

Outcomes Working Group
Webinar 8:
Sub working group
Towards a core set of indicators for
Business Outcomes

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Agenda

- Introduction – 3 sub-working groups on indicators
- Review of outcomes indicators for business outcomes, and recommended core set
- Discussion with participants

Tasks for 3 sub-working groups

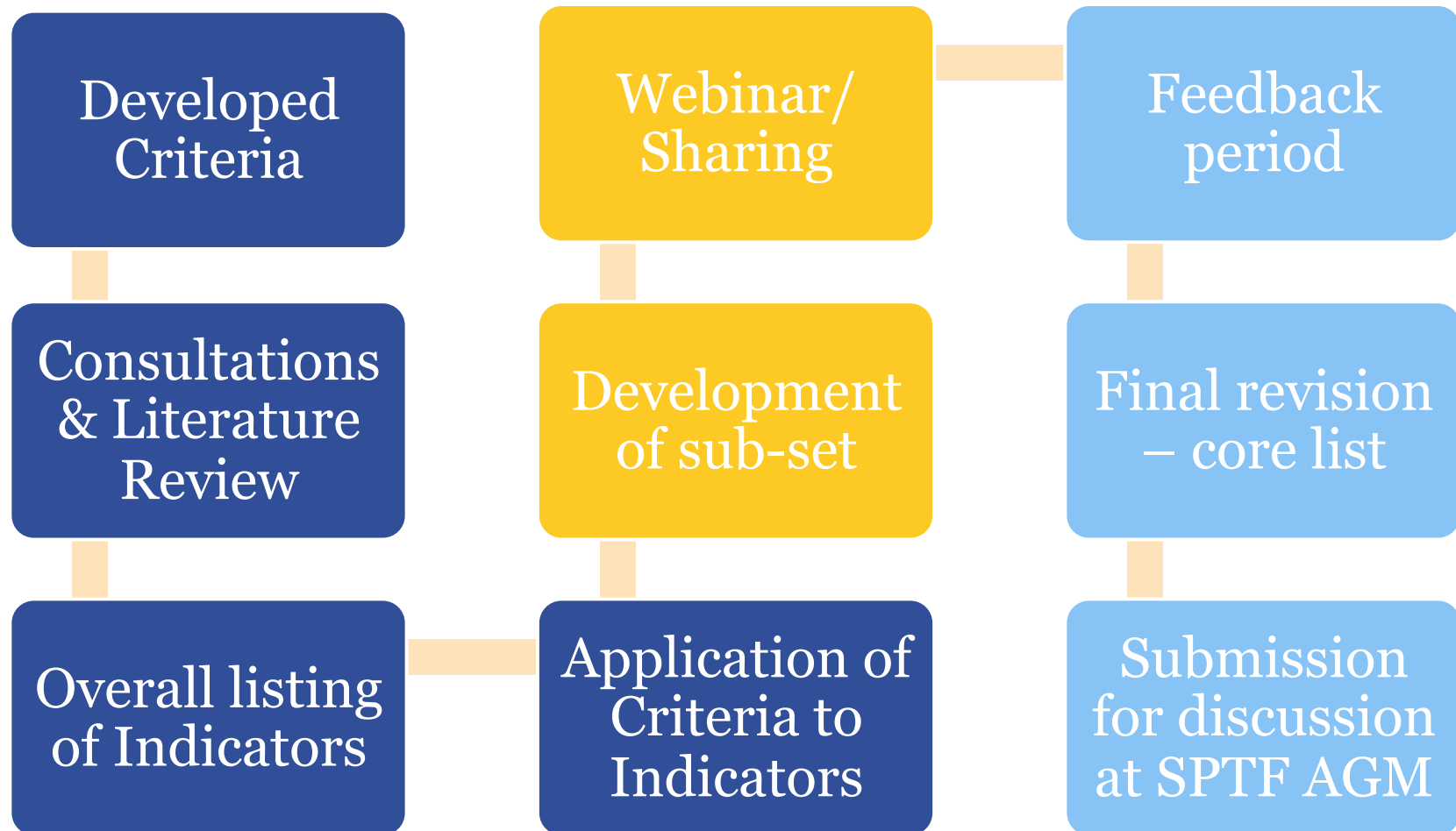
Looking at three themes:

1. Business (Bobbi Gray)
2. Economic poverty, assets, housing (Bridget Dougherty)
3. Resilience (Anton Simanowitz)

No limit to indicators in use – can we streamline?

1. Draw on the experience to date
2. Apply clear criteria to recommend a core number
3. Not prescriptive – but a guide to consider, test

Process





Criteria to select indicators

Drew on basic principles (SEEP/AIMS...)

Developed to reflect experience with HOPI (Health, FFH), and specific focus on SPM (integrated reporting, use of findings)

5 aspects

Criteria

Aspects	Issues
1 SALIENT	1.1 Key to the theme 1.2 Can be adapted to local context 1.3 Objective, can include perceptions 1.4 Short/long-term
2 USABLE	2.1 Responds to MFI intervention 2.2 Allows for change (~<60% at baseline)
3 CLEAR	3.1 Clearly stated 3.2 Meaning defined
4 FEASIBLE	4.1 Can be applied through practical tool 4.2 Specifically can be part of routine data collection 4.3 Non-complex, non-invasive, straightforward to answer – dependable results
5 COMPARABLE	5.1 May be benchmarked to national survey findings 5.2 Consistent measure over time

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Resources/Organizations Consulted

- SEEP/AIMS Impact Assessment Tool
- World Bank
- Innovations for Poverty Action
- Women's World Banking
- Freedom from Hunger
- PADME-Benin
- ESAF –India
- One Acre Fund
- SEF – South Africa
- ECLOF International
- Microfinanza Rating
- GIIN-IRIS
- Microfinance CEO Working Group (FFH, ACCION, WWB, ProMujer, Finca, Vision Fund, Opportunity International, Grameen Foundation)
- Others?



Business Indicator Themes

- Employment
- Business Assets & Business Value
- Business Sales, Revenue & Income
- Business Practices
- Attitudes & Perceptions
- Business Status/Description
- Business Resilience

Employment Indicators

Indicator	Sample Question
#/% of employees of micro or small enterprise (all)	Excluding yourself, how many employees do you have working for you, whether paid or unpaid, in your primary business? Of these, how many are family members, whether paid or unpaid?
#/% of employees of micro or small enterprise that are household/family members	Out of the total number of employees mentioned above, again excluding yourself, how many are paid a wage?
#/% of employees that are paid wage	Do you pay yourself a wage for your work in your enterprise? (yes/no)
#/% that pay themselves a wage	

Indicator check

Employment	SALIENT	USABLE	CLEAR	FEASIBLE	COMP.
#/% of employees of micro or small enterprise (all)	√	√-	√+	√	√-
#/% of employees of micro or small enterprise that are household/family members	√	√-	√+	√	√-
#/% of employees that are paid wage	√	√-	√+	√+	√-
#/% that pay themselves a wage	√	√-	√+	√+	√-

➤ Might be most applicable to small & medium-sized enterprises or for programs intentionally moving microenterprises to SMEs (otherwise, might not change quickly enough/in a meaningful way for microenterprises for management decision-making)

➤ Might need to be careful how “wage” is defined within the context.

Business Assets & Business Value

Indicator	Sample Question
Changes in structures (walls, roof, floor) of the business/farm OR % with ↑ ↓ → in structures of the business	I'd like to know about changes to your business/farm in the past year. Please tell me whether these things are the same, better, or worse than at the same time last year:
Changes in appliances or equipment used in the business/farm OR % with ↑ ↓ → in business appliances or equipment (productive assets)	
Changes in livestock assets OR % with ↑ ↓ → in livestock assets	<ul style="list-style-type: none"> • Purchased major tools (such as stoves, equipment, machinery) • Invested in structures for your marketing site (kiosk, shop)
% who have made a purchase of major tools for business	During the last 12 months, did you purchase or invest in any of the following assets for your enterprise activity/farm?
% who invested in structures for the business site	<ul style="list-style-type: none"> • Purchased major tools (such as stoves, equipment, machinery) • Invested in structures for your marketing site (kiosk, shop)
% of businesses with ↑ ↓ → in business value (including the total of stock/inventory, business cash, debts and recent capital expenditure)	This would come from loan appraisal/business appraisal documentation

Indicator check

Business Assets and Value	SALIENT	USABLE	CLEAR	FEASIBLE	COMP.
Changes in structures, appliances, livestock assets	√+	√+	√+	√+	√-
% who have made a purchase of major tools or structures for business	√+	√+	√+	√+	√
% of businesses with ↑ ↓ → in business value (including the total of stock/inventory, business cash, debts and recent capital expenditure)	√+	√+	√+	√	√-

- Many of these indicators are verifiable
- Might have to be smart in the interpretation as seasonality may affect some of these (livestock purchases, etc.)
- For organizations already assessing business value through a loan application process, business value can be used as a useful business outcome indicator.

Business Sales, Revenue & Income

Indicator	Sample Question
Average daily business sales volume	In a typical day, how much do you realize from your business? That is, what is your average level of sales volume (the amount of money you bring in)?
Average weekly business sales volume	In a typical week, how much do you realize from your business? That is, what was your total level of sales volume in the last 7 days or last week?
Average sales during good, normal, bad months	In the last year, what were the average sales in a normal month? Good month? Bad month?
% who experienced an increase in their income in past year	Over the last 12 months, has the income you have been able to earn...? (increased sig, increased somewhat, etc.)
% who experienced ↑ ↓ → in their income during the high season in past year	During the high season/harvest (ie. 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?

Indicator Check

Business Sales, Revenue & Income	SALIENT	USABLE	CLEAR	FEASIBLE	COMP.
Average daily business sales volume	√	√+	√+	√	√-
Average weekly business sales volume	√	√+	√+	√	√-
Average sales during good, normal, bad months	√	√+	√+	√	√-
% who experienced an increase in their income in past year	√	√+	√+	√	√-
% who experienced ↑ ↓ → in their income during the high season in past year	√	√+	√+	√	√-

- Main concern about these questions is recall and general inaccuracy of the report on profit, revenue, etc. (unless client can reference a register of some sort)
- Could be difficult to track over time at an aggregate level given differing business cycles (daily, monthly, annual, etc.)

Business Practices

Indicator	Sample Question
% who introduced a new product or service in last X years/months	Has your firm introduced new products or services during the last three years? Have you starting manufacturing or selling any new products in the last 3 months that you didn't previously make or sell?
% who improved an existing product or service in last X years	In the last year/ three years, has your firm significantly improved an existing product or service previously sold by the firm?
% who have introduced new business processes in last X years	Has the firm introduced new or improved existing business processes in the last year/ three years? (for e.g. a new production method, a new quality control system, a new accounting system, or a new distribution system)?
% who in last year year have invested to expand their business	In the last 12 months, have you...
% who in last year started a new business	<ul style="list-style-type: none"> • invested to expand your primary business? • Started a new business?
% of clients who either jointly or solely make business decisions	Who decides how the money (profit) realized from the business should be used / spent? (Quién en su hogar por lo general tiene la última palabra sobre cómo se usaran la ganancia del negocio?)

Indicator Check

Business Practices	SALIENT	USABLE	CLEAR	FEASIBLE	COMP.
% who introduced a new product or service in last X years/months	√+	√+	√+	√+	√-
% who improved an existing product or service in last X years	√+	√+	√+	√+	√-
% who have introduced new business processes in last X years	√+	√+	√+	√+	√-
% who in last year have invested to expand their business	√+	√+	√+	√+	√-
% who in last year started a new business	√+	√+	√+	√+	√-
% of clients who either jointly or solely make business decisions	√	√	√+	√	√-

- Many of these indicators come from a World Bank assessment of which indicators they find to be correlated to business profit across many of their studies.
- May have to be careful about assumption that the “client” is necessarily the one with the business to be able to answer these questions.

Attitudes & Perception

Indicator	Sample Question
% with ↑ ↓ → level of confidence in their ability to be successful at their business	How confident do you feel you will be successful at your business(es)? (very, somewhat, etc.)
% who are satisfied with business earnings	Agree or Disagree: " In general, I am satisfied with the earnings obtained by my business"
% with ↑ ↓ → level of confidence in ability to sell to first time customers	How confident are you in your own ability to •Sell a brand new product or service to a first time customer
% with ↑ ↓ → level of confidence in ability to manage an employee that is not family	•Manage an employee who is not a member of your family.
%with ↑ ↓ → level of confidence in ability to design a product or service for a new opportunity	•Have the skill to design a product or service to meet a new market opportunity.

Indicator Check

Attitudes and Perceptions	SALIENT	USABLE	CLEAR	FEASIBLE	COMP.
% with ↑ ↓ → level of confidence in their ability to be successful at their business	✓	✓-	✓-	✓+	✓-
% who are satisfied with business earnings	✓	✓-	✓-	✓+	✓-
% with ↑ ↓ → level of confidence in ability to sell to first time customers	✓	✓-	✓-	✓+	✓-
% with ↑ ↓ → level of confidence in ability to manage an employee that is not family	✓	✓-	✓-	✓+	✓-
%with ↑ ↓ → level of confidence in ability to design a product or service for a new opportunity	✓	✓-	✓-	✓+	✓-

- These are subjective measures but can be useful as proxies.
- May have high baseline measures given some overconfidence of new business owners.

Business Status/Description

Indicator	Sample Question
Business registration	Is your primary business registered at the local or national level or do you have a permit?
Business location ownership status	Do you own or rent your primary business premise?
Place of sales	Where is your place of sales? 1. Fixed location 2. Mobile business 3. Sales according to orders 4. Transport business 5. Other:
Ownership status of business	Is this enterprise activity...? (Read answers and enter only one.) 1 = Primarily your own 2 = Primarily a household enterprise 3 = A business partnership with others not in your household

Indicator Check

Business Status/ Description	SALIENT	USABLE	CLEAR	FEASIBLE	COMP.
Business registration	√-	√	√	√+	√
Business location ownership status	√-	√	√	√+	√
Place of sales	√-	√	√	√+	√
Ownership status of business	√-	√	√	√+	√

- Main concern is ability to differentiate among various businesses/income generation activities when it comes to establishing registration, ownership, etc.

Business Resilience

Indicator	Sample Question
Amount of time client has had what she considers to be her primary business	How long have you had your primary business?
# of businesses /self-employment activities	How many self-employed activities do you have? (agriculture, livestock, small business, etc)

Indicator Check

Business Resilience	SALIENT	USABLE	CLEAR	FEASIBLE	COMP.
Amount of time client has had what she considers to be her primary business	✓	✓	✓	✓	✓
# of businesses /self-employment activities	✓	✓	✓	✓	✓

- Not a lot of experience here yet, except for longevity of a business and diversification. Some “business resilience” questions might be covered best by “resilience” indicators in general (see upcoming webinar on Resilience indicators)

Next Steps

- Please provide input/experience/indicators if you have them
 - share survey instruments,
 - Share experiences in applying any of these that might suggest they could be less or more successful than indicated in this version
 - Comment period until April 15. Please send comments directly to Bobbi Gray at bgray@freedomfromhunger.org

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Thank you

- For follow up, please contact: info@sptf.info, francesinha@edarural.com
- Please note: presentations and recordings from all Outcomes Working Group Meetings are being posted to the SPTF website, working groups page:
<http://sptf.info/sp-task-force/working-groups>