

case 1-429-202
March 22, 2012

Constructing a Base-of-the-Pyramid Business in a Multinational Corporation: CEMEX's Patrimonio Hoy Looks to Grow

Low-income consumers must be treated as "regular" consumers. Although they may have less buying power than mainstream customers, low-income customers still have necessities that must be met and they have income to spend. They must be treated with dignity.

--Israel Moreno, Director, Patrimonio Hoy

Israel Moreno sat quietly in his office reflecting on the successes of Patrimonio Hoy over the past few years and considering the challenges ahead. Moreno was part of the founding team and the long-time director of Patrimonio Hoy, a business initiative within the giant Mexican multinational company CEMEX, launched more than a decade ago. The initiative had now reached a critical juncture. Later on this day, Moreno and his team would review Patrimonio Hoy's results to date, explore the opportunities and barriers to future scalability, and develop a set of recommendations that could be shared with CEMEX's top management to chart the initiative's future growth.

It seemed like only yesterday that Moreno and his then-colleague Hector Ureta (who had since retired) briefed the CEMEX executive team on the feasibility of a new business initiative with the potential to generate substantial economic returns for the company and desirable societal outcomes for low-income communities. CEMEX had been willing to experiment with the idea, since it could open new revenue streams while also offering important public relations benefits. The company's top management, however, insisted at the time that the new program become self-sustaining within four years of its launch. CEMEX did not anticipate having to make additional investments in the initiative beyond that time frame. That meeting had taken place thirteen years ago. Since then, the initiative, Patrimonio Hoy, had grown from a small, centrally funded project to a well-respected, revenue-generating initiative for CEMEX and an internationally recognized model for developing housing solutions for the Base-of-the-Pyramid.

Challenging the traditional boundaries of a business unit within CEMEX, Moreno and Ureta had created a new business approach: a collaborative network among families in need of better housing conditions, distributors with presence in the regions, and CEMEX, which provides families with financial services and

Published by WDI Publishing, a division of the William Davidson Institute (WDI) at the University of Michigan.

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