Social Performance Task Force®
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MENTORING: Practical Wisdom in Focus

Sometimes change requires a change agent. For financial institutions (FIs) committed to embedding social performance management (SPM) into their operations, a mentor—someone who will listen, offer guidance, build understanding and buy-in, sustain the focus, and hold the institutional accountable to its own commitments—can make all the difference.

ABOUT THE GUIDE

SPM can at first appear overwhelming, with its tools, dimensions, and terminology. Mentoring cuts through the complexity with a powerful approach to help FIs identify priorities and make a solid plan.

Mentoring Social Performance Management (Simanowitz, May 2015) is the new comprehensive guide to support those efforts. Developed by Oikocredit with support from CERISE, Terrafina Microfinance, and the SPTF, the Mentoring Guide is a comprehensive roadmap for effective mentorship. It helps both parties—the individual mentor and the mentee institution—set clear and realistic expectations. Then it walks them through the steps in the mentoring process, provides extensive annexes with templates for progress reports and assessments, and presents real-world case studies.

For each step in the five-step mentoring process, the Guide details:

- **Whom to include**—the FI staff to include in completion of the step
- **What to include**—the SPM content to cover and the actions to take
- **Time frame**—the estimated time necessary to complete the step
- **The mentor's role**—how specifically the mentor should expect to support the FI during the step in question
- **Resources**—the tools available to help with completion of the step in question

The Guide's mentoring approach has been used in nine countries throughout Africa, Latin America, and Asia. Its contents draw on the practical experience of more than 20 FIs.

What is a mentor?

A person hired by an FI to act as trusted confidante, counsel, and point person for the SPM effort.

What does a mentor do?

A mentor guides an FI through the process of identifying priorities, planning and implementation. He or she facilitates the discussions and planning sessions, guides the development of an action plan, and identifies and supports resolution of pain-points through the process. The mentor guides the FI through a five-step process (see reverse), tailored to the institution's specific needs.

What skills and qualities make for a good mentor?

Successful mentors have a good general grounding in organizational development. They know how to work with and relate to people at every level of an organization, from the board and CEO to the client-facing field staff, to the clients themselves. A successful mentor will possess a working knowledge of the Universal Standards (see graphic) which set forth best practices in SPM for microfinance providers. He or she will also have experience conducting strategic planning exercises for FIs. Mentors do not necessarily need to be SPM experts. Some may be technical assistance providers in areas such as human resources, governance, market research, organizational development, or product development. But whether the mentor's personal expertise lies in SPM or a different discipline, the end goal is the same: to enable the FI to integrate SPM as part of core business.

"Guidance" is part of a series of short topic-specific bulletins produced by the Social Performance Task Force to inform its membership and other interested parties about key developments. Your comments are always welcome.
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Mentoring (cont'd)

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FYI

The Mentorship Guide is not a substitute or an alternative to the Implementation Guide (see Issue 2 of this series). They are two different products with different jobs and audiences. The Implementation Guide, written primarily for FIs, describes the Universal Standards in detail and explains how to put them into practice. The Mentorship Guide, although of interest to other audiences, was written primarily for individual mentors to support their work. Mentors work with their mentee institutions to set priorities and make an action plan. It is at that point—when there is an action plan in place—that the Implementation Guide becomes a key resource.

The importance of buy-in. Like most important things, SPM requires sustained commitment and seriousness of intent. But because SPM can seem daunting, visible buy-in from the top is critical. For example, one mentor working with a Latin American institution reported that immediately after the orientation workshop, the CEO asked her Client Service Manager about the number of complaints received per month. Upon hearing that it was around six, the CEO decided to set up a monthly breakfast meeting with clients who complained to better understand their perspective.

When should a financial institution engage a mentor?

Usually when they are **motivated to improve their SPM practices but need guidance. A mentor can identify how SPM can improve the organization's effectiveness and efficiency, prioritize what will really make a difference, and develop an action plan.** Some FIs need help building the momentum to get started. They may have a motivated management team who need help understanding how SPM can address pressing challenges such as high PAR or low staff satisfaction, as well as creating value for clients.

FIs may engage a mentor after they have **started to improve their SPM but have found it difficult to maintain energy or focus for it**. The mentor can help the organization build SPM into the business plan, and ensure that SPM does not become just another item on a crowded to-do list. A mentor may also provide extra confidence for institutions who are keen to go deeper with SPM but fear they lack the knowledge or skills. Other FIs may be running into financial barriers and may need a mentor to provide ideas on low-cost, high-impact SPM.

How can a financial institution engage a mentor?

FIs can ask their national or regional networks, associations, and even funders to get recommendations for technical assistance providers. The Social Performance Task Force also maintains a database on TA consultants. Then once the consultant has been selected, he or she can use the new Guide as a resource for the mentorship approach.

How it works

The Mentorship Guide outlines a **five-step process** that a mentor will adapt to the particular needs of the FI.

Step 1—Orientation

The mentor will introduce the FI (including the board, if desired) to the importance of SPM and will discuss the FI's objectives for the mentorship process.

Step 2—Assessment

The mentor will lead a self-assessment during which the institution discusses their SPM goals and opportunities to better meet these goals. The mentor will involve management, the board, staff, and clients in this facilitated dialogue.

Step 3—Prioritization of Quick Wins and Action Planning

The mentor will present a long list of possible SPM actions, and will work with management to narrow it down to a few priority actions. The mentor will then help to create a 9- to 12-month action plan.

Step 4—Implementation

FI management will oversee the implementation of the action plan, probably using the Implementation Guide as a key resource (see "FYI" to the left). The mentor will simply ensure that staff are coached and supported through regular meetings or phone calls. The mentor will seek to address any impediments to fulfilling the action plan, adjusting the plan if necessary.

Step 5—Review of Implementation

Mentors with particular expertise in SPM may also provide technical assistance (e.g., helping to write a new policy or designing a staff training) during the implementation stage. However, it is important that the staff understand that ultimate responsibility for SPM rests with them, not with the mentor.

The mentor will help the FI reflect on the progress achieved during implementation and discuss next steps.

ONE REAL-WORLD EXAMPLE In 2010, an FI in Uganda was losing clients, staff, and money. Its products ignored client needs, and its poor service created high levels of complaints and defaults. It also had a bad reputation for the abusive practices of its external debt collection agency. While participating in Oikocredit's SPM Mentoring Program, the institution changed its service design and staff incentives, revised its insurance offering, and introduced new credit and savings products better aligned to client needs (including a high-yield savings account for clients wanting to save to buy land or build a house). The institution also overhauled its client grievance system and its debt collection. By 2012, the institution had doubled its loan portfolio, opened nearly 28,000 savings accounts, and been voted "the most trusted MFI in the country" in an independent national survey. *See ea.oikocredit.coop/case-study-ugafode for the full case study.*