



MICROFINANCE CENTRE

SP Start-up Fund for Networks Kick-off Workshop

Manila, Philippines, November 2011

Session VII



Session objectives

Upon completing this session, participants will have:

- Understood the importance of the mission and mission statement for the SPM;
- Defined social goals;
- Identified the social goals embedded in a mission statement;
- Practised deriving social goals from own mission statements.



Exercise: Our Client Vision

Target client on entering your MFI

Client/household profile, e.g.:

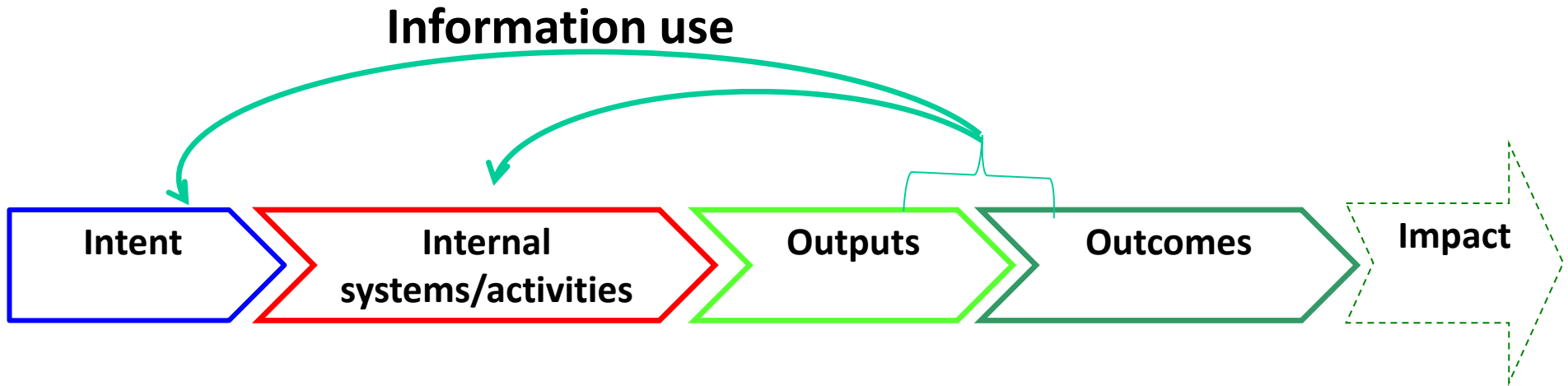
- Social
- Source of income
- Quality of life
- Access – financial services
- ...

Target client 5 years later

What positive changes is your MFI trying to contribute to in the lives of your clients, their households and local communities?



SOCIAL PERFORMANCE PATHWAY



Strategy

- Goals/objectives
- Values & policies (including social responsibility)
- Governance
- Business planning
- Products/services
- Human resources
- Risk management
- MIS/market intelligence
- Internal audit

Achievement of social goals

- Reaching target clients
- Meeting target clients needs
- Change



*The starting point
is a
Mission statement*

- **who** you are & **how** you operate, **why** and **for whom**
- 
- strategy: **how the mission** will be **implemented**

Reviewing any Mission Statement

To what extent does the Mission Statement answer the following three key questions?

- 1. **Who** do you want to reach?*
- 2. **How** will you meet your clients' needs?*
- 3. **What** are the desired **outcomes**?*

If your mission does not answer these three questions, it's time to review it.



**Improve the well-being & status
of large numbers of
poor people including women and their families
by providing long-term access
to quality financial services**



People's Bank : Social Goals

Change in target clients' lives:

What positive changes will the MFI contribute to in the lives of its target clients?

Reaching target clients:

Who will the MFI reach?

Improve the well-being & status

of large numbers of

poor people including women and their families

by providing long-term access

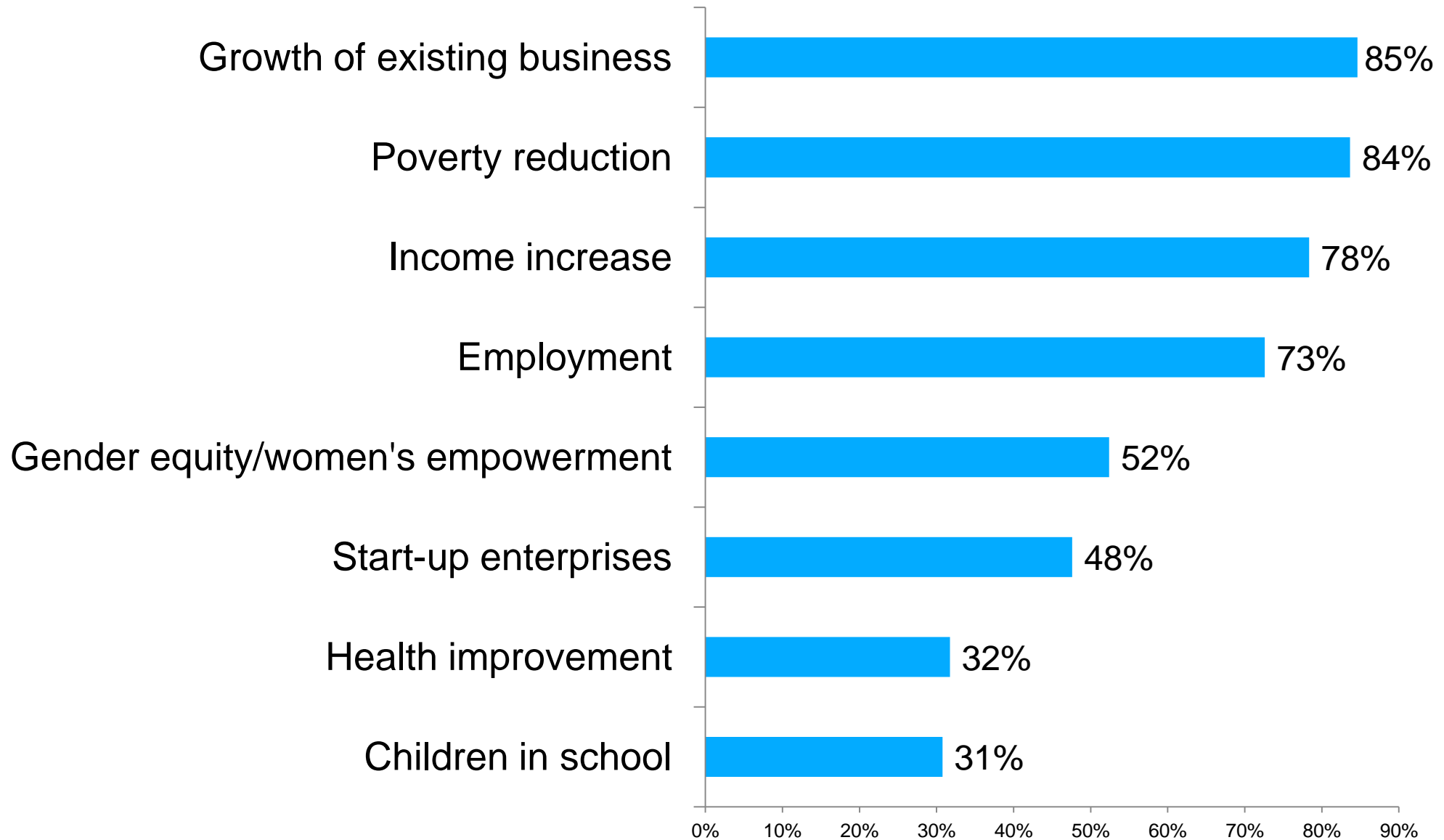
to quality financial services

Meeting target client needs & *client protection*

How will the MFI meet the needs of its clients?



End Goals reported by MFIs on the MIX



Session VIII



Session objectives

By the end of the session participants will have:

- Reviewed SMART principles;
- Reviewed the process of translating social goals into SMART objectives;
- Discussed the importance of baseline information availability to set proper targets;
- Practised the development of SMART objectives using the example of their own institution.



Setting SMART Objectives

- **S**pecific
- **M**easurable
- **A**chievable
- **R**elevant
- **T**ime-bound



People's Bank : Example

Social goal:

Reaching target clients: Poor women and their families

Social objective:

By the end of 2012, more than half of new clients will be poor women (living below USD 2 per day)

Specific ✓

Measurable ✓

Achievable ✓

Relevant ✓

Time-bound ✓



Exercise

Meeting Target Clients' Needs: provide quality financial services. Translate suggested social goal into 2-3 SMART objectives :

Providing quality financial services



Time: 10 minutes

People's Bank Case Study:

Social Goals and Objectives

Optional

Social Goals	Social Objectives – getting 'SMARTER'...
Reaching target clients: Poor women and their families	<ul style="list-style-type: none"> • In each of the next 3 years, deepen outreach of services to poor households, reaching at least 50% "poor" (living below USD 1 per day) and 10% "very poor" (in the bottom half below USD 1 per day) among new clients
Meeting target-client needs/capacities: Providing quality financial services	<ul style="list-style-type: none"> • Reduce client exit rate to 10% in each cycle each year • By the end of the next year, ensure 75% of clients have received a clear explanation of our range of products, the effective rate of interest they pay on loans, and the interest they receive on their savings
Change in target clients' lives: Improving their well-being	<ul style="list-style-type: none"> • After 2 years, reduce the poverty level of clients and their families by moving at least 50% of clients up one level of the poverty scale

Summary points

- The mission review exercise is useful even if it just affirms the MFI's mission.
- The definition of target group & methodology for screening clients is valid, and does not exclude the very clients the MFI wants to reach.
- Set SMART objectives. Tailor the objectives to fit the MFI's mission and operational reality, and what is achievable given the context.





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Thank you!