

EXECUTIVE SUMMARY
AYENDA
(RG-Q0075)

Over 70 percent of hotels in Latin America and the Caribbean (“LAC”) are independently owned, low-cost, mostly “mom and pop” SMEs, not related to any branded hotel chains or lodging operators¹. Even before the COVID-19 pandemic, these independent hotels were threatened by the expansion of branded chains and large hospitality conglomerates, unable to compete with them due to limited distribution and operating systems, among other competitiveness limitations. Not surprisingly, these “mom and pop” hotels have become even more vulnerable in the past year and are struggling to survive, amidst government-mandated lockdowns and the decimated hospitality industry due to the COVID-19 pandemic.

To facilitate the recovery of these independent, low cost hotels (i.e., two/three stars, with an average of three employees) that mainly serve budget guests (i.e. self-employed, salesmen, technicians, etc.), and to support their competitiveness through digitization, this Project aims to promote the expansion of Ayenda Hotels, a Colombian start-up that optimizes independent hotel operations, by working hand by hand with hotel employees. Through its services, Ayenda not only contributes to the growth of these hotels but also to local employment generation, especially for women – who compose of 90 percent of the Ayenda hotels’ workforce. Today, the Company has effectively digitized 249 independent hotels across Colombia, Peru, and Mexico through which 688 local employees have been supported.

IDB Lab’s contribution of US\$2,000,000 out of US\$10,000,000, structured in the form of Keep it Simple Security², will provide financing for Ayenda’s post-pandemic growth into a recovering hospitality industry in LAC, thereby giving the Company the runway for expansion until its subsequent funding round in 2022. IDB Lab’s participation is expected to both: a) boost the Company’s finances while private investors continue hesitate over the post-pandemic hospitality market in LAC, and b) generate confidence for other investors in the Company. By 2025, the Company is expected to operate in at least 50 cities in LAC with over 2,100 hotels in its platform, supporting the generation of over 8,400 jobs.

This Project was originated by IDB Invest Tourism (INO/SMC) team and have been analyzed by the IDB Lab team under the new Strategic Approach for Direct Equity Investments ([MIF/GN-255](#)). The objective is that IDB Invest can analyze the participation in the Company’s subsequent financing rounds for further scalability.

Through this Project, IDB Lab aims to gain valuable insights into the hospitality industry’s recovery from the COVID-19 pandemic in LAC, aligning with the **Vision 2025** ([GN-3025-5](#)), and extracting valuable data on employment and gender in the independent hotel ecosystem, data points that do not currently exist in the market research literature.

¹ Phocuswright Latin America Travel Market Report 2020-2024, provided by the Company.

² A Keep it Simple Security is a legally binding agreement by which an Investor gives money to a company which undertakes the obligation to issue a certain number of shares in the future under certain circumstances in favor of such Investor. The issuance of shares is based on the conditions and commercial terms.