

Metrics Conference 2011:

Breakout Groups Day One:

Progress out of Poverty Index

Moderator: Steve Wardle, Grameen Foundation

Social performance is one of Grameen's five main areas; Steve manages some of the investments at Grameen.

It's all based on census data.

Open source, all published on the website; how you implement it is up to you.

Benchmark clients against national statistics and also against themselves over time.

They look at PPI much like a market index, giving them a sense of where people are against a benchmark, and as more people adopt it in a standardized way, the benchmarks become more reliable.

They build the index out of publicly available indicators, all by country. They have 42 countries now, mostly the bottom third in level of development (as measured, for example, by HDI).

They run all the data through statistical models to determine which of the questions has the highest correlation with poverty level. If you put these into a survey, would it be verifiable? Would they change over time? Is it culturally acceptable to ask?

Ten questions, as practical as possible, and should be deliverable in 5 to 7 minutes. It's multiple choice and country specific. The more granular you get, the more difficult it is to compare, so they do this at country level.

Questions are intentionally focused on non-financial indicators and are intended to be proxies: size of family, house and materials it's made of, ownership of consumer durables.

They want this to be measurable very quickly and be repeatable in order to re-measure the same people over time. (This doesn't mean that it's because of your institution, of course, but it helps to define who an organization is reaching, how variable those people are in terms of economic status, etc.)

What does "change" mean in this case? It means a higher score. Once they have a new dataset (census), they redo all their benchmarks.

They develop the questions on a per-country basis as well, based on government information.

You circle the multiple choice questions on one sheet and get between a zero (extremely poor) and one hundred. There's a cut-off point that is statistically determined, below which you're below the national poverty line. (That statistical correlation is determined by the actual financial data on the person.)

When you've got a score for a client, you can segment them into a bucket.

For example, when someone has a dirt floor, they are very likely to be poor.

This is a way to move from anecdote to data. It's statistically based, so you need to have it be as random as possible and as representative as possible (over 30 and from all the involved geographies, for example). You can set your own confidence interval, etc.

Fonkoze has embedded PPI into its loan evaluations. They don't use all that data; it would be a census. Instead, they have Social Impact Monitors who take a smaller sample, do the independent verification, and then they aggregate them at the head office and get to the actual information.

You can look at these scores on a client-by-client basis.

It's more of a blunt tool when you use it at the individual level; it's better with larger groups of clients.

You embed it into your process, have people go and verify, etc.

If it's a totally separate process, you can have independent people to go around and do these surveys; in that case, it's easy to quantify the cost.

Getting accurate information can be a big challenge. One investee does it in an SMS-based survey. This is fast, but data quality is questionable.

NWTF implemented PPI and tried to do as much segmentation as possible. Based on the info they had about each of these clients, they tried to find their own correlations about who was most likely and least likely to be poor. They realized they were missing a certain segment; at the very lowest loan size, they found a big group of poor, so they decreased the smallest loan size by 10%. They were able to increase their outreach to the poor by looking at their data.

Another MFI just matched it up against gender and found that a lot more of their female clients were poor, so they rebalanced their portfolio so that it's only 5-10% male.

These decisions are of course up to management.

BRAC also has a scorecard and it's the closest proxy Grameen could find, because the Ugandan government won't release the data.

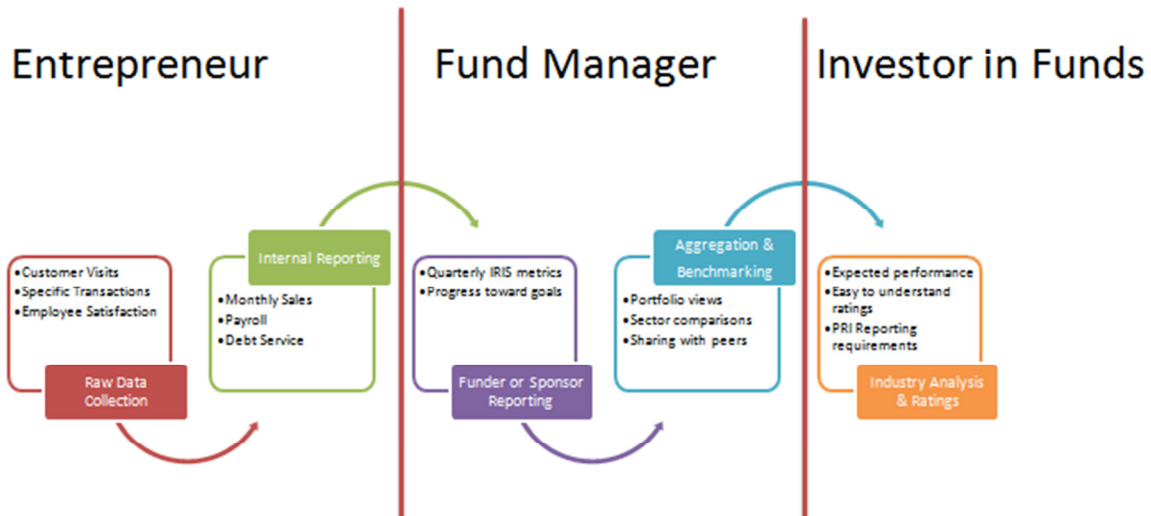
PAT is another similar index, used with PPI by USAID to get at this information.

They boil down the census questions to 100.

"Data Sharing" Breakout Session Notes

Moderators: CJ Fonzi - IRIS Joe McVicker – Pulse , Brad Presner – Acumen Fund

The session started with the facilitators presenting the following map of Information flows on the white board:



The question was then posed: Where can Technology enable greater efficiencies? We've built IRIS and Pulse, what comes next?

The group spent some time discussing the Entrepreneur side of data collection. Participants noted that collecting data from entrepreneurs is difficult, and examined several ideas:

- Use of Mobile technology to poll customers on demographic information and satisfaction is the product
 - There was limited energy here due to concerns that this would add to the burden of metrics collection, and that it would be expensive
- Creating a common interface where metric data could be entered once by an entrepreneur and sent to all of their investors and stakeholders
 - Several of the fund managers were excited about this possibility
 - It was noted that Pulse already has a feature that allows Entrepreneurs to directly enter metric information
 - Investors pushed and said, yes but what would be useful for this to be shared across investors
 - Someone said "a facebook for social metrics, where you could set permissions and allow your data to go to certain people and not to others".
 - It was noted that in the dataset used to create the first IRIS report there were only 5 co-investments. Would it be useful to create this tool for these 5 corner cases?
 - One of the fund managers spoke up and said "every organization we've invested in has other investors, if we don't have them in IRIS yet then they are simply not submitting. Perhaps a tool like this will help bring others along".
 - A fund manager who invests heavily in Microfinance said, it would be fantastic if The MIX was linked into this network.
 - The question was posed, Would it be helpful if this information could be rolled up and presented to investors in funds?
 - Fund managers noted that they're not asked for specific metrics by their investors at this point, and saw limited initial usefulness.
 - Ideas about how permissions and sharing rights were discussed.

- The group concluded that a metric data sharing network would be useful for the development of the space.

Charlene Bachman from Accion International presented the takeaways of the breakout to the entire group.

High Transaction Data Collection:

Moderator: Michael Mc Cress, Root Capital

More than half of the groups in the session were still struggling with deciding what data to collect and how to collect it, and had not yet reached the challenge of analyzing the data to extract lessons, or acting on the impact data. Lessons for the group on that first data collection phase included:

-Start with our organizations' theories of change, and let that drive what metrics we collect

-Embed data collection into our organization's client-facing process

-Anything we ask clients to do, try it out on ourselves first

-Anything we ask clients to do, find some way that it can benefit them as well

Breakout Groups Day Two:

Moving from Outputs to Outcomes:

Moderator Heather Esper - WDI

The small group engaged in an open discussion across funds, investors, ventures, NGOs, consultants, academics, and governmental agencies to list challenges in collecting outcome data, the group then identified a select few as key challenges we need to focus on as a network. In particular the group consensus was that we first need to define the difference between outputs, outcomes and impacts by establishing a set of principles and examples for each type of metric so that individual organizations can follow the same guidelines. Another major challenge the group identified was that we need to get better about communicating our metrics as both individual organizations and as a network. Specifically, we need to be careful when sharing our results so that we don't overstate impact or wrongfully attribute impact. Another key challenge identified was the cost of collecting outcome data, and a fruitful conversation emerged regarding whether donors should be educated on the costs associated with doing such assessments so they will be more willing to provide funds to collect such data as part of every grant they give, or whether it is the venture's responsibility to cover the costs since collecting such data helps improve their operations and is thus an investment. A final key challenge that was brought up was that we need best practices on how to conduct such assessments. It is our hope that that some of these key challenges will be addressed or will be in the process of being addressed by next year's conference, please email Heather Esper at hmoehle@umich.edu to continue this conversation or if you'd like to work together in addressing some of these challenges.

Communicating Impact to Stakeholders

Moderators Gina Rodolico – E+Co and Peter Whitehead - MDLF

Sharing Best Practices—What are people doing?

Gina discussed the TIME pilot in Costa Rica, which was done by E+Co and New Ventures

Short, 1-2 minute videos are being used a lot because the costs of making them have decreased substantially.

How do we splice Social Media audiences? Who is using what?

Facebook (mostly entrepreneurs)

Twitter (mostly journalists, partners)

Calvert has found that a lot more people on the strategic partnership side are using Twitter than originally anticipated after some analysis. This could pose a risk if the tweets aren't focused on partners, but on journalists. Could lead to confused/mixed messages.

Even in the actual reporting process, it's difficult to talk with multiple audiences.

Socialmention.com is a place where nonprofits can search for social media monitoring tools. This tool was suggested by a participant as a good way to learn more about different audiences.

One participant suggested translating reports into multiple languages, but most of the organizations represented do not currently do this.

Tweeting in multiple languages was also suggested, but one participant said they've experienced a bit of a trade-off in that if you start tweeting in Portuguese, for example, you may lose your English speakers.

Communicating with Investors/Clients

There was discussion about the metrics that investors are interested in and whether there's a way to glean more insight from them on how to focus messaging. The HOPE consulting publication was suggested because it is focused on this subject of investor metric/reporting interests.

- E+Co did a survey but found they have to report on a plethora of messages b/c there really is no way to parse out different investors into groups.
- One solution that was discussed is to negotiate the terms of the investor contract upfront so that you don't end up having to report on a ton of different metrics.
- Someone else suggested EMPA (Emerging Markets Private Equity Association) for sector/geographic reports.
- Network analysis is another tool that was suggested; it allows you to input data and see who is working with who. This allows you to focus on hotspots/nodes, see key people and begin targeting them.

Making Impacts Understandable

There was a discussion for how to make metrics seem understandable to your audience(s). E+Co mentioned that they often put their statistics "in perspective." For example, if you have served x million people, you can say this is the size of the entire population of x country.

Another example that was brought up was to think about how many jobs you want to create and how many companies you would need to create those jobs.

Many participants commented that there's a fine balance between reporting hard data and storytelling for donors especially. It's important to come up with analogies/comparisons to make the data more concrete. Really depends on the audience.

E+Co stakeholders have responded better to stories and they use stories to address issues that are difficult to quantify.

- for individual donors, E+Co has an "in the field blog"
- for investors, they have "teasers"

There was a suggestion about sharing personal stories through a slideshow with a voiceover, and through this process reporting statistics, but weaving into a story.

Another suggestion was to use info graphics, i.e. "the girl effect" and "water for people."

Other resources:

GAPFINDER: an online platform where you can animate data.

Wordle; an online app where you can pull out key words and Taygeto (put wordle into an image).

Ensuring Integrity of the Data

E+Co has offices and field officers' job is to go out and collect data. Although this isn't third-party verified, it brings more objectivity than if the Impact Officer was collecting the data.

Gina suggested sharing resources amongst organizations that are working in the same areas? Perhaps doing a third-party verification process by collecting cross-organizationally?

Calvert tries to leverage existing industry-level structures to ensure data integrity. For instance, they use Microfinance Principles.

Some organizations use independent audits.

Since social and environmental metrics are often different, there are different ways to calculate (i.e. carbon) that are rigorous and quantifiable. Some are more quantifiable than others.

Share different financial reports for different audiences.

The Grassroots Business Fund has a social impact verification process.

Peter Whitehead explained how they try to measure the audience reach of the newspapers they invest in. It's more difficult nowadays b/c of online overlap, but it's a metric they are still using.

Managing Stakeholder Expectations and associated cost of reporting metrics

If external stakeholders, lay out at the outset what the expectations are. Try not to overpromise. If internal, this can sometimes be a bigger issue; perhaps putting it in terms of human resources. Try to form partnerships with other organizations to help with data collection/reporting.

Even if you have to do evaluation on a case-by-case basis, structure the time and place when requests come in (i.e. a call after quarterly reports).

Other communication challenges

Clients need a way to brand themselves to attract the right type of applicants.

If working with certain partners, this can confuse the message.

Clearly communicate that you want financial and impactful data; explain that it's an added component.

It can be tricky if you pick entrepreneurs that have several activities and only support one of them.

Capacity Development – Defining a Common Terminology

Moderator Joanna Herrmann – ANDE

- Investment Services (this would be for your “financial services”)
- Market Linkages (for your “value chain”)
- Organizational capabilities (for your “training”)
- A 4th “bucket” concerning “Indirect services” like ecosystem building was acknowledged but not discussed – these include things that aren't done directly with the SGB but the effects of which trickle down (like advocacy).

A clear distinction was made between the interventions themselves, and the ways the interventions are implemented...so “training” would be a mechanism of implementation, not an intervention itself.

These categories were further defined/broken down as follows:

- Investment services: legal and financial due diligence, structuring transactions/deals, investor/banker matchmaking....the main goal here is not a transfer of skills, but rather interventions directly relating to making an SGB investment ready
- Market Linkages: product placement, value chain development, marketing services, product certification...these services are external/outward facing

- Organizational Capabilities: systems and skills/people, governance, a focus on building management and technology capacity...these services are inward-facing for the SGB and there is a transfer of skills/knowledge