In 2012, Natura joined the Business Call to Action with a commitment to train 250,000 entrepreneurs in Mexico, benefitting 25,000 mostly women entrepreneurs by increasing their productivity and revenue.

**Natura’s goals by 2015 are to:**

- Integrate 250,000 (100 percent) of Natura’s sales representatives in Mexico into the training programme;
- Engage 25,000 (10 percent) of these sales representatives in career opportunities offered by Natura; and
- Increase Natura’s sales in Mexico by 134 percent.

Our sales representatives are the soul of the company. They are the ones who drive the quality of our relationships and bring to life our full essence as a company and our passion for cosmetics and quality relationships. By supporting them to become successful entrepreneurs, Natura creates value for all – the representatives expand their business opportunities and multiply incomes while the company contributes with sustainability messages, education and programmes to truly add agents of positive change.

Roberto Oliveira de Lima  
Executive President of Natura (CEO)

**Business Model**

Natura is a leading cosmetics, toiletry and fragrance company in Latin America. Founded in 1969 in Brazil, Natura now has an annual net revenue of over US$2 billion (2014). While Brazil remains Natura’s main market, Mexico has become Natura’s second largest market in only ten years.

Since its foundation, Natura has positioned itself as a holistic and sustainable company. Sourcing ingredients locally and building supply chains within communities plays an important role in cultivating this image. In order to ensure that its products’ ingredients are sustainably extracted, the company provides agricultural inputs and training in the communities that produce them. In addition, Natura markets its products through a multi-level direct sales model in Mexico. Sales representatives work as individual micro-entrepreneurs, selling Natura’s products door to door; they are the first to consume the brand’s products and are the main link with consumers. Today, more than 1.6 million representatives sell Natura’s products throughout Latin America and France.

In Mexico, 98 percent of Natura’s sales representatives are women. Many of them come from the bottom of the economic pyramid, often without work experience and with limited education. In order to integrate these women into the company’s value chain as successful product distributors, Natura developed a holistic training programme: the Sustainable Network Relations Initiative prepares sales representatives to become successful entrepreneurs by teaching them business skills that optimize their productivity and performance.

**How It Works**

One of the biggest reasons for Natura’s success as one of Latin America’s leading skin care and cosmetic manufacturers was its choice of direct sales. Human relationships are at the heart of Natura’s business model and are deeply rooted in the company’s values. They created a differentiated multilevel model (Sustainable Relationship Network) that stimulates the development of leaders, entrepreneurship and socio-environmental initiatives in Mexico.

**Adopting the business model to the Mexican market**

In 2010, Natura discovered that its old business model was no longer competitive in the Mexican market. In the mono-level approach, sales representatives received a 30 percent discount for sales but had no possibility to grow as independent business people. In fact, most representatives were more consumers than sales people. As a result, Natura shifted to a multi-level direct sales model, in which sales representatives are viewed as individual micro-entrepreneurs and given an opportunity to gain more responsibility by recruiting other distributors. This new model allows sales people to build their own distribution teams.

**Integrating underserved populations into company’s value chains as distributors**

The Sustainable Network Relations Initiative gives people without formal careers an opportunity to develop their skills and capacities. While the training is open for all 250,000 Mexican sales representatives, the goal is to give at least 10 percent of them the opportunity to engage in an entrepreneurial career with Natura. Most importantly, the training supports self-development while at the same time increasing revenue for both Natura and the representatives, who earn 30 percent of their total sales and have the ability to grow their businesses.

**Investing in practical skills and holistic knowledge**

In line with Natura’s holistic sustainability approach, the company developed a modular training programme, which aims to transform its sales representatives into entrepreneurs. Through four modules, the sales representatives obtain essential skills related to products, sustainable business and customers. They also have the opportunity to participate in social programs that can increase their personal development. While the first module is free of charge, the following three modules cost 300 Mexican Pesos – one fifth as much as comparable entrepreneurship training courses. The training is delivered by Natura staff and specialized consultants, and web 2.0 tools are used to connect people based on their interests and create better customer experiences.

**Results Achieved**

The Sustainable Network Relations Initiative was piloted in Mexico in May 2011. To date Natura has trained 120,000 sales representatives.

**Business Impact**

Adopting to a multi-level direct sales model and offering training to sales representatives has not only increased the company’s revenues, but fostered entrepreneurship and social responsibility.

Sales have significantly increased for the representatives who participated in this training programme, while Natura’s annual revenue has increased by two digits from 2011 to 2014. By 2015, Natura expects to reach US$945 million per year in Mexico, an increase of 134 percent compared to the old business model.

Besides these direct financial benefits, the Sustainable Network Relations Initiative has increased the value of the Natura brand in Mexico. Consumers appreciate Natura’s holistic approach and the multi-level direct sales model provides Natura with the possibility of real-time data collection on consumer trends and demand. In addition, consumers can give direct feedback on products as well as their needs and expectations.

**Development Impact**

In Mexico, 98 percent of Natura’s sales representatives are women and the majority of them come from the bottom of the pyramid and low-income stratus. The average woman has limited education and has never worked before.

Natura’s training programme empowers these entrepreneurs both in their professional and personal lives. Through training on the multi-level direct sales model, representatives’ sales can increase by an average of 50 percent. In the process, the sales representatives become better able to promote the products they sell and are more satisfied with their work.

While representatives’ average income is about US$38 per month, promotion to the next level of Natura’s career ladder increases the average income to US$100 per month. This growth continues as representatives climb the career ladder: at the top, an experienced representative can make more than US$7,500 in a month. Natura expects that approximately 400,000 families in Mexico will be indirectly impacted by 2019.

Besides these direct benefits, the training programme increases women’s business and interpersonal skills, and improves their self-esteem through successful entrepreneurship. These women’s empowerment indirectly impacts their families and communities.

![Image of Natura's multi-level direct sales model](image_url)
Next Steps and Spin Off Effects

With a 50 percent average increase in sales, the Sustainable Network Relations Initiative has been very successful thus far. Natura plans to expand this model in Mexico and – once it is proven successful over the long run – replicate the training programme in other Latin American countries. In order to achieve this, the company closely monitors its business model’s impacts on the lives of sales representatives.

At the same time, a major transformation is underway at Natura: its goal is to extend the concept of direct sales to new digital platforms, which enable consumers to choose how and when to acquire products, and build new relationships with sales representatives – one of the Natura brand’s key attributes.

Key Success Factors

Inclusiveness all along the value chain
Natura incorporates communities at the bottom of the pyramid all along its value chain, from sourcing product ingredients to product distribution. This not only provides Natura with innovative ingredients, motivated sales representatives and a direct link to consumers, but fosters Natura’s reputation as a holistic and sustainable company.

Working with well-trained sales representatives
Natura’s sales representatives sell through the relationships they establish with their customers, and use these relationships to increase brand understanding and appreciation. By enhancing their knowledge about products, business practices and customers, Natura invests in its main link with consumers.

Adopting the business model to the regional context
In 2010, Natura conducted a marketing analysis and discovered that its traditional mono-level sales model was not competitive in the Mexican market. On the contrary, multi-level companies are very successful in Mexico. Adopting a multi-level direct sales model has allowed Natura to establish a competitive edge in the Mexican market.

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