



SMALL ENTERPRISE FOUNDATION

FINANCIAL INSTITUTIONS: OUTCOMES MANAGEMENT SESSION



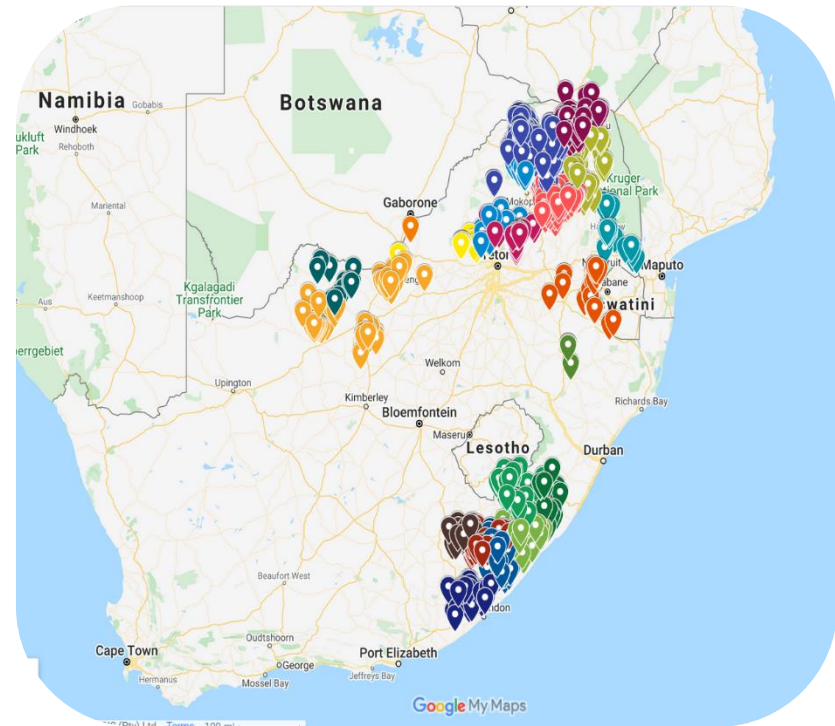
Overview of SEF

~175,000
clients

Portfolio
Outstanding:
R540m
(~30m USD)

Average Loan:
R4300 (~250
USD)

- 95% rural client-base



Data we collect

○ Internal

- Operational and financial data
 - Loan, growth, repayment, staff metrics (e.g. clients per DF), savings
- Client metrics (quant)
 - Clients In Business Survey (CIBS), Progress out of Poverty Index (PPI)
- Client insights (qual)
 - Client Satisfaction Survey (CSS), Client Exit Survey (CES), Focus Group Discussions (FGD), Additional Socioeconomic Indicators
 - Customer Care complaints

○ External

- Social audits and certifications
- Impact evaluations
 - 60 dB, FMO, Reciprocity



How we utilize data

- **Track operational performance**
 - Growth and quality of portfolio
- **Social performance**
 - Targeting
 - Progress out of Poverty Index (PPI)
 - Current use is primarily targeting
 - Looking to implement more tracking over time, other socioeconomic factors
 - Business measures
 - % clients in business, business value, growth
 - Average savings growth
- **Product development**
 - Feedback on our service and offerings to clients
 - Client Satisfaction Surveys (CSS), Client Exit Surveys (CES), others
 - Address pain points for clients
 - New products, refining old practices

How data has helped us improve

- **Individual Liability:**
 - Identified through Client Satisfaction Survey
 - Subsequent evaluations confirmed
- **Clients In Business Survey data**
 - Additional focus on understanding challenges clients facing/external interventions to try and assist clients
 - Increased understanding of COVID-19 impact
- **Client Satisfaction Survey/Customer Complaints**
 - Postbank
 - Exploring new banking channels for our clients

SIDI/Reciprocity Evaluation

What We Learned

→ Impact

- Evidence of positive socioeconomic impact, and stabilizing, without evidence of harm
- Value of discretion for our clients

→ Overall

- Use of PPI
- Methodology (focus group setup, qualitative analysis)

Implemented

→ Additional Socioeconomic measures, and follow-ups

→ Client segmentation

- In client characteristics, as well as loan usage
- For research and project design

→ Streamlining of data collection and usage

- Data committee and development of data storage, processing, and analysis

60dB Evaluation

60 _ decibels

What We Learned

- Impact
 - Overall high performance across key indicators
 - Clients ability to cope during COVID-19
 - Overall high client satisfaction and improved financial well-being

Considered/Implemented

- Improved follow-up of customer complaints (many clients reported challenges experienced not resolved)
- Value of taking clients at their word
- Telephonic interview approaches (lean methodology)

Value of different approaches

- Tracking changes over time
 - Operational performance
 - Client progress
 - Business and savings growth
- Determine new products/services, or changes/improvements to existing
- Various approaches to provide confirmation (or dispute) of other findings
 - Also provides insight/experience with new approaches to collection and analysis of information
 - E.g. CSS and Customer Complaints



Challenges/Concerns

- **Large investment for underutilised data**
 - No valuable insights on regular basis (e.g. PPI; CSS)
 - Balance of resources and focus on 'doing the work' vs. 'understanding if the work is effective'
- **Concerns about the reliability of data**
 - Minimal sophistication of client's financial record keeping and awareness (reliance on spot-checks)
 - Clients to telling us 'what we want to hear'
- **Interpretation and response to findings**
 - How to deal with challenges our clients face that are beyond our control? (e.g. inflation, lack of economic activity in areas they work)
- **Satisfaction data on mission fulfilment**
 - Our use of satisfaction data looks more at changes to existing product

Ideal Future

- **Less reliance on costly and time consuming verifications**
 - Focus on low-resource and low-data (formal records)
- **Utilization of channels beyond face to face**
 - Addressing verification issues
 - Accessibility (not all clients easily reachable on phone)
- **Maximize value of touch-points**
 - Maximum information from the interactions we already have with clients
 - Minimize burden on clients (time, sensitivity)
- **Benchmarking and comparison that accounts for differences in culture/socioeconomic environment/FSP approaches**
 - E.g. comparing our Average loan size to an org in another country tells us nothing, but focusing on the change in Average loan size for clients over time is more comparable