



## **CASE STUDY: GUYANA**

### **DENMOR GARMENTS: PROVIDING EMPLOYMENT FOR WOMEN FROM IMPOVERISHED RURAL COMMUNITIES**

#### **Summary**

Since July 1997, Denmor Garments, Inc.—a privately owned garment manufacturer in Coldingen, Guyana—has grown from 250 employees to more than 1,000, 98 percent of them women from poor rural communities. Aside from employment, Denmor also provides training and empowerment to lift the women out of poverty. With innovative solutions, Denmor has overcome many challenges to employing women from poor rural Guyanese communities, especially illiteracy and transportation difficulties. Today, the organization manufactures garments for top global brand names and has won a prestigious industry-wide award for quality standards. The case details the company history, interwoven with the inspirational personal story of its founder, Dennis Morgan.



#### **Positive Outcomes for the Poor**

- Stable source of employment for women from impoverished rural communities.
- Opportunities for the creation of micro-enterprises through the Satellite Programme.
- Empowerment of women through job related training and skills development, as well as general training in areas such as health and safety, social skills and ethics.

#### **Positive Outcomes for the Business**

- Denmor has expanded its export market and its customer base in the United States through its partnership with Paris Accessories.
- Denmor also has expanded its market to local stores.
- Production has expanded to the point of requiring a second factory and additional production facilities.
- Because of increased production, within 10 years Denmor has quadrupled its work force (from 250 in 1997 to 1000 employees).
- In 2001, Denmor received the Russell Athletic Quality Recognition Award for having achieved 2% Acceptable Quality level.



## Key Constraints

- *Physical infrastructure:* Workers faced long times in taking public transport to factory.
- *Knowledge and skills:*
  - Local unskilled labour does not know how to operate in a garment factory.
  - Problems at home, e.g. domestic violence, welfare and child support matters tend to affect employees' work.

## Key Strategies

- *Invest in removing constraints:*
  - Denmor invested in a number of buses that provide transportation free of cost. This resulted in greater worker retention, particularly with women.
  - Denmor spends US\$250,000 per year on training at all levels, particularly to women and the illiterate.
- *Combine resources and capabilities:* Denmor invites representatives from the Ministry of Social Services to speak to women on issues, voluntary religious services. Paid time away from work is provided for these sessions. Works with government agency GO-invest to provide training.



## Strategy Matrix

		Strategies					
		Denmor	Adapt Products and Processes	Invest in removing market constraints	Leverage the strengths of the poor	Combine resources and capabilities with others	Engage in policy dialogue with government
Constraints	Market information						
	Regulatory environment						
	Physical Infrastructure						
	Knowledge and skills						
	Access to financial services						

## Opportunities & Challenges for Scaling Up

- In 2001, a Satellite Programme was started with four small factories set up in rural communities to act as subcontractors for Denmor Garments and help boost production capacity. The major challenge has been identifying suitable and committed people that are interested in establishing and running these entrepreneurial ventures
- A chain of Guyanese retail outlets called Denmor Stores will provide both employment and affordably priced locally manufactured garments to poor communities. The first store opened in December 2006 as a pilot to assess the viability prior to expansion. Three more stores were planned for 2007
- Dennis Morgan, Chairman and Managing Director of Denmor, wants to develop his own label to market to the Caribbean Diaspora in the United States. This venture would require significant investment for both marketing and expansion of production capacity; in 2007, it is his “dream” for the future