



WILLIAM DAVIDSON INSTITUTE
AT THE UNIVERSITY OF MICHIGAN

WDI IMPACT REPORT:

Positive Change Through Actionable Metrics

2018





Photo courtesy of Supply Hope

THE CHALLENGE: MEANINGFUL MEASUREMENT

Claudia, a mother in Nicaragua, worked seven days a week, rarely seeing her children and barely earning enough to feed, clothe and house them. Making matters more difficult, Claudia's three sisters, their children and other relatives also lived with her.

But six months after being selected by [Supply Hope](#), a non-profit operating a micro-franchise¹ called Mercado Fresco, to be an owner of a small food store in her home, Claudia was able to afford new beds for her children and a new stove. Her next home improvement project is a bathroom with a toilet. She also saved enough to pay a neighbor to build her a new store next to her home. Best of all, she can spend more time with her children.

[Claudia's success](#) is a feel-good story that any organization working to create positive impact would be happy to embrace. Many organizations would share it with donors and other stakeholders as a shining example of the life-changing results it is having in its little corner of the world. In fact, too often these types of anecdotes serve as the only proof of success.

Research conducted by the [Performance Measurement and Improvement](#) (PMI) at the William Davidson Institute (WDI) has found that many organizations, including social enterprises and non-profits operating in low- and middle-income countries, are not properly equipped to measure their impact results. They lack systems, processes and technical know-how to accurately assess if they are benefiting their target audience and the communities in which they operate.

Instead, stakeholders are left with ventures trumpeting outputs that are simple tallies, such as total sales, money invested or clients recruited. Or, they point to anecdotal stories like Claudia's. While these metrics give a glimpse into how a venture is operating, they fail to present a complete picture of the impact the organization is having beyond these one-dimensional indicators. Without a clear idea, organizations can't adapt their operations to amplify those initiatives that work and correct or eliminate those that don't. As a result, they struggle to better reach and serve their clients.

¹ Micro-franchising creates opportunities for the world's poorest people to own and manage their own businesses by leveraging the basic concepts of traditional franchising.



Photo courtesy of Chakipi

THE SOLUTION: A NEW METRICS FRAMEWORK

In 2015, [Heather Esper](#), senior program manager of WDI's Performance Measurement and Improvement, led the development of a framework to capture the impact of micro-distributor businesses. The project was supported by the [Inter-American Development Bank](#), in partnership with the Citi Foundation and Canada's International Development Research Centre, as part of its SCALA Inclusive Distribution Network. This effort brings together companies, microfinance institutions, academia, and non-governmental organizations in Latin America and the Caribbean to help grow micro-distribution and micro-franchising networks, providing business opportunities and access to products and services to those at the base of the economic pyramid.

Esper presented this new framework at the organization's 2015 conference in Mexico.² The framework combines the best features of six well-regarded methodologies with data SCALA members were already collecting.

"What's great about the framework is that its indicators are multi-dimensional, flexible, aggregative and holistic because they capture changes in economic, capability and relationship

"While many frameworks use only economic indicators such as household income or access to credit, ours includes individual and relationship-level impacts such as self-esteem, empowerment, and the strength of one's social support networks."

—Heather Esper, senior program manager, WDI's Performance Measurement and Improvement

² Frameworks and tools referenced: Base of the Pyramid Impact Assessment Framework, Clinton Foundation Survey (which includes the Poverty Probability Index or PPI), OPHI's Multidimensional Poverty Index, Poverty Spotlight, Social Progress Index, and BSD's 3Es Framework. Indicators also map to the Sustainable Development Goals.

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well-being,” Esper said. “While many frameworks use only economic indicators such as household income or access to credit, ours includes individual and relationship-level impacts such as self-esteem, empowerment, and the strength of one’s social support networks.”

The framework also captures business indicators of the organizations. By combining those with impact-based indicators, organizations can use the framework to guide improvements in business operations and outcomes.

Following the Mexico conference, there was great interest in having WDI’s team pilot the framework with different micro-distribution organizations in SCALA’s network. WDI’s main goal for these pilot projects was to test and refine the framework. But they also wanted to gauge the level of support organizations would need to implement the framework, develop data collection processes, and design context-specific surveys to allow organizations to take ownership of their own impact measurement.

WDI’S WORK: TEACHING PROPER DATA COLLECTION

Claudia, introduced earlier and pictured below, is part of Supply Hope’s Mercado Fresco micro-franchise model, which includes stores located in the homes of the operators. Through the stores, communities get access to affordable, quality food—including fresh vegetables and dairy products.

The organization was not satisfied with simply re-telling Claudia’s story as evidence that it was changing lives for the better. Supply Hope wanted to better measure the socio-economic impact on their clients.

“There were so many things, we didn’t know if we were doing them correctly,” said Mary Anderson, director of research and strategy at Supply Hope.

PILOT PARTICIPANTS

Photo of Claudia courtesy of Supply Hope



Chakipi Acceso Peru was a last-mile inclusive distribution business that provided women with sales training and then supplied them with products such as nutritious foods, personal care items, pharmaceuticals, and solar lamps to sell in their communities.³

Kiteiras is a program that empowers women through entrepreneurship training and life-skills coaching. It is a micro-distribution network of door-to-door saleswomen managed by “madrinhas,” or godmothers, in poor communities in Brazil.

Supply Hope is a non-profit organization in Nicaragua that helps families living in poverty earn income through micro-franchises. Mercado Fresco, its first micro-franchise model, has stores located in the homes of micro-franchise operators. The stores provide quality, affordable food to local communities.

³ Chakipi Acceso Peru was closed in the last quarter of 2017. Despite high social impact, it was determined that the business would require additional investment and time to reach financial sustainability.

In addition to Supply Hope, [Chakipi Acceso Peru](#) and [Kiteiras](#), were also selected to participate in the pilot (See pilot participants box on page 4).

As part of these pilots, WDI customized data collection processes and surveys for each organization. WDI also worked with leadership and field staff to strengthen their ability to collect accurate data so the organizations could lead their own evaluation efforts after the engagement with WDI was completed.

The WDI team started by working with each organization to identify specific indicators that would capture prioritized outcomes on micro-franchisees. For example, the indicators selected for Supply Hope were:

- **Empowerment at home** (decision-making, influence on family)
- **Self-efficacy** (time management, sales skills, financial skills)
- **Quality of life, nutrition, and aspirations for children**
- **Pride for the organization**
- **Access to information goods and services**
- **Poverty Probability Index**
- **Prior income**

Next, the team identified and adapted existing survey questions to measure these indicators, and developed an individualized plan for how answers would be collected by each organization.

For Supply Hope, the team conducted a remote training course for interviewers based in Nicaragua regarding how to improve the survey, a process known as “pretesting.” Training for Kiteiras also was done remotely while the Chakipi pretest was conducted in person.

“This pretest training is an important step for adapting the survey to the local context and language,” said [Rebecca Baylor](#), WDI research associate. “For example, the word for ‘house’ in Spanish could be ‘casa’ or ‘hogar’ depending on the situation and nuances of dialect.”



Photo courtesy of Kiteiras

“The pretest was really helpful for making sure we were asking the right questions and using the strongest and shortest survey possible. It allowed us to make a better quality survey. Without a pretest, we would have asked questions that would have given us bad data.”

—Renata Cavalcanti, project manager, World Vision Brazil



“Thanks to this process, we were able to review the way we collect data, and create a data collection manual and survey templates for each business model.”

—Juan Diego Rueda Madrid, monitoring and evaluation manager,
Clinton Giustra Enterprise Partnership (CGEP)

An interview with Chakipi Acceso entrepreneur in Puno, Peru.

Renata Cavalcanti, project manager for World Vision Brazil, said participating in a pretest was invaluable. “The pretest was really helpful for making sure we were asking the right questions and using the strongest and shortest survey possible,” she said. “It allowed us to make a better quality survey. Without a pretest, we would have asked questions that would have given us bad data.”

For each pilot, the survey was tested with 12 micro-franchisees. At the end of each day of survey testing, WDI led a debrief session to discuss possible issues and co-create solutions with local staff to ensure survey questions were measuring what they intended.

Based on these findings, WDI then administered the updated survey to 52 additional micro-distributors as a final dry run for the survey and the associated data collection processes. WDI also conducted key analyses and provided recommendations to each organization for how to analyze the data they collect for future impact studies.

“We gave each organization a survey and recommendations about how to collect the right data and analyze it properly so they can accurately assess their impact on micro-franchisees such as Claudia,” said WDI Program Manager [Yaquta Fatehi](#).

RECOMMENDATIONS: A PATH FORWARD

WDI captured lessons learned from each stage of the pilots, from selecting indicators and refining surveys to data analysis. Because the pilot activities enhanced the capacity of these organizations, WDI was able to provide recommendations to guide them on future impact measurement activities. Key recommendations included:

- **Only collect data that will be used by the organization for a particular purpose** such as impact assessment, reporting, adaptive management, decision-making on design, etc.
- **Systematically and regularly measure impacts** to gain a more nuanced understanding of their needs, as well as how these needs change over time, in order to better address them through business activities
- **Prior to collecting any data, conduct trainings with survey interviewers on best practices and techniques**

“The goal of the recommendations was to help the organizations properly conduct their own measurements in the future,” Esper said. “That’s why our recommendations stressed the importance of collecting relevant data—not too much, not too little.

Our recommendations also focused on collecting accurate data by conducting trainings and testing survey adaptations prior to data collection.”

These steps help guarantee the data collected will be high quality, and can be leveraged to improve operations and inform future strategy.

THE IMPACT: IMPROVED MEASUREMENT APPROACH

The three organizations that participated gained a clear understanding of how to measure changes in the well-being of their micro-distributors and micro-franchisees. They also learned the importance of using a combination of both business and social indicators to improve operations. For instance, managers now understand how their ability to retain micro-distributors might be influenced by the impact the venture has on the health of the micro-distributors’ children.

“Participating in the project to test the framework provided us a holistic understanding of poverty. WDI gave us the tools to guide decision-making and track progress towards broader development goals through data collection and analysis,” said Mónica Varela, director

of impact for the Clinton Giustra Enterprise Partnership (CGEP), a social business builder which built the Chakipi Peru business.

Juan Diego Rueda Madrid, monitoring and evaluation manager at CGEP, said the pilot provided an opportunity for the organization to take stock of how they operated. “Thanks to this process, we were able to review the way we collect data, and create a data collection manual and survey templates for each business model,” he said.

The participating organizations also were able to develop and strengthen their monitoring and evaluation capabilities, and can now use what they have learned to steer decision-making over the short- and long-term. This will help them track progress towards broader development goals.

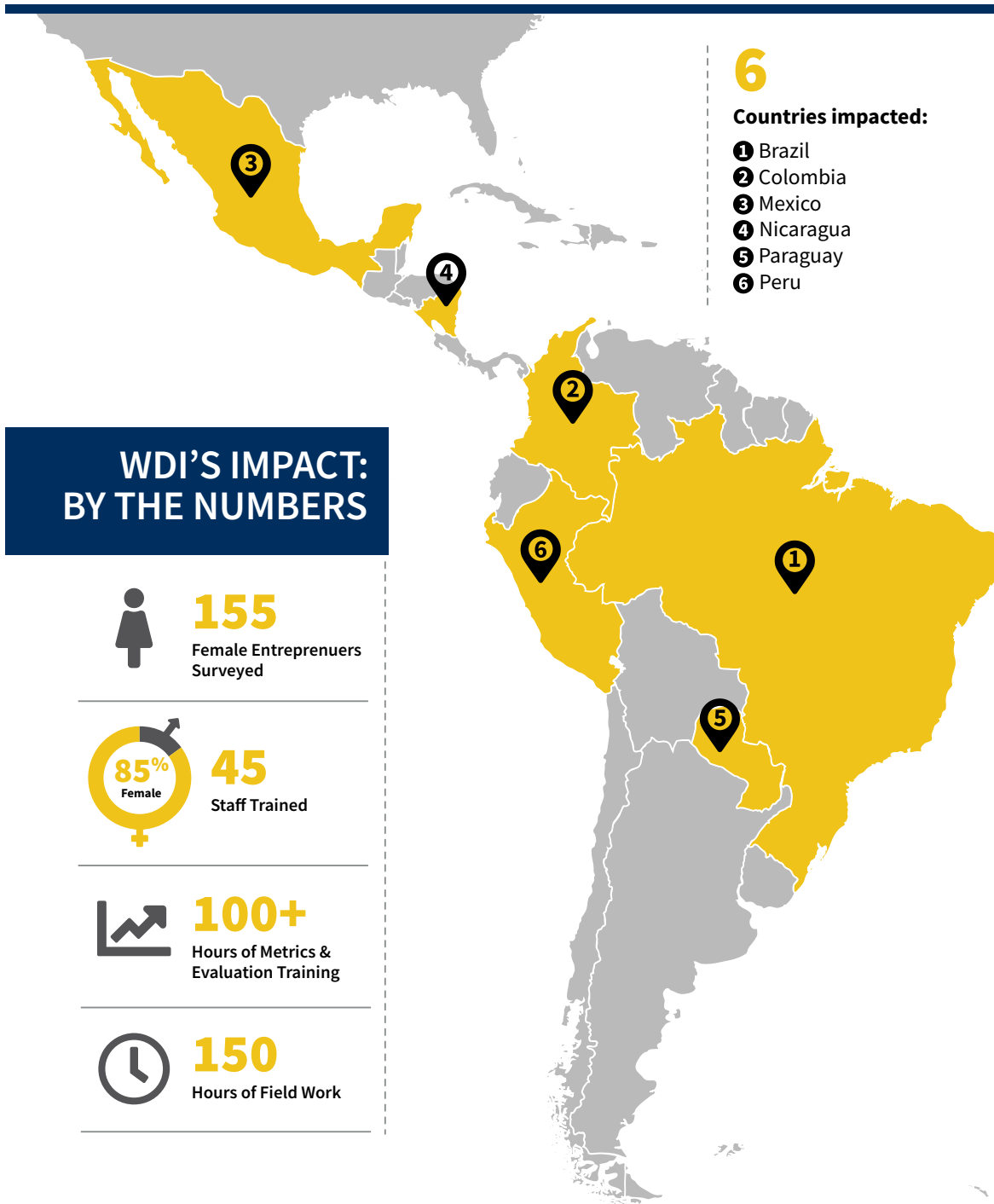
Rueda noted that prior to participating in the pilot, the organization used only economic indicators in its measurement framework. “The work with WDI gave us the foundation to develop a comprehensive monitoring and evaluation system comprised of a catalog of indicators,” he said. “I think we have very good tools to keep improving our measurement approaches.”



WDI-trained interviewer during Chakipi pretest in Puno, Peru.

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— Mónica Varela, director of impact, CGEP



This infographic shows the reach and effect WDI had while working with the three pilot organizations. WDI's impact spanned **six countries**: WDI conducted pilot work with partners in three countries and presented findings at international conferences in three additional countries. The **female entrepreneurs surveyed** refers to the micro-franchise operators being trained by the organizations. The **staff trained** on data collection best practices are from the three organizations. The **100+ hours of training** refers to 21 monitoring and evaluation trainings WDI delivered, most of which were done remotely. Finally, **150 hours of field work** was completed by WDI in Puno, Peru during the survey pretest.

IN THEIR OWN WORDS

“Being remotely trained by WDI helped us save money and make sure our staff knew what they were doing. They trained our staff on how to use the surveys themselves.”

—Renata Cavalcanti, project manager, World Vision Brazil

“It was a great experience and now that we have been able to carefully go through the report and start analyzing the information from different approaches, we fully acknowledge the beauty of the system that you have put together.”

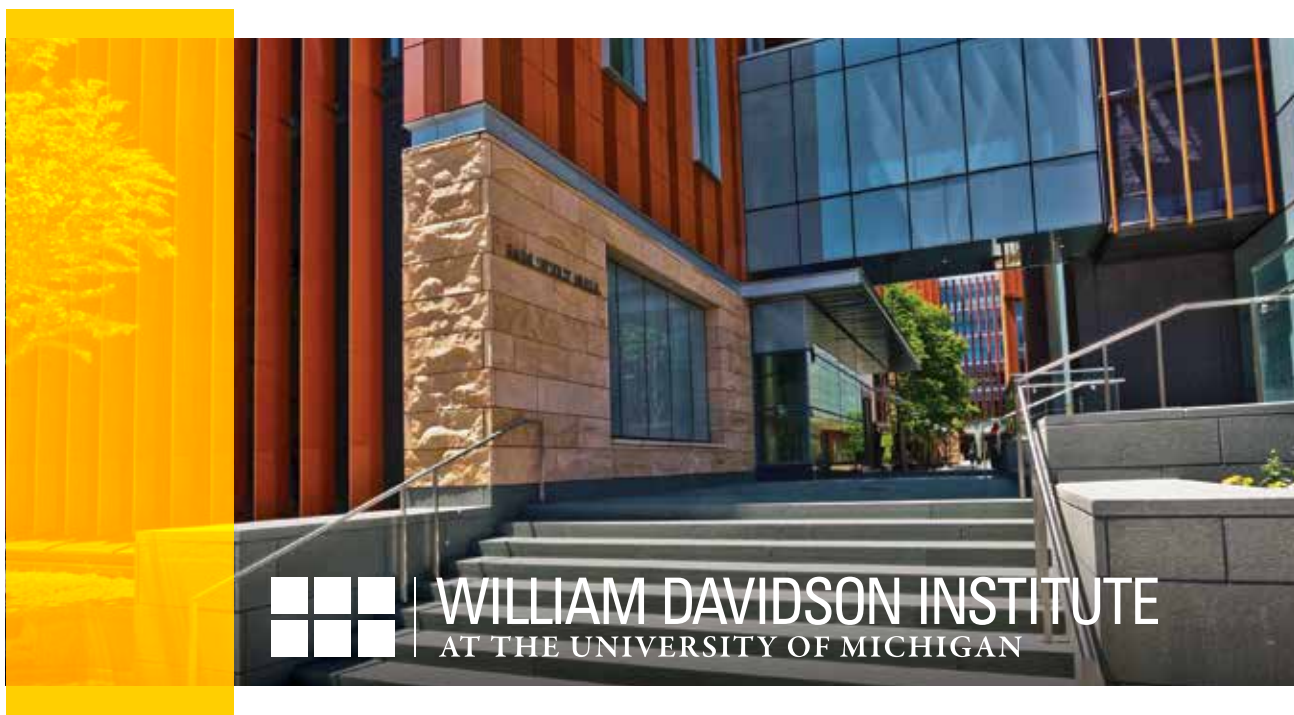
—Mónica Varela, director of impact, CGEP

“This was the right investment in terms of figuring out what questions to ask (to measure the impacts of our organization).”

—Mary Anderson, director of research and strategy, Supply Hope



Photo courtesy of Supply Hope



ABOUT WDI

Established at the University of Michigan in 1992, the [William Davidson Institute](#) is an independent, non-profit research and educational organization. Serving both profit-seeking and non-profit firms, WDI is guided by our founding principle that thriving businesses drive economic development and improve social welfare in low- and middle-income countries (LMICs). Our consulting work focuses on developing, adapting and applying sound business principles in four interrelated sectors necessary for a thriving economy: professional education, energy, healthcare and finance, in addition to offering performance measurement and improvement services that span these sectors. Our training programs harness the latest innovations in education, providing world-class management training opportunities for the global leaders of today and tomorrow. With a unique blend of field-based experience and academic rigor, WDI works to build stronger economies and healthier societies.

ABOUT WDI'S PERFORMANCE MEASUREMENT AND IMPROVEMENT

WDI's [Performance Measurement and Improvement](#) team harnesses proven research designs and data collection tools to understand, monitor and improve the socio-economic and environmental performance of organizations. We collaborate with and train leaders at businesses and non-profit organizations to design and implement solutions in the areas of impact measurement and management, as well as continuous improvement. Our team has conducted numerous projects with a variety of private, non-profit and government partners in Africa, Asia and Latin America.

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