



Feature No. 37: Florestas



For Fernando Lima, natural care is a family tradition. Fernando's great-grandfather served as a pharmacist in the Kingdom of Calabria in southern Italy. Years later, the family business migrated to Brazil with his grandfather. Today, Fernando has grown the tradition into a line of all-natural, Amazonian personal care products. After earning a MBA from Universidade de São Paulo and a PhD in International Economics from Universidad de Barcelona, Fernando worked at Citibank and other global banking firms for over ten years. In 2000, he created a company of his own – Florestas.

Since its founding, Florestas has capitalized on local expertise. Florestas has partnered with Brazilian university labs in order to study indigenous Amazonian therapeutics. The research has identified valuable native ingredients including Babaçu oil, Acerola fruit and Açaí berries. These and other rain forest plants are naturally rich in nutrients, vitamins and antioxidants, distinguishing Florestas' IKOVE line from chemically derived personal care products. Equally important to Florestas' success is the company's ability to exercise control over IKOVE production and integrity. The company realizes advantages over large, foreign firms through its low-cost structure, production flexibility, and access to exotic and effective organic products. Indeed, the entire line is certified as both organic and ecologically sustainable by the French Ecocert group.

Experienced local management adds to Florestas' triple bottom-line. Since the launch of the company, Fernando has focused on using the business to support the cultural and ecological integrity of his country. By purchasing his ingredients from Amazonian cooperatives throughout Brazil, Fernando reduces the need of indigenous people to cut down the rainforests in order to survive. Florestas purchases Brazilian Nuts ("Castanha do Brazil"), Guaraná and Buriti from the Cooperative of the Ecological Agricultures of the Amazon Entrance. The products are harvested, processed and packed in the same community with the inspection of Ecocert in order to guarantee quality and add value. Moreover, by eliminating the middleman with direct purchasing, Florestas cuts cost and pays higher prices to local families – a practice that will soon earn the company a Fair Trade label from TransFair USA. This and other partnerships create opportunities for hundreds of families in poor areas – opportunities that rely on sustainable sources of income rather than on short-term resource extraction.

Fernando has put his international experience to work as well. Having established IKOVE as an all-natural alternative to synthetic personal care lines in Brazil, Florestas has expanded into foreign markets. Florestas employs a multi-channel business model that combines a wholesale distribution network with retailing, e-commerce, and a consumer catalogue. IKOVE appears in outlets varying from spas to apothecaries to high-end department retailers and natural and organic stores in Japan, France and the U.S. Moreover, with a 2005 growth rate of 22 percent and \$5 billion industry, the U.S. natural/organic personal care market presents an attractive target for the IKOVE line. Recognizing the growth opportunity, Florestas is looking to raise \$2 million to open two Wellness Center and Spas, one in New York and the other in São Paulo. By incorporating a range of IKOVE products into its store and spa services, Florestas will be able to increase brand awareness and accelerate growth. As Fernando explains, bringing Florestas directly to consumers will allow them to "better connect with the people and ecology behind this fully Brazilian product."

For more information on Florestas, please visit www.ikove.org or www.new-ventures.org.

Written by Jesse Last, World Resources Institute ©2007 – The Rising Ventures Series features articles, announcements and profiles of investors and entrepreneurs related to the theme of innovative small and medium businesses (SMEs) in emerging markets that deliver social and/or environmental benefits. These business models have been identified through the New Ventures (www.new-ventures.org) and Development through Enterprise (www.nextbillion.net) projects. To view other Features in the Series, visit <http://www.new-ventures.org/risingventures>.