

Rayco is a Colombian retailer that specializes in selling household appliances to low-income populations using affordable credit. The company has 84 stores and approximately 900 employees.

In May 2015, with support from the Canadian government through the INFRONT program managed by MEDA, Rayco was awarded a Sustainability Innovation Grant of CAD \$50,000, alongside a CAD \$160,042 contribution by the company, to co-finance Rayco’s first store which exclusively sells agricultural tools. The aim of the grant is to facilitate the launch of a profitable, new business line for Rayco, while creating economic opportunities for rural communities living in poverty. Many Colombian agricultural laborers use outdated hand tools that are inefficient and dangerous. Rayco’s new store targets these local farmers, carpenters and other trades people who will benefit from increased access to tools by purchasing them on credit. vehicles.

SIG Initiative Targets

As part of Rayco’s sustainability initiative, the company has set internal goals to achieve by the end of the year. Rayco’s achievement against their goals is summarized in the table below.

	Indicator	Progress To Goal
INCREASE	Loan portfolio quality of customers from the agri-tools store	Loan portfolio quality at 105%
	Number of staff trained on oil filter installation and maintenance	59 customers received loans
	Number of new geographic locations where agri-tools are sold	19 rural locations covered by Rayco sales staff
	Total gross sales of the agri-tools store	66,000,000 Colombian Peso



“I go door-to-door in a truck, visiting potential customers... One time I sold 6 products in a day! I love Rayco. I earned a degree in accounting, and with my knowledge I want to grow in the company. I am seeking stable employment and have been paying my way through school. My brother is epileptic and is paralyzed from the legs down. I am able to support him through my job at Rayco.”

Julianna, Sales Coordinator (promoted from Sales Agent)



New generators sold by Rayco

Progress to Date

New store opened in San Gil

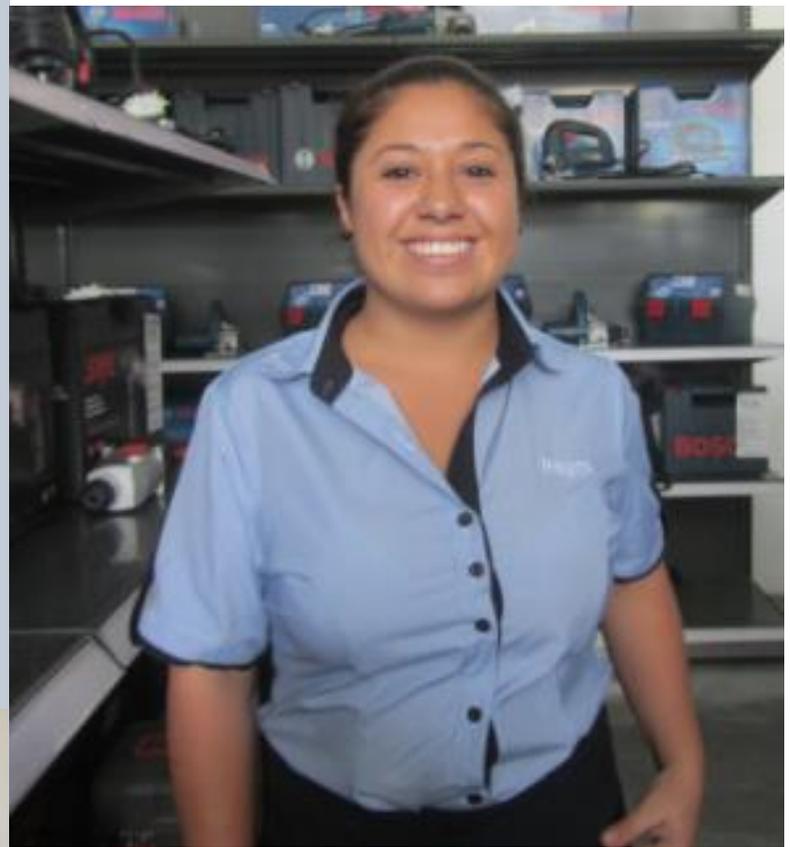
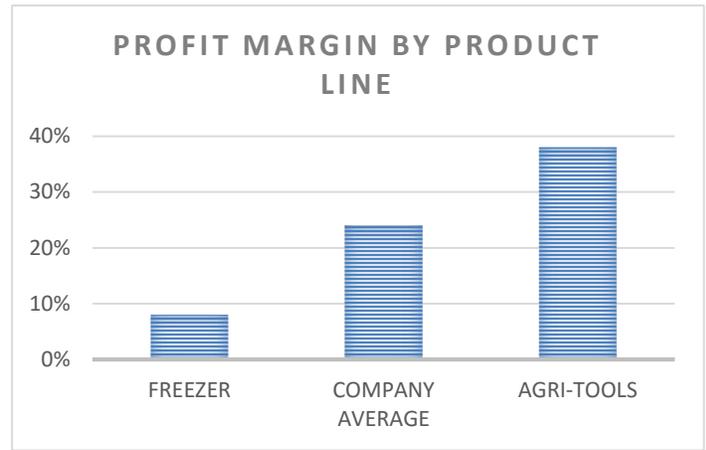
In February 2016, Rayco piloted its first agri-tools store in San Gil. Rayco's existing knowledge of market demand and rural clients in San Gil made this an obvious choice for the store, which represents a lucrative business opportunity for Rayco since profit margins for agri-tools are superior to the company average. With a population of 500,000, San Gil is the perfect size for attracting rural customers.

Access to New Clientele

Rayco is attracting carpenters, wood and metal workers, mechanics and farmers through the new agri-tools product line. In order to reach their target market, 75% of sales occur outside the store, by Rayco sales agents who go door-to-door to meet potential clients. Rayco has also improved relationships with farmer associations leading to increased knowledge of improved agricultural techniques and tools. Rayco currently offers hand, electrical, agricultural and ground tools, and is looking into solar panel products.

Building new partnerships

Energia y Potencia, an agri-tools retailer, agreed to partner with Rayco by offering Rayco's competitive credit sale process in their 70 stores. Rayco will receive 10% of Energia's profit from credit sales through this arrangement, which was signed in December 2015. Now Rayco will train staff from all 70 of Energia's stores on their credit system.



"I learn many things about sales and customer service. I have a positive experience working with customers because I see their excitement when they are able to buy a product on credit. I know this will change my life. I can make a commission and I'm motivated. I am studying business administration and this is helping me pay for school. I want a stable income, and I think this job will make me more competitive against other applicants in my future career."

Erica, Sales Agent for 3 months



Rayco staff speaking with prospective customer at San Gil store