



*Promoting social and environmental  
business opportunities  
in Central America and the Dominican  
Republic*

## **SUCCESS CASE**

**Company:** COCO S.A.  
**Country:** Guatemala  
**Year:** 2010

### **THE COMPANY**

COCO S.A. is a private company, 100% Guatemalan, with 15 years of experience in the production of frozen and canned food, known as Productos Nostálgicos for the Hispanic market in the United States and Europe. It exports several product lines, such as: canned food, pulps and frozen fruits, among others (more than 140 types of products), all of which are processed and commercialized under local and foreign brands. 95% of its products are exported outside of Central America, while 5% stays in the region. The company operates in Guatemala and El Salvador, including distributors in Mexico and the United States. Its raw materials consist of agricultural products bought mainly from small farmers in rural areas; in this way, COCO S.A. generates indirect job opportunities in low income zones and establishes business relations with farmers who have historically lived in poverty.

### **DESCRIPTION OF THE PROJECT**

Through the Oikocredit – ICCO – CEGESTI partnership, SMEs in Central America and the Dominican Republic have access to credit and technical assistance, with the purpose of promoting social and environmental business opportunities through the access to innovative financial resources and technical assistance.

The SCHOKLAND-SME CA&DR Fund provides these funds through the Netherlands Ministry of Foreign Affairs.



## MAIN OUTCOMES

### Strategic Framework

New approaches were defined within the organization's strategic framework, aimed at the concept of sustainability:

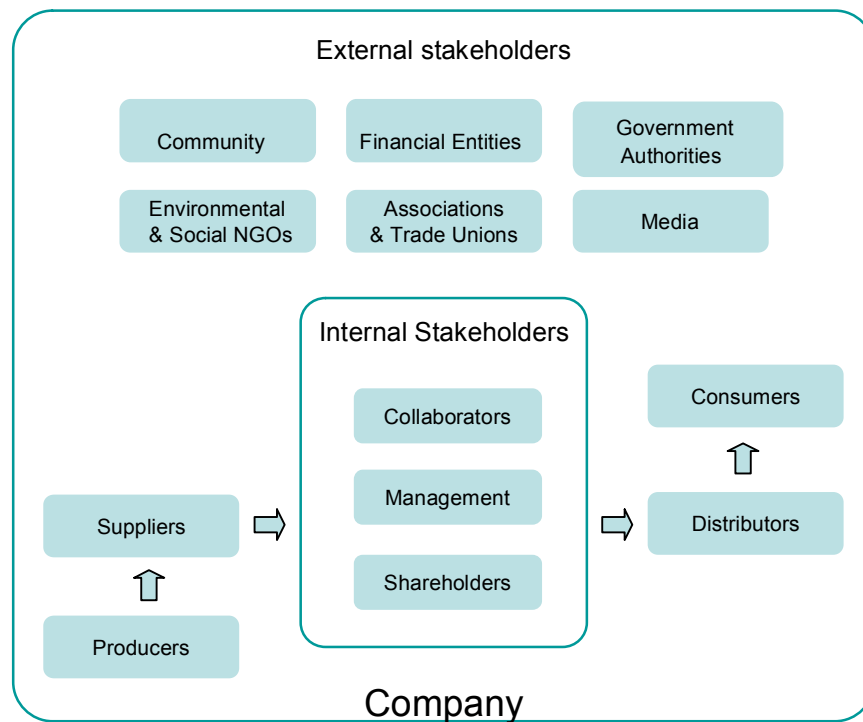
#### MISSION

*"We are an enterprising team that strives to impact people's taste with new, practical and available food products, considering the traditions of Hispanic communities around the world; maintaining friendly, dynamic and long-lasting relations with our customers, suppliers and collaborators; continuously improving processes in a social and environmentally responsible manner, in order to comply with the profitability expected by the stockholders".*

#### VISION

*"Be the leading Central American company supplying Latin food in the international market, while meeting the highest quality standards and taking the environment and corporate social responsibility into account".*


#### STAKEHOLDERS








## ENVIRONMENTAL DIMENSION


To obtain greater efficiency in the use of the organization's resources, different actions were taken to strengthen the area of production.


The company conducted workshops to identify problems in each process area and their causes. For the implementation of measures, priority was given to those aspects that have a greater impact on the plant's production.

Initial Diagnosis	Achieved Improvements
<b>WATER CONSUMPTION</b>	
Uncontrolled consumption of well water.	<p>Installation of water meters for each source of water (well, municipal pipes), as well as keeping water consumption records.</p> 
Abundant and irresponsible waste of water.	Training program on water-saving measures in the framework of training for cleaner production.
	Implementation of a floor-cleaning program.
	Installation of flow reducers (hose pistols, washbasins with flow reducers).
	Revision and repair of water pipe leaks.
	Planning of facility for reusing water in the production process.
	Implementation of a preventive maintenance plan for the water system.
<b>ELECTRICITY CONSUMPTION</b>	

<p>Electrical wiring in poor condition and dangerous (loose or exposed wires, broken wall plugs or fixed with tape).</p> 	<p>Revision and repair of electrical wiring.</p> 
<p>Deficient lettering of electrical wiring signs.</p>	<p>Improvement in sign lettering.</p> 
<p>Leaving lights and machines on when not in use produced waste of electricity.</p>	<p>Training program on electricity-saving measures in the framework of training for cleaner production.</p> <p>Creation of program and procedures for turning on equipment.</p>

<p>Waste of electricity due to lack of electricity-saving facilities.</p>	<p>Installation of rollers and an automatic system to open and close the cold room doors.</p> 
	<p>More efficient fluorescent lamps (4 tubes for 2 tube lamps), protected from dust and humidity over the selection and wash bands.</p> 
	<p>Implementation of a preventive maintenance plan for the electrical equipment.</p>
<p><b>FUEL CONSUMPTION</b></p>	
<p>Waste of heat in the vapor system due to the lack of insulation and vapor leaks.</p>	<p>Revision of vapor system and planning of improvements to optimize the vapor system.</p>
	<p>Implementation of a preventive maintenance plan for the vapor system.</p>
<p><b>WASTE MANAGEMENT</b></p>	
<p>High percentage of raw material waste due to poor handling of harvested fruit.</p>	<p>Training of personnel on good practices and working technique for raw material selection and handling.</p>

	Improved quality in the transportation of raw material to the plant achieved through technical assistance to the suppliers and of the fruit sampling upon reception at the plants.
	The Zapota pit is being sold as raw material to other companies instead of discarding it (value of residues).
Bad smell caused by the undesired fermentation of organic solid waste.	The company contracted the daily extraction of solid waste to prevent the generation of bad smells.
Plastic boxes in bad condition generated residues and there was no way of giving them away for recycling.	<p>The broken plastic boxes were collected and recycled, as well as all of the plastic bags.</p> 
<b>STRENGTHENING OF SUPPLIERS</b>	
	There was an increase in the purchase of raw material.

<p>Few high-quality Jocote producers in the region in spite of a relatively high (future) demand.</p>	<p>Planting/reforesting with more than 12,000 cuttings of the red Jocote and corona in the Ch'ortí region, together with the Asociación Guatemalteca de Exportadores (Guatemalan Association of Exporters – AGEXPORT, as abbreviated in Spanish).</p> 
<p>Unawareness of optimum handling of crops.</p>	<p>A workshop was organized and a technical manual was prepared and distributed to improve the handling of the Jocote according to the season. Other manuals are underway for the handling of Loroco, red Bean and Passion Fruit.</p>

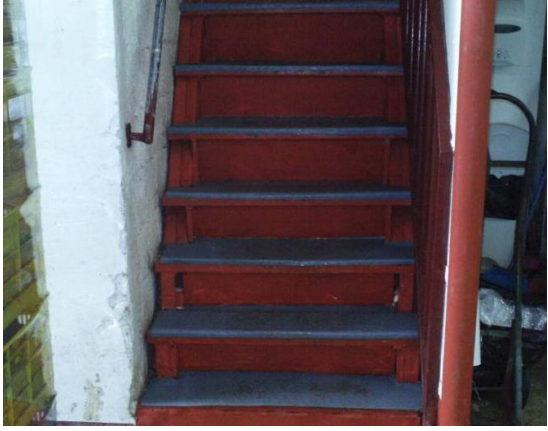

**SOCIAL DIMENSION**



With the purpose of improving the internal and external social impact of COCO S.A., a health and occupational safety program, as well as an incentive plan for the collaborators were developed and implemented. In addition, the company strengthened its presence in the community and the suppliers' entrepreneurial capacity.

Initial Diagnosis	Achieved Improvements
<b>HEALTH AND OCCUPATIONAL SAFETY</b>	
Lack of an Occupational Health professional.	A person in charge of the collaborators' health and safety was designated.
There were no hazard identification signs in the plant.	Hazards were duly identified.
	An Occupational Health and Safety program was developed and its implementation began with improvements made to

	control these hazards.
Accidents were not recorded.	A record of accidents and work-related incidents was drawn up to discover and eliminate the causes of these incidents. As a result, for example, safety gloves for use in the fruit processors were purchased and a lid was placed over the piston filler.
Lack of an emergency plan.	<p>Preparation and implementation of an emergency plan (fire and earthquake) for the Canned and Frozen Foods Plants and training course for first aid team.</p> 
Insufficient fire equipment.	<p>Revision of the fire equipment.</p> 
The stairs of the raw material selection and washing bands and other staircases lacked handrails, or these were loose and the wooden steps were slippery.	These staircases were changed; nonskid material and handrails were placed and fixed to the floor.



	
<p>Carelessness when handling machinery and deficient signboards in the plant.</p>	<p>Awareness-building regarding electrical hazards and operating controls to all the personnel.</p>
	<p>Post signboards throughout the facilities.</p> 
<p><b>WORK MOTIVATION</b></p>	
<p>There were no incentives for the collaborators.</p>	<p>Preparation and implementation of an incentives program for the collaborators.</p> <ul style="list-style-type: none"> <li>• Acknowledgements to collaborators who contribute with a new idea in any area of the company, to the Outstanding Collaborator in the Administrative area, to the administrative and production collaborators who won more merits throughout the year.</li> <li>• Seniority recognition for every 5 years of continuous work and cake for birthday celebrations.</li> <li>• Teamwork activities in the form of sport activities and productivity improvement competitions.</li> <li>• Support for the development of collaborators' aptitudes, such as: study assistance, a library installed with the collaborators' contributions, identification of improvement opportunities in competencies in all areas of the company to determine the potential for a training program.</li> </ul> <p>Establishment of an ASOCIACION SOLIDARISTA DE EMPLEADOS DE COCO (ASOLE) (Employees' Association)</p>

	that will offer micro-credits to the collaborators.
<b>PRESENCE IN THE COMMUNITY</b>	
<p>The company had an unexecuted program aimed at the company's presence in the community.</p>	<p>A community-impact plan was established.</p> <ul style="list-style-type: none"> <li>• A program was implemented for the continuous sale of a part of the red bean production at labor cost to charity institutions in Guatemala City.</li> </ul>  <ul style="list-style-type: none"> <li>• COCO S.A. lends its facilities to make tamales to be given as presents during the Christmas season.</li> <li>• Remodeling of park in front of the entrance to COCO S.A., including a playing area, soccer field, tree planting, installation of trash cans and benches, in addition to a maintenance plan.</li> </ul> 
<b>STRENGTHENING OF SUPPIERS</b>	
<p>The entrepreneurial capacity of the producers and the social impact of the company on the producers were unknown.</p>	<p>The Progress out of Poverty Index (PPI) that measures the social impact of COCO S.A. on the producers and suppliers is being drawn up.</p>
<p>There is a desire to create job opportunities and improve the economic situation of producers from the Ch'ortí region.</p>	<p>In the framework of a clusters program with the Asociación de Productores de la Región Ch'ortí (APRORECH –Association of Producers from the Ch'ortí Region) and the Guatemalan</p>

	<p>Association of Exporters (AGEXPORT), a crop collection center was built, training programs on the handling of important crops were conducted, small producers were assisted in formalizing their businesses and production programs aimed at satisfying concrete market demands were also developed.</p>
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**REMARK OF THE ENTREPRENEUR**

*“The fact of allowing us to revise the impacts transforms into an economy and a benefit to all. CSR has been a good experience for us. I invite other entrepreneurs to give it a try!”*

**Francisco Jose Menéndez**  
**President of the Administration Council**  
**COCO S.A.**

