

New frontiers on SPM: Managing Client Outcomes

17 November 2016

Moderator : Amelia Greenberg, Social Performance Task Force (SPTF)

Speakers:
Frances Sinha, EDA Rural
Rodrigo Peláez, Fundación Microfinanzas BBVA
Lucia Spaggiari, Microfinanza Rating
Laura Gaertner, Oikocredit
Christophe Bochatay, Triple Jump



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Agenda:

1. Introduction
2. Brief: Making the Case for Outcomes Management
3. Guidelines for FSPs
4. Guidelines for Investors
5. *Question and Answer*
6. Introduction to case study 1: BBVA
7. Introduction to case study 2: Oikocredit
8. Introduction to case study 3: Triple Jump



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- Introduction:
 1. Our speakers
 2. SPTF Outcomes Working Group
 3. e-MFP Social Performance Outcomes Action Group



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- Three new publications:
 1. Making the Case for Outcomes Management to Financial Service Providers (author: Frances Sinha)
 2. Guidelines on Outcomes Management for Financial Service Providers (author: Frances Sinha)
 3. Guidelines on Outcomes Management for Investors (author: Lucia Spaggiari)
- All include: list of harmonized social outcome indicators



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Harmonized list of indicators: outcome themes:

1. Business and entrepreneurship
2. Economic poverty, assets and housing
3. Resilience and vulnerability
4. Health

Sub-theme	Indicator
Change in economic poverty poverty line selected relevant in country context	3. After years 3 and 5 : % of client households above the benchmarked poverty line, who were below the line at entry
	4. After years 3 and 5 : % poor clients in year 1 still with MFI, % of them now above the poverty line, % still below the poverty line
	5. % change in client households' poverty rate - per the PPI
Acquisition of assets does not include business assets	4. % HH acquiring additional key household assets , by year, (such as radio/tape player, chairs/table/benches, bed frame/mattress, stove, refrigerator, TV, bicycle etc.)
Improved quality of life also links to housing – next	5. Increase in % of HH who have access to an improved type of toilet
	6. Increased in % of HH with improved main source of drinking water
	7. Increase in % HHs using clean or efficient energy sources for cooking

Criteria: relevant, usable, clear, feasible, comparable



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Making the Case for Outcomes Management to Financial Service Providers

Author: Frances Sinha

Editor: Amelia Greenberg



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- Making the Case brief – main sections:
 1. What is outcomes management
 2. Why outcomes management
 - Be accountable
 - Review systems and strategy
 - Improve outcomes
 3. Examples from the field



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- Example 1: Crecer (Bolivia): credit with education program
 1. Goal: improve nutrition-related health behaviors of mothers and children
 2. Initial results: not positive
 3. Question: Why not?
 4. Research: disaggregate findings by clients-field agent pairing
 5. Finding: quality of education varied widely; clients receiving good education did show positive results



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- Example 2: MicroLoan Foundation (Malawi) – reaching target clients
 1. Goal: extend financial services to rural poor women
 2. Initial results: nearly half of new clients were above the national poverty line
 3. Question: Why are we not reaching our target clients?
 4. Research: interviews with management and staff to identify barriers
 5. Finding: many barriers, including product design, staff incentives, client self-exclusion, reluctance/doubt/misunderstanding among



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Guidelines on Outcomes Management for Financial Service Providers

Author: Frances Sinha

Editor: Amelia Greenberg



New frontiers on SPM: Measuring Client Outcomes 17 November 2016

- Guidelines on Outcomes Management for FSPs – main sections:
 1. Key terms – theory of change, links with existing client data systems, USSPM
 2. Guiding principles
 3. 10 STEPS – how to, systematic approach, tips, what to avoid
 4. Examples from the field
 5. Select references
- OWG resources – case studies, webinars, briefs
- Key contributions from FSPs and others – experiences and challenges

beyond the nice photos/stories...

"We used to rely on individual client stories as a way of demonstrating client outcomes. I'm happy to say that we've moved away from this way of thinking.

Client stories are not bad but we must demonstrate the effectiveness of our programmes in a much more sophisticated and robust way.

Increasingly there are funds out there – social investment funds – that we cannot tap into, unless we are able to report consistently and reliably on the outcomes of our programmes."

Calum Scott, Opportunity International

- The complexities ... word cloud - WIP

But how?



Guideline principles – what we were aiming for

■ Graphic



■ Graphic...

10 STEPs

STEP 3

Select method/s to measure change over time

■ Options:

1. Research: quantitative survey or qualitative interviews...*sample, baseline/endpoint*
2. Institutional management data: MIS, transactions...*census, baseline-endline*
3. Mixed methods: indepth analysis on specific questions

Application of technology – tablets, phones

- ### ■ Particular interest in MIS: FSP role in data collection and quality checks



Key tips

STEP 7/STEP 8

Analyse data and report

Engagement across the institution/stakeholders

- Table as graphic showing engagement of board, management team ... and investors



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Guidelines on Outcomes Management for Investors

Author: Lucia Spaggiari

GUIDELINES ON OUTCOMES MANAGEMENT FOR INVESTORS, TOP TIPS

1 Choose indicators

Quotes from Anthos AM, Cordaid, Oikocredit, Microvest, Bamboo Finance, Root Capital, Deutsche Bank

- If you're serious about outcome management, you have to be willing to dedicate resources to this.

2 Contribute your share

- There is a risk of not knowing.

3 Cover smart

- How can you ask the same indicator if every financial service provider is measuring a different outcome?

4 Consolidate if you can

- Start using the data, and their quality will increase over time.

5 Do it well enough

6 Report transparently

- Asset owners wanted to alleviate poverty and were disappointed. Better to promise to decrease vulnerability and align expectations.

7 Use data for decisions

- Social outcomes are always an extra thing. We should get away from this idea.

8 Improve

- We are building the plane as we fly it. Collecting social outcomes is the easier part. We are still learning how to make the best use of results.

9 Manage risks

- Disappointing results are useful too, maybe more so than encouraging results.

10 Be accountable

- We need to learn to over deliver and under promise.
- Asset owners need to know what strategy is most effective for their goals.

Asset manager social outcome strategy, 10 steps

1	2	3	4	5	6	7	8	9
Goals	Indicators	Approach	Budget, HR	Coverage	Data quality	Analysis	Reporting	Use
Do good	Compare	From scratch	Investor	Entire portfolio	High	Advanced	Standard	Accountability
Hybrid	Mixed	Increment	Hybrid	Sample	Medium	Medium	Hybrid	Combined
Do no harm	Different	Light touch	Investee	Case by case	Low	Overview	Ad hoc	Manage
10 Review								

“You don’t get it right the first time. You need to see the results, go back and address the shortcomings.” Opportunity Int.



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- Questions?
- Comments?



FUNDACIÓN MICROFINANZAS BBVA

Speaker: Rodrigo Peláez



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MICROFINANCE WEEK 2016



BBVAMF operates as a **financial holding** that **actively manages** 6 microfinance institutions (MFIs) in which it has majority stakes with the aim of **addressing the financial needs of low-income micro-entrepreneurs** in Latin America through *Responsible Productive Finance*

We serve **1.8**  million low income entrepreneurs

60%  credit clients are women

33%  credit clients live rural areas

1,267  USD average loan as of 2016

Panama
Microserfin

Peru
Financiera Confianza

Dominican Republic
Banco Adopem

Colombia
Bancamía

Chile
Fondo Esperanza
Emprende

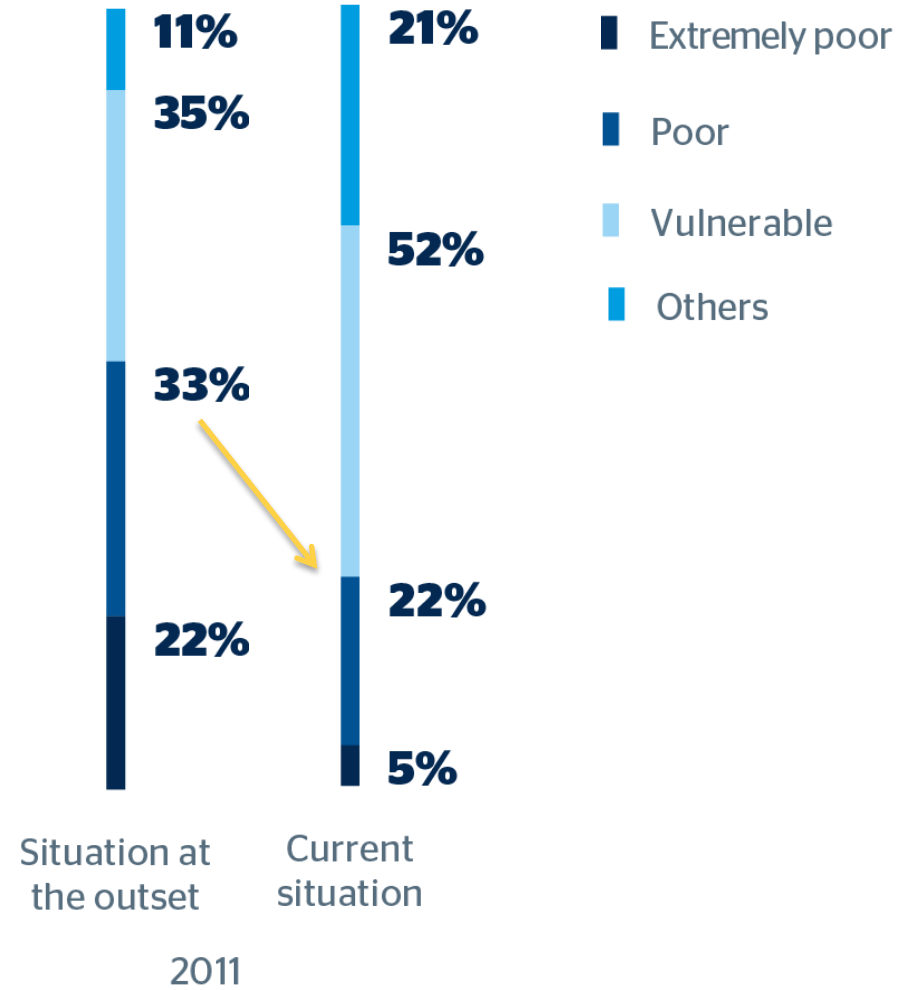




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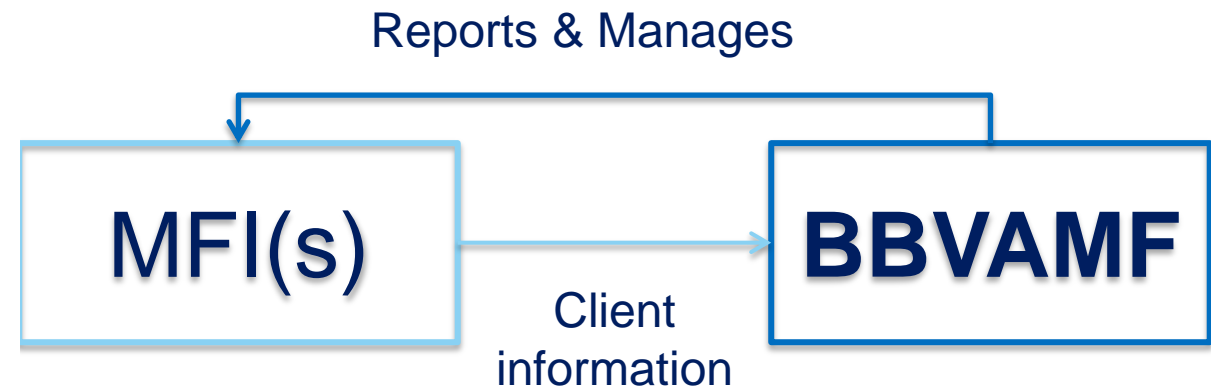
1,712,801
Net clients

917,186
Credit clients



Outcomes measurement allows us to be connected with what is happening to our clients, and therefore see if we are carrying out our work in line with our mission

- Managing **detailed** and a **quality client database with historical data**, which is updated on a quarterly basis
- Findings presented in a yearly report that includes social & economic information
- These findings **suggest that our activity is having a positive social impact**





Oikocredit

Better data, better decisions
Client outcomes programme

Thelma Brenes & Laura Gärtner



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MICROFINANCE WEEK 2016

Oikocredit at a Glance

809

partner
organizations
in

69

countries
worldwide



New countries in
2015

- Niger
- Burkina Faso
- Gabon
- Sri Lanka



102 million
inflow lendable
funds



51,000
investors



140
capacity
building
engagements

Development
financing portfolio



up **23%** to
€ 900.2 million

*Dec 2015 figures



Client Outcomes Programme

MFI level

Oikocredit level

GOAL

Help partners strengthen the measuring and monitoring of client data to improve their products and services.

Improve our understanding of changes in clients' lives

OUTPUTS 2015-2020

MFIs trained using own data for monitoring

- Group of MFIs monitoring own client data
- Group of MFIs with excellent panel data

Data on more than 1 million clients analysed

Long-term strategic partnership with universities

Research studies/discussion papers



Triple Jump

XXX

Christophe Bochetay



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Instructions for Second Session (after coffee break):

1. Return at 15h45
2. Go directly to the table for the first case study you want to hear (discussion from 15h50-16h30)
3. 16h30 16h35: transition time
4. Go to the table for the second case study you want to hear (discussion from 16h35-17h15)
5. Session ends at 17h15