



Feature No. 28: Natura Fibretech



Seven years ago, Tommy Matthew dedicated his energy, his passion and his savings to founding Natura Fibretech, a company that markets coir fiber as an inexpensive, sustainable alternative to wood. He believed in the potential of coir because it had already been used for generations by Indian villagers to make rope and doormats. With this product, Natura sets itself apart as a company that has adapted a technology from the base of India's economic pyramid that is many ways superior to the technologies used by the top of the pyramid.

Coir is a primary material made from coconut fiber that is incredibly durable and already grows in abundance throughout rural India. Natura is the first company in the world to manufacture this into coirply, a multipurpose wood that is 30 to 40 percent cheaper than common plywoods but with a quality that is comparable to teak, the most expensive wood in common use. Additionally, coir can be harvested in a matter of a few months rather than years as is typical of conventional woods. These factors have made the government of India, itself a USD\$2 million per year market, a major buyer of Natura products.

The uniqueness of Natura's business model is that it relies on a product that found its original success in the towns and countryside of rural India and so is naturally oriented to best benefit the people living there and their environment. Natura employs thousands of villagers at above average wage rates, 80 percent of whom are women. It supports local SMEs by selling them the technology to harvest coir and buying back 100 percent of production. Through this process, Tommy has formed a decentralized support network for technology transfer and entrepreneurship throughout India. Of course, Natura has not forgotten the BoP in its product innovation process – the company has created durable bed springs out of coir to manufacture affordable, comfortable mattresses. This is a luxury many underserved Indians have never had in the past and an innovative way to break into a USD\$30 million per year market

Tommy's next steps are to ramp up production in order to become a supplier of finished products abroad. He has received significant interest from companies seeking to purchase coirply furniture, and is finalizing discussions to become a supplier for major manufacturers in the near future. The company has also received eco-housing ISO 14000 certification and will begin tapping into the Indian housing sector, which is growing at 18 to 20 percent annually – part of an overall growth strategy to expand the company that includes building twelve new facilities in the next three years.

Tommy first had the idea for founding Natura when he saw Indian villagers tying up their cows with coir rope. The result today is a high-growth company that has benefited the environment and rural India by tapping into the resourcefulness and ingenuity of the BoP. For more information on Natura Fibretech, please visit www.new-ventures.org.

Written by Derek Newberry, World Resources Institute ©2007 - The Rising Ventures Series features innovative small and medium businesses (SMEs) in emerging markets that deliver social and/or environmental benefits. These businesses 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>.