Data that Works

By Tamra Thetford

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FIELD
at the Aspen Institute

THE ASPEN INSTITUTE

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Introduction

"Everybody gets so much information all day long that they lose their common sense."
-Gertrude Stein

Y ou likely react in one of two ways to the quote above, something along the lines of "Too much information?" "We are still struggling to collect what we need." or maybe "Tell me about it!" Perhaps you have both reactions depending on the kind of data that pops into your mind.

The art and science of data collection and use is a crucial capacity for all organizations, but especially so for nonprofits that need to be able to constantly "make the case" for why they should exist. For-profit entities have to make the case too, but generally one figure is all they need — profits. For nonprofits the burden is a bit heavier as they are asked to speak to:

- Activities - what the program did;
- Volume - how much of these activities they accomplished;
- Performance - how well they did at the activities they undertook;
- Costs - how much money they spent on their activities; and
- Outcomes - what resulted after an organization's activities?

Getting a handle on what data an organization needs, how to store that information and how to use it are core capacities for a nonprofit microenterprise program. Like most other things nonprofits must sort out as they grow and mature, processes for data collection, storage and use do not come naturally. Lessons are often learned only after considerable time is invested in a process of trial and error.

This guide serves as a way to help you think through the key pieces involved in collecting, storing and using your data. Each chapter tackles a topic along the spectrum of collection to use, highlights the most important things to keep in mind when tackling the topic and presents examples to give you a tangible place to start. This guide is targeted to student-led microenterprise programs that are generally young organizations with relatively minimal data tools and needs.

Chapter 1: Defining Information Needs

When a microenterprise development organization (MDO) seeks to establish or improve its data systems, a first and critical piece of the work is defining its information needs.[1]

There are two key steps in defining information needs:

- Determine what your organization needs to collect and if it matches up with what you are currently collecting; and
- Determine where data is stored and ensuring it is accessible to answer questions your organization considers key.

Defining what an organization needs to collect involves several steps:

Select measures that reflect how well your organization is fulfilling its mission.

There is no complete consensus on all the indicators that a microenterprise development organization needs to track. However, through efforts such as FIELD's MicroTest project[2] there has been significant progress on gaining agreement on a core set of outcomes and performance measures an organization should track.

Outcomes measures speak to the results or changes that your program expects to see in clients as a results of your services. Microenterprise development organizations (MDOs) engaged in MicroTest, as a minimum, collect data on:

- Business status;
- Business strength as defined by revenues and paid workers;
- Business contribution to the household; and
- Clients' movement out of poverty.

Some members choose to utilize supplemental questions to measure:

- Program services assessment;
- Client business practices and skills; and
- Business and household assets and liabilities.

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[1] This chapter is an adaptation of "Defining Information Needs," chapter 4.3 from the FIELD publication "MIS for Microenterprise: A Practical Approach to Managing Information Successfully." The full publication can be downloaded from: http://fieldus.org/Publications/MISManual.pdf (accessed May, 6, 2011).

[2] MicroTest is FIELD's data collection project that annually aggregates and analyzes data on program performance and client outcomes. More information, including detailed measures and definitions can be found on the MicroTest website: www.microtest.org.

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Performance measures describe how effectively, efficiently and sustainably an organization is serving its clients. MDOs engaged in MicroTest collect data that address such questions as:

- **Target groups:** are we serving those who we set out to serve?
- **Program scale:** How many clients received credit and/or training-related services? What is the magnitude of program services delivered in a fiscal year? What is the volume of lending activity?
- **Credit program effectiveness:** What is the quality of the portfolio? How does the level of risk in the portfolio influence portfolio quality?
- **Training program effectiveness:** To what extent does the program succeed in assisting clients to achieve key training objectives?
- **Program efficiency and sustainability measures:** How efficiently does the program use internal resources? How self-sufficient is the program? How diversified is the funding?

These lists may seem large for an emerging student program. So, it is often best to start with a few key measures of success that your organization thinks are most important and add to the list of data points over time. See Chapter 3, Map of Outcomes in Action, for more information and examples of how to define these success measures.

Determine what additional data your organization will need to collect to help staff make decisions and "get the job done."

To do this, you need to be able to answer the following questions:[3]

- Who needs what information?
- What decisions need to be made?
- What information is required to make those decisions?
- When do the decisionmakers need it?
- Where are data collected?
- Where is information stored?

And, to answer these questions you have to follow several key steps:

Collect documentation on existing policies and procedures
Assuming that it exists, gather any documentation regarding policies and procedures related to accounting, internal controls and basic operations. These documents can help your staff begin to compile a set of information requirements, as seen through the lens of operating procedures and financial controls.

Create process flowcharts
Based on these documents and staff knowledge of how the organization works, diagram the flow of information through your organization. This may be simple or complex depending on how many services your organization offers and how complex your structure. But, the point is to

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[3]Nick Ramsing and Charles Waterfield, Management Information Systems for Microfinance Institutions: A Handbook, Technical Tool Series No. 1 (Washington, D.C.: The Consultative Group to Assist the Poorest/World Bank, 1998), 67.

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understand the most basic data each staff person (or department) needs, both to provide good service and to provide data that will signal your success.

The following overview flowcharts were developed to document the processes in place at Women's Initiative in the early 2000s. The first flowchart depicts initial client outreach and screening followed by core training activities. Note that the map combines an overall flow in the top half of the diagram with a listing of the related information-gathering forms on the bottom half. The second information map then depicts the range of other services available to clients who have completed the core training.
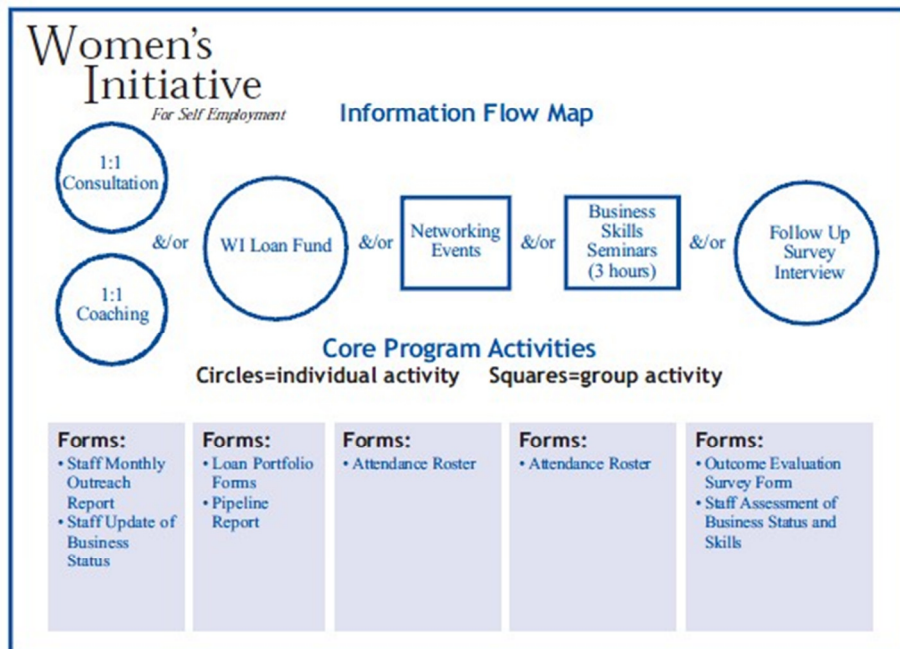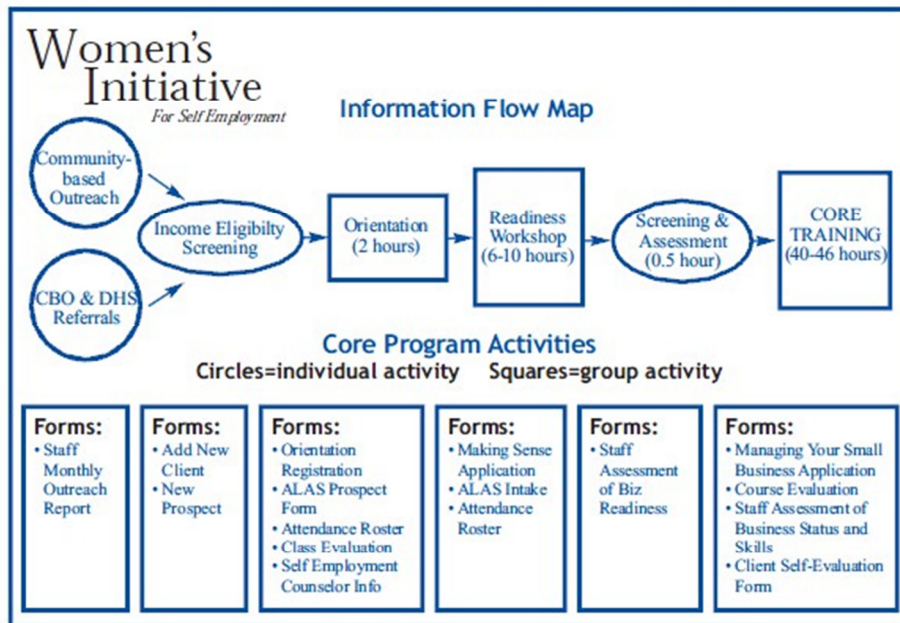
These versions of Women's Initiative Flow Maps were developed in the early 2000's.

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Once an MDO defines its outcomes, performance, and functional information needs, then, working backwards, the MDO can determine what individual data points must be tracked. For example, if we look at Figure 3, a Women's Initiative employee might review the information flow map and indicate that she needs to be able to answer:

- How many people signed-up for a business skills seminar;
- How many of those enrolled actually completed the seminar; and
- What percent reported operating a business on the follow-up survey.

From these questions the MDO could detail the following minimum indicators that they would need to track:

- Client ID;
- Enrollment in business skills seminar;
- Completion of business skills seminar;
- Follow-up survey completed; and
- Business status at follow-up survey.

Further detailing when and how the data is to be collected would result in the creation of the following data forms and schedule for data collection:

- Client ID - established at intake when intake form is entered into client tracking software;
- Enrollment in business skills seminar - entered as a date in the client tracking software;
- Completion of business skills seminar - transferred from seminar tracking form provided by business consultants to the front office - entered as date field;
- Follow-up survey completed - entered as date field directly into client tracking software when surveyors complete follow-up survey with client; and
- Business status at follow-up survey - entered in survey database by surveyors.

Assess current systems

To build out the complete system, you need to work through each part of the flow chart with the selected measures in mind. Collect a copy of every form in use and organize them by the steps in the flowcharts.

A typical institution may have such forms as:

- New prospect form;
- Intake form;[4]
- Course registration form;
- Course attendance form;
- Loan application form;
- Loan approval form;

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[4] See Chapter 2 for a discussion of designing the intake form, as well as a sample intake form.

- Loan payment receipt; and
- Business skills assessment.

It is important to collect actual copies of each of these forms, preferably filled in with data, to clarify the way in which the information is collected in practice, not just theory. If there is any piece of data missing from your current forms that you determined was necessary for your MDO, you will need to note it and determine when and how the data is best collected - at intake, at loan closing, in a follow-up survey, etc.

Determine where data is stored and ensure accessibility

Once your organization has completed the first step of making sure necessary data is being collected, there must be a place to store this information. At its most simple, forms can be filed in a cabinet, a laborious solution that provides only limited data accessibility. Certainly an electronic management information system (MIS) for storing the data is preferable, in that it provides the ability to tabulate, calculate and explore the data automatically.

Many microenterprise organizations have historically started out creating their own MIS using simple Excel tracking sheets or Access databases. More recently, small and new organizations have used Google Docs and other cloud-based, simple, often free and open-source, software to store data.

While these basic systems can provide a small organization a workable means for storing data and running basic reports, as an organization grows or increases its complexity, a more sophisticated system will need to be adopted. Microenterprise programs have purchased or developed systems as they have grown. A sampling of software used by microenterprise programs includes:

- Outcome Tracker by VistaShare;
- TEA, The Exceptional Assistant by CommonGoals;

The Intersect Fund's MIS Evolution

When the Intersect Fund first opened its doors in late 2008, it cobbled together an information system, primarily relying on Google Docs. Its information management was not necessarily elegant, but it allowed the Fund to track what it needed on the small number of clients it had at the time. But as the Intersect Fund added more services, brought in additional student volunteers, and served more clients, it determined it needed more than just separate Google Docs to store key data. Over time it evolved the following components of its MIS, drawing heavily on 37signals products and other online applications.

• Contact management is handled through **Highrise**. Every interaction with a client is recorded in Highrise, which is exclusively an online application. Highrise provides all staff the ability to access a specific client's history, see who responded to information requests, and otherwise review details of individual clients.
• Loan applications are processed through a custom-built **Zoho Creator** database application. Loan officers enter applications and track their status, while underwriters can review them along with credit reports and supporting documents. Also, reports on statistics like application volume, conversion rate, etc. are available with one-click.
• Loan closing document generation and e-signature occurs through **RightSignature**.
• Client metric tracking is done through a custom-built **Zoho Creator** database application. The program records intake application fields, enrollment and hours of service, and provides one-click reports for research purposes.
• Financial management of the organization is done through **QuickBooks Online**.

- Downhome Loan Manager; and
- Salesforce-based software.

Regardless of whether an organization is using a basic spreadsheet or a sophisticated purchased or custom-built product, a microenterprise organization's MIS needs to be able to store data on:

Client characteristics and program participation: Sometimes programs have a client contact management system and a separate, but linked, system that collects data on participation in program activities and any financing products received. The client contact management software should have fields for all the data collected at intake, as well as the capacity to update this as needed (without erasing historical data!).

The program participation component should allow your program to track such items as:

- Class registration and attendance;
- Number of hours of participation;
- Technical assistance and consulting hours (purpose, by whom, duration); and
- Loans or other financing products approved or received.

Portfolio management: Programs that provide microloans need to track each loan made and the performance of each loan in order to manage their outstanding loans and track portfolio quality. This component should allow microlenders to track each loan or financing product with respect to:

- Recipient;
- Amount approved;
- Term;
- Interest rate;
- Disbursement;
- Expected payment schedule; and
- Payment performance (amount and date; on-time, past due, etc.).

Organizational finance: Programs need an accounting system that enables them to track income and expenses, asset and liabilities, and manage the day-to-day financial aspects of their operations.

Full guidance on how to navigate the process of selecting a management information system is included in the FIELD publication, "MIS for Microenterprise: A Practical Approach to Managing Information Successfully." The full publication can be downloaded from: http://fieldus.org/Publications/MISManual.pdf

Chapter 2: Intake Forms

T he intake form, or the form used to collect information from an individual when he or she first comes to your program or opts into a significant service with your organization, represents an unparalleled opportunity to collect crucial data.

Why unparalleled?

The information a client provides at intake is the baseline for that client. It is a snapshot of what the client looked like when he first came to your program, before he received a loan or participated in a lengthy business planning course. Without this data, you can have a comprehensive client outcomes survey with a superior response rate and you still will not be able to talk about how your clients changed. Your outcomes data will tell you what clients looked like after they received your services; but, without that "before" or baseline data, you will not be able to describe business start and survival rates, business revenue growth, movement out of poverty or any other kind of trend data.

Why can't I just go back and retroactively fill in the data?

The simple answer is that the data is very unreliable. It may be easy enough to determine someone's gender at intake, but anything numeric, i.e. household income, business revenues, owner's draw, etc., is very difficult for people to accurately report for recent months, let alone for two or more years prior.

We have only a handful of clients and it would be difficult to draw any meaningful conclusions from such a small sample size. When should we start worrying about this?

From the very beginning.

Two reasons: First, it is definitely easier to create and refine systems when you only have a handful of clients then to try to correct your mistakes when you have hundreds of client records with missing or inaccurate data. As discussed above, the collection of intake data can happen only once. Once you have missed the chance, you have missed the ability to describe the change that clients experience after they receive services from your program.

The second reason is that you might only have a handful of clients now, but most programs have plans to grow and serve more. Those few clients will be 50 and then 100 and possibly more. Why not collect data on all your clients and be able to describe all of their changes — not just the changes your clients experienced after you got your data systems in order?

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Okay, it's important. How do I make sure our intake form is the best it can be?

Include what you need

The first step is to make sure you are collecting everything you need to answer the key questions your organization has already defined about the individuals you serve at intake. See Chapter 1 for more details.

But don't go overboard

And, while you want to make sure you have everything you need, you want to resist the urge to include everything you might ever need. In intake forms, if one page is good, three pages are not necessarily better. Your clients will get tired; they will skip questions, and make mistakes the more questions you ask. Your data entry staff will have more opportunity for misentry and will grumble at each additional data point that they know the organization is not actually using.

You are striving for the "just right" intake form. It should supply you what you need, what you will use, but not provide a lot of "nice to know" information that actually weighs down the client and the organization.

Be Precise

Instead of asking the client if he or she is operating a start-up or existing business, ask for the date they started the business. This raw data allows you to categorize the business however you like, as well as calculate the age of the businesses you serve.

Provide Definitions

If you want to know whether the client is working part-time or full-time at their business, make sure you indicate what full-time means to you, is that 40 hours a week?; 35+ hours?; does it only include businesses operated year-round?

Provide complete answer choices

A common mistake organizations make is not including full answer choices. For example, if you need to track the disability status of your clients, you may ask a straightforward question (with definition) asking the client to indicate whether s/he has a disability.

Do you have a disability? [ ]

Presumably the checkbox is for a client with a disability to check. However if the box is blank, you do not know if the client does not have a disability, or they simply skipped over the question.

A better approach would be the following as it allows you to enter in your MIS if the client indicated they do or do not have a disability, or if they left the answer blank.

Do you have a disability? [ ] Yes [ ] No

Make it look nice

There is something to be said for good design. A little attention to layout, spacing and overall design can actually make filling-out the intake form a more pleasant experience. If your organization does not have any graphic design talent it can draw on, consider asking for targeted assistance on a website like sparked.com. Check boxes are easier to fill out than lots of fill-in-the-blank questions. Try filling out your intake form as if you were a client and note which answers you did not know off the top of your head and how long it took to complete.

My intake form looks amazing, now what?

Having an intake form that meets your organization and clients' needs is a big step. But, there are a few additional steps to make sure the intake data you collect is really useful.

Consistency, consistency, consistency

If your organization is small and one staff member helps a client with the intake form this should be pretty easy. But, if your organization has clients fill the forms out on their own or has many different people assisting, you need to make sure everyone knows why each question is on the intake form, the format you are looking for (is it a yes/no or an open-ended answer) and when to follow up for clarification.

Everything has a place, and there is a place for everything

It is hard for staff to be consistent if you ask for business start date on the intake form, but there is no place in your management information systems (MIS) to input that data. Make sure whatever online or paper form you create is mapped directly to your MIS; and, if any transfer is manual, make sure all relevant staff know which fields in your MIS map to which fields on your intake form.

If your MIS is simply an excel spreadsheet for now, make sure that all the data collected on each client is recorded in one row, with each row following the other. You will be able to use that format to produce simple statistics on your clients now (their demographics, business status and so forth), and when you survey them later to document their outcomes, you'll be able to input that data in the same workbook and develop comparisons.

Is there an example I can start from?

The following form is the Intersect Fund's intake form. It adheres to the elements described above. The questions required for full compliance with MicroTest Program Performance and Client Outcomes data are marked in blue text.

Entrepreneur University • *intake application*

CONTACT INFO

Name

Street Address
(no p.o. boxes)

Mailing Address
(if different)

Home Phone ❑

Cell Phone ❑

E-mail address ❑

▲ *Check the best way for us to reach you.*

HOUSEHOLD INFO

Household Size

+ =

▲ # of Adults over 18 (include yourself)   ▲ # of Children under 18   ▲ Total Size of Household

Birthdates of Children under 18
_____ /_____/_____   _____ /_____/_____
_____ /_____/_____   _____ /_____/_____
_____ /_____/_____   _____ /_____/_____

Are you a single parent?   Yes ❑ No ❑

Are you the primary income earner in your family?   Yes ❑ No ❑

Do you have a working personal computer?   Yes ❑ No ❑

Do you have a reliable access to the internet?   Yes ❑ No ❑

Do you currently receive any public assistance?   Yes ❑ No ❑

▼ *if YES,* **please specify** TANF ❑ Unemployment ❑ State Welfare ❑
Social Security (SSI/SSD) ❑ Food Stamps ❑ Housing Assistance ❑

Are you registered to vote?   Yes ❑ No ❑

DEMOGRAPHIC INFO

Gender   Male ❑   Female ❑

Date of Birth _____ /_____/_____

Race *(check all that apply)*
American Indian or Alaskan ❑
Asian ❑ African-American ❑
Native Hawaiian/Pacific Islander ❑
White ❑ Other ❑

Ethnicity
(mark one)   Hispanic Origin ❑
Non-Hispanic Origin ❑

Marital Status   Married ❑ Single ❑
Divorced ❑ Widow(er) ❑

Do you describe yourself as an immigrant to the U.S.? Yes ❑ No ❑
▼
if YES: # of years in U.S. _____
Country of origin _____

Highest Level of Education Completed
Less than high school ❑ GED ❑
High School Diploma ❑
Vocational/Technical Certificate ❑
2-year college degree ❑
4-year college degree ❑
Master's degree or above ❑
Other_____ ❑

Are you a Veteran?   Yes ❑ No ❑

Do you have a disability? Yes ❑ No ❑

Do you have health insurance?
Yes ❑ No ❑
▼
if YES, **from where?** Business ❑
Private ❑ Medicaid ❑ Medicare ❑
Spouse's Employer ❑ Employer ❑

Do other members of your family have health insurance?   All of them ❑
Some of them ❑
None of them ❑

FINANCIAL INFO

Please complete this section to be considered for financial aid from The Intersect Fund.

What was your *personal* income last month? $

What was your *household* income last month? $

LAST MONTH	Your Income	Income from Other Adults
Salary from a job(s)	$	$
Self-employment income	$	$
Child support	$	$
Alimony	$	$
Unemployment Benefits	$	$
Worker's Compensation	$	$
Public Assistance	$	$
Other Income_____	$	$
Total Income Last Month	$	$

What was your *personal* income last year? $

What was your *household* income last year? $

LAST YEAR	Your Income	Income from Other Adults
Salary from a job(s)	$	$
Self-employment income	$	$
Child support	$	$
Alimony	$	$
Unemployment Benefits	$	$
Worker's Compensation	$	$
Public Assistance	$	$
Other Income_____	$	$
Total Income Last Year	$	$

Current Employment Status *check all that apply*

FT Self-Employed (at least 35 hrs/wk) ❑
PT Self-Employed (less than 35 hrs/wk) ❑
FT Employed (at least 35 hrs/wk) ❑
PT Employed (less than 35 hrs/wk) ❑
Unemployed since _____ ❑
Not working due to injury ❑
Not working by choice (incl. retired) ❑

Do you own or rent your home? Own ❑ Rent ❑

Do you have a personal checking or savings account? Yes ❑ No ❑

Do you own a car? Yes ❑ No ❑

Do you have any savings you can use to start your business? Yes ❑ No ❑

Would you rate your credit history as satisfactory? Yes ❑ No ❑

Do you have a budget? Yes ❑ No ❑

Did your income change significantly since last year, or do you expect it to change soon? *(if so, please explain)*

COURSE INFO

How did you hear about The Intersect Fund?

What do you hope to gain out of your time with us?

Please check ALL course times you are able to attend.

Tuesday evenings (6–9 p.m.) ❑ Thursday evenings (6–9 p.m.) ❑
Saturday mornings (9:30 a.m. – 12:30 p.m.) ❑

What type(s) of assistance do you think will be most helpful to you in starting or improving your business?

Business Training and help creating a business plan ❑
Help with specific business issues (i.e. bookkeeping, marketing) ❑
One-on-one Consulting/Business Coaching/Mentoring ❑
Business loan of $_____ ❑

BUSINESS INFO

Is your business currently open and making sales?

Yes ❏ ▶

No ❏

if no, skip to next section

if YES, please answer the questions below:

Name of business _____

Date of first sale *(MM/YY)* _____

Is your business registered? Yes ❏ No ❏

How many hours per week do you work on your business? _____

Do you have employees? Yes ❏ No ❏

if YES, how many? FT_____ PT_____ Temp_____

How much were your business sales...

last month? _____

last year? _____

As the owner, are you able to pay yourself a salary or pay bills or personal expenses from the business? Yes ❏ No ❏

if YES, how much did the business pay you...

last month? _____

last year? _____

Where is your business located? Home ❏ Storefront ❏ Office ❏ Street/Markets ❏

Which industry best describes your business? Arts ❏ Business Services ❏ Child Care ❏ Cleaning Services ❏ Clothing/Access. ❏ Home furnishings ❏ Food ❏ Health Services ❏ Personal or Beauty Services ❏ Social Services ❏ Travel/tourism ❏ Other ❏

Do you have a business bank account? Yes ❏ No ❏

Have you ever applied for a business loan? Yes ❏ No ❏

Have you ever received a business loan? Yes, a loan of $_____ ❏ No ❏

Have you ever donated your product or service? Yes ❏ No ❏

SHORT ANSWER QUESTIONS *use a separate sheet of paper, if necessary*

What is your company going to make?

Please tell us in one or two sentences something about you that shows a high level of ability.

What are people forced to do now because what you plan to make doesn't exist yet?

Who are your competitors? Who do you fear most?

What might go wrong? *(this is a test of imagination, not confidence)*

Service Agreement

DISCLAIMER

All Services and Documents are provided by Intersect Fund Corporation on an "as is" and "as available" basis without any express or implied warranties, representations, or guarantees of any kind, including, but not limited to, any of merchantability, fitness for a particular purpose, title or non-infringement, or arising from course of dealing, trade, or performance.

LIMITATION OF LIABILITY

Neither Intersect Fund Corporation nor its employees or directors (the "IF Parties") shall be liable for any special, indirect, consequential, incidental, punitive or exemplary damages, even in the event of the foreseeability or advisement of such damages to or the negligence of the IF Parties, or in the event of a failure of essential purpose and regardless of the theory of liability. In no event shall Intersect Fund Corporation liability to Client, even for direct damages, exceed $100. Client must bring any claim against the IF Parties within one (1) year of the event giving rise to Client's cause of action, and failure to do so nullifies the claim.

PAYMENT TERMS

I understand that I am receiving subsidized services from Intersect Fund Corporation and that if I accept admission into Entrepreneur University, I will pay a Materials & Registration fee of either $100 or $250, depending on my household income level. I will bring this Fee in full on the first day of class. Upon attending a minimum of one class of Entrepreneur University, this fee is non-refundable.

COMPLETENESS OF APPLICATION

All of the application information is complete and accurate to the best of my knowledge. I understand that submitting this application does not guarantee acceptance into Entrepreneur University.

FOLLOW-UP SURVEYS

From time to time, The Intersect Fund collects follow-up information from its clients to learn more about the economic, business and employment experiences clients have experienced. I agree, as an active client, to provide certain information to The Intersect Fund on a timely basis. If I am asked to provide confidential data, I am assured that my name will not be attached to the data and I can be confident that the information will be shared in a trustworthy manner.

CREDIT BUREAU AUTHORIZATION

I hereby authorize The Intersect Fund to obtain a credit bureau report in my name for the purpose of providing me with my credit score and credit history, and educating me on how to improve my score and obtain business financing. I understand that this authorization will not impact my credit score.

PHOTO PERMISSION

I give permission to Intersect Fund Corporation and its subsidiaries, (collectively, "Intersect Fund"), to use my likeness, alone or with others, by means of photograph, video or other medium chosen by Intersect Fund, for use in promotional materials or publicity. I understand my likeness may appear in internal publications, promotional audio/visual presentations, or external publicity, including, without limitation, use on Intersect Fund website or its periodic newsletters or annual report.

I agree that I shall have no right to (i) pre-approve Intersect Fund's use of my likeness as described above, (ii) claim compensation for Intersect Fund's use of my likeness as described above, and (iii) make any claims based on Intersect Fund's use or discontinuance of use of my likeness as described above, including any claims for libel, defamation or invasion of privacy. I agree that Intersect Fund shall own all images taken by it or its representatives.

I understand that if my image appears on Intersect Fund's website, it may be viewed and downloaded by any computer. I waive any claims against Intersect Fund and agree not to hold Intersect Fund responsible for use of my image by a third party.

I have the right to contract in my own name. I have read this agreement and I fully understand it. This permission shall be binding on me and my heirs, legal representatives and assigns.

PRIVACY POLICY

The Intersect Fund Corporation (IF) is committed to protecting the personal information of all clients. IF values its relationships with clients and assigns maintaining the trust and confidence of clients the utmost importance. In efforts to preserve a strong relationship with clients, we have outlined below our privacy policy. This privacy policy will remain in effect even after the client's formal relationship with IF has ended. By signing below, you accept this privacy policy.

Organizational Security

To ensure that the personal information of clients remains confidential, our organization requires that every staff member sign a confidentiality agreement that details not-for-disclosure client information. In addition, we take appropriate measures in our use of technology and data management to limit access to client files. IF staff members have access to these files only on a need-to-know basis, i.e. to fulfill specific job-related functions.

Information Collection

Throughout the application process we collect and consider personal information about you. Included in this information is nonpublic data on demographic, household, and economic status. IF collects information from: (1) Information from applications and/or other organizational documentation, (2)Information about transactions or past experiences with partnering organizations (3) Information that you provide us with from a consumer-reporting agency.

Information Disclosure and Use

The Intersect Fund Corporation does not disclose nonpublic personal information to anyone, except if it is permitted and/or required by law. This is also applicable to all former customers. In addition to legally mandated purposes, IF uses personal or nonpublic information provided by clients in order to improve the quality of its services. These purposes can be categorized as follows:

Loan Servicing. IF may use the personal financial or household information of clients in order to effectively and fully extend loan services and support to a given borrower.

Market Research and Social Impact Measurement. IF may also use clients' nonpublic information as a means of tracking changes in lives of borrowers. Any reporting on this social evaluation or affiliated market research that may require analysis of personal information will keep confidential the individual information of all clients.

If you are unsure of any of the terms described in this policy, have questions regarding any of the listed items, or would like to speak further about the Intersect Fund's exercise of and adherence to this policy, please call IF at 732-447-1324 or send an email to info@ intersectfund.org.

Signature _____   Date _____

This form must be signed in order to receive our services.

Chapter 3: Outcomes in Action

It is a capital mistake to theorize before one has data.
-Arthur Conan Doyle

How does your organization know that it is effective and meeting its mission? What does success look like for the clients of your microenterprise program? An organization is most effective and able to speak to its real and measured success when it has a map of outcomes in action. The map, and the process of creating it, helps microenterprise organizations clarify what program and client success looks like and what information is necessary to identify success.

The map provides a succinct summary of success for an organization; however, it is the end result of a multistep process. This process includes clearly articulating your organization's mission and theory of change,[5] and determining the key questions your organization needs to be able to answer to assess if change is occurring in the intended direction. Starting with these larger questions helps guide the selection of appropriate indicators and measures, and increases the utility of data that you gather.

To be most effective, an outcomes in action map needs to consider what success looks like at three different levels: organizational mission, performance and client success.

> How does your organization know it is meeting its mission? Do client characteristics such as gender, minority status or income status fully answer this question? Or, is additional information crucial, such as clients' access to credit?

> What does a successful program look like? Does it mean making sure that training completion rates stay above 80 percent or that cost per client figures do not go over $2,500?

> What does client success look like? After receiving services how many clients will be in business? What level of revenues will those businesses likely be earning? For clients entering a microenterprise program with an existing business, what changes in revenues would be expected at one year; three years?

The outcomes in action map allows your program to determine what data you currently have and what you need to collect. A full map would include the collection and storage location, the

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[5] An organization's theory of change (TOC) involves articulating the steps and actions an organization posits must occur on the way to achieving longer-term outcomes. For a more comprehensive discussion of theory of change see http://www.aspeninstitute.org/sites/default/files/content/docs/roundtable%20on%20community%20change/rcccomm buildersapproach.pdf (accessed May 6, 2011).

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responsible party for collecting and updating each data point, as well as the collection methodologies for each item listed on the success map. MicroTest offers a standard set of program performance measures and definitions as well client outcomes' survey questions and outcomes survey collection protocols. Benchmarks for the microenterprise industry for both program performance and client outcomes are available on the MicroTest website;[6] detailed benchmarks for specific peer groups are further available to MicroTest members. Additionally, Marian Doub of Friedman Associates is a certified MicroTest trainer and works with microenterprise development organizations to provide an in-depth assessment of, and assistance in, improving an organization's data collection, management and reporting.

The following sample Outcomes in Action maps are adapted from tools and materials created by Marian Doub, Friedman Associates. The Outcomes in Action Map is one of the tools used to name and define mission-driven indicators —a crucial step in building internal systems for measuring success. For more information contact: Marian Doub, marian@friedmanassociates.net.

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[6] Program performance benchmarks are available to the public at http://www.fieldus.org/MicroTest/performance.html (accessed May 6, 2011). Client outcomes results are available at http://www.fieldus.org/MicroTest/Outcomes.html (accessed May 6, 2011).

Outcomes in Action Map[7]

Country Enterprises

The following measures of the success of Country's mission are used internally with staff, management and the board as part of the oversight and evaluation of Country's performance. The data is also used in program management, public relations and resource development efforts.

Mission: Country Enterprise is a nonprofit organization that empowers entrepreneurs to start businesses, generate income, build assets and spark dramatic social change. Country Enterprises ensures its mission by focusing on traditionally underserved entrepreneurs who lack access to mainstream financing opportunities.

Country Enterprises is meeting its mission in a given year when:

- At least 70 percent of clients are women;
- At least 90 percent of clients are low-income (as defined by 80 percent HUD Median); and
- 100 percent of borrowers do not have access to mainstream financing.

o Gender and low-income status are collected from clients at baseline — when they first enter Country Enterprises.
o Information on a borrower's access to mainstream financing is collected and determined during the loan application and underwriting process. Credit score, proof of denial from traditional financing sources and/or unbanked status are used to determine the borrowers' access.

Country Enterprises is operating a successful microenterprise program when:

- At least 35 loans are disbursed during a fiscal year;
- Total portfolio at risk does not exceed 13 percent; and
- Total cost per loan stays below $2,000, to be adjusted for inflation annually.

o Performance measures are part of a dashboard that Country monitors quarterly in conjunction with staff, management and board.
o Measures of the scale and performance of the microlending program are collected by loan staff throughout the fiscal year.
o Total portfolio at risk is defined as the total microloan dollars outstanding at fiscal year end divided by the full amount of principal at least 30 days past due.
o Cost per loan is calculated as the total operating costs of the microloan program divided by the number of microloans disbursed during the fiscal year.

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[7] Design adapted from work done by Marian Doub of Friedman Associates, www.friedmanassociates.net.

Clients demonstrate success when in one to two years:

- 75 percent start businesses;
- 60 percent strengthen their businesses;
- 35 percent create employment for others; and
- 95 percent retain employment for themselves in their business.

o These are key short to intermediate-term outcomes indicators for Country and the results are used for program management, public relations, resource development, and strategic planning.
o Baseline data is collected at client intake; annual client outcomes surveys of a random sample of clients served are conducted to document outcomes.
o Short- to intermediate-term success indicators are measured and defined as:
   o Business start: a client has made sales or taken active steps to formalize their business. These steps may include: incurring start-up costs, obtaining a business license or retail sales tax number, acquiring a business checking account, etc.
   o Business strength: measured by the gross revenues of the business and the draw a client is able to take out of the business for personal use. Success is defined as median gains of 15 percent or more, one year after intake.
   o Employment creation and retention: for the owner, employment is tracked by whether or not the business is open. An open business equals one job for the owner. Employment is further characterized by the hourly wage the owner is able to draw out of the business as well as frequency of work for the business (full-time or part-time, with full-time as 35+ hours/week).
   o Employment for others: defined by the number of paid workers the business employs. These jobs are further characterized by their frequency (full-time or part-time) and hourly wage rates.

Outcomes in Action Map

This case illustrates a success map selected by another organization. Measurement definitions are not included.

Capital Works

Mission: Capital Works is a nonprofit organization that empowers business owners in five specific counties with access to working capital and financial education. Capital Works ensures its mission by focusing on traditionally underserved entrepreneurs who lack access to mainstream financing opportunities in its five-county service area.

Capital Works is meeting its mission in a given year when:

- 100 percent of clients are in the five-county service area, as defined by zip code;
- At least 35 percent of clients are low-income (as defined by 80 percent HUD Median); and
- 100 percent of borrowers do not have access to mainstream financing.

Capital Works is operating a successful microenterprise program when:

- At least 150 loans are disbursed during a fiscal year;
- Average loan size is kept below $2,000; and
- 25 percent of the annual operating budget consists of earned income.

Clients demonstrate success when in one to two years:

- 95 percent of borrowers are current on loan repayments;
- 90 percent of businesses are still open;
- 55 percent create employment for others in the five-county region; and
- 95 percent retain employment for themselves in their business.

Chapter 4: Using Data Effectively

You can have data without information, but you cannot have information without data.
-Daniel Keys Moran

C ollecting data is one thing, using it is another chapter entirely. It is always a challenge to focus on the collection and use of data – because it is rarely sufficiently funded. And sometimes there is a disconnect between those who the compile the data and senior management. Program staff may fulfill key data collection tasks and never look back or look down at what they collected, what it tells them and how to respond to the collected data.

The consulting firm Measuring Success summarizes what a data-driven organization will be able to do:[8]

- Focus limited energies and resources on only the 20 percent of hypotheses that are supported by the data;
- Motivate staff and volunteers because they know they are investing in what works;
- Align efforts of staff, volunteers, board, donors and customers;
- Monitor progress toward goals;
- Have a dashboard for its performance;
- Make strategic board decisions more efficiently and gain more buy-in;
- Distinguish itself against and outperform its competition by developing a core competence few nonprofits have; and
- Observe improvements in key areas such as: financial sustainability, donations, participation and mission impact.

After understanding the data, an organization must be able to use the data with three key audiences -- staff, board members and external audiences, including donors, the media and the general public. Because you already spend time interacting and communicating with your staff, board and key external supporters, the best approach is to find ways to integrate the data you are collecting into these ongoing interactions. FIELD's experience and that of others offers clear evidence that reflecting, sharing and using the data can support and strengthen an organization.

Note that each of these audiences is interested in different measures, and the most effective method for communicating varies by audience as well. See examples of MicroTest data in use by members at http://www.fieldus.org/MicroTest/AboutMembers.html.

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[8]PowerPoint slide 39 from Measuring Success presentation as part of Guidestar webinar series, available at http://www2.guidestar.org/ViewCmsFile.aspx?ContentID=3012 (accessed May 6, 2011).

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Using data with program staff

Most importantly – once data collection efforts have been completed and reports prepared, *share them immediately with key staff*. In this way you do not lose the momentum and enthusiasm around the data you've collected. While there are likely other tasks demanding staff time, reflecting on the data now ensures it will not be stuck in a folder for another day and forgotten. Staff will often appreciate seeing their work "measured" – as a means of giving it value.

The following are ideas about how managers can use data with program staff, both as a means for monitoring and enhancing program performance, and as a tool for staff development.

1) Reflecting back on your Outcomes in Action map, identify the measures that relate to the most important goals your organization has set for itself and see how your results compare to the goals. Have you accomplished what you want to? Are you on track in terms of your trend data around these measures?
    a) Women's Initiative for Self Employment has historically held quarterly "learning circles" with staff, in which they look at key data and discuss what it means for their program(s). Another microenterprise program used MicroTest program performance data to phase out their internal loan fund, once the costs were measured and identified to be cost prohibitive. When organizations first start collecting and tracking targeting outreach data, the results often challenge an organization's understanding of whom they are serving, a result noted by Measuring Success in other nonprofit sectors.[9]

2) Hold sessions with staff during which you train them on what the measures mean. Then discuss how the data relates to the organization's goals, and how the organization is doing. Remember that it is not just front-line staff who can learn from or use the data. Include other key staff, such as those working on development, in discussions about the data. In many organizations, staff is already stretched thin. Think about how to integrate discussions about the data into existing staff and management discussions: staff meetings, planning sessions, staff retreats, etc.

3) Ask staff:
    a) What do these measures say about the organization's performance? What might be done to improve performance in key areas?
    b) Does the data challenge any assumptions about the program or its clients?

4) Consider training staff in each measurement category over time, helping them to see how their work relates to the organization's accomplishments in each. Used this way, the measures and the data can be tools for staff development. Use incentives to provoke interest in the data – contests such as who can come closest to guessing the value of a key measure (cost per client, etc.)

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[9]PowerPoint slide 17 from Measuring Success presentation as part of Guidestar webinar series, available at http://www2.guidestar.org/ViewCmsFile.aspx?ContentID=3012 (accessed May 6, 2011).

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5) Use the data to set new or annual goals for the organization. Many MicroTest members use their trend data to set annual organizational goals. Others use industry benchmarks to push for improved performance in key areas.

Using data with boards of directors

Program performance and client outcomes data can be an important tool for board members as they seek to measure the organization's progress over time and identify key management issues. The following are ideas for using your data with your board of directors:

1) Present your performance report to your board. In cases where your performance may be lagging, think about whether this difference may be due to local/regional factors or whether this performance might relate to factors that the organization needs to consider/change.

2) Present key outcomes measures to the board; discuss with them how they can use these to help communicate about your organization to key donors and supporters.

   Board members are key fundraisers and marketers for your organization. Key outcomes data, and perhaps targeting data as well, is useful to share with them in particular to use in communicating about your work. Recognize that sharing data can be both a tool for board development, and also require board development. Introduce measures over time, and be aware that you may need to educate your board members about what they mean and how they can be useful. Create a brief fact sheet that board members can use to share key facts with interested parties.

3) Have a discussion with your board to focus on key measures that relate to your organization's strategic goals.

   This can be useful with boards as well as staff members; to help them contribute to learning and discussion and to communicate that management is using data and information well. Some organizations do a quarterly or annual "scorecard" that presents their goals for that year, and then the organization's performance toward those goals.

4) Present some of the key cost, and self-sufficiency and sustainability measures to your finance and/or fundraising committee. Think about how these measures relate to your program's budget, and how you construct your program's financing and fundraising agenda for coming years.

   These measures have very important implications for your organization's decisions about whether and how to grow, and how to finance that growth. Organizations can grow, but, if an organization's costs and unit subsidies are not decreasing, growth can lead to a need for even more subsidy. And sometimes, some of the costs of growth

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are not easy to predict. This has all sorts of implications for an organization's fundraising needs. Looking at measures of sustainability and self-sufficiency, and particularly, examining them over time, can help an organization make more informed decisions regarding growth.[10]

Using data with external audiences: donors, policymakers, the media, etc.

Program performance and client outcomes data can be highly useful to external audiences, such as donors, policymakers, the media and the general public. In most cases, these audiences will not be interested in detailed data, but rather carefully culled measures.

Typically, donors fund with a particular goal in mind and will be interested in a few key measures that relate to that goal. The same is true with policymakers – although there is a difference between legislators and state agency staff who run programs. While State and Federal legislators often want high-level statistics, state agency staff may want to have more detailed information on activities, performance and outcomes. Media, as well, will want just a few key, but impressive, facts.

The following are ideas for how data can be used with key external audiences.

1) Use your data on targeting, scale, etc. as you report to donors or to describe your organization's outreach to potential funders, particularly those who are interested in reaching particular groups of individuals.

   Some funders may be focused on gender and client income (at entry, and later). Others may be interested in whether you are reaching particular sets of individuals, including ethnicity, household income or business status. Select the demographic identifiers to best target your marketing or reporting to your donors' areas of greatest interest.

2) Certain outcome measures are critical to particular audiences. Almost everyone now cares about job creation and business survival, creation and revenue growth. Private foundations are often interested in increases in income and the movement out of poverty. Remember to be clear in using the outcomes data that it is a sample of program-collected data. Use it, but be careful to be precise in your claims.

3) You can also report to donors on positive trends in key measures (whether they be scale, targeting, costs, efficiency, etc.) to express your organization's improvement over time. Funders may not demand perfect results, but they will be interested in supporting an organization that learns and grows over time. Be strategic about the facts that you share

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[10] See *Pursuing Sustainability in the Microenterprise Field: Findings from a Literature Review by FIELD* for a complete discussion of the trade-offs between scale and sustainability. Available at: http://fieldus.org/Projects/pdf/sustainability.pdf (accessed May 6, 2011).

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with donors and external audiences. Some donors will want to get into the detail of the data; consider whether you are ready to have that conversation.

4) Funders may be interested if you are participating in MicroTest, a national performance measurement system, which allows you to use standard tools and protocols, have your data reviewed by a third-party and benchmark your performance against those of other organizations.

5) Consider adding a tagline at the end of press releases or key marketing pieces that shares key facts about your microenterprise program.

6) It is often effective to mix hard numbers with client anecdotes, putting a "face" to the data.

Chapter 5: Monitoring and Evaluation Glossary

Auseful piece in the development of a microenterprise program's data collection and monitoring capacity is a glossary of terms. A simple glossary includes the key terms that come up in conversations on data collection, reporting and reflection. The glossary is most useful when distributed to all staff and referenced when talking with staff or board members, and included in funding reports that provide monitoring and evaluation data.

The document should be updated as new terms come into use with respect to monitoring and evaluation. This is primarily intended as an internal document, and, as such, may be best stored in a Google Doc or other space that allows key staff to update and edit the document as needed.

The following sample glossary is adapted from materials developed for a microenterprise program by Marian Doub, Friedman Associates. The glossary is one of the tools developed as part of building internal systems for measuring success. For more information contact: Marian Doub, marian@friedmanassociates.net.

Monitoring and Evaluation Glossary[11]

Activities: The services or interventions a program does with inputs -- staffing, target groups -- to fulfill its mission. Program activities result in outputs.

Benchmark: A measure of best practice performance. Benchmarks are set for superior or desired efforts in areas such as outreach, scale or efficiency[12].

Clients: People who receive a significant and substantial amount (>10 hours) of direct services and/or a loan. Clients are the group of people you believe will achieve the results intended and defined by your mission. Outcomes may be tracked for this group of people.

Data: Discrete or specific pieces of information used in combination to create information.

Evaluation: Assessing as systematically and objectively as possible an ongoing or completed project, program or policy. The object is to be able to make statements about relevance, effectiveness, efficiency, impact and sustainability. Based on this information, it can be determined whether any changes need to be made at a project, program or policy level, and, if so, what they are. Evaluation has both a learning function and a monitoring function – partners and members review the implementation of policy based on objectives and resources mobilized.

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[11] Material paraphrased from the United Way of America's *Measuring Program Outcomes: a Practical Approach*, page xv, and MicroTest MT Instructions FY08, www.microtest.org.
[12]Trimble, Dave, "Benchmarking: Uncovering Best Practices and Learning from Others," www.prosci.com/benchmarking.htm (accessed May 6, 2011).

Impact: The result of a rigorous study that includes two groups, one group of individuals who received a program's services and a second control group that consists of individuals who do not receive services. Both groups are tracked over time, to look at changes documented before services were provided and after service delivery. If the group of program participants experiences changes significantly different from changes the control group reports, these changes can be ascribed to the program.

Indicators: Observable, measurable characteristics or changes that represent achievement activities, outputs and outcomes. Indicators are the specific items of information that track a program's success on achieving outcomes. The number and percent of program participants/clients who demonstrate the desired change is an indicator of how well the program is performing in respect to the outcomes.

> **Descriptive Indicator:** The who, what, when of program delivery. Examples include: target group, scale of program, number of clients, number of training and technical assistance hours, and attendance;
> **Performance Indicator:** How and how well a program is performing. Examples include: applied learning (knowledge or behavior change), graduation or completion rates.
> **Outcome Indicator:** Observable, measurable, longer-term behavior or change.

Inputs: Resources a program uses to achieve program objectives. Examples are participants, clients, staff, volunteers, facilities, equipment, curricula and money. A program uses inputs to do activities.

Inquiries: General information requests from potential clients about the microenterprise program's products and/or services. Inquiries can be made via telephone calls, drop-ins, the website, etc.

Metrics: Standard measure or indicator used to describe or assess performance.

Milestone: A scheduled event signifying the completion of a major deliverable or a set of related deliverables. A milestone is generally used as a project checkpoint to validate the project progress.[13]

Monitoring: The systematic collection, analysis and use of information from projects and program for three basic purposes:[14]

- Learning from the experiences acquired (learning function);
- Accounting internally and externally for the resources used and the results obtained (monitoring function);
- making decisions (steering function)

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[13]Definition adapted from http://www.mariosalexandrou.com/definition/milestone.asp (accessed May 6, 2011).
[14] Nick Ramsing and Charles Waterfield, Management Information Systems for Microfinance Institutions: A Handbook, Technical Tool Series No. 1 (Washington, D.C.: The Consultative Group to Assist the Poorest/World Bank, 1998), 67.

In contrast to impact assessments, monitoring does not imply the presence of control groups. Changes reported by clients can be correlated to the program services they received, but not proven to be a cause of the changes. MicroTest provides program performance and client outcomes monitoring data.

Outcomes: Benefits for clients and communities after involvement with or by the program. Outcomes may relate to knowledge, skills, attitudes, values, behavior, conditions or status. There can be various levels of outcomes with initial and intermediate outcomes leading to longer-term benefits. Achievement of the mission is often measured by longer-term outcomes. Target outcomes are numerical goals of the amount of change the program expects to influence.

Outputs: Products of a program's activities, such as the number of participants, workshops taught and consultation hours provided. A program's outputs are performed so desired outcomes for the program participants and clients are produced.

Participants: People who attend readiness orientation and assessment, or who may attend a workshop. Their outcomes are not tracked. This group may include clients (who were once participants) receiving under 10 hours of service.

Conclusion

Experts often possess more data than judgment.
-Colin Powell

A strong and capable microenterprise program has solid training curricula, sound microloan portfolio management practices, a precise accounting system and strong data management capabilities. You might assess your organization as having stronger capacity in one or the other of these areas, but all are ultimately important as your organization attempts to mature, expand, and provide the best products and services possible to your clients.

FIELD's experience has shown that information systems can perform only as well as the institutions they model. As information really is at the core of a microenterprise program's work, it should not be surprising that developing and refining information systems can affect an organization to its very core.

Your organization's information needs are met not only by software, but also by thinking through and rationalizing how your institution collects, processes, transfers, and uses information in operational and strategic decision-making. You need more than just data; you need information to help you make decisions that are based not just on raw data, but also on judgment drawn from the information you gather.