GUIDELINES ON OUTCOMES MANAGEMENT FOR FINANCIAL SERVICE PROVIDERS

Key terms and 10 STEPS for practical, cost-effective, outcomes management

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Social Performance TASK FORCE

PREFACE

The Outcomes Working Group

Founded by the Social Performance Task Force (SPTF) in October 2014, the Outcomes Working Group (OWG) seeks to identify and share good practice in all areas of measurement, analysis, and reporting of outcomes data, and to promote improved management of outcomes by different stakeholders worldwide. The OWG identifies good practice through review of secondary material, in-depth stakeholder interviews, case studies, and an interactive webinar series that shares financial service provider (FSP) experience. All OWG materials are available from the SPTF website: http://sptf.info/working-groups/outcomes.

e-MFP Social Performance Outcomes Action Group

Parallel to this report, the European Microfinance Platform (e-MFP) has supported the creation of the resource Guidelines on Outcomes Management for Investors.[1] As investors become more engaged with outcomes management and reporting by their investees, they are requesting systematic and comprehensive outcomes data. This action group explores the role investors can play in encouraging and supporting outcomes management for data that can not only be reported "out" to funders, but also contributes "in" to FSP decision making.

Naturally, how FSPs can practically manage outcomes, as presented in these guidelines, is important for investors to consider and to reflect in their reporting requirements.

The Universal Standards for Social Performance Management

The Universal Standards for Social Performance Management ("the Universal Standards") clarify and standardize social performance management (SPM) practices and bring together good practices implemented successfully in the field into one comprehensive manual. They were created by and for people in microfinance as a resource to help financial service providers (FSPs) achieve their social goals.

The Universal Standards manual organises SPM practices into six dimensions, the first two of which relate directly to outcomes management:

1. Define and Monitor Social Goals.
2. Ensure Board, Management, and Employee Commitment to Social Goals.

Download the Universal Standards manual to read all of the essential practices that fall under these dimensions of management activity.

Taking this work forward

We invite you to share your own experience with measuring and managing client outcomes data. And also to read the brief Making the Case for Outcomes Management to Financial Service Providers,[2] the companion piece to these guidelines, which sets out the examples we have to date of FSPs using client outcomes data to be accountable, to manage their social missions, and to make decisions that strengthen performance, both financially and socially. Please email info@sptf.info to join our conversation!

[1] http://sptf.info/images/Guidelines-on-Outcomes-Management-for-Investors.pdf

[2] http://sptf.info/images/Making_the_Case_for_Outcomes_Management_to_Financial_Service_Providers.pdf

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ACRONYMS

BBVAMF	Banco Bilbao Vizcaya Argentaria Microfinanzas Fundación
CAPI	Computer Assisted Personal Interview
e-MFP	European Microfinance Platform
FB	Friendship Bridge
FE	Fondo Esperanza
FSP	Financial Service Provider
IVR	Interactive Voice Response
MIS	Management Information System
PPI	Progress out of Poverty Index
PPP	Purchasing Power Parity
SIP	Social Indicators Project
SPM	Social Performance Management
SPTF	Social Performance Task Force
SSIR	Stanford Social Innovation Review
USSPM	Universal Standards for Social Performance Management
VFI	Vision Fund International

INTRODUCTION

Focus of this document: making the case for outcomes management

Following on from the brief Making the Case for Outcomes Management to Financial Service Providers,[3] which presented the ***why*** and the ***what for*** of outcomes management, these guidelines set out the ***how***: how to do outcomes management in a practical, credible, "reasonable cost" way. The guidance is founded on lessons learned from a number of financial service providers (FSPs) and other stakeholders who have experience with outcomes data collection, analysis, and reporting.

Basis for these recommendations

FSPs are often asked for evidence of the results of their products and services for clients. Some FSPs have developed ways to collect, analyse, and share this evidence internally and externally. What we present here draws on best practice so far, with a focus on identifying what is necessary and useful, as well as the pitfalls to avoid. The ideas presented here reflect best practice to date.

Intended audience

These guidelines are intended for FSPs and stakeholders who work with FSPs who are considering whether to include outcomes management as part of their systems for social performance management; or who already are tracking outcomes, and are interested in ways to improve the efficiency and quality of their data.

Using the guidelines

These guidelines are structured and clearly labelled for you to focus on aspects that interest you – whether you are new to outcomes management, or whether you want to check on certain steps. The steps are relevant both for ongoing data collection and one-time research studies, and apply if the FSP manages its outcomes work internally or commissions it externally.

The **10 STEPS for outcomes management** are presented in Graphic 1 on the next page. See chapter 4 for a detailed discussion of each of the steps. You can also refer to the Table of Contents to see on what page the discussion of each step begins.

[3] http://sptf.info/images/Making_the_Case_for_Outcomes_Management_to_Financial_Service_Providers.pdf

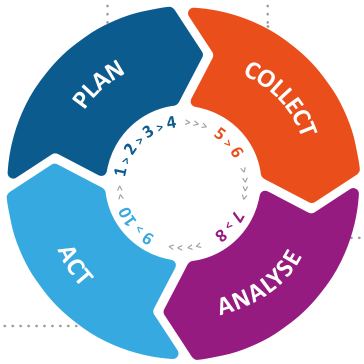
Graphic 1. **10 STEPS FOR OUTCOMES MANAGEMENT**

1 Mission review: define social goals of change

2 Select indicators to capture change

3 Select method/s to measure change

4 Allocate resources & responsibilities to implement



5 Put systems in place to collect & capture data

6 Put systems in place to check data quality

7 Analyse the data

8 Report and communicate the findings

9 Use the outcomes data

10 Review the process

1

WHAT IS **OUTCOMES MANAGEMENT?**

In this chapter we focus on the terms we are using, to explain our focus, and to clarify the meaning of “outcomes” and “outcomes management.”

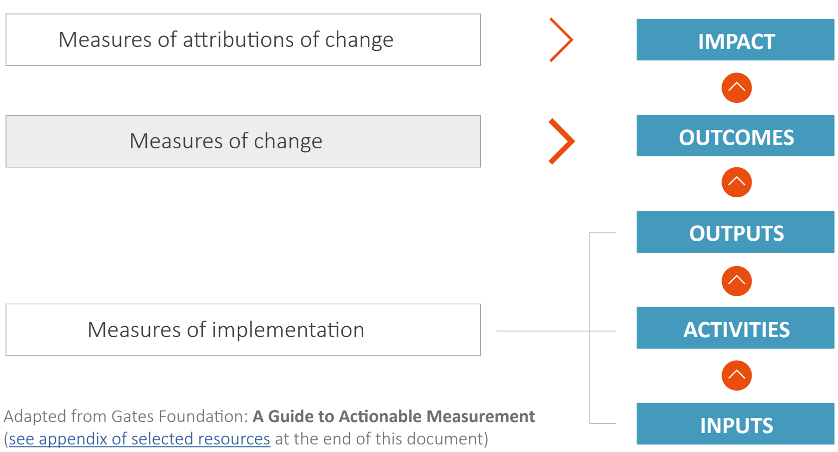
Outcomes is not “impact”...

Usually we hear questions about “impact.” People like the term “impact”; it sounds good, it sounds meaningful. Though “impact” is actually used in quite a few different ways, technically, impact equals change that is caused by an intervention. This brief focuses instead on “outcomes” as a distinct step in the *hierarchy of results* (see Graphic 2).

OUTCOMES = change for clients that is plausibly associated with the FSP services

Because FSPs can get interesting and useful data from outcomes measurement, it is often unnecessary for FSPs to undertake the complex and costly task of trying to measure impact in the strict technical sense of being able to attribute causality.

Graphic 2. **Hierarchy of results**



Adapted from Gates Foundation: **A Guide to Actionable Measurement**
(see appendix of selected resources at the end of this document)

...nor is “outcomes” the same as “access”

We frequently observe FSPs or investors answering questions about client benefits by showing the portfolio numbers for accounts and loan repayments. These numbers are easy for FSPs to provide. The numbers also can look satisfactory, as they are likely to tell us that the number of clients is increasing, the portfolio is increasing, repayments of credit are mostly on time and, if there are deposits, that the number of savings accounts and deposits is increasing. But these data actually tell us only about outreach and access, not outcomes.

There are other questions to answer if we want to understand the results of our services. Are clients lives improving? Do results vary among them? Can we do better?

… nor are nice client stories enough

Client success stories may be a useful part of market promotion. But, they are merely anecdotal. If an FSP is going to achieve its social mission, it must monitor outcomes for all of its clients, and understand how outcomes vary among client groups. Additionally, funders, investors, governments and the wider public, increasingly require more systematic evidence of results, as they recognise the limitations of focusing on the benefits for just a few select clients.[4]

*"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, and so have our donors. Client stories are not bad but **we must demonstrate the effectiveness of our programs in a much more sophisticated and robust way**. We need to show client outcomes across our programmes—how effective are we in different countries, with different products? What measurable improvements do we see in clients' lives? 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

...and outcomes *management* involves much more than measurement.

We use the term ***outcomes management*** to emphasise that this is part of an organisational process with a feedback loop to ensure that the information collected is relevant for the FSP and useful not only for reporting to external stakeholders but also for strategic decision-making. The collection of outcomes data alone is not even particularly helpful. The data become powerful when integrated in a process of outcomes management that begins with the identification of what data are relevant and feasible, given the types of services the FSP offers and the types of changes it is hoping to effect in clients' lives. Once it identifies which data to collect, the FSP must set up systems to collect the data, both accurately and at an appropriate frequency, and to combine data collection with regular analysis and communication of the results to decision makers so they can act on them.

OUTCOMES MANAGEMENT refers to a multi-step organisational system for the collection, analysis, and use of outcomes data

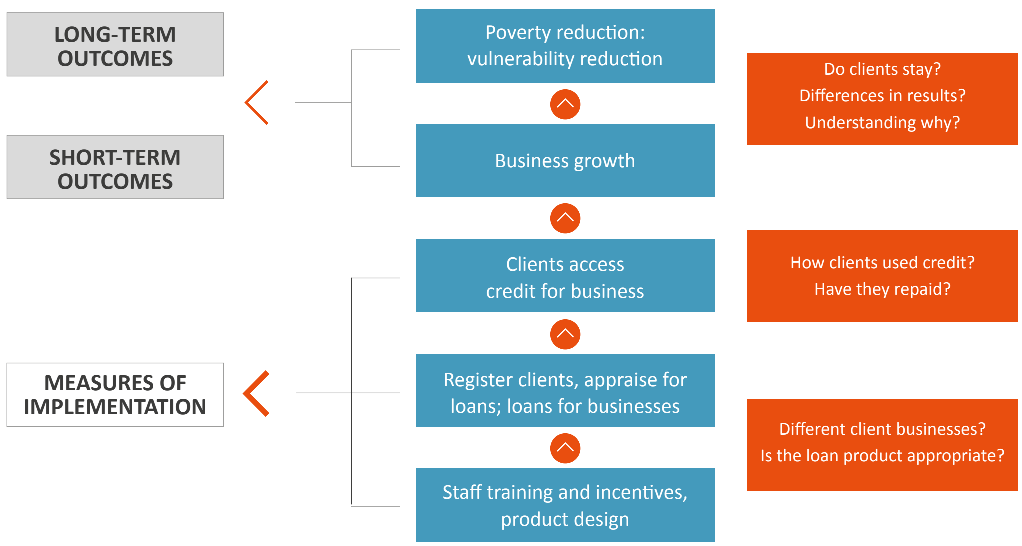
The companion resource to this document, Making the Case for Outcomes Management to Financial Service Providers, includes examples of using outcomes data for strategic decision making. The remainder of these guidelines details the other steps to implement outcomes management.

Having a Theory of Change

The hierarchy of results (Graphic 2, above) links into having a Theory of Change, which is a useful framework for thinking about the sequence of activities, short-term and long-term outcomes, and the related questions that are part of analysing outcomes.

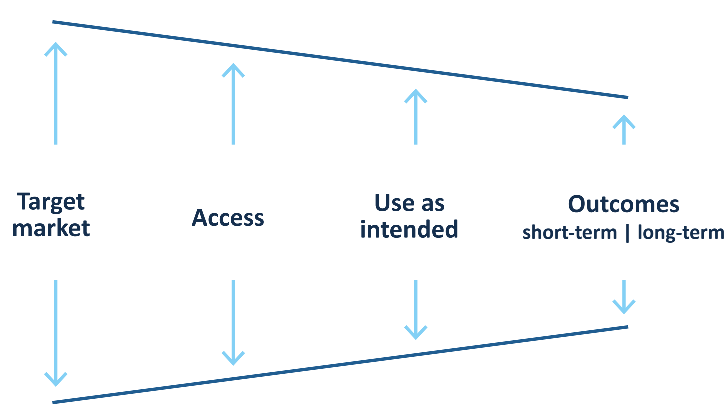
[4] Systematic client stories that are representative of the range of client experiences, including the less positive, can be useful and credible for outcomes management, as discussed under step 3, page 17.

Graphic 3. **Example of a Theory of Change: Credit - and questions - linked to client business outcomes**



Such questions about reaching the target market, designing appropriate services, how services are used, and whether clients are retained, are familiar from social performance management and reflect the client data systems for SPM. The questions are reflected in the concept of a "Funnel of Attrition" (see Graphic 4, below) which is the reality that not all clients use a service as intended, or continue to use a service. In addition, results for practically all FSPs that have collected outcomes data to date have shown that whilst some changes may occur in the shorter-term (such as change in business assets or turnover), other outcomes typically may appear only in the longer-term (such as reduction in poverty after 3-5 years).

Graphic 4. **A "Funnel of Attrition"**



This has implications for the design and implementation of an FSP's outcomes management system, including:

- Managing stakeholder expectations on the time and processes involved for change to take place
- Tracking long-term indicators only after a few years, not annually
- Designing any sample to allow for clients dropping out.

Outcomes management links into an ongoing client data system for SPM

An FSP should not think of outcomes as a standalone area of activity, but integrate outcomes management as part of an end-to-end ("end2end") process for social performance management, with its own timeframe and a feedback loop to ensure use of the information.

A client data system for social performance management tracks the FSP's performance related to social goals and values in four major areas relating to clients: outreach, services, client protection, and outcomes. Outcomes is the end point, and is one set of data within the overall system, as shown in Table 1.

Some of these data come from the management information system (MIS) as part of routine operations. Some are collected through separate surveys. Good practice is for an FSP to integrate outcomes management into its overall client data system given that, as the Theory of Change demonstrates, data collected lower in the "hierarchy" are relevant to achieving and analysing outcomes. Outcomes management is thus anchored in the essential practices of the Universal Standards for SPM.

Table 1: **Outcomes as part of a client data system for social performance**
(illustrative aspects for different goals and values)

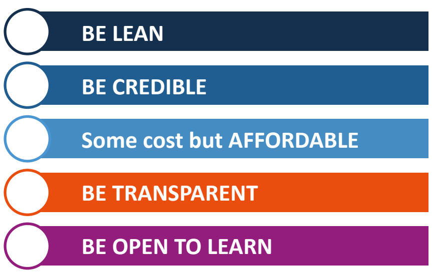
Outreach	Services	Client protection	Outcomes
• Rural/urban • Characteristics of new clients • Characteristics of client businesses	• Access to different products/services • Client feedback • Client retention/exit • Reasons for exit	• Multiple borrowing • Client awareness • Client default • Response to client complaints	• Change in clients' businesses • Change in clients' welfare • Client perception of change

2

PRINCIPLES UNDERLYING THESE GUIDELINES

These guidelines are intended to be practical and ethical, meaning they promote outcomes management that respects the important principles of being lean, credible, affordable (but with some cost), transparent, and open to learning.

Graphic 5: **Principles for outcomes management**



Related to the above, these guidelines support "lean research," as defined in the Declaration of Commitment to Lean Research. This concept was developed by the departments of two U.S. universities, MIT and Tufts, after many years of research experience.[5]

Lean research is:

- *Rigorous* - it respects established standards of quality – as set by the field of study
- *Relevant* - findings are accessible and actionable – if conclusive they are able to drive change, if inconclusive, they deepen understanding and further enquiry
- *Respectful* - it values the respondent's time and ideas, respondents have the option not to participate
- *Right-sized* - it does not include unnecessary questions or activities; any sampling is sufficiently large to generate data proportionate to the research objective, but not larger.

Summarized from the Declaration by MIT D-Lab and Fletcher School, TUFTS University. See Appendix: Selected Resources on page A-14

Being lean in outcomes management involves a balance. You do collect necessary and useful data, and you invest enough time and resources to make sure the data you collect and record are accurate.[6] But, you do not collect too much data, too often, or use too much of clients' time to get it. And you also draw when possible on available data, such as data already being collected as part of routine operations.

In addition to supporting lean data, these guidelines emphasize and expand on the idea of rigour, or being credible. Ensure the good quality of your data, of course. Strategic decisions cannot be taken on the basis of data which is doubtful. But also be credible in the targets you set for your social goals.

[5] Read the Declaration of Commitment to Lean Research and visit the D-Lab website to learn more about the concept of "lean data" being promoted and applied by Acumen. See also Appendix: Selected Resources at the end of this document.
[6] STEP 6 focuses on procedures to ensure quality of data.

It is more motivational for both staff and clients to have a realistic understanding of what types of outcomes they can expect in one, three, or five years. Additionally, be credible in your marketing. Funders will not (or will no longer!) be fooled by exaggerated promises of transformation or claims that every single client has benefited.

Furthermore, these guidelines are committed to recommending practices that are affordable. FSPs often have very limited resources to invest in outcomes management. It is important to note that "affordable" is not the same as the lowest possible cost, since the lowest cost approach may not generate data that is sufficiently credible, relevant, and usable. Still, examples from the field show it is possible to gain accurate and powerful insights into client outcomes from a relatively small and uncomplicated set of data.

Another important principle is to be transparent. Note that credibility and transparency are linked. Credibility requires both accurate data and transparency about the findings, as well as transparency about how you reached those findings. Reporting should include any negative as well as positive results, and a clear account of methods, numbers (or sample) covered and known limitations.[7]

A final guiding principle is, let there be a culture of learning and openness to improvement. Ultimately, use of the data depends on a culture of questioning within the institution – "how are we doing"? "can we do it better"? This must be linked to a willingness to consider findings that may not be entirely positive, when the analysis shows that, apart from average results, there are clients who do not improve. After all, the research in the past 10 years and more has shown that not everyone benefits from financial services. A culture of learning and improving enables an FSP to build on its successes while making changes that reduce the failures.

[7] See STEP 8, reporting.

3

ORGANISATIONAL ENGAGEMENT AND BUY-IN

Before these guidelines delve into the "how-to" of outcomes management, it is critical to remind ourselves of the importance of organisational engagement with different stakeholders in order to generate buy-in. Indeed, the first decision is the commitment to take action for outcomes management. The decision and drive has to be from (or close to) the top. Often an investor on the board may take the initiative, and may bring in technical support. The companion brief, Making the Case for Outcomes Management to Financial Service Providers, is a reference for the board and senior management to understand that outcomes management is essential for any FSP with a double mission because it allows the FSP to understand the results of its services for clients, to be accountable to stakeholders, and to make decisions that strengthen performance, both financially and socially. Having this understanding is an essential starting point and will drive the process of implementing all ten steps for good outcomes management.

Buy-in is critical not only at the beginning but also at each step. Continued engagement with all stakeholders, throughout the implementation process, sustains organisational commitment to outcomes management. The CEO has an important role to play: to keep staff accountable for moving the initiative forward and to underline and ensure whole organisation buy-in. There also needs to be dedicated leadership - often either an SPM champion or a committee - both to initiate the planning and oversee the implementation. In going through the ten steps for outcomes management in Section 4 below, it is important to think through who can play the core decision-making role, and who needs to be involved in other ways, such as identifying indicators that are relevant to field realities, thinking through the technical issues, and applying the findings.

EXAMPLES FROM THE FIELD

The two examples below highlight interesting methods for securing ongoing buy-in and engagement across the organisation.

AMK, Cambodia achieved buy-in and technical oversight at the board level through a social performance committee.

In 2005, the board of AMK, Cambodia, was influenced by its core funder (at the time, Concern, an international NGO), to put in place a mechanism for effective reporting on social performance. In those days, social performance management was still a very new concept, and the Universal Standards for SPM did not yet exist.

The CEO invited external experts to join a Social Performance (SP) Committee, whose mandate was to advise on reporting on social performance, including reporting on change in clients' lives – or outcomes. The SP Committee guided the research department on all technical aspects in outcomes data, including indicator selection, sampling, data collection tools, quality checks, analysis and reporting. The SP Committee inputs thus served as a data quality assurance to the board and management.

SP committee meetings involved the CEO, senior managers, and interested board members, along with staff of the research department. The meetings were an opportunity for research issues and challenges to be well discussed and resolved, whilst engaging management to provide operational insights on the research questions, the practicality of data collection methods, and the relevance and application of the findings.

Komida, Indonesia, has leveraged external technical support to achieve full institutional engagement in outcomes management, with a focus on the selection of indicators and planning the data system

In 2015, one of Komida's investors (Opportunity International, which began partnering with Komida in 2013) funded an external consultant to work with Komida on a review of its existing client data management system. This included assessing all indicators and reports, identifying the gaps, and planning how better to monitor outcomes data.

Several members of the leadership team and staff have participated in the process. For example:

- **Selecting indicators**: The board, senior management, and branch managers were involved in scoring indicator options based on their perception of importance for decision-making and practicality.

- **Creating a data management plan**: All department heads worked together to design the data management plan. This plan specifies the tool to use for data collection, the frequency of collection, and who has responsibility for data quality, storage, and reporting. It has been an iterative process, involving several meetings.

For each task, involving persons throughout the organisation helped to build engagement and buy-in, to leverage existing expertise and practice, and to allocate responsibilities effectively.[8]

[8] For more details of Komida's approach to developing its data systems, please see OWG brief: Webinar 13: http://sptf.info/images/OWG-brief--on-session-13-Komida.pdf

4

TEN PRACTICAL STEPS FOR OUTCOMES MANAGEMENT

what we have learned and what to avoid

Outcomes management is linked to the general management systems approach shown in the graphic below:

Graphic 6. **Systems framework for outcomes management**

Such an approach is of course not unique to outcomes management; it is an iterative process of generating and using data for management and investment decisions that we see in SPM and other evaluation guidelines.

The Social Impact Investment Task Force under the G8, for example, maps similar elements for impact measurement, from goal setting to 'data driven management'.[9]

Within this framework, Table 2 presents **ten distinct steps required for strong outcomes management**. Each step is based on tested practices in the sector. And, for each step, this section sets out options, offers tips for implementation, and flags what to avoid. Always the aim is to create a relevant, practical, credible, and affordable outcomes management process.

TIP 1

Note that it is **never too early to start** planning for outcomes management. Don't wake up to the need to plan for outcomes management when your programme is already well under way. Yes, changes take place later – often after a year or more – but you can start planning to measure that change, right from the start. That way, you have a baseline with which to compare later change.[10]

[9] 'Measuring Impact', Social Impact Investment Task Force, Working Group paper, 2014.

[10] See STEP 3, beginning on page 17. A baseline is the starting point for data collection.

Table 2. **Outcomes management as a system**

	10 STEPS	Board	Management/ Operations	Technical – SPM/Research staff/external[a]
	Plan			
1	Mission review: define social goals of change	■	☐	☐
2	Select indicators to capture change	☐	■	■
3	Select method/s to measure change	☐	☐	■
4	Allocate resources & responsibilities to implement	☐	☐	
	Collect			
5	Put systems in place to collect and capture data		☐	☐
6	Put systems in place to check data quality		☐	☐
	Analyse			
7	Analyse data	☐	☐	■
8	Report and communicate	☐	☐	■
	Act			
9	Use the outcomes data	■	■	
10	Review the process	☐	☐	■

■ Core Role ☐ Involved

* External stakeholders may be technical agencies or investors

STEP 1 - MISSION REVIEW: DEFINE SOCIAL GOALS OF CHANGE

WHAT DO YOU SEEK TO ACHIEVE – AND FOR WHOM?

Having clear social goals for change sets the framework for identifying the relevant indicators to assess whether clients are progressing – and relevant social goals are being achieved.

Though there are many types of social goals related to client outcomes,[11] the majority of FSPs focus on one or more of the following areas:

- poverty/housing/assets
- business
- vulnerability and resilience
- health
- women's empowerment.

When developing your social goals, it is important to have a theory of change about how your services will add value, and to focus on the key areas where you expect your services to add value. It is also important to speak with your clients about their goals, so that the goals you set for your organisation are aligned with the clients' perspectives and goals for themselves.

For each of its goals, the FSP should also define SMART (specific, measurable, actionable, realistic, time-bound) outcomes targets. To do so, board and management will need actual data for outcomes as a benchmark.
Below are two examples of a specific goal and well-defined target:

Example 1 (business):

- goal: enable clients to grow their businesses
- target: at least 80% of client businesses will achieve at least a 5% increase in year-over-year annual sales

Example 2 (vulnerability/health):

- goal: improve client health
- target: at least 10% reduction in the percent of clients who say they delayed seeking treatment in the past year for an illness due to cost

For additional information on how to articulate a social mission that is specific and plausible, and how to link goals to targets, see the Universal Standards Implementation Guide (in particular, the essential practices under standard 1A).

TIP 2

Include clients' views as key stakeholders to help you define your targets – and indicators in the next step – in terms that reflect value for clients.[12]

[11] For a broader list of social goals for change, see Annex 1.

[12] See Acumen's example of SolarNow's clients who valued specific outcomes from investing in a solar lantern that were not included in the company's theory of change. See also OWG webinar brief 12: managing outcomes with MSME clients, for an approach which includes talking to clients at intake about their goals in taking the loan.

STEP 2 - SELECT INDICATORS TO CAPTURE CHANGE

Indicators are the building blocks for measuring and analysing outcomes; they identify the points of change. There are many indicators that have been used for different outcome themes. It is most practical to **focus on a small number of indicators** of outcomes to facilitate the process of data collection, analysis, and reporting.

2.A CRITERIA FOR INDICATOR SELECTION

When selecting indicators, consider how well they meet each of the following criteria: relevance, usability, clarity, feasibility and comparability. These criteria are defined and considerations for indicator selection are given in Table 3.

The OWG applied these criteria to many different indicators related to three outcome areas: business, poverty, and resilience, and identified a short list of recommended indicators that can be applied in different countries. Freedom from Hunger has done the same for indicators related to health outcomes. See Annex 2 for the resulting short list of recommended harmonised indicators for these four outcome themes.

LESSONS LEARNED FROM THE FIELD

Komida, Indonesia
"There is a temptation to select a long list of indicators, when everything seems important – and interesting. But you have to keep the indicators manageable."

ESAF, India
"We selected a long list of indicators and made it mandatory for field staff to collect all the indicators as part of loan appraisal. But we realised this wasn't workable. We reduced the list of indicators with the loan appraisal, and decided to conduct a sample survey separately for the additional indicators."

TIP 3 – Selecting indicators

- If your FSP is already collecting a number of outcomes indicators (as part of a baseline and/ or in measuring change), stop and assess how useful these indicators are. Do they meet the criteria listed above? Is your FSP actually using the data in reporting and internal decision making? If not, you can likely reduce your data collection. Apply the criteria and keep only those indicators that meet them.

- If your FSP is not already collecting outcomes data, but the social goals of your FSP match the themes of the indicators in Annex 2, select a short list of key indicators from the annex to focus on, and adapt them as required by your context. If your social goals include other themes, such as women's empowerment or financial capability, then see references in Annex 4 for resources on indicators in other areas, and apply the recommended criteria to select the most practical indicators for your institution.

- The same outcome indicators will not be appropriate for all types of clients. For example, business indicators of asset value, turnover, and profit are often included in loan appraisals conducted for individual lending, and therefore are often good indicators to use for clients with individual loans. This is not the case for clients receiving group lending. Another example is access to assets, which is typically quite different for rural and urban households. For rural households, ownership of livestock or of a toilet, for example, are often relevant outcome indicators, but they would not be for urban households.

AVOID

Don't try to measure a large number of indicators of outcomes. Too many indicators make it more difficult and time-intensive to manage the entire process of data collection, data management, analysis, and reporting.

Table 3. **Criteria and considerations for indicator selection**

Indicators SHOULD be:	Definition	Considerations
RELEVANT	1.0 Captures key outcome elements for the theme 1.1 Realistic in different contexts 1.2 Aligns to defined social goals and Theory of Change for the selected theme	• Can/should be adapted to local context • Specify as short-term or long-term[a] for realistic frequency of measurement • Objective or perception-based[b] • Select if allows for change – e.g., at baseline <60% clients at baseline have a characteristic
USABLE	2.0 Actionable by FSP management (linked to operational strategy) 2.1 Reliable - information likely to be dependable	• Likely to align to specified inputs/programme interventions; • Responds to capability of FSP to influence
CLEAR	3.0 Unambiguous and clearly stated	• Meaning is defined, as required
FEASIBLE	4.0 Measurable - practical to collect, involves non-complex questions	• Straightforward to answer, non-invasive, not sensitive. Provides dependable results. • Specify if can be applied as part of operations (as part of member form or loan application), transactions data analysis, or is better as a separate research question (survey or qualitative)
COMPARABLE	5.0 Can be benchmarked	• Provides a consistent measure over time • If applicable, wording of the question should be matched to national indicators for direct comparison of findings[c]

Created by the OWG, building on earlier work by SEEP/AIMS and Freedom from Hunger.

[a] Short-term – up to 2/3 years. Long term, 3 years +
[b] Objective indicators are usually preferred. However, for more complex types of questions, perception based indicators can be useful. Such questions need to be handled more carefully, since perception based responses are more likely to be influenced by the way in which the question is asked, who is asking, who else is listening, and the mood of the respondent.
[c] Comparability to national data is applicable to questions that are covered in national surveys. These will therefore vary by country.

2.B THE IMPORTANCE OF CONTEXT INDICATORS

Caution! It is important to recognise that outcome indicators alone provide only partial information. For the most meaningful analysis of outcomes data, an FSP must also collect indicators related to market segmentation. These indicators are important because different clients have different starting points and varying opportunities for progress. Therefore, an FSP will achieve deeper understanding of outcomes if it monitors them by client segment. For example, if an FSP has both rural and urban clientele, and chooses to monitor the same indicators for all clients, it should be sure to analyse such indicators separately for rural and urban segments. Table 4 lists categories of indicators commonly used to segment clients. Segmentation of client data is further discussed in STEP 7, on analysis of outcomes. Making the Case for Outcomes Management to Financial Service Providers, page 14, has examples of outcomes data segmented by loan cycle, by business sector, and by poverty level.

Table 4. **Indicators to consider for market segmentation and contextualising outcomes**

	Geography
1	Rural/urban
	Client characteristics
2	Male/female
3	Life cycle stage – e.g., young, middle, mature
4	Completed education level
	Business/household characteristics
5	Business category or scale – 'nano', micro or small
6	Business sector – agriculture/non-farm business/salaried employment/casual wage labour
7	Access to other financial services (savings, credit) – formal, informal
8	Poverty level

2.C A REALISTIC TIME FRAME FOR CHANGE

Consider the time needed to achieve each type of change. Your theory of change should include expectations for which types of change are short-term and which are long(er)-term. Some of the most desired changes, such as poverty alleviation, often take many years to effect. Defining a change as long-term implies that:

- The data collection and reporting period is also long-term, so that change data needs only to be collected after 3 years or longer (not after 1 or 2 years, when change may not be visible)
- Clients are assumed to stay with the FSP at least three years.

Thinking this through has important implications for the frequency of data collection[13] and tracking client retention and exit.[14] (See Annex 2 for examples of short-term and long-term outcome indicators.)

TIP 4

- Allow enough time to elapse between measurements of long-term outcome indicators. In general, measuring outcomes annually or even bi-annually may be useful at an early stage to establish data trends and to refine the methodology, but on an ongoing basis, it may be advisable to collect long-term change data less frequently. This is less cumbersome and time-intensive. (See examples of AMK and Cashpor, STEP 3, f - Planning the endline, page 21)

AVOID

Do not agree to target long-term outcomes in a short period of time to placate funders applying unrealistic pressure to show quick results. Instead, explain the potential for types of short-term change, and discuss realistic time frames for long-term change.

[13] See STEP 3: Planning the Endline – how frequently to collect data
[14] See STEP 7: Analysis includes allowing for client exit

STEP 3 - DESIGN THE APPROACH

This step is the most critical in determining the scope of analysis that will be possible and the level of investment required. The aim is to be feasible and low cost. But as in any sphere, there is a degree of investment and effort required to optimise the credibility and usability of the data, whatever the approach and method selected.

In designing the approach,[15] it is useful to consider the options that relate to:

a) Different types of data
b) Whether to do in-house or commission externally
c) Leveraging in-house systems for quantitative data
d) Technology for data capture
e) Ensuring a baseline
f) Planning the endline

A) TYPES OF DATA

One can think of the use of institutional management data as "process driven' – using data easily collected as part of routine operations. Additional research is more "purpose driven" – to collect data that you need to answer additional questions.

Jaclyn Berfond | Women's World Banking

You can draw on quantitative and/or qualitative types of data[16] to capture change.

Table 5. **Summary features of quantitative and qualitative data**

	TYPE OF DATA	FEATURES
1	Research Quantitative survey Qualitative – interviews	Applies sample methodology to answer specific research questions
2	Institutional management data	Uses existing operations and transactions data to establish a baseline and track change over time
3	Mixed methods	Combines analysis of existing data with new data collection to establish a comprehensive picture

Each type of data can be useful. Research using quantitative data from a household survey is a common method that can be done at any time. Research via qualitative client interviews is another relatively easy, low-cost way to capture client experience. But this approach has usually been biased toward selecting clients with positive stories. Only when clients are selected at random do such interviews provide a credible set of findings. See Annex 3 for additional discussion about how to design qualitative research effectively.

Institutional data is typically available in FSPs' "management information system" (MIS), since this is required for routine capture of quantitative client data and transactions data such as loan size, defaults, client retention, and savings.

A mix of methods – drawing on both institutional management data and additional research data – is a good way to inform a comprehensive view of client outcomes, with more in-depth analysis.[17]

[15] See the section on Standard 1B in the Universal Standards Implementation Guide for further guidance on how an institution can collect, report on, and ensure the accuracy of its data.
[16] See glossary for explanation of terms used: 'quantitative', 'qualitative', 'mixed methods'
[17] See STEP 7 for follow up research into differences in quantitative findings

EXAMPLE FROM THE FIELD

The study of a **recent microinsurance initiative of MicroFund for Women (Jordan), in collaboration with Women's World Banking**, demonstrates the strength of a mixed methods approach.

In 2008, MicroFund for Women (MfW) introduced a microinsurance product, "Caregiver" designed to provide backup funds to women in case they or a member of their family were hospitalised. In 2015, MfW tested the outcomes of this product, with technical support from Women's World Banking. The approach involved both quantitative data from the MIS and qualitative data from direct interviews, as follows:

- Analysis of 2008-2015 transactions data for loans, PAR, and 25,000 Caregiver claims to capture:
  - » the demographics (e.g., age) of clients making the claims, and
  - » trends in claims behaviour mapped against loan repayments
- Exploratory focus groups and interviews with 78 women claimants, matching the demographic pattern noted from quantitative data, to explore the following questions:
  - » To what extent women had used the Caregiver payout to cover outstanding medical expenses
  - » Whether women had been able to avoid additional debt and maintain basic consumption
  - » How well clients understood insurance cost and its effect on loan cost
  - » How women perceived the benefit of Caregiver, and
  - » How it contributed to clients' decision-making in the family.

In this mixed methods approach, the quantitative and qualitative research each provided different but very useful insights. Specifically, the analysis of transactions data (quantitative) showed evidence of clients maintaining loan repayments as a result of Caregiver. Data from focus groups (qualitative) captured additional processes and benefits.

B) IN-HOUSE CAPACITY AND/OR EXTERNAL EXPERTISE AND SUPPORT

An FSP may choose to have research capacity in house, often within an SPM/research department, or it may commission research externally - from a consultant/research agency university. External research works well if the expertise is appropriate and aligned with the focus of the FSP. It also has the credibility to outside stakeholders of being clearly objective. However, externally commissioned research can pose significant challenges if the researchers are not familiar with the sector or the nuances of the question under consideration. It is important to emphasize that internal capacity and engagement are needed to ensure the usefulness of any external research.

TIP 5

If you decide to commission external research, be careful to choose an institution or consultant who a) has a proven track record in practical evaluations and reports, b) understands financial services, and c) has read through these Guidelines, as well as Making the Case for Outcomes Management to Financial Service Providers!

AVOID

Do not assume that external research is a short-cut that will save you time. In most cases, you will not get usable data unless you take the time to explain your goals, clients, services, and context carefully to the external party, and have an experienced member of your team work with them closely throughout the process. No one knows your clients and your context like you!

EXAMPLE FROM THE FIELD

The experience of Cashpor highlights some pros and cons of internal versus external data collection:

Since 2008, **Cashpor, India**, has used different teams to collect sample survey data: starting with a team of student interns, then using the internal audit team, and more recently commissioning a local research institute. Cashpor investors suggested that using a local research institute would ensure credibility. However, the experience has been mixed. The main issues are summarised in the table below.

Table 6. **Internal or external data collection – Cashpor experience**

Team options tried	PROS	CONS
Own team: internal audit	• Set up as independent – reports directly to the board • Understands microfinance, and the clients – how to ask questions	• Not seen as independent enough by external stakeholders
External research agency – university research department	• Fully independent, professional, research experience • Credibility with external stakeholders	• Not as knowledgeable about microfinance • Surveyors less suited to interacting with clients • Delayed reporting: small assignment, not a priority • FSP does not own the statistical software, so it does not have access to the data for additional analysis

C) LEVERAGE EXISTING SYSTEMS FOR QUANTITATIVE DATA COLLECTION

As part of SPM, there is a trend toward in-house data collection, integrated with operations – drawing on data already collected as part of loan appraisal or adding a small number of selected indicators that can be integrated with existing processes. The benefits are linked to:

- Focusing on a small number of indicators – several of which are already being collected
- Leveraging existing opportunities of field staff interacting with clients
- Having comprehensive data for all clients, particularly for the baseline (not just a sample)
- Having quality checks in place
- Having the MIS in place to capture the data
- Maintaining a continuous process for data collection over time.

External stakeholders can play a supporting role in this work: as advisory, in providing technical support, or in directly engaging to manage part of the process, such as the collation, analysis, and reporting on data collected through operations. Two interesting examples are Opportunity International's providing advisory support to Komida (see page 10), and BBVAMF's advisory and reporting on data collected by its partners (see under STEP 7).

D) TECHNOLOGY FOR DATA CAPTURE – AND ANALYSIS

Technology is a critical emerging area. Tablets, mobile phones, and data analytics software are beginning to provide interesting options to facilitate the processes of data capture and analysis.

There is an initial investment in the hardware and the software, but once made, the investment helps to reduce costs over the longer term. Below is a brief list of some of the many ways in which technology can be integrated into operations or obtaining client feedback:

- **Computer Assisted Personal Interview (CAPI)**: Staff use tablets to capture data instead of recording interview data on paper. It requires clear and short questions, and careful training of staff on how to ask the questions and which codes to use. It also takes time to digitize the questions. But, this methodology tends to improve data quality. Checks on consistent data entry can be built into the software, whilst uploading of data in real time enables quick review for accuracy.

  » **Fondo Esperanza** (Chile) field staff record data in tablets and upload data from the tablet to the central database when they return from the field.

  » **Cashpor** (India) has been able to work with software for mobile phones to capture both transactions data and social data. Data from the mobile phones is directly uploaded to the central database.

- **Remote use of mobile phones**: surveys can be undertaken taking advantage of the increasing spread of mobile phones and the cheap automated methods of text messaging (SMS) or interactive voice response (IVR).

  » **Bamboo Finance** with **EFC Zambia** piloted an SMS survey on savings to understand motivations to save, ease of access (ATM, branch), use of savings, and whether savings products have generated positive outcomes - additional capital for investment in business or to ease cash flow. Participation in the survey was toll-free and mobile phone users were sent an SMS to opt into the survey. There were separate questions for existing customers and non-customers. Over one month (December 2014 – January 2015) the survey was completed by 400 customers and 600 non customers. The conclusion from the pilot was that SMS based surveys are an appropriate, scalable, and cost-effective way to collect customer feedback. The lessons were that with only about 10 questions feasible with this method, the scope of the research has to be very focused. And focus groups are necessary to test, refine, and narrow down the relevant questions.[18]

  » The **Voice of the Client**, a joint initiative developed by Hivos and MIX, used SMS and IVR to collect client feedback (not yet applied to capture outcomes).[19] Remote use of mobile phones for client feedback has also been demonstrated by Acumen with its social enterprise partners.[20]

- **Software for analysis**. Many stakeholders are building software to facilitate (outcomes) data analysis and reporting. The following are examples that are work in progress:

  » An Excel-based tool to track change with the PPI, pilot tested with Vision Fund partners[21]

  » Freedom From Hunger's Excel based tool for client data[22]

  » Work supported by Opportunity International with Quantum Analytics (India) and Cashpor – to develop an automated platform for social performance data.

[18] See Bamboo Finance presentation at SPTF annual meeting, 2015

[19] The Voice of the Client – An Analysis of client satisfaction and consumer protection across four MFIs in India, MIX and Hivos, 2015. https://www.themix.org/sites/default/files/publications/Voice%20of%20the%20Client_An%20analysis%20of%20client%20satisfaction%20and%20consumer%20protection%20across%20four%20microfinance%20institutions%20in%20India.pdf

[20] See, for example: The Power of Lean Data. The Lean Data Field Guide. Innovations in Impact Measurement. See Appendix: Other Resources

[21] See PPI blog: 'Tracking Poverty Change Over Time with the PPI: Lessons from Vision Fund, 2015. See Appendix: Other Resources

[22] This is called an indicators database for COPE, or Client Outcome Performance, though the software does not so far generate reports on change over time. https://www.freedomfromhunger.org/client-outcome-performance-cope-indicators-database

E) ENSURE A BASELINE – FOR COMPARISON WITH AN ENDLINE

An ideal starting point is to create a baseline. Measuring outcomes means we are comparing change over time, change from the time when a client joins a programme to when she has completed one or more loan cycles. Collecting information on selected indicators[23] when clients join a programme provides a profile of client outreach that is also BASELINE data. When the same data is collected for the same clients at a later time, we can directly compare the difference. Data collected later is ENDLINE data.

FSPs have new clients joining every year, throughout the year. Baseline information can be collected for new clients at the time of their first loan.

- The loan appraisal form contains indicators related to client businesses and other financial data. For example, BBVAMF[24] uses loan appraisal form data to monitor year-over-year changes in value of assets, monthly sales, and monthly net income of investees' clients' businesses.

- A member application form can collect other client data indicators, including longer-term indicators (e.g., those related to poverty reduction and women's empowerment). The member application form is filled out once, when the client joins the programme. For example, Cashpor (India) collects data on PPI and quality of life indicators for all its clients at entry.

What to do if you do not have baseline data?

Without a baseline, the options to compare change are likely to be less robust.
One method is to compare data for different clients - at different loan cycles. This method – involving what is called ***cross-sectional*** analysis - is a useful alternative, but:

- It assumes that new clients have the same characteristics that the mature clients had when they joined – which is not necessarily true
- It does not take into account the clients who exit between cycles. Since there are dropouts, usually in greatest numbers after cycle 1 and 2, a different socio-economic profile of the dropouts (e.g., poorer, or better off) may skew the comparison across different groups of clients.[25]

Another method is to introduce research that includes questions on clients' ***recall***:

- Ask clients their status on selected indicators "before" and their status "now." But this assumes ability to recall details, and may be subject to positive bias.
- Or, more promising, ask clients their perception of change, and the reasons for that change – generally this is a useful question to ask, especially as an ***open question*** and ideally not linked to a particular service or service provider (to avoid bias).

F) PLANNING THE ENDLINE

Deciding when to collect endline data is an important part of the design for data collection. There is only one baseline for a client (when she starts as a new client), but there can be more than one endline, tracking change over different periods of time.

[23] STEP 2 – selecting indicators
[24] BBVAMF is headquartered in Spain and operates as a financial holding company, with a majority stake in eight microfinance institutions in Latin America.
[25] See STEP 7 – analysis includes accounting for dropouts.

The decision on the endline determines how frequently you collect this data. If indicators are part of the loan appraisal, then the data collection and reporting can happen with every loan cycle. Long-term indicators, however, are tracked after a longer period of change, often periodically after three or more years. Data collection for endline on these indicators may be done using a specific endline form or questionnaire.

Cashpor (India) and AMK (Cambodia) provide two interesting examples of how to collect endline data on long-term outcome indicators:

- Cashpor loan officers collect PPI and quality of life indicators at entry through the membership form, which provides one-off 'baseline' data for all clients at entry (census). Either the internal audit team, or an external agency, collects endline data on these indicators for a sample of clients after 3 or 5 years.
- The Research Department of AMK organises the collection of data on client households' quality of life and well-being for a sample of clients at entry, as a baseline, and the same sample is visited for an endline survey to monitor change in the same indicators, every five years.

Sample or census? The data collection design must include a decision on collecting data from all clients ("census data") or measuring only a sample. Table 7 is a summary of the primary strengths and weaknesses of each.

Table 7. **The pros and cons of census vs sample data**

	PROS	CONS
Census	• More accurate: measures actual change for each person • Allows for detailed disaggregation by different client characteristics	• More time required for field staff and for clients – in collecting data from all clients • Quality issues with large data sets • Challenging to store and manage all the data • Challenging to manage analysis and reporting, particularly if done for every loan cycle
Sample	• Less expensive • Quicker to collect • Quality control is more manageable • Less data to store	• Challenging to get the sampling approach right for: - adequate representation, - effective disaggregation of findings, and - to allow for client exit between baseline and endline

Much has been written on the technical aspects of sampling. See a few key tips on sampling below, and consult Appendix: Other Resources for additional introductory resources.

If sampling is needed, and it is supposed to set up the data to address certain questions, getting the sampling frame and size done right is crucial. It is so disheartening to collect a bunch of data only to find that the sampling is not right to answer the key question(s).

Chris Dunford | Freedom From Hunger

TIP 6 – On sampling (quantitative surveys)[26]

- There is no universal rule (such as '5% of the population') for an appropriate sample size. It depends on the degree of variation in the population (e.g., rural/urban, or different economic levels, or social groups, or business sectors).
- There is however a universal rule for a minimum sample size from which you can draw percentages – and that is 30. Aim for a sample size of 35, to allow for wastage.
- If you are interested in analysing results for different segments, then you need a minimum sample size for each segment.
- It is not just the size of the sample but the details of the sample frame and how the sample is drawn (randomly or cluster-based) which determines an appropriate sample.
- A larger sample size may statistically reduce the margin of error, but the quality of field work is critical - and may be better controlled in a smaller sample.
- Consider consulting an experienced researcher to design your sample.

REMEMBER

A valid sample for quantitative data is fundamental to data quality. If a sample is not designed well, the data will not represent clients, and the data analysis will therefore be less useful to the FSP.

[26] Sampling for indepth qualitative research involves smaller numbers sufficient to track patterns of responses to specific questions (Annex 3).

STEP 4 - ALLOCATE FUNDS AND RESPONSIBILITIES TO IMPLEMENT

Once you have chosen your approach, you can develop a plan to implement it. This plan should identify the tasks, estimate the financial resources needed, estimate a timeline for each step, and assign responsibilities clearly. Table 8 provides an example of a detailed action plan.

Table 8. **Example of an action plan to build systems for outcomes data management**

Summary of System Design: Census data. Baseline data collection as part of membership form for all clients. Endline data collected after three years for all clients who did not exit before three years.

	TASK	WHO?[a]	WHEN?	RESPONSIBILITY[a]
	BASELINE			
1	Revise member form	Operations/SPM	Week 1	COO
2	Train field staff for pilot	**Field staff in 1-2 branches**	Weeks 2-3	SPM
3	Pilot			COO/1-2 Branch managers
4	Review pilot – make any adjustments	Operations/SPM	Week 4	COO/SPM
5	Print new forms, or include in data collection technology used	Operations/MIS	Week 5	COO/ Or MIS
6	Add fields into MIS, enable routine baseline reporting	MIS/IT	Week 5-6	MIS
7	Ensure ability of MIS or separate database to retain baseline data	MIS/IT	Week 6	MIS
8	Training – field staff for rollout, branch managers for supervision	Field staff, branch managers	Week 7	COO/SPM
9	Review internal audit (IA) to include data checks	IA/SPM	Week 5-6	IA/SPM
10	Training – internal audit team to include data checks	IA/SPM	Week 7	IA/SPM
11	Roll out – data collection and checking	Operations/MIS/ IA	Week 8	COO/MIS IA
12	Baseline outreach reporting	MIS/SPM	Quarterly	MIS/SPM
	ENDLINE – every 3rd year			
1	Retain the baseline data	MIS/IT	Ongoing	MIS
2	Baseline indicators repeated at year 3 and following years	Operations	Year 3 onwards	COO/SPM
3	Analysis–compare endline with same cohort at baseline, minus exit clients during the period	MIS/IT	Every 2-3 years	SPM
4	Endline reporting	SPM		SPM

[a] MIS = Management Information Systems; IT = Information Technology; IA = Internal Audit; SPM = Social Performance Management; COO = Chief Operating Officer. Note that "Operations" includes regional managers, branch managers and other field staff.

STEP 5 - PUT SYSTEMS IN PLACE TO COLLECT AND CAPTURE DATA

An FSP must put in place strong systems in order to ensure efficiency and accuracy in the collection and capture of data. This involves all of the following:

- Designing the data collection format
- Piloting the data collection
- Choosing the data collection team
- Training and incentivising the data collection team
- Capturing – and retaining – digital data

Designing the data collection format

If you are adding in new indicators or creating a new form, then

- Review the sequence of questions – so that there is a logical flow
- Make sure that the questions are phrased accurately and the meaning is clearly understood by the persons who will collect the data

The questions can be drafted by a single person, often the SPM or research lead, but they should be cross-checked and finalised with inputs from operations/field staff, who often will have suggestions to improve the phrasing based on their field experience. This process also helps field staff to feel comfortable with the questions and understand the reasons for which they will be collecting the data.

Piloting the data collection

You should pilot any new questionnaire/form or checklist to make sure that the questions flow well and are correctly phrased and to check the time involved in interviewing each client. The pilot can involve key persons at headquarters and a small number of field staff at one branch, trained in the new format. Aim to pilot in both rural and urban areas if operations cover both types of geographical areas. Use staff feedback from the pilot to make any adjustments to the questions. And note any questions that need extra focus during training for data collection.

TIP 7 – On piloting

- Pilot coverage of approximately 30 clients is usually adequate.
- If you are using mobile/tablet technology for data collection, pilot the question content and flow before digitizing. But, be sure to pilot the software version too.
- Share pilot results with stakeholders in the organisation (department heads, branch managers) to demonstrate the value of the data and the practicality of collecting it. This will increase buy-in for later steps in implementing outcomes measurement.

Choosing the data collection team

Loan officers may collect the data. This is often the least expensive option, but it can over-burden a loan officer's schedule, and also may complicate a loan officer's relationship with clients. An FSP can also choose to have a separate team to keep skills and roles distinct. For example, a research team may manage the research process, and/or the FSP may hire and train external enumerators for data collection.

Training and incentivising the data collection team

Training the data collection team is critical, to make sure that they ask the questions and note the responses correctly. You will also need to overcome the resentment that staff very commonly initially feel when asked to do an additional task. Training staff not only on how to collect additional information but why it is important helps them buy into the work. Include data collection reasons and requirements into initial staff training and refresher training.

Note that training is absolutely essential to ensure data quality:

"Field surveyors, whose role is so critical, are typically hired on a short-term basis, often with very little professional preparation. If their work fails to meet applicable technical standards, the data and resulting analysis will be severely compromised, if not invalidated altogether. All types and sizes of organisations can get tripped up on this pitfall... The potential data quality issues are familiar. They include poor recall by respondents, misinterpretation of questions (or answers) by the surveyor and/or the respondent, incorrect recording of the answers, mishandling of data, or even falsification of information."

FINCA | 'From intentions to outcomes – Indicators and tools for managing social performance'

Incentivising any additional work for loan officers keeps them interested, reduces resistance, and often leads to greater care with accuracy of data collection. Incentives can be monetary or non-monetary, such as a badge or recognition in an internal publication.

AVOID

Do not assume that field staff will welcome additional data collection on top of their existing tasks.

Capturing and retaining digital data

All data must be captured in digital form – whether into the main MIS of the banking system (with adjustments for additional indicator fields) or into a separate database (that can be linked to the main MIS for analysis across portfolio variables). It is critical for outcomes analysis that baseline data is retained, so that baseline data can later be compared with endline data. This may best be done through having a separate database.

AVOID

Do not erase borrower data once a loan cycle is completed. This deletes valuable information.

STEP 6 - PUT SYSTEMS IN PLACE TO CHECK DATA QUALITY

If data are to be useful, they must be credible. Strategic decisions cannot be taken on the basis of data which is doubtful. Therefore, having clear procedures to audit the data collected and correct errors is vital. This applies equally to data collected internally or by external researchers, and to data collected manually or on tablets (CAPI). While effective training and supervision of the field team (STEP 5) can do much to increase the accuracy of data collected and entered, people inevitably make mistakes. It is therefore essential for data quality to implement a system of checks on the initial data collection and entry.[27]

Data checking can involve many different techniques. Some of the most common are reviewing data for internal consistency of responses, comparing responses for different enumerators, following up with a small number of clients, and comparing electronic data to written data when the data entry was done manually. If external parties collected the data, be sure to ask about their procedures for quality control: how and when do they check that interviews take place, that responses are captured accurately, and that data entry does not include mistakes?

Often, outcomes data can be checked as part of existing quality management systems. For example, when branch managers and internal auditors are checking forms and visiting clients, they can also check social data.

TIP 8 – Quality checks

- For data quality checks there is a 5% rule: at minimum 5% of forms need to be checked.
- For surveys, check whilst data collection is ongoing, to give prompt feedback for any corrections.

EXAMPLE FROM THE FIELD

Vision Fund International (VFI) provides an example of a strong system for data quality control. It asks its network partners not only to send data, but also to send regular reports on data quality, centred around three components taken from the PPI Standards of Use:

- **Adequate Sample Size:** Was the reported sample random and representative?
- **Spot-check Rate:** Were at least 5% of surveys verified by someone other than the original enumerator?
- **Discrepancy Rate:** Were less than 10% of spot-check responses different from the original responses?

Failing any one of these three tests can lead to erroneous results.

VFI's experience has been that: "a key factor to support good quality data is to have one dedicated person responsible for the client data collection quality... With larger MFIs, there will be 3-4 people on the SPM team, one of whom needs to take responsibility. The issue is in smaller MFIs without a regular SPM team. There is a tendency to assign responsibility to a staff working in marketing or operations – then client data supervision is an additional task, and does not get enough attention. In our view, there should be at least one person with this responsibility – and sufficient authority to coordinate well."

[27] Note that standard 1B in the Universal Standards for SPM ("The provider collects and discloses accurate client data specific to its social goals") relates directly to steps 5 and 6 in these guidelines. For additional guidance on how to ensure high quality data, please see the section on standard 1B in the Universal Standards Implementation Guide.

STEP 7 - ANALYSE THE DATA

Analysing the data requires:

- Measuring change – comparing endline findings with baseline data, (or cross-sectional comparison)
- Accounting for client exit in the intervening period
- Applying context to interpretation of the data
- Allowing for client exit
- Disaggregating the data to explore differences by client segment
- (possibly) Following up with qualitative research – including client perceptions of change.

Measuring change

If you have baseline and endline data, measuring change is quite straightforward. You can compare, for example:

- the % of clients who are positive on an indicator at baseline with the % of the same cohort who are positive on the indicator at endline.
- the value of an indicator at endline with the value at baseline.
- the % of clients who increased their score in a particular area at endline.

You may use a simple statistical test to correlate findings to programme services.

If you do not have a baseline, you may rely on client recall, or use cross-sectional analysis (see earlier discussion in STEP 4); or if there is reliable and comparable national data, compare your client data with trends in the national average. For example, **Fondo Esperanza, Chile,** is able to compare the data it collects on clients' well-being indicators (per capita income, social security, savings, and debt) with country census trends data for the same geographical area where Fondo Esperanza operates.

Applying context to interpretation of the data

Even where measuring change appears straightforward, understanding what the numbers tell us can be deceptive and complicated. You cannot truly know what numbers mean without considering the context in which change occurred. For example, if you see a positive trend in client numbers, it is easy to assume your intervention was effective. But what if over the same time period of your analysis, the country's economy strengthened, or the government introduced more effective social safety nets, or the prices of the agricultural products your clients sell rose significantly? Then, perhaps the positive trend you observe in client's lives is not related to your intervention. Likewise, if you see no change, or negative change, you may assume your intervention was ineffective or even harmful. However, that interpretation of the data too can be quite wrong. For example, Friendship Bridge (Guatemala) measured results for clients over three years and found a small amount of poverty reduction: 3% increase in mean PPI score. This initially did not seem a very strong result, but it was. National data showed ***increasing poverty*** for the general public during the same period when Friendship Bridge's clients' poverty levels had decreased. For this reason, it is advisable to compare client outcomes data to national data when possible.

Accounting for client exit

When analysing data for borrowers, allow for the fact that not all clients continue to borrow. In many FSPs, there is quite high client exit between cycles, particularly after the first and second cycle. So, when measuring change even at the second cycle and thereafter, remove dropouts before matching endline to baseline, so that you can compare a consistent cohort across cycles. This does take a bit of work with the data – whether it is portfolio data or survey data.
Once this is done, you have two key areas of analysis to conduct:

- measuring change for clients who stayed with the programme
- understanding the experience, and possibly short-term outcomes, for clients who exited the programme.

EXAMPLES FROM THE FIELD

When **Oikocredit** analysed PPI outcomes data for two of its MFI partners, it found significant rates of client exit over three years, as shown below. It further found that exited clients had a different average baseline PPI score from clients who remained, which affected the interpretation of results. Accordingly, Oikocredit removed clients who had exited and then compared baseline to endline data. For both MFIs, the trend is positive for reducing poverty, although in ASKI's case, the significance is lower with exited clients removed from the baseline, whilst in SVCL's case, the significance is higher.

Table 9. **Removing exited clients from the baseline gives clearer results**

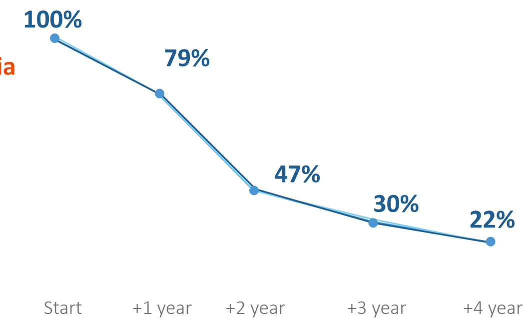
ASKI, The Philippines (2011-2014)	Rural		Urban		
Total client base %	85		15		
Country poverty rates: % HHs < NPL[a]	32		10		
	#	%	% < NPL (PPI data)		
	clients	remaining	2011	2013	2014
Clients joining in 2011	72,240	100%	17.1		
Of whom remained active 2011-2013	15,231	21%	15.7	14.3	
Of whom remained active 2011-2014	3,810	5%	13.3	12.1	10.3

SVCL, India (2010-2014)	Rural		Urban		
Total client base %	42		36		
Country poverty rates: % HHs < NPL	21		11		
	#	%	% < NPL (PPI data)		
	clients	remaining	2010	2012	2014
Clients joining in 2010	59,250	100%	11.8		
Of whom remained active 2010-2012	12,388	21%	13.7	11.2	
Of whom remained active 2010-2014	4,952	8%	14.7	11.8	11.8

Adapted from Gravesteijn, R et al, 'Effects of Microfinance on Poverty of Borrowers using the PPI – Evidence from Asian MFIs', 2015
[a]NPL = National Poverty Line

Graphic 7. **Client retention at Bancamia, Columbia**

As of Dec 31, 2015: 350,000 credit clients; 43% rural; 53% women



Source: Bancamia, BBVAMF calculations

Similarly, when BBVAMF tracked business indicators annually for the same cohorts of clients who remained with its subsidiaries each year, it found low retention rates for individual borrowers. Bancamia, an FSP in Columbia, provides an illustrative example.

Disaggregating data

Conducting segmented data analysis is of critical importance, given that different types of clients have different needs and outcomes.

Caitlin Scott | Friendship Bridge

Disaggregate, disaggregate, disaggregate! We know from experience, that different clients may do better than others. Some clients may not improve. We also know that different segments (e.g., men v. women, rural v. urban) usually have different starting points (at baseline). Disaggregating the data will help to understand outcomes by client type and to highlight not only the success stories but also the gaps. This in turn reveals which areas, or market segments, require more attention.

Disaggregation of the data means going beyond the averages to show the % of clients who improved, the % who stayed the same, and the % who got worse on any indicator

Doing follow-up analysis with qualitative research

The variations in results for different market segments that emerge from an analysis of disaggregated data provide an ideal frame to sample clients for follow-up through qualitative interviews. Qualitative interviews and stories (as discussed in STEP 3, and Annex 3) can help to explore the process of change, or the lack of it, and to identify the factors that made a difference or the challenges that made progress difficult. This insight can give FSP management a more nuanced roadmap for further interventions and grounds FSPs and funders alike more firmly in reality.

EXAMPLE FROM THE FIELD

IDEPRO, Bolivia, data provide average change in business indicators, but also what percent of clients show increase, decrease, or no change.

Table 10. **An example of segmenting results around the average**

IDEPRO ProCadenas special loan programme: 572 clients						
	Average US$			% clients showing change		
Indicator	**Mean at baseline**	**Mean at 2nd loan (12 m)**	**Avg. Change**	**% increased**	**% decreased**	**% no change**
Revenues	592	689	97	88%	7%	5%
Profits	238	276	38	73%	26%	1%
Net Worth	21,118	24,731	3,614	77%	15%	8%
Employees	2.4	2.8	0.4	30%	3%	67%

Source: EA Consultants for Triple Jump, 'Measuring Social Impact in Microfinance', 2014

STEP 8 - REPORT AND COMMUNICATE THE FINDINGS

Your aim is to provide a set of data that are easy to understand and not too long (few graphs, bullet points), yet still guide the FSP management, staff members, and board members through the issues and aid in consideration of action. Also, be transparent. Be sure to include in the report the basics of the methodology involved (e.g., if the findings are based on a sample, how many were in the sample and how was the sample selected, the checks on data to assure quality, how client exit was accounted for), and avoid the natural tendency to look for the results that reflect what we want to see.

Additionally, consider different ways to communicate the findings, and make it a point to share the information with all interested parties, which may include personnel at many levels of the organisation, as well as external stakeholders. If operations have been involved in collecting the data, it is particularly useful for them to see the reports and to reflect on the findings, since this confirms the importance of these data and justifies the time they have spent in its collection and checking.

You may also find value in reporting on outcomes data to the clients themselves. Doing so allows clients to reflect on goal achievement and ongoing gaps and involves them in celebrating their successes. The process may involve a discussion during a loan application interview or group meeting. Fondo Esperanza, Chile, sends a letter to its clients (see Annex 4 to read a sample letter).

TIP 9

Be concise in your reporting. FSP managers and board members always prefer to deal with brief reports, bullet points, and clearly presented data.

AVOID

Avoid long pieces of text. Avoid endless graphics. Avoid tables dense with statistics and footnotes.

The principles in this step apply equally to internal data and to research – internal or external. Researchers may feel that they are required to elaborate at length. So before you start or commission any research, make it clear that you are looking for a short, concise report with disaggregated findings, not just averages. Also ask for explanations of any statistical tests applied and clear interpretation of the findings – without the hieroglyphics of elaborate formulae.

EXAMPLE FROM THE FIELD

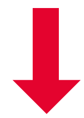
AMK, Cambodia, has three different outcome reports:

1. Findings summary presented to management. Management reviews the findings and develops a half- or one-page response on the implications, with recommendations for action.
2. Full report by the research team, presented to the Social Performance Committee. This covers details of the method, sampling, quality checks, any limitations, disaggregation of the data, along with the observations of the management.
3. Summary report by the SP committee to the board – gives the key findings and a green, amber, or red light (to reflect 'ok', 'some concerns', 'major issues to be addressed'), commenting on the adequacy of the methodology, the completeness of the information, and whether the findings are in line with AMK's mission.

AMK's "Results on vulnerability and health from the 2012 endline compared to 2006/7 baseline survey," shown in the table below, is an example of summary findings shown to management.

The endline survey in 2012 showed increased levels of vulnerability of clients to external shocks (e.g., flooding and drought) and household health events. The data prompted the management and board to reflect that these were issues that micro-credit is unable to address directly, but could be addressed by micro-insurance. As a result, AMK started negotiations with an insurance company for health insurance, which was introduced in 2014.

Table 11. **AMK's summary of selected outcomes findings for management, percent**

Indicators	Baseline 2006/7	Endline 2012	Change (E-B)	Implication
Household faced crisis/major event last year	33	67	+34	
Never borrowed money or sold assets to pay for health care/medicine	48	39	-9	
Often/always borrow money or sell assets to pay for health care/medicine	13	19	+6	

Sample: cohort of 111 clients, active from baseline to endline.

STEP 9 - USE THE FINDINGS

Organisational process needs to allow time for teams to reflect and develop insight, as well as to support a willingness and ability to change and adapt
A Guide to Actionable Measurement | Bill and Melinda Gates Foundation, 2015

The board and management need to allocate time for careful reflection about the findings, including variations in the results, differences around the average, and in different contexts. They must be open to seeing negative findings and discussing their implications. This is the opportunity to consider how products and services may be strengthened to improve the results for clients.

TIP 10 – Using the findings

- Buy-in from the start supports interest in the findings. Experience suggests that where management and board feel involved in the design of the outcomes management system, they are more likely to use the results.
- Have a formal system for when and how outcomes findings are reviewed and debated. For example, once outcomes analysis is prepared, have a meeting to brief the senior management and obtain their feedback on the implications. Ensure that the board reviews a summary of the outcomes findings, as well as management recommendations for action based on those findings. Discuss findings and action taken with staff during the staff retreat.

AVOID

Leaving reports 'on the shelf' or data untouched in the MIS.

The companion to these Guidelines, Making the Case for Outcomes Management to Financial Service Providers, gives several examples of FSPs using outcomes data to:

- **Be accountable**
  - » Set realistic expectations – relevant to all stakeholders
  - » Set realistic targets to make the leadership accountable for client outcomes
- **Review what is working**
  - » Understand needs and results of different clients
  - » Address gaps in operations (such as client targeting, client retention) that affect results
- **Improve outcomes for clients**
  - » Develop new products, programmes or partnerships
  - » Continue and improve – or discontinue – a new product or programme
  - » Engage in goal setting with clients to boost clients' sense of achievement and to identify areas that clients need to focus on
- **And ultimately, strengthen the institution's business operations**
  - » Market products and services more effectively (based on better understanding of the value for clients and market segmentation)
  - » Train staff better (as a key input for achieving outcomes)
  - » Improve staff satisfaction – through attention to the mission as a strong job motivation.

STEP 10 - REVIEW THE PROCESS

Completing a cycle of outcomes management is a good opportunity to review the process and identify aspects that can be strengthened. This is particularly true the first time this is tried. Several of the examples we have given in these guidelines are the result of adaptation and improvement based on experience. Such adaptations include:

- Adding follow-up research (STEP 3 and STEP 7).
- Choosing to collect or manage data through an in-house team, rather than commissioning research externally (STEP 3)
- Using technology – mobile phones, tablets – to speed up data collection and capture (STEP 3 and STEP 4)
- Extending the period to collect data for detecting longer term change (STEP 4)
- Improving the training for data collection (STEP 5)
- Ensuring adequate time - and possible incentives - for field staff charged with collecting additional data (STEP 5)
- Strengthening the procedures for data quality checks (STEP 6)
- Developing dashboards for reporting (STEP 8)
- Developing software for routine reporting (STEP 8)

TIP 11

Not all aspects will need review. But be alert to the STEPS indicated above, since these are the ones most likely to need attention.

5

CONCLUSION
UNDERSTANDING OUTCOMES MANAGEMENT AS AN ONGOING PROCESS

These guidelines emphasise that it is possible to measure outcomes in a way that is practical, resulting in data that are useful for external stakeholders and for FSP boards and management to monitor results for clients, and to gain insights to improve those results.

We have also learned that there may be some disappointment when we see what the results tell us. Many times, not all clients are improving on key indicators. Many times, change does not happen as quickly as we would like. We need, therefore, to be realistic about the results we can expect.

We also should recognise that any disappointing results provide invaluable information, just as the success stories do. In each case, we can use the data to understand more deeply how to change, modify, or expand our own products and services in order to strengthen our performance and improve outcomes for clients.

Ultimately, we see that outcomes management is not something we achieve and then stop doing. Instead, it is an ongoing process with the potential to create a virtuous cycle of continual learning, adaptation, and improvement.

GLOSSARY

Baseline/Endline: the baseline is a starting point, used for later – endline – comparison.

Census: collecting data from every single member of the population you are studying. Collecting information from all clients at entry is an example of census data collection.

Cohort: a group/number of the same clients who are tracked from baseline to endline to track change over time

Cross-sectional comparison: without data for a cohort, comparing data for different clients at different loan cycles (for example comparing clients at loan cycle 3 with clients at loan cycle 1).

Impact: change caused by an intervention

Leading vs open questions: A leading question is one that prompts a particular response. In comparison, an open question does not prompt for a particular response. Try to avoid leading questions. See Annex 3 for examples of both types of questions.

Longitudinal comparison: Tracking data for the same clients (a cohort) from baseline to endline

Outcomes: Change for clients that is plausibly associated with financial services provided. The plausible association can be linked to asking clients about the changes (positive/negative) they have experienced, and what they perceive as the reasons for any changes. This should be done in a neutral way, with open rather than leading questions, so as to try to limit bias in the client responses. Another method to establish plausible association is to conduct simple statistical tests on correlation.

Quantitative refers to numerical data or data that can be transformed into useable statistics. It is used to quantify objective indicators as well as opinions or other defined variables. Data is collected through a structured format or questionnaire from face-to-face interviews or using other technology (telephone, online). The data may be collected through a sample survey or may be captured during routine operations and included in the FSP's core banking MIS for transactions data. Transactions data can be analysed to capture product access, loan size, defaults, client exit and – as applicable - savings, or graduation from group to individual borrowing.

Qualitative data provides insights into an issue. It is primarily exploratory and is used to gain an understanding of underlying reasons, opinions, and motivations. Methods involve face-to-face interviews with individuals or in a group (focus group) and are usually semi-structured, with a checklist of questions and issues as a guide to the interview.

Mixed methods refers to combining different types of data to enable effective sampling and quantitative analysis along with qualitative exploration of issues.

Progress out of Poverty Index: The PPI is a score card used to measure the likelihood of a household's being below different poverty benchmarks, according to national and international poverty lines. The score card has 10 indicators and associated scores that are based on statistical correlation to household per capita expenditure in available and robust national surveys for each country. The utility of the PPI is that the 10 indicators are easy to measure and can provide quite accurate results more easily than applying a full household consumption survey module. The PPI is based on an approach developed by Mark Schreiner of Microfinance Risk Management LLC, supported by the Grameen Foundation (www.progressoutofpoverty.org) and now housed at Innovations for Poverty Action.

Sampling: A sample is a subset of the population that you are studying. It enables you to research a smaller number than the census approach. Approaches to sampling for quantitative data have been designed to ensure that the sub-group findings are generalizable to the larger group (i.e., it is representative and large enough to give you enough information to avoid errors). On-line calculators (see example in Appendix: Other Resources) are good at applying a standard theorem to enable you to decide the suitable sample size, and these explain the different terms involved (margin of error etc.) and different approaches to sampling (random, stratified, cluster). Sampling for qualitative research is very different, requiring much smaller numbers, though there are similar issues of bias/ representation.

Social performance: the effective translation of an institution's mission into practice in line with accepted social values (in other words, achieving your social mission).

Social performance management (SPM): the systems that an institution uses to achieve its stated social goals and put customers at the center of strategy and operations. If an institution has strong SPM practices, it is more likely to achieve strong social performance. The comprehensive list of management practices that an institution must implement to achieve strong SPM are listed in the Universal Standards for SPM manual.

Statistical tests: Statistical tests for association and significance are used to address the question: what is the probability that what we think is a relationship between two variables is really just a chance occurrence? They test: 1) what is the probability that the relationship exists; and 2) if it does, how strong is the relationship. Statistical significance means that there is a good chance that we are right in finding that a relationship exists (by a simple regression or chi square test) between two variables (for example, that the number of loan cycles a client has completed can predict her PPI score) or that there is a significant difference (by a t-test) between results for clients with one type of service compared to another. But always look at the practical significance too. Does a few % points of statistical difference mean something useful?

Theory of Change: A Theory of Change sets out the steps to be implemented, and what needs to happen, to achieve a certain result or address a certain problem. The end result (long-term outcomes) may seem the most important piece to measure. But measuring the steps to get there is also key to analysing change.

ANNEXES

ANNEX 1 - **SOCIAL GOALS RELATED TO CHANGE FOR CLIENTS**

FSPs may articulate different social goals in terms of the change for clients that they seek to influence. Nevertheless, an in-depth review of research studies and practitioner documents highlighted key outcome areas that are commonly reported, as shown in the following table.

Key outcome themes

Increase economic well-being	Build resilience
Definition: Improvements in well-being that can be understood through direct or proxy measures of income, consumption, poverty indices or significant assets.	Definition: Decrease in use of severe or moderately severe coping strategies; successful use of savings, insurance and other strategies to handle stress events and shocks (unforeseen or anticipated).
Business growth	**Employment creation**
Definition: Increase in business turnover, profits, and/ or sales or time dedicated to owned enterprises.	Definition: Creation of employment for adults (family and non-family members) or self-employment.
Women's economic empowerment	**Other outcomes**
Definition: An increase in a woman's ability to contribute financially to her household or household enterprise and/or to make decisions regarding the use of household or enterprise resources.	Examples: Financial capability, health, children's access to education, social capital.

Source: Mission Genome, 2015. Reviewing over 650 studies, the Mission Genome project identified these as the leading themes.

ANNEX 2 - **LIST OF HARMONIZED INDICATORS FOR OUTCOME THEMES**

The OWG sub working groups on outcome indicators have applied specified criteria (Table 3, page 15) to the many different indicators that have been used by practitioners and in research studies and evaluations to identify a subset of recommended indicators in each area. Prior to the launch of the OWG, FFH applied essentially the same criteria to identify a core list of health indicators. Core indicators for all four outcome themes are listed below.

1. **Business Outcomes**

Sub-theme	Indicator	Framing the question	Notes
Change in business assets	1. % who have invested in major tools/equipment/ structures/ productive assets for self-employment	During the last X year/s, did you purchase or invest in any of the following assets for your enterprise activity/farm? (a) Purchased major tools (such as stoves, equipment, agric .machinery), (b) Invested in structures for your marketing site (kiosk, shop)	a. Select indicators relevant to context: can be used with reference to any business the household has b. As a short term indicator, this may primarily capture loan use (any source); longer term, may capture investment over time, using income from the business c. Many of these indicators are verifiable; might have to be smart in the interpretation as seasonality may affect some of these (livestock purchases and sales, etc.). d. For organisations that estimate business value with clients during group meetings, this data might not be useful or accurate as clients will not want to share openly how much they earn in profit and it may be underestimated for this reason and therefore not reliable over time. e. For FSPs conducting a detailed and verified assessment of the financed business through a loan application process, current value of fixed assets, working capital, annualized sales and net income are significant business outcome indicators f. Requires clear definition/treatment of assets g. Otherwise, the main concern about these questions is recall and general inaccuracy of the report on profit, revenue, etc.
		I'd like to know about changes to your business/farm in [*the past year*/s]. Please tell me whether these things are the same, better, or worse than at the same time last year: (a) The structure of any rooms or buildings (walls, roof, floor), (b) Appliances or equipment, (c) Livestock	
	2. % with ↑↓→ in total business assets; and numerical values of increase	Base on information in the loan appraisal form (provide example)	
Change in business revenue (financed business)	3. Annual sales (taking account of seasonality)		
	4. Annual net income (profit)		
	5. % who report an increase in their business income [in past year/s]	Over the last year/s, has the income you have been able to earn...? (increased significantly, increased somewhat, stayed the same, decreased); ideally add – what were the reasons?	a. Perception based. b. Can be short-term or longer-term indicator

Sub-theme	Indicator	Framing the question	Notes
Business practices	6. % who introduced a new product or service in the last X year/s	Have you introduced new products or services in your business during the last X year/s? Have you started producing or selling any new products in the last X year/s that you didn't previously produce or sell?	a. Woman client may not be the best person to answer business related questions – needs a check a. Consider linking to question regarding self-esteem/confidence (under business attitude) since lack of movement on any of these indicators in the short-run might be indicative of lack of self-esteem/confidence to introduce business improvements. b. Usability – high for FSPs (considering) linking business loans to entrepreneurship training/programmes c. Investment not included here – as covered under increase in assets
	7. % who experienced ↑↓→ in their income during the high season in past year	During the high season/harvest (e.g., Christmas, Eid, etc.) of this past year, were your sales/income greater than, about the same, or less than your sales from the same season of the prior year?	
	8. % of women clients who either jointly or solely make the business decisions	Who [in the household] decides how the money (profit) realized from the business should be used/spent?	
	9. % who introduced new business processes in last X years	Have you introduced new or improved existing business processes in the last year/s? (e.g. a production method, quality control, accounting system, distribution system)	d. More relevant to small business
Increased employment in financed business	10. # family members working in financed business	How many of your family – men-women (include yourself) are working in this business?	a. Including male/female as well as whether full-time or part-time increases relevance of employment measurement; particularly relevant for small businesses, and indirect outcomes; categories/ranges based on number of workers are useful b. Wages to paid employees or skill levels could be asked through separate research
	11. # wage workers employed in financed business	How many paid workers (non-family) do you employ in this business?	
Business attitude	12. % with ↑↓→ level of confidence in ability to be successful at their business	How confident do you feel you will be successful at your business(es)? (very, somewhat, etc.)	c. Perception based, may be overstated by those starting a new business. Better in separate research (not linked to a loan appraisal!) that adds questions on awareness/strategy related to markets, sourcing assets/materials, managing seasonality, etc.
	13. % satisfied with business earnings	Agree or Disagree: "In general, I am satisfied with the earnings obtained by my business"	

2. Poverty/Assets/Housing Outcomes

Sub-theme	Indicator	Notes
Change in economic poverty *poverty line selected relevant in country context*	1. After years 3 and 5 : % of client households above the benchmarked poverty line who were below the line at entry 2. 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 3. % change in client households' poverty rate - per the PPI	a. Recommend PPI for countries where it is available and up-to-date as a relatively straightforward tool to apply. PPI, and most indicators below, can be integrated with routine operations as part of a member or loan form. Comparable to national benchmarks – at country and geographic levels. b. Given the high weightage often given to such indicators as 'number of children in the household', or 'education level of adult woman', change which is outside the scope of financials services, we recommend the PPI should be supplemented with additional indicators of quality of life or other themes, relevant to rural or urban context. c. Not every country has a PPI – or the PPI may be out of date. If the PPI is unavailable, a local poverty index is a good option, reflecting poverty in the local context – though as an index this may not be comparable to national benchmarks, though individual indicators may be. d. Long-term horizon. Data need not be collected every loan cycle, but every 3 or 5 years.
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.)	a. Select indicators and terminology relevant in country/programme context, and with potential for a significant % of clients at baseline b. Long-term. c. There may be a large number of potential assets that are relevant, but select just a few most relevant. Can use existing assets in a PPI, or other index being used for poverty measurement d. Comparable to national benchmarks (DHS - http://dhsprogram.com/) e. But the distinction between household and business assets may not always be clear
Improved quality of life also links to housing – next	5. Increase in % of HH who have access to an improved type of toilet 6. Increase in % of HH with improved main source of drinking water 7. Increase in % HHs using clean or efficient energy sources for cooking	a. More relevant to rural context than urban context with more established infrastructure; however, access may be more dependent upon environment and not necessarily the influence of the MFI. b. May be a direct outcome, linked to use of a financial service, and therefore short-term; or indirect, resulting from increased income over time – and then longer term c. Comparable – indicators can be compared to national benchmarks (DHS - http:// dhsprogram.com/)
	8. % households sending their children to school regularly – primary level, secondary; college level	a. May be appropriate in context and potentially linked to specific financial products for education
	9. % clients who feel positive about the future	a. Perception based question added based on feedback that hope for the future is an important component of quality of life. b. Likely to be better captured through separate research

Sub-theme	Indicator	Notes
Housing	10. % HHs who made specific changes to the home in the last 3 years, such as : (i) fixed or improved existing roof, floor, or walls; (ii) expanded the house (built new room, shed, attic, or fence); (iii) improved water or sanitation system (new well, drainage/sewage system, showers or latrine); or (iv) percent who got electricity or major improvement in lighting	a. Housing is a long term investment and therefore it needs security of tenure, for the future. In a volatile context, housing is not likely to be a good indicator. b. While housing is universally important, it is very contextual. It seems to be impossible to have standardized indicators, so think in terms of dimensions. c. Reliable, direct outcome area for clients with housing finance services; or long-term indirect outcome of increased income d. Comparable - to national benchmarks (DHS - http://dhsprogram.com/)
Income	% HHs with ↑, →, ↓ number of sources of income ↑, →, ↓change in household income over previous 12 months % HHs who say their income has ↑, →, ↓ over previous 12 months % HHs who say their income has been stable over the previous 12 months	**May be considered** - Number of income sources is relatively easy to measure, may be relevant in some contexts; but may have ambiguous implications (for instance increasing income from one source vs increasing sources which are relatively low income, less stable) - Difficult to measure income: issues with seasonality, any increase over time needs to be adjusted for inflation - Perception based question may be useful

3. Resilience & Vulnerability Outcomes

Sub-theme	Indicator	Framing the question	Notes
Financial tools	1. Change in cash savings balance with the FSP % clients with ↑↓→	*a) MIS data: What is the balance of savings that the client holds with the FSP (that may be easily withdrawn in the event of a shock)?*	a. Salient and direct link to a financial service for individual client b. Increase in savings represents ability to put money away, building resilience; transactions in an account reflect utility of savings. c. Can add distribution of savings amount – appropriate in context d. A separate research question could include a question about other savings, but this may be quite an invasive question to ask
	2. Use of financial tools in response to a shock/ stressor	Have you experienced a shock or major financial need in the past 12 months? If so which (if any) financial tools did you use to cope with the financial stress created - savings, emergency loan, insurance, remittances?	a. Tracks occurrence of a shock, and whether financial tools are contributing towards resilience;
Financial tools/liquid assets	3. Change in liquid assets – such as livestock, jewellery (as locally defined) % HHs with ↑↓→		a. Likely to be salient for poor and low income households. Define relevant assets in context (i.e., those assets that households accumulate specifically as a form of savings). b. Same issue as for indicator 1 c. Sale of a liquid asset can be added as an option to the previous question
Security of income	4.Reduction in reliance on casual labour as main income source	*What is the main source of income for your family? (answer options would be provided to compare changes from labour to other sources – including self- employment)*	a. In addition to being low paid, casual labour is very seasonal and unreliable and represents a major dimension of vulnerability. Diversification of livelihood away from casual labour is an important positive outcome. b. May be short-term
Liabilities	5. Appropriate ratio of household debt/ disposable income	*Calculated as part of loan application process by many FSPs*	High levels of indebtedness is considered to be an important indicator of vulnerability. Indicator can be used by FSPs that are already collecting this data as part of the loan appraisal process (probably not feasible for many group lenders)
Coping strategies & consumption smoothing	7. decrease in % of households not able to manage key expenditures (basic in local context)	In the past year have you: missed paying school fees for more than 3 months; forgone necessary medical treatment due to cost; forgone expenditure on household repairs, electricity, fuel for cooking, clothes due to cost?	a. Can be adapted to local context. This question aims to ask about expenditures on areas relating to basic needs. Inability to pay for one of these indicates financial stress and low resilience.

Sub-theme	Indicator	Framing the question	Notes
Food security	8. Improved food intake in the household (scale)	*I will read 4 choices for your response. Please tell me, which of the following best describes the food consumed by your family in the last year: Enough and the kinds of nutritious food we want to eat (1); Enough but not always nutritious food (2); Sometimes not enough food to eat, was sometimes hungry (3); Often not enough to eat, was often hungry (4)*	a. Relevant for poor/very poor households b. Indicator identifies four levels of food security (can be simplified to capture just food secure/insecure). This is a good indicator of current food security, but it is very sensitive to short term fluctuations and seasonality so needs to be interpreted with caution. Whilst the definitions are subjective (e.g., "nutritious"), this question has been demonstrated to be effective.
Self-perceived resilience	9. Change in self-perception of future risk/ situation	*I feel optimistic about the future: "yes/no" or "not at all; somewhat; very"*	a. Captures both vulnerability and resilience. b. Question is more valuable if there is an added qualitative question on reasons.

4. **Health Outcomes**

Sub-theme	Indicator	Framing the question	Notes
Food security	1. Improved food intake in the household (scale)	*I will read 4 choices for your response. Please tell me, which of the following best describes the food consumed by your family in the last year: Enough and the kinds of nutritious food we want to eat (1); Enough but not always nutritious food (2); Sometimes not enough food to eat, was sometimes hungry (3); Often not enough to eat, was often hungry (4)*	a. Relevant for poor/very poor households b. Indicator identifies four levels of food security (can be simplified to capture just food secure/insecure). This is a good indicator of current food security, but it is very sensitive to short term fluctuations and seasonality so needs to be interpreted with caution. Whilst the definitions are subjective e.g., 'nutritious' this question has been demonstrated to be effective.
Water & sanitation	2. Improved drinking water source	*What is the main source of drinking water for members of your household?* *1) Piped water (piped into dwelling, yard/plot, public tap/standpipe)* *2) Tube well or borehole* *3) Dug well (protected)* *4) Dug well (unprotected)* *5) Well spring (protected)* *6) Well spring (unprotected)* *7) Tanker truck* *8) Rainwater* *9) Cart with small tank* *10) Bottled water* *11) Surface water (river, dam, lake, pond, stream, canal, irrigation channel)* *12) Other (specify)_______*	a. Please use water sources as provided by national Demographic and Health Surveys (DHS) for each country (http://dhsprogram.com/) b. Also, it would be important to follow guidelines developed by World Health Organisation as to what constitutes an improved water source. (for example, use of bottled water does not constitute an improved water source if household does not have improved water source for cooking or hygiene)
	3. Water is treated to make it safer for drinking	*Do you do anything to treat your water to make it safer to drink? 1) Yes, 2) No* *If yes, what do you do to treat your water to make it safe to drink?* *1) Let it stand and settle/sedimentation* *2) Strain it through a cloth* *3) Boil* *4) Add bleach/chlorine* *5) Water filter (ceramic, sand, composite)* *6) Solar disinfection* *7) Other*	a. Understanding the local context will be important; households with safe water sources for drinking are not likely to report treating their water. b. Should be used in conjunction with how water is treated to accurately classify a household as having treated its water correctly.
Preventive health care	1. Received preventive medical care in prior year (or other time period)	*In the past 12 months, did you or any member of your household visit a doctor or other health provider for a preventive health service (for example, medical checkups, blood pressure checks, vaccinations, breast exams, Pap smears, etc.)?* *1) Yes,* *2) No*	a. Can also break this out into individual medical exams of interest or simply ask whether they have had a medical checkup. Can find benchmarks normally in a DHS survey (pay attention to how DHS surveys ask this questions so recall period is similar if you wish to benchmark to national survey data).
	2. Saved money for health costs	*In the last 6 months, did you use a strategy to save money specifically for health?* *1) Yes,* *2) No*	a. Generally does not have a national benchmark.
Curative care	3. Reduction in those who delayed seeking treatment due to cost	*In the past year, did you delay seeking medical treatment for any person in your household because of concern about the cost?*	a. Generally does not have a national benchmark (but confirm with DHS surveys as sometimes there is a similar indicator. In some DHS surveys they will measure whether cost is a barrier for seeking medical treatment)

Sub-theme	Indicator	Framing the question	Notes
Psychosocial	4. Improvement in confidence for ability to afford appropriate medical care	*Which of the following best describes your household:* 1) *I feel very confident that I can afford appropriate medical care for my household when needed* 2) *I feel somewhat confident that I can afford appropriate medical care for my household when needed* 3) *I am not very confident that I can afford appropriate medical care for my household when needed* 4) *I don't know*	a. Generally does not have a national benchmark
	5. Improved sense of hope for future	*In the past year, I felt hopeful for the future.* *1) Yes* 2) *Somewhat* 3) *No*	a. Some country "values" studies will have this indicator. (http://www.worldvaluessurvey.org)
	6. Improved satisfaction with life one has	*On the whole, how satisfied are you with the life you lead?* *1) Not satisfied at all* *2) Not very satisfied* *3) Fairly satisfied* *4) Very satisfied*	a. Some country "values" studies will have this indicator. (http://www.worldvaluessurvey.org)
Domestic violence	7. Decrease (or no increase) in fear of husband/partner	*In the last 12 months, were you ever afraid of your husband/partner: Most of the time, some of the time, never?*	a. When using this question, make sure husband/spouse is not in close proximity both for client protection and accuracy of answer b. While most financial service providers would not see themselves capable of influencing domestic violence, they should feel confident through product design that they are not exacerbating it.
	8. Decrease (or no increase) in belief that a partner/husband is ever justified in hitting or beating his wife	*In your opinion, is a husband ever justified in hitting or beating his wife?*	a. When using this question, make sure husband/spouse is not in close proximity both for client protection and accuracy of answer b. While most financial service providers would not see themselves capable of influencing domestic violence, they should feel confident through product design that they are not exacerbating it.

ANNEX 3 - **DESIGNING QUALITATIVE RESEARCH**

"The systematic, intentional and careful recording of purposefully sampled anecdotes (stories) can become evidence when rigorously captured and thoughtfully analysed."

Patton, M. | "Qualitative research and evaluation methods" (2015)
http://betterevaluation.org/blog/anecdote_as_epithet

Stories of clients are important. They take us beyond the numbers and percentages, enable us to connect to the ground realities, help to understand the process and challenges of change.

Qualitative stories from clients can provide insightful and useful data. But stories – qualitative client interviews – are useful only when they represent the full range of client experiences: the good, the bad, and the neutral. Beware the temptation to focus only on the success stories, which is a biased sample. Qualitative interviews are even more robust and useful when they are systematic and challenging in their questions and analysis.

This means:

- Purposeful, but diverse, sampling – to include different client segments, less successful as well as more successful
- Systematic questions – to enquire about the challenges, the difficulties, the stress points and how they were handled.
- Elimination of bias in data collection - clients must feel comfortable telling the truth, and the questions must be asked in a fashion that does not lead toward a certain type of answer.

AVOID

Do not "cherry-pick" anecdotes to demonstrate success. This is no more than an exercise in public relations designed to enhance the feel good factor. It is also not helpful to create an impression that access to micro-credit is a magic wand, one loan followed by another that somehow leads to business growth, ability to send children to school, and happiness all round. Since this is not the case, it is much more helpful to analyse both success and failure.

REMEMBER

We know that poor and low income people struggle. They face many stress points. Their income can go up and down in different seasons. Women in particular may face difficulties in building market experience. Success perhaps looks easy once it has happened. But don't miss the opportunity to use stories in a careful and systematic way to understand the process of change and to identify pitfalls.

Purposeful, but diverse, sampling

Qualitative research does not have the same sampling requirements as quantitative or survey based research. Whilst surveys are designed to generate data that can be generalised to a broader population, qualitative data is designed to be detailed and applicable to understanding specific questions. For qualitative research, sampling is generally purposive, that is, people are chosen because they have certain characteristics and can provide information on the specific topic of the research. If, for example, the aim is to understand in more depth the reasons for the success or lack of success of a programme, the appropriate sample number could be 3-5 "success stories" and 3-5 "failures" to be able to analyse emerging patterns. The sample could be increased to explore differences in the client group such as in geography (between rural and urban businesses) or gender (businesses managed by women and men).

Developing a framework and checklist for qualitative stories – example

Focus – stories of microfinance clients who have used microcredit for business for 3+ years:

- **Selection for interview**: purposeful but diverse, including different types of business; successful and less successful (see STEP 7)

- Record the **background** details –from the MIS (e.g., age, number of loans over previous 3 years, loan amounts each time, business(es) for which the loans were used)

- **Approach**: **current thinking**[28] is that interviewing should be at least organisation/programme neutral, so as to avoid a bias towards the programme. Therefore, try not to identify the interviewer with the FSP, if possible. And be sure that the questions do not focus only on a single provider.

- **Introduction**: to put the client at ease, explain the reason for the interview (understand how things are going, whether financial services – in general – have helped, what are her plans, how financial services can help in future), and obtain consent

- **Questions**: qualitative interviews involve a balance between:
  - » *open questions*, which provide people the space to describe their experiences and express their views;
  - » *follow-up questions*, which clarify and gain more details of certain events and processes; and
  - » *prompting questions* which ensure that specific issues of interest are talked about.

[28] The Qualitative Impact Assessment Protocol (QUIP) is an approach that aims in a relatively simple and cost-effective way to find out directly from intended beneficiaries of a development activity what they think are the most significant drivers of change in their lives, livelihoods and wellbeing. See http://www.bath.ac.uk/cds/projects-activities/assessing-rural-transformations/documents/complete-quip-guidelines.pdf

Examples of questions to a client

Open questions	Follow up	Prompting
1. Can you tell me how you started your business?	When did you start? How many businesses are there in your household?	What is your main source of income? Own business, other?
2. What role do you play in the business?	Who purchases items? Who manages sales?	Is it a household business? Who else is involved? Are there tasks that women do not do?
3. How have you used credit?	What were different loans actually used for? Did you get the amount of credit that you needed at the time?	Have you borrowed from microfinance institutions/other sources in the past 3 years? Why? Have you used credit for other needs, apart from the business?
4. Have there been times when there were challenges?	How do you manage seasonality in the business? Have you been able to make the loan repayments on time?	What happened? Did you get any help?
5. What changes have there been for you and your family in the past 3 years?	How did they happen?	What was the reason/s?
6. What are your plans for the next year?	What do you need to do?	How can others help?

TIP

Go for *open* rather than *leading* questions

Examples of ***open*** questions:

- What has changed for you and your family in the past three years? Have there been any negative changes?
- What in your opinion has led to this change?

Examples of ***leading*** questions:

- What have been the benefits of the loan?
- What has changed for you since you took this loan?
- What has changed for you since joining this FSP?

ANNEX 4 - **FONDO ESPERANZA LETTER TO REPORT OUTCOMES TO CLIENTS**

In a market where clients are literate (Chile), Fondo Esperanza sends a letter every year and half to each of its clients to inform them of their individual results, congratulating them on positive achievements, and noting areas for improvement. To encourage clients to become agents for their own development, Fondo Esperanza asks clients to make a commitment in writing about their goals for the next year and a half on these points. See a sample letter translated from the Spanish, below.

Date _________________

Dear _______________
Fondo Esperanza congratulates you for completing over a year and a half as a member of our microfinance community. On this occasion, we are pleased to recognise the developments that have been achieved during this time, in your business, in your household, on a personal level, and in your local community.

The findings presented below are based on the information you gave the loan officer when you joined the group and answered the social indicator questions, and during your fourth cycle when you updated the information on file.

If there are any negative findings, this is not to discourage you, but to provide information about which areas to work on.

Business development:

» The earnings you stated when you joined Fondo Esperanza were 100,000 pesos a year. In the 4th cycle, you stated your earnings to be 300,000 pesos. We congratulate you on having increased the earnings from your business.
» It is good to keep note of your earnings.
» You separate the accounts of your business from your home expenses – this is an excellent practice.
» You keep track of your expenses more frequently. Congratulations!

Household welfare:

» From what you have stated in the 1st and during the 4th cycle, your total household income has gone down. Do not be discouraged; keep fighting for your family goals and you can count on us to help you.
» From what you have stated in the 1st and the 4th cycle, your savings have increased. This is a concrete step in your growth as an entrepreneur.

Personal development:

» We congratulate you for trusting in your own capacity to develop your business.
» We congratulate you for your belief in yourself.
» You have good leadership abilities in the groups in which you participate. In this way, you are contributing to making your country more participatory.

Local community development:

» You trust your neighbours, which is helpful for maintaining support networks.
» We congratulate you for participating in more organisations within your local community, contributing to development and the environment of your community.

We hope this information is useful to help you progress in partnership with the Fondo Esperanza community. Our goal is to contribute to improving the quality of life, for your family, and for your community, so count on us in this development process.
Based on the results, we invite you to make a personal commitment to improve or maintain these results:

My commitment is: ____

In case you have any doubts, please be in touch with your field officer.

Kind regards,
Fonda Esperanza

APPENDIX
SELECTED RESOURCES

SPTF

OWG briefs, 2014-2016:
http://sptf.info/working-groups/outcomes

Starting from the outcomes presentation at the SPTF annual meeting of 2014, which set out the Top 10 lessons for practitioners on outcomes measurement and reporting, this series of briefs summarizes information shared in the webinars on outcomes management since then: introducing key themes, presenting the practical experience, highlighting different approaches, and sharing lessons learned, by FSPs and other stakeholders from around the globe.

IDEPRO case study, 2015
http://sptf.info/images/idepro%20case%20study%2020151019.pdf

CRECER case study, 2012 (Spanish)
http://sptf.info/images/crecer%20case%20study_2012-09_final.pdf

These case studies describe the use of outcomes data, along with a description of two institutional systems for collecting and analysing client outcomes data.

Other resources

Framework and guidelines

Actionable Measurement Guidelines. Bill and Melinda Gates Foundation [undated]
https://docs.gatesfoundation.org/documents/guide-to-actionable-measurement.pdf

Designed from a funder perspective, and with examples mainly outside microfinance, there is important advice for good practices presented here, derived from the Gates Foundation's philosophy and approach to emphasize measurement done for a specific purpose or action. *"We recognise the most elegant evaluation is only meaningful if its findings are used to inform decisions and strengthen our work to improve people's lives."*

G-8, Social Impact Investment Task Force, Working Group paper, 2014
http://www.socialimpactinvestment.org/reports/Measuring%20Impact%20WG%20paper%20FINAL.pdf

An important document that sets out a framework (Plan, Do, Assess, Review) and a set of guidelines for 'impact' measurement (similar to what we call in this report the TEN STEPS for outcomes management.). Refers to an impact value chain – from inputs to outcomes and impact, with impact defined as 'change in the broader society or environment.' Calls on the 'impact investing community' to ensure integrity and accountability by demonstrating 'impact,' applying best practice, establishing a common language and evolving the field through ongoing learning and adaptation.

Theory of Change

Some Thoughts on Theory of Change and Outcome Mapping, IDS, 2010
http://www.slideshare.net/ikmediaries/theory-of-change-and-outcome-mapping-for-intermediary-work

Useful introduction to the purpose and concept.

Friendship Bridge – client continuum
https://3dz2c5frwrhvnlv1vwy1dyp-wpengine.netdna-ssl.com/wp-content/uploads/2013/03/ClientContinuumEnglish.png

Friendship Bridge believes that "with the appropriate products and services, the impoverished Guatemalan women that we serve are able to find sturdy footing to begin to gain skills and knowledge, increase self-confidence, and accumulate social capital, which will allow them to find solutions to poverty and become agents of change." Not quite a theory of change – since there are no assumptions or risks, but an inspiring graphic.

Six theory of change pitfalls to avoid, SSIR, 2012
https://ssir.org/articles/entry/six_theory_of_change_pitfalls_to_avoid

"Simply putting boxes and lines down on paper doesn't guarantee that your organisation will make better decisions." Practical tips on the process of developing a theory of change. Look at the comments too for good examples of experience in using a Theory of Change.

Principles and approaches

MIT - Commitment to Lean Research
https://d-lab.mit.edu/lean-research

Lean research declaration
https://drive.google.com/file/d/0B36nNXj12OvSVlU0djZ3NEtyWXc/view

Lean research framework: Principles for human centred field research
https://drive.google.com/file/d/0B36nNXj12OvSMmJhZHRpOHZBMmM/view

Lean Research is a framework to guide field research in any context. The initiative has emerged from the work of scholars, researchers, practitioners, donors, and students who are asking:

- *How can we conduct research in such a way that our research process and results benefit the people and communities we are researching?*
- *What changes do we need to make in the research process in order to minimize burden on research participants and maximize the value and positive impact of the research, both for research participants and end-users?*
- *What does truly rigorous, respectful, relevant, and right-sized research look like in the context of communities targeted for development or humanitarian intervention?*

Impact assessment methodologies for microfinance: theory, experience and better practice, David Hulme, Institute for Development Policy and Management, University of Manchester, in World Development Report, 2000
http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.468.2328&rep=rep1&type=pdf

Seminal paper that first set out methods for measuring change on a spectrum from trying to prove impact (complex, high cost – external) to improving impact (moderate, simple – drawing on the monitoring capacity of the MFI). Highlights the problem of 'low impact' impact assessments. Advocates that there is no optimal model – different designs will be appropriate depending on the purpose, and the human/financial resources. Also a number of practical tips – that are still relevant 20 years later.

Goldilocks: Finding the Right fit in Monitoring and Evaluation, IPA, 2016
http://www.poverty-action.org/sites/default/files/publications/Goldilocks-Finding-the-Right-Fit-in-Monitoring-and-Evaluation.pdf

Innovations for Poverty Action turns from its focus on Randomised Control Trials to a fable to illustrate that organisations have to navigate many choices and challenges to build data collection systems that suit their needs and capabilities. This brief note sets out 'CART' principles – credible, actionable, responsible (ensure the benefits of data collection outweigh the costs), transportable (generate knowledge that is relevant for different programs).

Are you David, Not Goliath?
https://ssir.org/articles/entry/are_you_david_not/goliath

Similar to the previous, focusing on what is the right fit for small organisations.

Acumen - the power of lean data, 2015
http://ssir.org/articles/entry/the_power_of_lean_data
http://acumen.org/ideas/lean-data

Lean Data is the term Acumen uses to describe its approach to 'impact' (meaning outputs, market feedback and sometimes outcomes) measurement. The approach involves two main elements:

- A shift in mindset away from reporting and compliance and toward creating value for a company and its customers
- The use of methods and technologies for data collection that emphasize efficiency and rapid response while still achieving a sufficient degree of rigor.

Acumen has been testing simple, inexpensive tools that: "should be manageable by and useful for social enterprise start-ups, who have to manage with limited resources, weak data management systems, but who want to listen to their customers and be able to respond to a dynamic environment." Core to Acumen's lean approach is the application of mobile technology – SMS texting or call centres - for rapid and low cost data collection. Experience so far indicates that in-person surveys are necessary to verify data, and may be necessary to capture outcomes.

Different methods – practical/technical issues

The Lean Data Field Guide
http://acumen.org/wp-content/uploads/2015/11/Lean-Data-Field-Guide.pdf

Useful guide, based on the lean data approach, including:

- Different types of data – including value proposition, customer satisfaction, meaningfulness (customer perception of benefit, outcomes, poverty profile - to make informed decisions;
- Framing questions and tips for implementation
- How to choose a sample size
- When to use focus groups – and how to run a focus group
- The companion document, Innovations in Impact Measurement, provides field examples, from social businesses.

http://acumen.org/wp-content/uploads/2015/11/Innovations-in-Impact-Measurement-Report.pdf

Learning from Clients – Assessment Tools for Microfinance Practitioners, SEEP Network, [undated]
http://www.seepnetwork.org/filebin/646_file_aimstools.pdf

Another seminal document, from around 2000, with sections on guidelines for implementation that are still topical and useful, including:

- Chapter 3.3-3.6 Qualitative assessments: sampling for qualitative interviews, guidelines for interviewing
- Chapter 4 E Sampling for quantitative surveys: why sample, simple random sampling, cluster sampling, stratified sampling
- Chapter 4 F-3 Analyzing quantitative data: chi tests to test significance of difference between sample segments.

FINCA, From Intentions to Outcomes: Indicators and Tools for Managing Social Performance, 2015
http://www.finca.org/files/2015/06/FINCA-MasterCard-From-Intentions-to-Outcomes-FINAL.pdf

Describes a different approach to collecting client outcomes data through periodic detailed client surveys that are analysed to derive the probability of employment effects and client goals achievement for different business sectors financed by micro-credit. Assuming similar results over three years, the findings are linked to regular quarterly reporting to track probable outcomes from the business profile of a sample of new clients. The business survey is repeated every 3 years. The article emphasizes the importance of having credible data if it is to support management decisions, noting typical issues of data quality, and the use of timely statistical methods to correct errors. More details in OWG Webinar 14.

Resources for successful PPI use
http://www.progressoutofpoverty.org/standards-use

Basic and advanced standards of use for the PPI, underlining quality and reporting issues – primarily linked to profiling client poverty at entry. Reflects key elements of the 10 STEPS, which should be applied for using the PPI to track change over time. (See also Vision Fund reference at the end of this Appendix).

Sampling – on line calculator
http://www.nss.gov.au/nss/home.nsf/pages/Sample+size+calculator

One of a number of on-line sample size calculators, which ask you to provide certain details (confidence level, population size, proportion and confidence interval – as defined in the tool) from which a sample number is generated for a quantitative survey. Note that this number is correct only for simple random sampling, (this is the only site that points this out), whereas the sample number would be higher for cluster based/purposive sampling. See previous and next reference for different approaches to sampling. And for field work, add at least 5% of the (final expected) sample number to allow for problems (such as interviews declined, incomplete or faulty data). http://www.skillsyouneed.com/learn/sampling-sample-design.html

Statistics
http://www.skillsyouneed.com/num/statistics-identifying-patterns.html

Good on-line introduction to the concepts and options for statistical tests.

Using existing portfolio data

Measuring Social 'Impact' in Microfinance: Insights from client monitoring databases, 2014
Prepared by EA Consultants, for Triple Jump
http://www.triplejump.eu/wp-content/uploads/2015/06/Triple-Jump-Impact-Synthesis-Report-FINAL.pdf

Based on cases studies of three investees of Triple Jump in Latin America (Fundacion Paraguaya, IDEPRO and Fundacion Genesis Empresarial) this is a report that goes into the detail of the type of data available in MFI monitoring databases, and the typical processes and challenges involved in collecting, storing and analyzing this data. Includes clear recommendations for best practice. ['Impact' here defined as any long-term improvements in client well-being to which the programme as plausibly contributed, i.e., outcomes in our definition].

Qualitative research

ODI, Chronic Poverty Research Centre, Briefing Note, 2011, "Life History Interviewing"
http://www.chronicpoverty.org/uploads/publication_files/4.1%20Briefing%20note%204.pdf

The CPRC has done extensive research on national data sets to analyse household poverty data over time, finding how households close to the poverty line frequently move out of and/or back into poverty. "Escaping poverty is not a one-way street; many households escape poverty only to return to it again. That is, they 'backslide' into poverty." The centre uses qualitative life stories to explore the realities and events that poor people face. The stories cover life histories, but the techniques of qualitative interviewing are relevant to thinking about outcomes.

Analysis and Reporting

AMK Cambodia, Have AMK loans helped its clients improve their overall wellbeing?
https://www.incofin.com/sites/default/files/attachments/newsitems/Change%20Study_AMK_2014.pdf

Brief presentation of results from a 5 year client change study. Provides country and FSP context as well as methodology details to introduce the positive and negative findings and clear conclusions.

BBVAMF, Social Performance Report: Measuring what really matters
http://www.mfbbva.org/informe-2015/en/pdf/wrm.pdf

BBVAMF collects and stores portfolio data from its subsidiaries in Latin America, and, after checking the quality of the data, presents the findings in graphics to show trends in business performance over time. This is a neat way to present quite complex data. As mentioned in the BBVAMF report, the next step will be to include household level information (particularly income apart from the financed business), and to segment the analysis (by geography, type of business) to capture variation.

Friendship Bridge, Opening Pathways to Empowerment, 2014 'Impact' Report
http://3dz2c5frwrhvnlv1vwy1dyp.wpengine.netdna-cdn.com/wp-content/uploads/2015/11/IR-with-updates-11.2.15.pdf

Inspiring examples of data segmentation and presentation of results, with good use of graphics.

Tracking Change over Time with the PPI: Lessons Learned from VisionFund, 2015
http://www.progressoutofpoverty.org/blog/tracking-poverty-change-over-time-ppi-lessons-visionfund

Explores the experience of MFI partners of Vision Fund in applying the PPI, with practical advice on how to strengthen data quality, and ways to contextualize the analysis of results. This blog refers to an Excel-based tool to assist in the reporting on change, that is under development.

Social Performance
TASK FORCE