

## SAPECO UPDATE

Some will remember the story. Erik's senior college thesis, written almost twenty years ago, was a business plan to export transmission cores from his brother's salvage yard, facilitate the border crossing process, rent shop space in Cuernavaca and train four young Mexican peasants to become transmission re-builders. Erik and his dad hand loaded 20,000 pounds of cores, risking life and limb, onto an 18-wheeler tractor trailer and off they went. SAPECO, a micro-economic development project, focused on developing worker/owner cooperatives, was born.

Erik's focus, as coordinator of Karitas' ever expanding projects in Cuernavaca, has broadened substantially, as this packet profiles, but the work of SAPECO continues: as Erik coaches newer entrepreneurs, forming new small businesses or cooperatives; acts as on-going consultant and encourager to those businesses now up and running; and, monitors the transition process to full worker ownership. Here are a few highlights looking back on 2008 and forward to 2009.



- Francisco and two partners, who began *Estrella Torque Converter Re-builders* about five years ago, have recently transitioned into a cooperative, signing an agreement to purchase the \$50,000 equipment and parts inventory and the \$35,000 building where the shop is located, on a payment schedule coordinated by Karitas.
- Fernando, founder of the *Frisan Transmission Parts Store*, and his partners have owned their business for several years, but are presently finalizing the purchase of their present location, a four-unit commercial building, on a payment schedule facilitated by Karitas.
- *Frisan Automotriz*, the initial SAPECO enterprise, has been a wholly-owned worker/owner business for ten years, and is among the most highly regarded transmission repair shops in Cuernavaca.
- Ricardo Monter, director of the *Dale Carnegie Institute in Cuernavaca*, the world-wide consulting and mentoring firm, has offered personal and professional development courses for SAPECO businesses free of charge, an extraordinary offer.



- Julio and his partners founded the *Connor's Used Auto Parts* business six years ago. They have recently begun a process to

**purchase the present inventory of parts, the building where the business is located, and an adjacent lot to build additional warehousing units for parts storage, on a payment schedule arranged by Karitas**

- **Rodolfo, Vicente, and Juan, among many others – “graduates” of SAPECO’s training and mentoring program – operate successful small businesses, committed to offering fair-wage employment. Erik is available for on-going coaching and consultation.**

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