

Recaudo: a sustainable restaurant with roots in passion and entrepreneurship

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Elena Herrera's restaurant was distinguishable by its focus on sustainability and proximity cuisine, employing circularity concepts in organic waste management through composting and feeding its suppliers' animals with food waste of her restaurant. In addition, she did not use food delivery apps, encouraged local and equitable consumption through a seasonal menu, highlighted the work of its rural local suppliers by sharing their stories on her website, promoted waste and food reduction and encouraged diners to bring their own containers (tuppers). The establishment housed a store of local products made by artisans and producers from the Puebla and Cholula states. All these actions were in alignment with the Sustainable Development Goals (SDGs), which included responsible consumption SDG12, climate action SDG13, decent work and economic growth SDG8.

Herrera's restaurant served as a prime example of a Mexican company embodying the triple bottom line (TBL) approach. As highlighted by [Žak \(2015\)](#), one of the fundamental principles within corporate social responsibility (CSR) was encapsulated in the concept of the TBL. This concept emerged from the framework of sustainable development and emphasized the pursuit of equilibrium across three key dimensions, namely, economic, environmental and ethical considerations (Reichel & Oczyp, 2011, p. 52). The term "triple bottom line" was originally coined by John Elkington in 1994, as introduced in an article published in the *California Management Review*, and further elaborated upon in his 1998 book titled *Cannibals with Forks: the Triple Bottom Line of 21st Century Business* (Gnap, 2012). Elkington advocated the notion that businesses should account for three distinct and independent bottom lines. First, there was the conventional measure of corporate profit, which represented the financial "bottom line" reflected in the profit and loss statement. Second, there was the "people account" bottom line, which assessed the social responsibility of an organization across its activities. Finally, there was the "planet account" bottom line, which gauged the environmental responsibility demonstrated by the company (Hindle, 2008).

Despite Herrera's endeavors to integrate these principles, there was a need for assistance in making decisions pertaining to enhancing her TBL impact. Moreover, the aim was to discover novel opportunities for products and services that aligned with the future requirements of her clientele, which considered the constantly evolving environment. The objective was to optimize the influence of her restaurant, converting it into a catalyst for social, economic and environmental transformation. Hence, how can the establishment

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further fortify and expand its network of local producers or sustainable practices? To accomplish this, a range of measures can be implemented that align with SDGs.

Brief context of Mexico

Mexico's customer behavior and patterns were influenced by various socio-economic factors. The country had a predominantly young population, with Millennials and Generation Z playing a significant role in shaping consumer trends. Income disparity was a notable issue, with a growing middle class and a large segment of the population belonging to lower-income brackets. This income gap affected purchasing power, leading to price sensitivity among consumers. Mexican culture placed great importance on family and tradition, which often influenced purchasing decisions. In addition, there was an increasing interest in sustainability and ethical consumption, particularly among urban consumers.

In terms of socio-economic factors, Mexico faced significant income inequality, with wealth concentrated among the wealthiest individuals. This fact impacted consumer spending patterns, with higher-income groups driving the demand for luxury goods and lower-income groups prioritizing affordability and basic necessities. Unemployment rates, especially among the younger demographic and in certain regions, fluctuated and affected consumer confidence and discretionary spending. Access to essential services also varied across different regions, with rural areas facing challenges in accessing healthcare, education and infrastructure. This disparity led to different consumer preferences and priorities between urban and rural areas. (Mühlen & Escobar, 2020).

The restaurant industry in Mexico played a vital role in the country's economy, providing employment opportunities and contributing to gross domestic product (GDP) growth. According to a recent study, restaurants represented a significant proportion of all businesses in Mexico and generated millions of jobs, mostly in the form of microenterprises. The industry also utilized a higher percentage of domestic inputs when compared with other sectors, thus contributing positively to output and employment. Moreover, the restaurant industry ranked among the most important activities in terms of its contribution to the country's GDP (Moreno & Cuellar, 2021).

However, the restaurant industry also had a significant environmental impact. It consumed large amounts of water, generated substantial solid waste, emitted carbon dioxide and required significant energy consumption. These factors contributed to environmental pollution and resource depletion. In addition, in the rural agriculture context, injustices related to resource distribution, labor practices and environmental degradation became apparent. Marginalized groups, such as small-scale farmers and indigenous communities, faced barriers to accessing resources and markets while also experiencing exploitation and unfair labor conditions (Tomay & Tuboly, 2023). Despite these challenges, restaurants contributed positively to rural communities by creating economic opportunities, supporting local agriculture, serving as community gathering spaces, attracting tourists and raising awareness about sustainable practices and local food systems. These efforts can stimulate economic activity, preserve culinary heritage, foster community cohesion and empower consumers to make informed choices (Khan et al., 2020).

The analysis of Mexico's customer behavior and patterns, along with the socio-economic and environmental factors affecting the restaurant industry, highlighted the complex realities faced by businesses operating in this market. Understanding and addressing these factors will be crucial for the continued success and impact of restaurants, such as Recaudo, in the emerging market context of Mexico. The interplay between socio-economic dynamics and environmental considerations formed a multidimensional framework that required careful navigation and strategic decision-making to achieve sustainable and inclusive growth. With the right approach and commitment to positive change, businesses

can not only thrive but also contribute to the well-being of both the local communities and the environment, ushering in a more prosperous and equitable future.

Restaurant industry in Mexico

According to a study conducted by INEGI and CANARIC in 2021, it was estimated that restaurants accounted for 12.2% of all businesses in the country and created over two million jobs, with the majority being microenterprises. These microenterprises employed up to ten people and represented 96 out of every 100 restaurants. They provided jobs to 70 out of every 100 employed individuals and generated 55.9 out of every 100 pesos in terms of production. The restaurant industry also utilized a higher percentage of domestic inputs compared with other sectors, which had a positive impact on output, employment and gross value added. In addition, more women than men were employed in this industry compared with the overall economy and service sector.

In terms of economic contribution, the restaurant industry ranked among the top 23 activities in the country's GDP out of 77 subsectors. This fact highlighted the significant benefits of this industry to the economy. However, the industry also faced challenges such as income inequality, high unemployment rates among certain demographics and unequal access to basic services in rural areas. This outcome underscored the complexities that businesses like Recaudo have to navigate in the Mexican market.

Addressing the environmental impact, the restaurant industry in Mexico contributed significantly to pollution. Factors such as water consumption, waste generation, CO₂ emissions and energy use had detrimental effects. For instance, restaurants consumed large amounts of water for various purposes and generated approximately 1.2 million tons of waste annually. Moreover, they contributed to CO₂ emissions and accounted for 8% of Mexico's total emissions. In addition, the sector consumed around 15% of the country's electricity. In the context of rural agriculture, there were various forms of injustices, including unequal distribution of resources and opportunities, exploitation and unfair labor practices. Marginalized groups, such as small-scale farmers and indigenous communities, faced systemic barriers that limited their access to essential resources. They also experienced low wages, unsafe working conditions and lack of social protections. Environmental injustice was also prevalent, impacting marginalized communities through industrial farming practices, land degradation and pollution.

However, restaurants could contribute positively to rural communities. They created economic opportunities by providing employment and supporting local suppliers. By sourcing ingredients locally, they stimulated local agriculture, encouraged sustainable farming practices and preserved the culinary heritage. Furthermore, restaurants served as community gathering spaces, promoting social connections and fostering a sense of belonging. They also attracted tourists, generating revenue and facilitating cultural exchange. Finally, restaurants could raise awareness about sustainable food systems, agriculture and environmental stewardship, empowering consumers to support sustainable practices.

The entrepreneur's story

In January 2014, Helena Herrera, a graduate of the Hotel and Restaurant Management degree at the University of the Americas, Puebla (UDLAP), realized her dream by opening Recaudo, a restaurant dedicated to fair trade and the promotion of local cuisine. She worked closely with local producers in Puebla and Cholula, setting her establishment apart as one of the few sustainable restaurants at the time. However, Herrera knew she needed to adapt to new challenges to stay relevant in a rapidly changing market. She asked herself important questions about the future of sustainability, innovative strategies and strengthening her network of rural producers.

Although she was originally from Toluca, Herrera had lived in Puebla for more than 12 years. Her passion for cooking and connection to local ingredients had grown since childhood. She loved nature and enjoyed outdoor activities like mountain climbing and cycling. She also had a talent for blending flavors and textures to create new dishes.

Entrepreneurship ran in Herrera's family. Her older brother was a successful entrepreneur in recycled products, and her parents were entrepreneurs in the construction and restaurant industries. They played a significant role in fostering her passion for business. Opening her own restaurant had always been Herrera's dream. During her studies, she focused on how other cultures had influenced Mexican cuisine. Before starting Recaudo, she had a short-lived partnership in another restaurant. This experience taught her the importance of independent entrepreneurship, supported by her parents, brother and close friends who provided ideas, capital and creativity.

Sustainability concept

On January 7, 2014, Recaudo began its journey at the 12 poniente #105 address in San Andrés Cholula, Puebla. It brought forth a distinctive culinary concept that was unlike any other. Right from the start, the restaurant embraced a visionary approach that focused on preserving the environment, supporting local agriculture and promoting responsible consumption. Recaudo became renowned for its ever-changing menu, which showcased the finest local ingredients, and for being a friendly haven for pets, where visitors could relish their meals in the company of their furry companions. With décor inspired by the humble beauty of indigenous materials like clay and brick, harmoniously blended with lush plants from the region, Recaudo exuded an authentic and warm ambiance.

The name "Recaudo" was born after extensive discussions with a close friend. They brainstormed and tossed around various names, ranging from "La Espiga" to "Recaudo". However, the latter perfectly captured the essence of the theme of the restaurant. In the olden days, people would gather their essential ingredients like tomatoes, chilies and onions from local markets or directly from farmers. They would then use these ingredients to create their special "recaudo". Similarly, in "Recaudo", a diverse range of products were found in one place, symbolizing the very heart of the restaurant. This concept inspired the design of the logo, which beautifully incorporated key elements such as tomatoes and chilis (refer to [Figure 1](#)).

Recaudo's concept was founded on three key principles, namely, promote local consumption through fair trade, emphasize environmental stewardship and deliver an experience that encompasses local, environmental and social innovation. In line with these principles, Recaudo implemented fair trade practices to support local consumption,

Figure 1 Recaudo logo



discouraged the use of disposable products and introduced home delivery services using bicycles. In addition, Recaudo encouraged the use of reusable containers, like tupperware, for carrying food. Notably, the establishment prided itself on its menu featuring innovative dishes and regional flavors. Herrera deemed it crucial to align their business with the SDGs, focusing primarily on goals associated with responsible consumption, poverty eradication, hunger elimination, decent work and economic growth promotion, reduction of inequalities and climate action. Recaudo's business model revolved around social innovation, actively engaging customers in concrete actions such as bringing their own containers for takeaway meals or coffee and utilizing organic waste to produce compost and animal feed in collaboration with local producers who supplied to the restaurant. Moreover, Recaudo operated a small store on-site, selling sustainable products directly from local producers, including soaps, organic honey and handmade bags. This direct purchasing approach eliminated intermediaries and ensured fair prices, which benefited local consumption and the environment. To further reduce greenhouse gas emissions, Recaudo also promoted a seasonal menu.

The Recaudo experience was defined by its intimate ambience and indigenous design, with Herrera likening it to an extension of her personal life, where she strived to consume with minimal environmental impact. Over time, the menu continuously evolved to cater to customer preferences. The restaurant encompassed areas for cooking, baking, customer service and table service. Bread was freshly baked daily, and the establishment experienced the highest influx of customers on weekends, particularly during breakfast hours, serving an average of 60 to 70 diners per day. Recaudo's primary customer base comprised Millennials, a generation that highly valued sustainability, equity and social innovation, constituting a significant portion of the Mexican and global population. Despite suggestions to expand, Herrera has maintained a steadfast commitment to providing a product that satisfies customer needs through a distinctive experience while simultaneously improving the living conditions of local producers and mitigating environmental impact.

Suppliers

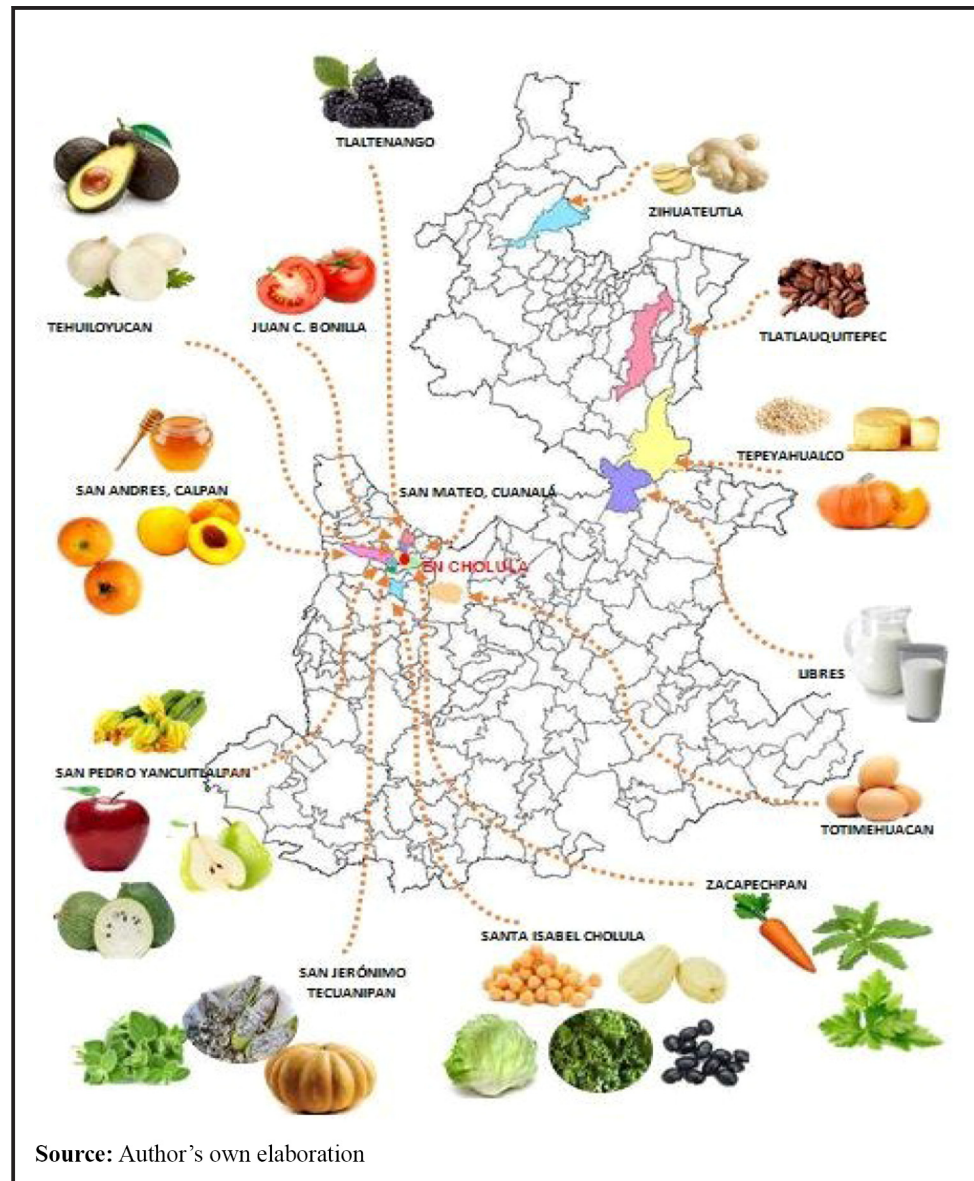
Recaudo relies on various suppliers for their products, including egg, quinoa, honey, tejocote, mushrooms, ginger, tomatoes, blackberries, chia, coffee, sheep cheese and cilantro producers. This information is visualized in [Figure 2](#), which displays the State of Puebla and the precise locations of these local producers. In addition, it highlights the distance between Cholula and their respective origins, further emphasizing the positive impact on the area. For a comprehensive overview, refer to [Table 1](#), which provides the producers' names, the product they offer, the distance, time and the region from which their products originate.

Social innovation | fair trade

Recaudo's main aim was to revolutionize the way people consumed food and beverages, while also promoting environmental awareness about the origin of products. They stood out by sourcing directly from local producers, avoiding middlemen and acknowledging their hard work. This allowed them to offer fair prices and create a unique experience for consumers. Through interactive videos on social media, they actively communicated with their audience. The founder, Herrera, dreamed of expanding this innovative concept to other establishments and was proud of creating a functional and pleasant space that promoted sustainability.

Although Recaudo had an environmental impact like any other restaurant, they believed it was crucial to measure and evaluate this impact to minimize negative effects. While not all menu items were organic, they focused on reducing the use of pesticides and chemicals in production. The restaurant made efforts to collaborate with local producers whenever

Figure 2 State of Puebla and local producers



possible, using reusable packaging and generating compost and animal feed for the producers. This created a virtuous circular economy, while also reducing waste. Recaudo established a reciprocal relationship with the producers, actively promoting their brand and products to consumers who appreciated knowing the origin of the food they enjoyed.

Herrera emphasized that they did not aim to be middlemen but rather encouraged people to connect directly with the producers. Their intention was not to profit from the producers' work, but to facilitate the marketing of their products and ensure fair prices for them. However, at this point, Herrera faced a crucial decision about the future of Recaudo. She needed to identify priority actions to take the business to the next level, with a strong focus on social, economic and environmental purpose. She pondered on various sustainability aspects to consider and sought innovative strategies to strengthen the network of rural producers.

Table 1 Local collection providers

<i>Local rural producer's name</i>	<i>Product</i>	<i>Distance from Cholula to the region and time</i>	<i>Region</i>
Don Mauro	Quinoa	111 km or 1.30 min	Tepeyahualco
Flower	Goat cheese	111 km or 1.30 min	Tepeyahualco
	Pumpkin	111 km or 1.30 min	Tepeyahualco
	Milk	105 km or 1.15 min	Free
Rafael and Elena	Egg	17 km or 28 min	Totimehuacan, Puebla
John and Janet	Pink mushrooms	11.5 km or 30 min	San Mateo, Cuanalá
Don Miguel	Coffee	146 km or 2 h	Tlatlauquitepec, Puebla
Mario and Martin	Ginger	231 km or 3 h	Zihuateutla
Don Facundo	Honey, peach, tecojote, pear, plum	22.3 km or 33 min	San Andres Calpan
Don Antonio	Tomato, pepper, cucumber	11.6 km or 26 min	Juan C. Bonilla, Puebla
Esteban	Cilantro, epazote, carrot	15, 5 km or 30 min	Zacapechpan
Helio and Doña Elena	Blackberry, sweet potato	23.6 km or 40 min	Tlaltenango
Aurelia	Onion, avocado, squash blossom, white chayote, lettuce, onion, avocado, squash blossom, white chayote, lettuce	6.2 km or 25 min	Tehuiloayucan
Angeles and Isidro	Garbanzo bean, cherry tomato, kale, radish, safflower	19 km or 27 min	Santa Isabel Cholula
Don Aurelia	Castile pumpkin	111 km or 90 min	San Jerónimo Tecuanipan
Don Agustin	Oregano	23 km or 35 min	San Jerónimo Tecuanipan
Doña Josefina	Huitlacoche	111 km or 90 min	San Jerónimo Tecuanipan
Mrs. Alejandra	Pear, apple, chilacayote	30 km or 46 min	San Pedro Yancuitlalpan
Doña Charo	Achiote	289 km or 4 h	Veracruz
Doña Antonia	Poblano peppers	6.8 km or 18 min	San Gregorio Zacapechpan
Doña Rufina and Don Abraham	Tomato, green beans, quintoniles, corn, spinach	6.8 km or 18 min	San Gregorio Zacapechpan
Don Ricardo	Garlic	91.1 km or 80 min	Apan, Hidalgo
Doña Aurelia	Fig, sapote, yellow lemon	40.4 km or 39 min	San Juan Tianguismanalco
Don Jorge	Nopal	12.2 km or 18 min	San Francisco Acatepec
Doña Susana	Peach	151 km or 180 min	Tetela de Ocampo

Source: Author's own elaboration

Some obstacles

Herrera found herself at a pivotal juncture in its journey, faced with the task of discerning the most crucial steps to propel Recaudo to new heights as a socially, economically and environmentally focused enterprise. In this critical moment, Herrera pondered a range of thought-provoking queries. What are the additional facets of sustainability that should be contemplated for the future? Which ground-breaking strategies could be integrated into the business model? And how can the network of rural producers in close proximity be further fortified?

Keywords:
Sustainability,
Small businesses,
Entrepreneurship

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Figure E1 Ale Barbabosa, founder of Recaudo



Source: Author's own elaboration

Figure E2 Restaurant entrance



Source: Author's own elaboration

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