PUPA: Bolstering Early Childhood Development

Service-based company PUPA, of Brazil, committed in 2013 to the Business Call to Action to provide early childhood educational programmes to hundreds of thousands of children between 0 and 6 years of age in low-income communities while creating employment opportunities for low-income women micro-entrepreneurs in Brazil.

PUPA’s goals:
• Improve and track the progress of up to 500,000 children across Brazil by 2023
• Empower low-income women entrepreneurs to thrive by creating employment and providing training for about 2,000 micro-franchisees
• Training up to 250,000 child caregivers on how to effectively deliver the PUPA programme

Neuroscience studies show that the period from birth to age 6 are the most important years for a child’s cognitive and biological development. In Brazil, an estimated 14 million children in this age group do not have access to formal day-care centers or pre-schools. Many of these children’s caregivers (parents or close relatives), especially in low-income households, lack information and tools that help to stimulate the full development of toddlers, turning them into active agents in the most critical moment of the formation of capabilities, cerebral, emotional and social human being, leaving them at risk for a delayed start and learning difficulties once they enter the formal educational system. One of the main risk factors for poor childhood development is the absence of learning opportunities and inadequate educational stimulation for children.

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Since then, PUPA has been building a new market to build consumer awareness, increase demand, establish distribution channels, create an innovative product and foster successful partnerships.

Children who grow up in a stimulating environment in which they are encouraged to learn have a higher chance of attaining greater incomes, better health and lower dependence on welfare in their adulthood compared to those who are not exposed to a similar environment in early childhood. PUPA’s commitment to the Business Call to Action focuses on its PUPA Vencer product line, which provides low-income families with the same quality of educational materials that the company offers to all of its customers for a discounted price.

By cross-subsidizing its products for low-income families, PUPA ensures that its products are accessible to even base of the pyramid customers. In addition, PUPA keeps its costs down through negotiating discounts or donations from suppliers, such as its agreement with LEGO, who donates its toys to be included in the PUPA Vencer kits. PUPA also helps customers to acquire partial scholarships from local non-governmental organizations (NGOs), foundations and governments.

The business model is still being innovated and may evolve further over time.

How it Works
PUPA’s kits are designed for children in three age brackets: 0-2 years, 2-4 years and 4-6 and priced at 50 reais (about USD 21) per product for the very poor. PUPA consults with leading early childhood development specialists to develop its service line and child-friendly creative consultants, such as illustrators and artists, to ensure that the product is relevant to its target audience. The complete line is designed to strengthen a child’s social competencies, skills in language, health, nutrition, mathematics and critical thinking through playful learning activities. Each kit is sold along with a three-module training programme that lasts for approximately 16 hours. The costs for attending training programmes are on a sliding scale, with fees that range from USD 100 to 350 for those earning over 500 to over 2300 a month, respectively.

PUPA offers classes, workshops and training programmes - each one promotes childhood and playful elements enable users to teach, protect and develop potential in a fun and loving way.

Adults discover which are the best toys and games for every age group, learn to tell stories in order to gain children’s attention and create a tailored “box of treasures” with elements of everyday life, and more.

The courses offered by PUPA are focused on five basic pillars for the development in early childhood and include play, music, literature in a healthy, safe and playful environment. These courses are organized and taught by some of the country’s top experts in education and child development.

Sales and distribution of PUPA kits is currently managed through collaborations with NGOs, government programmes and schools. In the coming years, PUPA plans to build a micro-franchise network of 2,000 low-income women entrepreneurs, a majority of which will be well-known community leaders. In addition to furthering PUPA’s market penetration, the micro-franchise distribution model will create a steady source of income for women entrepreneurs. This distribution model will also allow PUPA to remain in close contact with clients in low-income areas, where franchisees will conduct last-mile distribution to customers, provide customer support and track product use and social impact over time.
These women entrepreneurs will be compensated through a sales and retention commission, which rewards customer retention as well as new acquisitions. PUPA seeks to ensure that caregivers are trained on how best to promote children’s early development through use of PUPA’s products.

The company is reaching caregivers through a variety of methods, through a virtual marketplace on their website for information on PUPA products and advice on playful activities and a facilitators’ guide for use by parents and caregivers, in picture-book and audio formats.

PUPA ultimately plans to offer an educational programme for families from all income ranges, in which Master Trainers train the caregivers on PUPA’s methodology, and then provides them with a DVD containing playful activities and a guide on how to create an environment that is stimulating for children.

Results Achieved

Through its educational kits and early childhood education services, PUPA seeks to improve and track the progress of up to 500,000 children across Brazil by 2023.

Business Impact

Apart from PUPA Vencer, PUPA sells educational kits through different channels, including PUPA Amar É’s training programme that targets affluent families and PUPA Supera, which is designed to meet the demands of children with learning disabilities. In this way PUPA cross-subsidizes its PUPA Vencer service line, thus ensuring an affordable price for low-income families. PUPA has developed a range of partnerships with educational institutions, foundations and government programmes, which has allowed the company to expand its reach particularly in low-income communities of Brazil.

The inspiration for PUPA’s work came from a programme sponsored by LEGO Education, which offered LEGO Robotics sets, magazines and training to children in low-income communities all over Brazil. PUPA currently keeps costs low on its PUPA Vencer line of products for low-income families by incorporating donated toys from partners such as LEGO and enlisting sponsorships from nonprofits, foundations, and local governments. Should these partnerships conclude for whatever reason, PUPA will need to adapt to continue to target the low-income market.

A major advantage that PUPA enjoys is the strong demand for educational products for this age group. Low-income families in Brazil identify education as one of their greatest concerns and have indicated a strong willingness to pay for better education for their children. For this reason, PUPA will likely still find a strong market for its educational products, even with a potential increase in competition from other educational product providers or daycare facilities.

Development Impact

PUPA’s Business Call to Action commitments responds to Millennium Development Goal 3 to promote gender equality and empower women. PUPA’s model seeks to empower low-income women entrepreneurs to thrive by creating employment and providing training for about 2,000 micro-franchisees, who will have the opportunity to learn how to run their own businesses while gaining a living-wage.

The Business Call to Action commitments also focus on improving early childhood development. The ultimate purpose of the PUPA programme is to enable children from low-income communities to learn and to achieve better life outcomes. An impact study, financially supported by several donors, will measure the cognitive benefits to the participant children as well as their educational attainment and life outcomes compared to those of similar children who have not used the PUPA programme and materials.

PUPA is building a network of community partners and franchises, including low-income women micro-entrepreneurs, that has already reached hundreds of children across Brazil, and a further estimated 500,000 by 2023.
Key Success Factors

Scalability
In Brazil alone, about 14 million children could benefit from the product, of whom perhaps 4 million are in day-care centers or pre-schools and a further 3 to 4 million are from families that can afford the PUPA programme. PUPA estimates that it only needs to reach a small share of this total market in order to reach profitability.

There is significant room to scale up similar programmes across other regions. Every year, more than 200 million children around the world fail to reach their full cognitive and social potential, despite the fact that simple steps can be taken to ensure appropriate childhood development. PUPA’s initiative holds tremendous potential towards empowering caregivers in any context to provide their children with educational opportunities that they might not otherwise be able to afford.

Next Steps and Spin Off Effects

To meet its Business Call to Action commitments, PUPA’s model seeks to improve educational opportunities for children, especially from low-income households, and to provide training for about 2,000 low-income women micro-entrepreneurs, who will have the opportunity to learn how to run their own businesses while gaining a living-wage.

Contact the Business Call to Action
E: secretariat@businesscalltoaction.org
T: +1 212 906 5695

This case study was written by Aqdas Afzal and Sara Enright from the Business Call to Action.