

# Promoting Women’s Economic Empowerment: The Learning Journey of Belcorp

## MAIN LESSONS

- Crucial to Belcorp’s success has been its belief in women and in their ability to not only transform their lives but to change society at large.
- Belcorp has learned that investing in the female workforce brings not only business benefits but also tangible changes in the local communities.
- Addressing just one element of the equation is not a sufficient condition for sustainable results. Belcorp has developed a holistic model based on three axes: *economic, emotional, and social.*



“What is the extraordinary cause we fight for? Women. To give them opportunities for personal and professional advancement.”

— Eduardo Belmont  
President and CEO of Belcorp



Based in Peru, Belcorp is a well-established cosmetics company with over forty years of experience in the industry, a stellar reputation for high quality products, and a presence in fifteen countries in North and Latin America. Using direct sales, the company leverages its 9,000 employees to generate an annual US\$1.3 billion in revenue. Women are crucial to the company’s business model and its success. Through its operations, Belcorp gives each of its 650,000 beauty consultants the opportunity to become entrepreneurs and benefit from business training, social networking, and group activities designed to educate and empower women.

Recognizing the importance of women to their business model, Belcorp is committed to being a key player in the advancement of women in Latin America. Its vision is to be the company that contributes the most to bringing women closer to their ideal of beauty and personal fulfillment. To fulfill this vision, Belcorp launched its Foundation in 2003. Its mission is to help women be change agents in society and to transform their futures and that of their families and communities. The foundation allows the company to reach women outside its staff and consumer base, providing scholarships and promoting female financial independence throughout the region.

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## WIN-WIN SITUATION FOR BUSINESS AND FOR WOMEN

- A family business providing economic opportunities to 650,000 women in 15 countries in the Americas who earn income within the flexible framework of a direct sales model.
- Driven by the belief in the power of women to not only transform their lives but to change society at large.
- Providing the Belcorp beauty consultants with the necessary financial, social and confidence-building support, including scholarships and a comprehensive program for female empowerment throughout Latin America.

# The Business Case for Gender: Serving Women's Needs as well as Company's Business Interests

The Belmont family has been in the cosmetics business for many decades and generations, working mainly in distribution in Peru. Within the family business, Eduardo was responsible for starting the person to person direct sales business in 1968. While studying in the United States, the direct sales distribution model used by Avon caught the attention of Eduardo Belmont, Belcorp's President and CEO. After returning to Peru, he decided to implement it in his own country.

The business thrived and Eduardo saw a real opportunity when he realized the impact it had on the lives of its beauty consultants. When Belcorp first started expanding its operations in the 1980s, women were mostly drawn to the business because of the nature of the industry. While interest from qualified men has increased today, the company has maintained women as its backbone and actively recruits female talent for its workforce. Women comprise 80% of Belcorp's workforce and 77% of its senior staff.

Belcorp realized early on that promoting the empowerment of women in Latin America was a sound business strategy. Virtually all of Belcorp's 650,000 beauty consultants are women, and the majority of them are from low income households. The company provides them with an income earning opportunity, and much more. To effect sustainable change, Belcorp has developed a three-pronged approach to empowering women in its sales force, offering them financial, social, and emotional support. As a direct sales company, it gives beauty consultants the chance to earn income with flexibility. To help women achieve independence and confidence and ensure that any change in their lives is sustainable, Belcorp also incorporates networking and personal development support into its core operations. By empowering women, Belcorp provides them with the necessary

tools to improve their life conditions, and the self-confidence to trust in their ability to create a better future for their families and communities. The company is aware of research demonstrating that empowered women are more likely to have healthier and more educated children. And it has seen firsthand how an increase in women's household income can contribute to the economy and influence others to generate positive change in society. Claudia Belmont, President of the Belcorp Foundation and head of its Women's Economic Empowerment Initiative, explains the company's rationale, "When we help women, we change society at large since women often play a bigger role in raising children and have broader participation in society."

Belcorp's business model has evolved amidst growing change in the social and economic fabric of Latin American countries. While women in the region have experienced numerous positive changes, they still carry large burdens, as reflected in the high incidence of domestic violence and relatively higher illiteracy and school drop-out rates among females in many countries. An estimated 17 percent of households in all of Latin America and the Caribbean are led by women, according to the United Nations Food and Agriculture Organization. In Peru and Colombia, the number of female headed households has risen to over 30% since 2005. Many women have entered the workforce by necessity to support their family's income, and women now make up 40% of the economically active population in urban areas in the region. Yet, despite their growing participation in the working arena, women continue to be the main caregivers. "In part, due to these simultaneous responsibilities, women in most Latin American countries work fewer hours per week than men. And they are more likely to have part-time jobs and trade income and work conditions for

time flexibility," Claudia explains. This is why Belcorp's flexible work model has worked for so many.

Many of Belcorp's beauty consultants are single mothers from low income households. Through campaigns, held every three weeks, they meet with their managers to discuss business and sales strategies, as well as topics in education and health. These are also opportunities for networking and creating social bonds between consultants, where the women can share experiences and learn from each other. Belcorp recently added a tier of leaders, who work closely with 30 beauty consultants at a time, to allow for more connectivity. Leaders are often selected from among beauty consultants, and the company believes that the personal mentorship that leaders provide to the consultants through frequent home visits and guidance is critical to empowering them and equipping them to make the most out of their earned incomes.

Through the company's policies, beauty consultants are also encouraged to save money and grow their business. All purchases and payments for product sales at Belcorp are managed through bank transactions. Bringing women into banking is a critical first step to giving them tools for saving, investing, and accessing credit.

Belcorp translates Eduardo's long-standing involvement in education into supporting women within the corporation to pursue advanced degrees. Claudia highlights the importance of this support, noting that "when Belcorp started many years ago, very few women in Peru pursued a master's degree." Belcorp is determined to help change that. Currently, qualifications for corporate managers and directors include a master's degree. The company has sent some of its most promising women to pursue MBAs in the United States and supported many others in getting degrees from local universities.

## Giving Back to the Community

Belcorp's three brands - Cyzone, Esika, and L'Bel - each fund a different social responsibility program targeted to its consumers. For example, Cyzone, focused on teenagers and younger consumers, funds programs and publications to educate teenagers on eating disorders and healthy living.

However, the bulk of this community engagement work is carried out through Belcorp's foundation. The Belcorp Foundation was established in 2003 to further the company's goal of empowering women to take control of their lives and assume their role as change agents in society. "Build women's capabilities so they can imagine a better future and make it happen" is the Foundation's purpose.

The Esika brand funds the Foundation's flagship Great Women program, providing skills to women so that they can become independently productive. "This is a two year personal development program that promotes the personal, social and economic empowerment of low income women in the region," Eduardo explains. Each year, more than 1,500 women enroll. They start with a three-day retreat on confidence-building and goal-setting. Over the following two years, participants reconvene to complete a program organized into sixteen modules, covering topics from health to education and from household finances to domestic violence. To ensure impact sustainability, the program supports the creation and strengthening of women's grassroots organizations and networks that can continue the work initiated through this program after the training ends. "We believe that women's networks are a must when it comes to women's development.

Networking and confidence building among women is crucial for them in order to advance, since they need the support of each other," says Daniella Barbieri, Corporate Manager of the Belcorp Foundation.

Belcorp's most high-end brand, L'Bel, offers educational scholarships through the Belcorp Foundation to young and teenage girls throughout the region, including primary, secondary and university education, depending on each country's needs. In 2009, more than 840 young girls received scholarships.

To ensure expansion and the sustainability of its commitment to educating women in Latin America, the Belcorp Foundation works closely with local and regional non-profit organizations. Currently, the Foundation runs programs in ten countries, and it aims to expand its presence to all fifteen countries.

## Global Impact



Recognizing the integral role of women in its business model has paid off for Belcorp. Since its establishment, Belcorp has expanded into a multi-brand company with 650,000 beauty consultants in fifteen countries in North and Latin America and an impressive annual growth of 10% to 15%. Through the Belcorp Foundation, it has directly helped thousands of women in the region since its start in 2003. As a whole, more than 8,000 women have benefited from the foundation's programs in ten countries in Latin America.

This success has helped transform the lives of its female consultants, allowing them to bring about positive change in their families and communities. Carmen Vargas, Manager of the Pachacútec sales zone in Ventanilla explains, "I feel very happy and proud to work in this company, because it has allowed me to grow and develop professionally, despite the fact that I did not have any prior experience in sales. I am a nurse by training. I started as a sales consultant 7 years ago. Then I became an executive in my zone and now I am a Zone Manager. I am really happy with what I have been able to accomplish in such a short time [...] The company greatly facilitates our work, giving us tools that allow us to reach our objectives."

Eduardo Belmont believes that, given its products and client base, Belcorp is fundamentally a women's business, and, as such, should have a management that reflects that. Women today comprise 80% of Belcorp's workforce and 77% of its senior staff. Given women's continued lack

of representation in higher management around the world, these figures are impressive.

As a member of the Global Private Sector Leaders Forum, Belcorp announced in October 2009 at the Annual IMF/World Bank meetings its commitment to provide financial and entrepreneurial skills to another 50,000 underserved women in Latin America. Fulfilling this commitment is likely to result in substantive positive change in the lives of thousands of women across the region, as well as provide a laudable standard of conduct for other companies to emulate. Belcorp has been gaining increasing recognition for its empowerment of women in Latin America and was recently even featured in the Harvard Business Review. Corporate social responsibility is slowly gaining traction in Latin America and Belcorp is at the forefront of companies that have a positive impact on women's lives.

## A BEAUTY CONSULTANT IN ACTION: AURORA SALAS, BELCORP PERU

After only seven months of working as a beauty consultant for Belcorp, Aurora Salas was chosen by her manager to shadow her through a couple of campaigns for potential manager training.

The manager identified, among 200 women for whom she was responsible, Aurora's potential for business and leadership. It quickly became clear that this had been a wise decision. In the end of

her first year as a manager, Aurora was awarded a prize for exceeding sales expectations: her first trip abroad.

Working with Belcorp has helped transform Aurora's life, as well as that of her family. "I love this company. It has given me the opportunity to accomplish so much. Through Belcorp I have been able to fulfill my role as a woman and as

a mother," she explains. She has worked with Belcorp for over 25 years and credits the company for showing her that dreams are attainable. She comes from a humble background, but through her income and Belcorp's support she was able to ensure that all of her four children had what they needed. "I was able to send them to the best schools," she says proudly. "Today three of them are engineers and one is a lawyer."

## Lessons Learned

The direct sales model has been popular in Peru since the 1970s and currently accounts for 60% of cosmetics sales in the country. What was first adopted as a model for increasing sales while limiting overhead costs by Belcorp in the 1960s soon evolved into a platform to transform the lives of women workers. Relying so fundamentally on women for its business success, women's economic and social empowerment became inextricably linked to Belcorp's business strategy. In the process, the company has learned some valuable lessons.

Crucial to Belcorp's success has been its belief in women and in their ability to not only transform their lives but to change society at large. Belcorp acknowledges their entrepreneurial spirit and helps them bring out their strengths to advance in life. Belcorp also recognizes the important role women play in their families and their communities. This recognition has been rewarded with a loyal and motivated workforce. Just as importantly, the investment in their female workforce has not only brought business benefits but also tangible changes in the local communities.

Belcorp's experience in making women's economic empowerment a cornerstone of its business model demonstrates that

addressing one element of the equation is not a sufficient condition for sustainable results. Belcorp has developed a holistic model based on three axes:

### ECONOMIC:

Providing a business opportunity with appropriate training lays the condition for success. This provides women with the means to achieve their goals and generate additional income for their families.

### EMOTIONAL:

Through incentives, recognition, and confidence building, as well as awareness on issues such as nutrition, health, and child upbringing, the approach addresses both the personal and the family considerations that are crucial to women.

### SOCIAL:

Giving women the chance to be part of a network of their peers has proved important. Women use these networks for support and knowledge sharing.

The activities of the Foundation are extending the benefits of the company's programs and resources to society at large and providing additional impetus for other companies to follow. As Claudia explains, "We want to set an example in corporate

social responsibility in the region. We hope other companies will follow, since it's only through the joint initiatives of several organizations that we can have a significant impact in the development of our region."

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## ABOUT THE GLOBAL PRIVATE SECTOR LEADERS FORUM

The Forum is an initiative of the World Bank Group Gender Action Plan to engage private sector leaders in promoting women's economic empowerment. It is one of World Bank President Robert B. Zoellick's six commitments on gender equality. Its members are committed to creating opportunities for women in core business, corporate social responsibility or diversity and inclusion initiatives.

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