

USAID RISE Case Study

Through its partnership with Credit Suisse, RISE facilitates pro bono technical assistance to Azaylla, a scaling agribusiness in Cambodia

“Agriculture in developing countries like Cambodia brings its own unique set of risks and challenges. If you have a clear goal, vision, deep passion and ability to work hard then obstacles give way to success”, emphasizes Parth Borkotoky, Founder and CEO of Azaylla. As a start-up, Azaylla and Parth have faced one of the most common challenges of fast growing businesses - the lack of access to financing capital needed to scale their businesses.



In this case study, we feature [Azaylla](#), a Cambodian company founded in 2019 with a mission to create a sustainable, socially responsible agribusiness supply chain that benefits farmers, communities and partners. An agri-economist himself, Azaylla's founder has worked closely with farmers, and noticed key gaps within the supply chain, which are beyond farmers' capability to bridge. This led him on an entrepreneurial journey to develop a responsible business to solve Cambodia's fresh produce supply chain problem in a way that consistently benefits both the farmers and end consumers. By connecting farmers directly with urban market channels, Azaylla is able to help farmers get better prices and consistent demand for their fresh produce, while also helping businesses like small retailers, restaurants, and supermarkets to get competitive prices for quality produce that are typically expensive for their end consumers.

The USAID Regional Investment Support for Entrepreneurs ([RISE](#)) platform, managed by [Swisscontact](#), has facilitated a pro-bono technical assistance (TA) from its partner, Credit Suisse, to support Azaylla to access financing capital needed to sustain growth, particularly in the wake of the global pandemic.

Challenges

Over the past two years, Azaylla has grown from a small pilot – trading a modest number of products, around 10 to 20 – into a company trading over 70 products from many cooperatives across Cambodia. As Azaylla continued to grow, it needed to access more financing capital to sustain growth and scale their business. “Our sustained growth and acquisition of new customers came in at the cost of cash flow challenges. We did more sales but payments did not come on time. Yet we had to pay our suppliers as per our commitment.”, said Parth Borkotoky. On top of this, COVID 19 lock downs and disrupted supply chains provided both positive and negative impacts on the company. “We had to invest more on technology and staff to support our growing business, that has led us to look for more capital.”, continued Parth.

Azaylla spoke to several impact investors in 2020 to explore possible investments. One investor, also a partner of RISE, was interested, but also recognised that Azaylla needed to make some improvements prior to being investment ready. “Azaylla had a novel solution for the inefficiencies found in Cambodia's agricultural



value chains, a knowledgeable and passionate founder, and early indications of product-market fit. However, we felt that they needed a refined growth strategy and financial model to become investment-ready. Given the company's potential, we thought that they might benefit from working with the RISE team and so we facilitated an introduction.”, said the investor.

Solutions

The USAID Regional Investment Support for Entrepreneurs (RISE) TA platform supports impact businesses and investors by providing TA through a repayable grant model. This TA is demand-oriented – serving the needs of growth-oriented entrepreneurs. TA can be tailored as it is provided by a pool of vetted consultants with wide-ranging skills and services.

Additionally, RISE offers pro bono networking support through partnerships with corporations like [Credit Suisse](#) whose social mission aligns with those of RISE. “The global vision for the Credit Suisse Corporate Citizenship and Foundations team is to strive for a more inclusive future, where all people can access the resources and develop the financial, entrepreneurial and other skills to thrive in the economy and society. Credit Suisse strongly believes that capacity building and employee engagement are key components to pursue this vision.”, explained Usha Pillai, Vice President, Corporate Citizenship and Foundations APAC.

As Azaylla needed financial analysis support to aid its fundraising efforts, RISE recommended the [Credit Suisse Virtual Volunteer](#) program as the Credit Suisse staff are particularly strong in this area. Through its Asia Pacific team, Credit Suisse was able to process the application globally and found a passionate volunteer for Azaylla in July 2020. “My motivation to volunteer was to add more purpose and meaning to my life. I sincerely feel that giving back to the community adds to one’s own happiness. That kept me looking for volunteering opportunities, and when I learnt about Azaylla, which RISE was supporting, through the Credit Suisse virtual volunteering program, I immediately applied.” said Purni Bhala, the Credit Suisse volunteer. Once a match was found, RISE then facilitated a formal agreement on the process and scope of work to make sure that both Azaylla and the volunteer were on the same page and comfortable working together going forward.

Over the course of three months, the volunteer worked closely with Azaylla to understand the company's operation and analyse its financial risks and strategies. “The volunteer was patient, flexible to fit in my schedule, spent quality time to understand our business model first then started taking tasks.”, explained Parth Borkotoky.

Results

Due to the TA support provided by Credit Suisse, Azaylla has improved its pricing and expansion strategies, avoiding costly risks while keeping business growth on track. “Azaylla's in depth assessment of financial risks with the target audience helped in taking informed decisions of plotting long term strategies. This rewarded us with measurable benefits for a growing business.”, said Parth Borkotoky.

At the same time, the volunteering experience proved to be extremely valuable and rewarding for the Credit Suisse volunteer. “It was an incredible learning experience for me as I have no entrepreneurial experience. Collaborating with the CEO of Azaylla, I could appreciate the thought process of entrepreneurs. Given, it is a small business we have to consider all aspects of the business which is very different from working in a large bank such as

Credit Suisse. The program was very valuable because it gave you the dual opportunity to do charitable work alongside picking up technical knowledge directly from working with the business.”, said Purti Bhala.

Impact



Thanks to the high quality work produced by the Credit Suisse volunteer, Azaylla was also able to smooth out access to needed financing capital from microfinance institutions. One of Azaylla's funders, [Chamroeun Microfinance](#), was impressed with both the company's mission and financial records. “At Chamroeun, we believe that supporting businesses like Azaylla, which offer a solution to improve smallholder farmers' access to sustainable and well-priced markets is critical. As a financial institution, we are keen to provide them with the capital they require to scale operations. However, many of these businesses often lack the capacity to offer sound financial data or projections. We could see Azaylla had put significant resources and efforts in offering these and were confident in what was presented to us.”, explained Yannick Milev, CEO of Chamroeun.

To date, Azaylla has provided a consistent market access and income to over 500 active farmers who are members of cooperatives across several Cambodian provinces. As the company has built new partnerships with more suppliers, it expects to impact more smallholder farmers engaged in processed fruit crops, including the base of the pyramid (BOP) in remote areas such as the North-Eastern part of the country, who collect forest products for livelihoods.

Besides market access, Azaylla has also been supporting farmers to access both finance and agronomic knowledge by partnering with MFIs and companies such as East West Seed. These resources are important factors that determine product quality, productivity and profitability of smallholder farmers.

Going forward

Small and growing businesses (SGBs) have strong potential for delivering positive social and environmental impacts for the BOP. However, they are faced with a significant number of challenges and therefore require a combination of financial and non-financial support to survive the turbulence of growing their businesses. The global pandemic has further exacerbated the situation. By June 2020, the Aspen Network of Development Entrepreneurs reported that COVID-19 has made nearly 50% of SGBs fail or at high risk of failure across different regions¹.

Therefore, a stronger collaboration between all stakeholders in the entrepreneurial ecosystem will be key to supporting SGBs to get out of the current crisis, and continue to grow their social and environmental impact missions. “By strengthening the capacity of social organisations while leveraging the professional expertise of our staff, we will be able to accelerate change and drive social and business impact. This is why we are strong supporters of organizations such as RISE, which provides technical assistance to companies in South-East Asia with high potential to deliver positive social, economic, and environmental impact.”, explained Usha Pillai, Vice President, Corporate Citizenship and Foundations APAC.

Through strategic collaboration, ecosystem participants could bring synergy to their shared goal in a sustainable manner. As Yannick Milev, CEO of Chamroeun, simply put it, “Partnering with institutions that build investment-readiness of socially responsible businesses allows us to roll-out products that are adapted to these businesses' realities and multi-stakeholder approaches such as the one which led to Chamroeun's financing of Azaylla are a viable and scalable solution to supporting the growth and competitiveness of Cambodia's businesses and agricultural production.”

¹ [Small and Growing Business Sector and the COVID-19 Crisis: Emerging Evidence on Key Risks and Needs-Updated Data Addendum](#)