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# Planning Research to assess social performance

## GUIDANCE FOR MANAGERS

### Imp-Act

is a global action research programme designed to improve the quality of microfinance services and their impact on poverty. **Imp-Act** promotes the development of reliable social performance management systems, which include impact assessment. These systems reflect and respond to client needs, as well as the priorities of microfinance institutions (MFIs) and their stakeholders. The programme is a collaboration between 30 MFIs in 20 countries and a team of academics from the UK universities of Bath and Sheffield, and the Institute of Development Studies, Sussex University. The **Imp-Act** programme was initiated by the Ford Foundation, which funds all **Imp-Act** activities.

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## Why plan social performance research?

**I**N ORDER TO KNOW whether they are achieving their social goals and how to manage for social performance microfinance institutions (MFIs) need to find out:

- 1 Who uses the programme's products and services? Who does the programme exclude?
- 2 Why and when do clients leave the programme or fail to fully utilise the available services?
- 3 What is the effect of the programme's products and services on current clients?

(See *Imp-Act* Practice Note 9 on social performance management)

MFIs can answer these questions. Some may have the in-house skills; others may choose to develop the skills and capacity to do so. Work with 30 *Imp-Act* partners has demonstrated that this is possible.

### How can this Practice Note help you?

This Practice Note guides MFI managers through nine steps in this

planning process. In starting to undertake such work, the key to success is careful planning. Before investing time and money in a research project, an MFI chief executive officer and her/his managers need to think about what they want to know and what resources they have. They also need to start on a small scale and take time to develop the skills of their staff to manage and implement the research.

The Practice Note leads you through:

- The decisions you will need to make about your approach to social performance research
- The best tools for your specific purposes
- The most effective ways to ensure that the information is analysed and used to improve your services.

**Section one** of this Note guides you through planning processes, and **Section two** provides a review of tools you may wish to use as part of your research.

# SECTION ONE The Nine-Step Planning Process

## 1 Decide on your objectives for the work

Measuring social performance is about monitoring and assessing whether the institution's social mission is being effectively translated into practice. While financial performance is now well understood, developments in the microfinance industry are showing that retaining clients and attracting new ones depends on the institution's ability to meet their needs and help them maximise the benefits they seek from using the products and services on offer. Those MFIs who pay attention to their mission to improve the lives of poor people are likely to improve their financial bottom line as well.

### Decide what information you need and why

When starting to monitor and assess the social performance of your MFI in relation to its social mission, it is very important to be clear about what information is needed and why. This means being clear about the social performance questions to be answered. The three questions mentioned above are generic ones and can incorporate a number of sub-questions. The way you define each question will be driven by the objectives contained within your social mission.

1 Who uses the programme's products and services? Who does the programme exclude?

These lead to sub-questions such as:

- What is the profile of current clients in

terms of indicators of gender, age, location, marital status, etc.?

- What is the profile of clients in relation to indicators of income or wealth?
- What reasons do those who are not clients, but who are in the target group, give for not joining?

2 Why and when do clients leave the programme or fail to fully utilise the available services?

- What is the profile in terms of age, gender etc. of clients who have left the programme?
- What reasons do those who have left give for leaving the programme?
- How satisfied are the current clients with the services on offer?
- What do clients who use services in a limited way say about the services?

3 What is the effect of the programme's products and services on current clients?

- What changes are occurring in clients' lives and livelihoods?
- What is happening to their incomes?
- What is happening to their businesses?
- What changes are occurring in their health and education status?

These are examples of the many questions that can arise. When starting out to plan the research it is essential to identify a small number of questions in order to ensure that the research remains focused, and that all the information that is gathered can be used. Even focusing on just one of the questions laid out above may be a good starting point for many MFIs. Case study 1 gives the example of CARD, which identified three questions for a particular piece of social performance research.

## 2 Decide what resources are available to undertake the research

Before starting to plan the research it is first necessary to know who will lead and manage the work within the MFI. This needs to be someone who is sufficiently senior to make decisions and access resources and it will be an advantage if they have some interest or past experience of this type of work.

The board and/or senior management must also decide:

- How much money they are prepared to invest
- What involvement staff will have in doing the work.

These are critical decisions which need to be made so that the individual managing the research can decide how best to approach it.

### Why build staff research capacity?

Deciding who will be involved in doing the work is an important decision as there are a number of options:

- A small group of staff members may be given the chance to develop their skills. This will help to build organisational capacity to do the work in-house.
- A large number of staff might be involved in tasks of data collection or analysis in order to improve their understanding of the issues and increase their effectiveness in dealing with

### CASE STUDY 1

**CARD** branches, in the Philippines, participated in a workshop on client assessment techniques that aimed to build staff skill and capacity to systematically solicit client information through focus group and short surveys, and to analyse the operational implications of this information. Three specific operational issues were explored through client interviews and staff analysis:

- Who is being reached by CARD services in terms of poverty level?
- Why do members leave CARD?

- What factors hinder CARD members from taking and profitably using larger loans?

In each topic area, client comments provided considerable and detailed insight into the dynamics important to programme success, in terms of both financial performance and impact. The staff's own analysis of the client information identified areas of learning, as well as specific recommendations for follow-up action. The Research Unit Director identified a number of ways that she believed the workshop built

important staff skills and institutional capacity. In her mind, a real benefit of the workshop was to give staff the opportunity to really listen to clients and learn about their actual experiences.

Staff spend a lot of time in the field with members, but this does not necessarily mean that they have the opportunity and the time really to listen to their opinions. Those participating in the workshop said that what they had learned in the workshop would help them to work better with clients.

## BOX 1 ADVANTAGES AND DISADVANTAGES OF IN-HOUSE AND CONTRACTED-OUT RESEARCH

clients, thus enhancing their productivity.

- External researchers or consultants might be employed to support skills development and undertake work that cannot be done within the organisation.

When considering the advantages and disadvantages of who does the work, there are a number of points to consider (see Box 1).

### Benefits of involving staff

A main concern is the opportunity cost of staff time and whether this leads to increasing productivity for the institution as a whole.

The benefits of involving staff are:

#### Improving knowledge of clients which enables them to do their jobs better:

Loan officers rarely have the time within their work schedules to learn how to listen to clients and there can be many advantages in training them to do this, such as giving them the chance to learn more about clients' lives and gather information that will result in better, more sensitive work (Case study 1).

#### Ensuring information is valid and useful:

Involving staff in data collection means they will have a better idea of whether clients are being honest. It also offers a formal process which can structure and validate their existing knowledge. They will be in a better position to ensure that information is fed back into the organisation. This is particularly valuable when staff at different levels of the organisation are involved.

#### Turning findings into effective changes:

External consultants are often able to see a situation objectively and question findings in a critical way. However, they may have a limited understanding of the pressures and constraints involved in running an MFI and be less able to turn their findings into effective strategies for making changes to the programme.

### Drawbacks

#### Staff need training in interview techniques:

Collecting good quality data requires sensitive interviewing and probing both with groups and individuals. Without careful training in these, the information collected may be very biased – in other words, it might be affected by what those collecting the

### In-house

#### BENEFITS

- Allows the people who understand and care about the institution and its social mission to run the process
- Provides essential learning opportunities for senior management as they adopt a more client-led agenda for microfinance
- Provides important experience to MFI staff which can enable them to do their jobs better
- Allows staff to learn from the issues researched
- MFI staff are likely to be better equipped to draw appropriate conclusions from the results.

#### DRAWBACKS

- Requires special skills to plan, design, implement, analyse and report research
- Staff may take time to learn the skills and be inefficient and ineffective in doing the work
- Staff come with biases/ history with the clients.

### Contracted-out

#### BENEFITS

- Ensures maximum professionalism
- Saves the MFI time
- Will result in analysed data and a report ready for presentation.

#### DRAWBACKS

- Consultants who are academics may have greater requirements for rigour than the MFI in fact wants and often do not deliver results in a timely manner for use in making changes to an MFI
- Commercial market research consultants often have little or no understanding of the sector within which MFIs operate
- MFIs are often 'low-value' clients to market research and consultancy companies and thus are often neglected or given poor service
- If the market research company is good, it will probably be expensive.

**Source:** adapted from *Microsave's 'Market Research and Client Responsive Product Development'* (see Resource section)

information know or believe. Biases need to be considered both in data collection and analysis.

#### Staff need training in research design, data handling, analysis and report writing:

These are all essential skills for the work that take time and money to develop, and the investment will be lost if staff leave.

### Decide what is best for the organisation

There is no single "best way" to do the work. Rather it is important to test different approaches and decide which ones have resulted in useful, timely, and cost-effective information generation.

## 3 Plan the research

Before data collection can take place, it is essential to plan the research. There are three main stages in planning the work once the decisions have been made about its objectives and the resources available:

#### 1 Design:

- Selecting, adapting and pre-testing tools
- Agreeing the methodology for using

the tools, including sample size and selection (see Practice Note 4 on using surveys)

- Training staff in tool use
- Preparing detailed plans for data collection.

#### 2 Data collection:

- Putting data collection plan into action.

#### 3 Analysis and report writing:

- Data cleaning and entry
- Data analysis
- Report writing.

The next sections discuss some of the aspects of these activities of which managers need to be aware.

## 4 Decide what type of information is needed

Different research methods produce different types of information and can be used in different ways to answer social performance questions. Qualitative methods generally offer greater descriptive detail and the opportunity to explore particular clients' circumstances along with the situations they face. Quantitative methods provide an overview of clients' lives and livelihoods and the changes that have occurred as a

result of the programme. A good research plan will combine both methods to gain a full picture of the performance of both the clients and the MFI (see Box 2).

Research methods can be categorised into three broad types:

- **Quantitative information on individual clients** usually collected through a **survey** tool, which asks pre-set questions with short answers. This can be used to make general statements about the outreach and impact performance of the programme. Statistical analysis is usually applied to this data, producing numbers and graphs that illustrate broad patterns but don't indicate why certain things are happening (see Practice Note 4 on surveys).

- **Qualitative information on individual clients** usually collected through **in-depth interviews** or case studies, which involves asking clients "open" questions that can be answered in a variety of ways (see Practice Note 2: 'QUIP: Understanding clients through in-depth interviews'). These produce information in the form of words and narratives. They offer detailed insights into the way that clients are using the services and how different impacts may be occurring.

- **Qualitative information collected with groups** through tools such as **participatory rapid appraisal (PRA)** or **participatory learning and action (PLA)** techniques. These also produce information in the form of words and narratives. However since they are gathered from a group, this information cannot be treated in the same way as when it is directly from individuals. This is because the material represents a number of different views that may not reflect the experience of any particular individual. It is also important to distinguish between:

1. PRA techniques that involve participants in generating information but do not involve them in a systematic or on-going way in analysing or using it
2. PLA techniques that involve groups in data collection, analysis, reporting and planning as a key feature of programme design. PLA tools are specifically intended to expand programme participants' skills, ownership and capacity in planning, implementing, monitoring and evaluating their own initiatives.

## BOX 2 QUANTITATIVE AND QUALITATIVE METHODS COMPARED

### Quantitative methods

are useful for making representative and general statements about the performance of the programme, that is:

- Assessing who the programme is reaching in terms of particular poverty measures, or specific programme objectives
- Making statistical comparisons between different groups or types of clients or locations
- Attributing change in clients' lives to participation in the programme using statistical techniques
- Assessing whether a type of impact, client concern or other factor identified through qualitative methods is relevant or applicable to a wider population.

#### They are useful when:

- The programme reaches a large number of clients
- The purpose of the assessment is to make statements about impact which are generalisable to a population larger than those interviewed.

### Qualitative methods

are useful for examining topics in depth, that is:

- Understanding why and how clients behave as they do and why and how changes occur in their lives (impact pathways and processes)
- Enabling clients' perspectives on participation in the programme and the effects of this be recorded
- Enabling intangible aspects such as self-esteem, confidence and gender relations to be captured
- Enabling unanticipated consequences of the programme to be captured
- Helping to clarify and interpret findings from a survey, especially through an understanding of the broader context in which clients are living and the financial services they are using
- Enabling clients to examine, explain and learn from their own experience
- Allowing clients to give their own views of what has changed and why.

Source: adapted from Barnes and Sebstad (2000)

## CASE STUDY 2

**Covelo**, a network of MFIs in Honduras, implemented all five of the SEEP/AIMS tools over the three years of the *Imp-Act* programme by carrying out one every six months as follows:

1. Exit survey
2. Client satisfaction focus groups
3. Loan and savings use strategies over time
4. Client empowerment
5. Impact survey

The assessments were conducted in this order because Covelo wanted to start with the tools most likely to be of immediate operational benefit. These tools were also seen as easier for staff to implement and so would build confidence, skills and credibility. Putting the impact survey last ensured that the questionnaire could

incorporate findings and test hypotheses – expectations about the effect that providing the services had on the clients – based upon the earlier qualitative studies.

**CAME**, an MFI in Mexico City, had a different strategy. They did not have much baseline information available, so they decided to start with impact and loan use interviews. This was appropriate as it provided a broad framework of information from which they could work. CAME staff were initially less convinced about the value of qualitative data collected through focus groups. This feeling changed once they had done the survey, which was followed up with focus groups on client satisfaction which addressed issues that had emerged from the survey.

### Choosing the right methods for the purpose

**How will reasons for changes be assessed?** One of the key issues to consider when seeking to understand whether changes in client's lives are due to the financial services offered by the

MFI is that of attribution. Attribution means being able to make statements about the cause of changes that have been observed in the lives of clients. Quantitative analysis can offer statistical links between cause and effect. On the other hand, qualitative methods are particularly valuable for understanding



the steps between the client's receipt of a loan, through their use of it, to the outcomes that result. These are known as impact pathways.

**Think carefully before conducting a survey:** A survey is often a method that MFIs think will be the most useful for understanding the overall situation of clients. However, the experience of partners in *Imp-Act* suggests that quantitative survey work is hard to do well and is much less likely to produce results that are useful for managers in making operational decisions in a timely and cost-effective way. It can therefore be a more difficult place to start than qualitative research. Weigh up the benefits and drawbacks. A qualitative approach may be better and produce information that can be used immediately (see Case study 2).

**Decide how to cross-check the information:** There are a number of ways to ensure the quality of qualitative data collected. Quality control is essential because sample sizes tend to be smaller than for quantitative surveys and are often not chosen randomly. One of these is to use different types and sources of qualitative data to cross-check or triangulate findings. This means that the same issue may be explored:

- With different types of respondents: men, women; rural, urban clients; younger, older clients; and their responses compared to see what the similarities and differences are
- Using more than one tool, for example, by using individual in-depth interviews and group discussions, and comparing and contrasting the results
- By different researchers in the team who may have different backgrounds, so that the results are not affected strongly by one particular research method.

## 5 Decide what tools to use

Once there is clarity over the research objectives and the type of information to be produced, the next step is to consider the research tools that can best meet these requirements. MFI managers often think that once they have chosen a particular tool, applying it is a fool-proof approach to gathering useful and reliable

information. Unfortunately this is not the case and – as with all tools – the way they are used determines the quality of the results. There is no single “right” way to do the work. The tools you use will depend on the needs of your MFI and your research goals. In addition, tools need to be adapted to the context in which your MFI is working and the particular questions being asked. See section two for a brief overview of some of the main tools.

For example, the objective might be to know about who uses a particular product or service, or what they think about it; or a concern about how clients are managing aspects of their health or children's education. In each of these cases, it is essential to spend enough time adapting and pre-testing the tool to make sure that the tools help answer your question – see Box 3.

## 6 Selecting the sample

A key issue in the research will be deciding on the approach to sampling and the sample size. This is an important issue and managers must get advice from experts about this. The number of individuals or groups to be interviewed will depend on budget and resources available, the objectives of the work and the type of information to be produced. As a rule, it will be necessary to select quite large sample sizes for survey work (usually at least 100 respondents) and smaller samples (e.g. less than 30 individuals or groups) for

qualitative techniques. There are also different sampling approaches and techniques that must be used with these different types of tools. These decisions must therefore be made carefully in the light of all the above considerations. Practice Note 4 on surveys offers more detailed advice on choosing samples for your research.

## 7 Respect the privacy of clients

Clients have a right to privacy which must be respected when collecting data. Don't just assume that they will want to answer detailed questions about their lives. You are responsible for protecting the rights, privacy and interests of respondents, and you need to assess the potential risks and costs that might be involved in the process.

It is essential therefore to clearly and carefully explain to clients:

- The purpose of the research
- The anticipated consequences of the study
- Possible benefits or harm that may arise
- The way in which the data will be used
- How the data will be recorded and stored
- The degree of confidentiality which they will have.

Box 4 overleaf offers further guidance.

### BOX 3 ADAPTING AND PRE-TESTING TOOLS

**Adapting** the tool means:

- Removing questions that are not relevant to the key issues being researched
- Adding questions which focus on the issues of concern
- Changing or modifying questions to make them appropriate to both the interviewees and the social and cultural context.

**Pre-testing** involves using the tool with a small number of clients or groups. In pre-testing, it is necessary to ask:

- Are the questions understood by both the interviewers and the clients?

- Are their answers useful?
- Are the answers different to what was expected and is it necessary to change the questions?
- Are the interviewers able to record information easily?

Tools need to be pre-tested extensively and thoroughly. In particular, open-ended questions used in qualitative research have to be extremely focused and well-understood by those researchers collecting the information. In addition, answers need to be recorded in a uniform way.

## BOX 4 GUIDANCE FOR RESPECTING CLIENTS WHEN DOING RESEARCH

### DON'T:

**Waste people's time:** While programme participants may be willing to help, interviews may be taking their time away from income-generating activities. This is especially difficult if people who are not involved in the programme are being interviewed. You should think about whether you need to give something in return for people's time, such as refreshments or a small payment.

**Raise expectations:** The people interviewed may expect to benefit directly from the research or to see immediate changes in the programme. It is important to explain to them what might happen as a result of the information that they give. Otherwise there may be some very disappointed clients who might leave if nothing happens.

**Create conflict within the household:** Interviewers should be aware that a husband might not know of his wife's involvement in the programme and might be angry when he finds her being interviewed without his consent.

### DO:

Have a policy on confidentiality that describes how to:

**Keep records of interviews**

**carefully:** File them anonymously so

that only particular staff members can trace the data back to named individuals. If data on clients is going to be stored in the organisation's MIS and not be anonymous then clients should be told this when it is being collected.

**Make sure the information is used responsibly:** For example, don't use it to persuade a client into a particular course of action. If information is used in this way, it will become increasingly difficult to collect accurate and useful information from clients.

**Use information about staff**

**conduct:** Clients may report behaviour by MFI staff of which they disapprove. It is important to find out about this; the ways in which such information will be recorded and reported must be clear at the outset, especially to staff. In survey work, this information can be reported without names being attached and the general issue can be raised with management. If the issue is of sufficient concern then managers need to find an alternative means through which clients can report specific cases of staff misconduct.

**Be careful how clients' stories are used:** Clients' stories are useful for marketing and publicity – with their names and photos. However, this can only be done if the individuals have given their consent.

culture of questioning and reflection is necessary to support effective analysis. Looking only for positive evidence to support the claims of the organisation will not ultimately assist the MFI to learn about its customers and improve its services. Senior managers and directors who are keenly interested in questioning performance and evaluating the evidence can support the development of this capacity.

## 9 Write the report

Adequate time must be allowed to analyse data collected and report on the findings. Staff who have the skills to do this work are often in positions where they are expected to produce other types of reports and analysis for senior management. As a result, once the fieldwork is done and they return to the office, writing the report often gets delayed as other responsibilities take over. This can be frustrating as it results in slow feedback to staff and clients who have participated.

**Decide on the audience:** The first issue is to be clear about whom the report is intended for. It might be necessary to write separate reports for the board, the CEO and the operations manager, as they have different informational needs.

**Give preliminary feedback:** Rather than waiting for the report to be finalised, think in terms of planning a preliminary feedback session to senior management in order to share preliminary findings and subject them to scrutiny before the final report is written.

**Make sure reports are short and focused:** Writing short reports that are useful for decision making is more difficult than writing long ones:

- Research focused on one issue should be reported in two pages only: Provide a statement of the issue; the recommendation; comments on the impact of the recommendation and the implementation plan (see *Imp-Act* Practice Note 1 on the feedback loop)
- Research on a number of issues should be no more than 10 pages: busy managers might not have time to read long reports. Make sure to put only essential information in the report; supporting details can be included in annexes.

## 8 Analyse the data

There are important issues to be addressed in planning and implementing the analysis stage of the work. Experience of *Imp-Act* partners has shown that this can be a stage where work slows down and sometimes stops completely. Therefore it is important to decide how to carry out the following:

**Transcribing interview responses**

**onto a database:** This means organising who and how interviews will be typed up or survey questionnaires will be entered into a statistical database for quantitative results (see *Imp-Act* Practice Notes 2 on the QUIP and 4 on surveys). This is a stage that requires good management and its organisation should be planned before the data collection is started.

**Build skills for analysis within the organisation:** This is necessary but

takes time and resources. It will be necessary to train a small number of staff to develop skills in this area in order to lead the work in the organisation. At first it may be necessary to involve the assistance of an external consultant. These skills require experience and practice and will take time to accumulate.

**Form staff groups for analysing**

**data:** Make sure staff from different levels of the organisation are involved. This helps build ownership of the findings and bring different perspectives to bear, which can enrich understanding and follow up of the findings.

**Encourage staff members to reflect**

**on the information:** Good analysis is about being able to look for a range of possible explanations of the findings – some of which are less obvious than others – and to evaluate these against the evidence available. An organisational

## SECTION TWO

# Selecting tools: matching tools to needs

THERE ARE A number of tools that have been specially devised for research in the microfinance sector and which are now used extensively. This section briefly describes each tool, classifies it in terms of the type of

information it produces, and indicates which of the social performance questions it is mainly intended to answer, and some key points to consider in using it.

The three main social performance

questions that MFIs need to research, noted earlier in this note are set out below, matched with the tools that could be used in addressing the questions. Further information on each tool is then provided below.

### BOX 5 MATCHING TOOLS TO QUESTIONS

| Social performance question   | Tools designed primarily to answer this question  | Tools which also generate information useful to this question                              |
|---|---|--|
| 1. Who uses the programme's products and services?<br>Who does the programme exclude?           | No. 9: CGAP Poverty assessment tool   | No. 1: SEEP/AIMS Impact survey<br>No 8.1: <i>MicroSave</i> simple /detailed wealth ranking |
| 2. Why and when do clients leave the programme or fail to fully utilise the available services? | No. 2: SEEP/AIMS Client exit survey<br>No. 3: SEEP/AIMS Loan and savings use strategies over time<br>No. 4: SEEP/AIMS Client satisfaction tool<br>No. 8.2: <i>MicroSave</i> Product attribute and relative preference ranking; trend analysis | No. 6: QUIP<br>No. 7: Focus group discussions  |
| 3. What is the effect of the programme's products and services on current clients?              | No. 1: SEEP/AIMS Impact survey<br>No. 3: SEEP/AIMS Loan and savings use strategies over time<br>No. 5: SEEP/AIMS Empowerment tool<br>No. 6: QUIP  | No. 8.3: <i>MicroSave</i> Time series of asset acquisition/ownership/crisis                |

### SEEP/AIMS tools

This refers to a set of five tools developed by SEEP under USAID's AIMS project. They are available in 'Learning from clients: assessment tools for microfinance practitioners', available at: [www.microlinks.org](http://www.microlinks.org) or [www.seepnetwork.org](http://www.seepnetwork.org). The tools are designed to complement each other and can be used as a set or separately. The tools are:

#### No. 1: SEEP/AIMS Impact survey

**Type of tool:** Quantitative information on individual clients.

**Description:** The primary purpose of this tool is to generate statistically valid information on the changes arising in the lives of clients as a result of the programme by exploring specific hypotheses about those changes. See *Imp-Act Practice Note 4* on surveys for a detailed discussion of generating statistics and developing hypotheses.

#### No. 2: SEEP/AIMS Client exit survey

**Type of tool:** Quantitative information on individual clients.

**Description:** This tool is specially

designed to ask those who have left a loan programme about their experience. See *Imp-Act Practice Note* on exits for a more detailed discussion.

#### No. 3: SEEP/AIMS Loan and savings use strategies over time

**Type of tool:** Qualitative information on individual clients.

**Description:** This tool asks clients the use to which s/he has put each loan s/he has received in relation to her/his economic strategies. By documenting these uses and choices, the tool allows the MFI to understand how client's decisions change over time, how their business evolves, and what decisions they make about how to use loans, savings and profits. It allows an understanding of the relationship between the client, her/his household, the enterprise and her/his assets and expenditure decisions, thus revealing their financial strategies.

#### No. 4: SEEP/AIMS Client satisfaction tool

**Type of tool:** Qualitative information with groups (PRA).

**Description:** This tool is designed around a focus group discussion (FGD) which enables MFIs to learn the extent to which clients are satisfied with the programme and what specific changes they think would enable it better to meet their needs. It produces detailed information about what clients like and dislike about the programme and its features. They are also asked to give recommendations for changes and to vote on these. This information is immediately useful to management in considering how to make changes to product features and delivery mechanisms.

#### No. 5: SEEP/AIMS Empowerment tool

**Type of tool:** Qualitative information on individual clients.

**Description:** This tool is designed for clients who have been in the programme for more than one year, and asks the client to identify differences in her behaviour between the past and the present. The tool can be implemented using two different methods. The first involves the client drawing pictures of



herself in the past and in the present, and then the interviewer asking probing questions about the differences between her pictures. The second method is an open-ended interview.

## Other tools

### No. 6: QUIP

#### (Qualitative in-depth individual impact assessment protocol)

This tool has been developed by the *Imp-Act* programme to enable practitioners to use semi-structured interviews more systematically in relation to social performance assessment. Guidance on conducting these can be found in *Imp-Act* Practice Note 2 on the QUIP.

**Type of tool:** Qualitative information on individual clients.

**Description:** This tool is designed to give clients the opportunity to tell their own story and to speak openly and in detail about how services received have affected them. It is an in-depth interview that can be adapted to explore questions of particular interest to the MFI, as well as to explore reasons for differences in the experience of clients in the programme.

### No. 7: Focus group discussions (FGDs)

Discussions with groups can be used for a wide range of purposes and help to answer any of the above social

performance questions – the client satisfaction tool of SEEP/AIMS is an FGD designed with the purpose of finding out about clients' likes and dislikes about the services provided. Guidance about how to run FGDs can also be found in a wide range of books on research techniques and PRA tools.

**Type of tool:** Qualitative information from groups.

**Description:** Focus group discussions are widely-used tools, in which a facilitator guides a small (5–10) group of people through a discussion around a set of open-ended questions. The purpose is to probe and explore the issues in depth. The discussion is recorded on tape or notes are taken by a note-taker. The tool is very flexible and the questions can therefore be tailored to explore virtually any issues that the MFI is interested in: what clients like/dislike about the services and how to change them, how/when they have used them, how to improve the services and their delivery, and what difference the services have made in their lives.

### No. 8: MicroSave's 'Market Research for Microfinance Toolkit'

These techniques are based on participatory appraisal and are used within an FDG. They use visual and pictorial methods to facilitate and enhance the data collected.

**Type of tools:** Qualitative information with groups.

**Description:** The toolkit contains 18 tools that have been developed to explore and understand the financial services – both savings and credit – that poor people use to accumulate assets and manage their consumption patterns in the context of different aspects of their livelihoods, such as seasonality, coping strategies and crises. Tools can be selected from the toolkit in response to the specific research objectives, and can also be adapted. The tools include:

**8.1: Simple and detailed wealth ranking** which can be used to gain an understanding of poverty characteristics in an area; the financial services matrix can be used to get an understanding of broad characteristics of who uses the MFI's services.

**8.2: Product attribute ranking, relative preference ranking and financial sector trend analysis** offer information on clients likes and dislikes and reasons for their preferences.

**8.3: Time series of asset acquisition and ownership:** Time series of crisis can be used to explore how the clients' situation has changed with the availability of financial services.

### No. 9: CGAP's Poverty Assessment Tool

This tool has been developed specifically to assess the poverty profile of an MFI's clients (SPM question No. 1). It is designed for use by specialists.

## Resources

### Other Practice Notes in this series

This *Imp-Act* Practice Note is one of a series of concise guidelines written for people involved in the day-to-day work of delivering financial services to poor people. Other titles in the series include:

1. The feedback loop: responding to client needs
2. QUIP: understanding clients through in-depth qualitative Interviews
3. Learning from client exit
4. Using surveys effectively for social performance

management  
5. Choosing and using indicators for effective social performance management  
7. Tracking Client Performance: monitoring systems for social performance management  
8. Reviewing the social performance of microfinance institutions  
9. Managing social performance in microfinance: building successful clients and successful institutions

The notes can be downloaded from the *Imp-Act* website at [www.imp-act.org](http://www.imp-act.org), or hard

copies can be obtained from the *Imp-Act* secretariat.

Henry, C., Sharma, M., Lapenu, C. and Zeller, M., 2003, *Microfinance Poverty Assessment Tool*, Washington DC: CGAP

McCord, M., and Wright, G., no date, *Reporting to Management* (a quick guide), available at [www.microsave.org](http://www.microsave.org)

*MicroSave* training toolkits and other resources available from [www.microsave.org](http://www.microsave.org)

Nelson, C. (ed.), 2000, *Learning from Clients: Assessment Tools for Microfinance Practitioners*, Washington: SEEP/AIMS

The *Imp-Act Guidelines to Social Performance Management* provides an overview of the issues surrounding SPM and its design. The resource includes a set of Practice Notes on technical aspects of SPM. The Guidelines can be downloaded from the *Imp-Act* website, or are available in hard copy from the secretariat.