



Growing Inclusive Markets
Business Works for Development • Development Works for Business



CASE STUDY: MEXICO

Construmex: ‘Hazla, Paisano!’

Many poor people cannot afford to plan for the future. In Mexico, however, Construmex is empowering thousands of poor people and their extended families to own permanent homes.

Construmex helps Mexican migrants living in the United States use cross-border income to buy, build or repair homes in their native land. In 2006, when the business was developed, billions of dollars in remittances were flowing into Mexico from expatriate Mexicans. Yet an estimated 25 million people in Mexico were living without adequate shelter. The shortage signaled a clear deficit in the country’s housing market. CEMEX—one of the top three global cement producers, and by far Mexico’s largest construction company—saw an opportunity.

CEMEX had a long-established market of low-income Mexican consumers. It had already succeeded with its construction microloan project, Patrimonio Hoy. As its social solutions director, Hector Ureta, observed: ‘Thanks to these initiatives we engage with [low-income customers], creating value for the community, for our value chain, [and for] small and medium-sized distributors, as well as for the company.’

But meeting the demand of migrants in the United States presented complex challenges. Those migrants turned out to have much less liquid cash than the company initially believed—and a history of abuse, fraud and violent threats had made them wary of all housing remittance plans. CEMEX needed to gain the migrants’ trust, in addition to learning about their needs and aspirations.

So CEMEX, in putting together a business model for Construmex, obtained help by collaborating with existing organizations. Construmex engaged Mexican consulates in several US cities to learn more about customers’ priorities and their satisfaction with its products. Partnering with migrant clubs in several Mexican states, it implemented community-improvement initiatives to build trust—and its brand—with its core market. It also benefited from a matching-funds initiative from the country’s Ministry for Social Development for donations in support of community infrastructure. These win-win collaborations, in equipping the firm to effectively deal with its target market and meet its needs, helped make Construmex viable as an enterprise and enabled a host of accompanying benefits to development.

Construmex’s slogan, ‘Hazla, paisano!’ translates to ‘You can do it, compatriot!’ The company has followed through on that assurance. Through the simple act of allowing poor people fair access to stable and safe homes, Construmex is building not only houses but also self-esteem, security and hope for the future. By the end of 2006 Construmex had received more than 18,000 orders for the delivery of construction materials. Women made up 23 percent of its clientele.

Construmex clients will be better able to save money in the future because their houses will not need as much work. And the initiative’s community-development efforts are strengthening the fibre of the places where it works.



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Construmex is on the verge of becoming sustainably profitable. In its first four years, it saw \$12.2 million from sales of its construction materials, and that number is poised to rise as its reach spreads. ‘Our social initiatives allow us to establish a missing link: a direct relation with our low-income clients’, says Ureta.