/workers as a result of the COVID-19 pandemic



42%

of operational SMBs on Facebook expect cash flow to be a **challenge** in the next few months



52%

of operational SMBs on Facebook report **25% or more** of their sales were made digitally in the past month



69%

of operational SMBs on Facebook feel **optimistic** about the future of their business

The first 2020 wave of the Future of Business survey among owners and employees was conducted on the Facebook platform between May 28-31, 2020 with at least 366 respondents in Ghana. In order to qualify for the sample, respondents were required to be an administrator of an active Facebook business page. Statistics are reported for those who owned or managed an SMB. Respondents were asked their opinions and experiences regarding the impacts of COVID on business operations. Respondents were invited to the survey and took it within the Facebook app, with participation completely optional and non-compensated. For more details on the methodology and sampling, visit: [dataforgood.fb.com/global-state-of-smb](https://dataforgood.fb.com/global-state-of-smb)



# How small businesses in Nigeria have been impacted



**57%**

of female-led SMBs on Facebook (vs. **65%** of male-led SMBs) are operational or engaging in any revenue-generating activities



**59%**

of operational SMBs on Facebook report that their sales this year are **lower** than last year



**46%**

of operational SMBs on Facebook have **reduced** the number of employees/workers as a result of the COVID-19 pandemic



**37%**

of operational SMBs on Facebook expect cash flow to be a **challenge** in the next few months



**43%**

of operational SMBs on Facebook report **25% or more** of their sales were made digitally in the past month



**73%**

of operational SMBs on Facebook feel **optimistic** about the future of their business

The first 2020 wave of the Future of Business survey among owners and employees was conducted on the Facebook platform between May 28-31, 2020 with at least 566 respondents in Nigeria. In order to qualify for the sample, respondents were required to be an administrator of an active Facebook business page. Statistics are reported for those who owned or managed an SMB. Respondents were asked their opinions and experiences regarding the impacts of COVID on business operations. Respondents were invited to the survey and took it within the Facebook app, with participation completely optional and non-compensated. For more details on the methodology and sampling, visit: [dataforgood.fb.com/global-state-of-smb](https://dataforgood.fb.com/global-state-of-smb)

# How small businesses in the Rest of Africa have been impacted



**69%**

of female-led SMBs on Facebook (vs. **70%** of male-led SMBs) are operational or engaging in any revenue-generating activities



**56%**

of operational SMBs on Facebook report that their sales this year are **lower** than last year



**46%**

of operational SMBs on Facebook have **reduced** the number of employees/workers as a result of the COVID-19 pandemic



**31%**

of operational SMBs on Facebook expect cash flow to be a **challenge** in the next few months



**38%**

of operational SMBs on Facebook report **25% or more** of their sales were made digitally in the past month



**63%**

of operational SMBs on Facebook feel **optimistic** about the future of their business

The first 2020 wave of the Future of Business survey among owners and employees was conducted on the Facebook platform between May 28-31, 2020 with at least 322 respondents in the Rest of Africa. In order to qualify for the sample, respondents were required to be an administrator of an active Facebook business page. Statistics are reported for those who owned or managed an SMB. Respondents were asked their opinions and experiences regarding the impacts of COVID on business operations. Respondents were invited to the survey and took it within the Facebook app, with participation completely optional and non-compensated. For more details on the methodology and sampling, visit: [dataforgood.fb.com/global-state-of-smb](https://dataforgood.fb.com/global-state-of-smb)



02

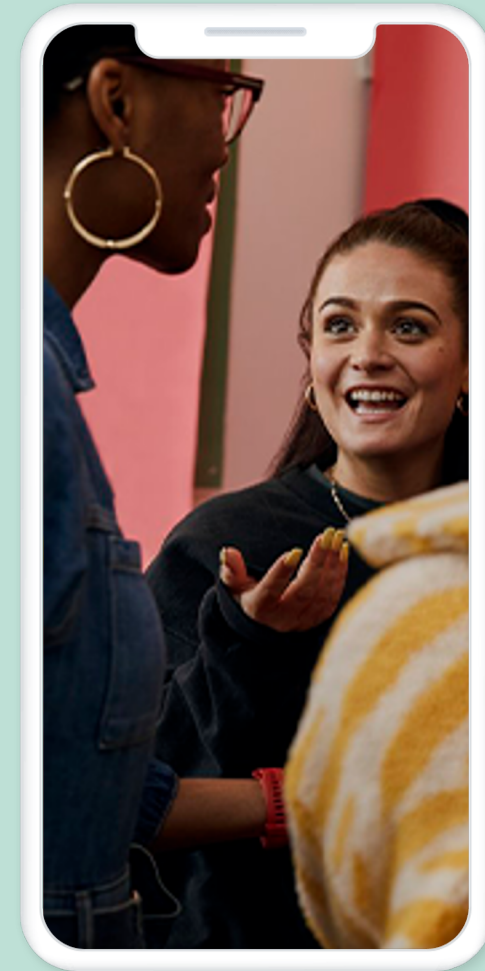
# Keeping the Local Economies Connected in Times of Crisis

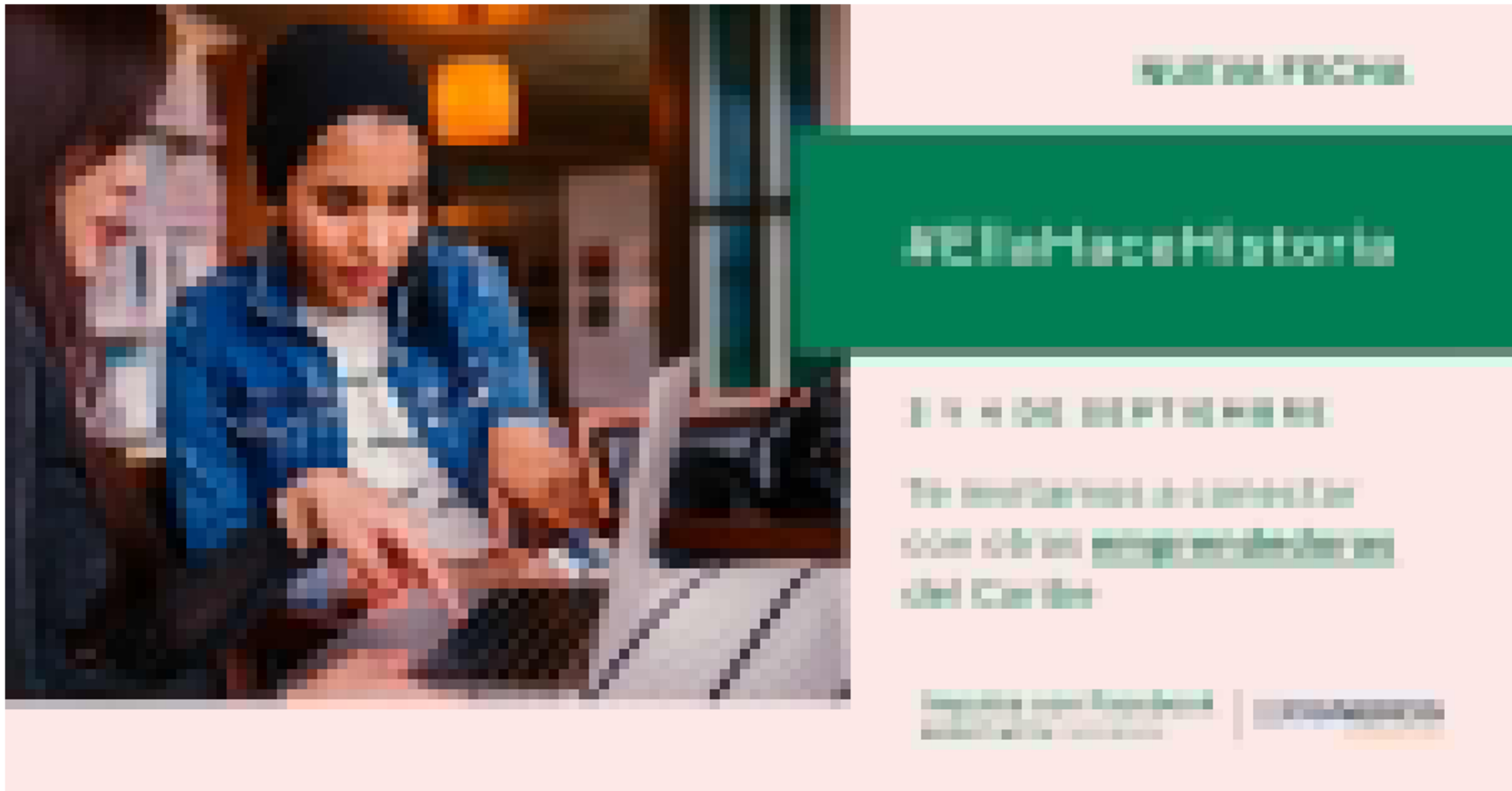
DIGITAL ENTREPRENEURSHIP IN THE CARIBBEAN

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## Resources for entrepreneurs

# #SheMeansBusiness





<https://fb.me/ehhcaribe>

## Resources for Entrepreneurs

# Impulsa con Facebook

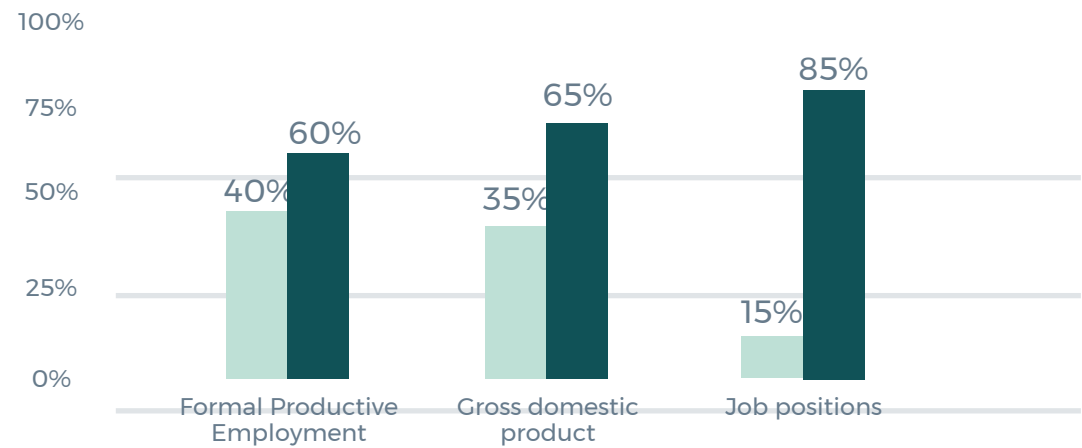
## BOOST WITH FACEBOOK



# SMBs in Our Region



SMEs represent more than **99.5%** of companies in the Latin American and Caribbean region.



MiPyMES en América Latina retrieved from CEPAL\*

Size	Dates	% Production
SME's	Average over 29 May – 30 June 2020	25%
Big Companies	Average over 24 – 30 June 2020	75%



During the fourth quarter of 2020, Facebook will **host Boost with Facebook training sessions in Trinidad and Tobago, Jamaica and the Dominican Republic.**

[www.facebook.com/business](https://www.facebook.com/business)







04

## Success Story

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# NASH ACADEMY

## DOMINICAN REPUBLIC

FOUNDER: ROSALBA

Nash Academy is a beauty and makeup school founded by Rosalba, where she seeks to professionalize this activity. They also offer support with courses, workshops and scholarships to low-income people to improve their quality of life and the local economy.

She has 4 people employed, she started the venture alone.  
Use the Facebook, Instagram and WhatsApp business platforms.

**70%** of traffic with clients through Facebook. And 20% for Instagram

**100%** of your sales are closed by WhatsApp business.

They get approximately **40 daily people** inquiries using Instagram Direct, Messenger, and WhatsApp Business.

Facebook <https://www.facebook.com/nashacademyrd/>  
Instagram <https://www.instagram.com/nashacademyrd/>



# TWIGS NATURALS

TRINIDAD & TOBAGO

FOUNDER: CHERYL AND NIGEL

Feeling proud of their culture, traditions and who they are is one of the objectives of the flavors of their teas. At first, they thought about only sharing with their friends and family some infusions and tea, but the good reception made them think that their product could go further.

**10** weekly average chats using Facebook and Instagram

**100** new users per month on average

**60 %** of their customer are thanks to Facebook and Instagram

Facebook <https://www.facebook.com/twignaturals//>

Instagram <https://www.instagram.com/twignaturals//>



# TERRA VERDE

## DOMINICAN REPUBLIC

FOUNDER: ZAURA

Zaura, found in the production of organic food the ideal opportunity to develop a project that will generate a positive impact for the community as well as for local producers and give the possibility of organic and healthy food to its customers.

- **20%** of their contact with customers is through Facebook
- **40%** of their contact with customers is through Instagram
- **40%** of her sales are consolidated through Facebook and Instagram.
- **30%** of her profit is derived from Facebook activity.

Facebook <https://www.facebook.com/terraverderd/>  
Instagram <https://www.instagram.com/terraverderd/>



# BUSINESS AFRODITA

COSTA RICA

FOUNDER: ALEXANDRA

A hair problem and the desire to find an effective solution to that problem resulted in the creation of Afrodita, a brand of natural artisan beauty and personal care products, all promoted without having a physical location, thanks to the impulse of Facebook

**35%** of its sales are through ads on Facebook

**60%** contact with clients through Instagram and Messenger

**35%** of order creation is using WhatsApp

Facebook <https://www.facebook.com/cosmeticanaturalafrodita/>

Instagram <https://www.instagram.com/afroditacr/>

**“Courage is not the  
absence of fear - it’s  
inspiring others to move  
beyond it.”**

Nelson Mandela,  
South African political leader and philanthropist.

# Thank you

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