



FINCA® Ventures

**ANNUAL IMPACT
REPORT 2019**
IN MOTION

FINCA VENTURES ANNUAL IMPACT REPORT 2019

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LETTER FROM THE TEAM

GREETINGS!

Like the portfolio companies that we support, we, too, are quickly evolving from start-up to growth. Admittedly, the start-up moniker is a tough claim to make given the FINCA brand has a nearly four decade-long history. Nonetheless, in the case of FINCA Ventures, the early-stage comparison is one part time horizon, one part mission mindset.

It's been just three years since our first equity investment and barely over one since we took this impact investing venture public. In other words, we're still early in the journey. Yet, a dizzying amount of activity has unfolded over that short timeline. Just as an entrepreneur must balance establishing the enterprise's foundation with delivering the product or service that customers want—the business' *raison d'être*—we, in a similar fashion, have been trying to build an impact investing brand while serving a growing portfolio of varied and dynamic early-stage companies. Three years in and we've managed to provide nearly \$2 million of patient capital to eight social enterprises spanning energy, education, health and agriculture.

Of course, the start-up realities faced by our investees—innovators who are pioneering new products, services and business models in markets long neglected or unfit for traditional approaches—are unique in their own right. What binds us is the social impact we seek to engender and the continuous undertaking of setting and keeping something in motion, despite the inevitable external forces that can reduce velocity. Newton's First Law

states that an object will remain in uniform motion in a straight line unless acted upon by an external force. Reimagining sanitation infrastructure in non-sewered cities, deploying affordable medical diagnostics in clinically underserved communities or moving a continent's smallholder labor force into the middle class are not quick wins. These are bold ideas requiring persistent action and patient investment to keep things moving. The preponderance of external forces can be overwhelming in the markets where our portfolio companies work, from climate change, to labor shifts, to economic swings, to geopolitical turmoil. To counter this, we roll-up our sleeves and work alongside our entrepreneurs and their teams to push ahead and counter these forces with renewed momentum so that, together, we keep these start-ups in motion and witness as they realize their full impact potential.

We're thrilled to share this first-ever FINCA Ventures Annual Impact Report with you. Like our brand's origins, creating sustainable social impact has been at the center of what we've aimed to do since day one. This, however, marks the first time that our impact framework and metrics are being shared publicly. We look forward to your reactions and hope that you're as *moved* as we are.

CHEERS,

Ami, Alex and Melissa at FINCA Ventures

March 31, 2020



/ˈstär ˌdəp/

noun

the action or process of setting something in motion.

IMPACT FRAMEWORK

Start-ups commonly adapt management processes and frameworks from other organizations as they build their core product or service. Only when the business has reached a certain cruising speed may the founding team begin to re-examine internal functions and tools and build something more tailored to a growing organization's unique demands. A similar journey played out for the FINCA Ventures impact framework.

With our initial investments, the team assembled impact metrics using the approach of some more experienced co-investors. This proved useful at the time, balancing the need for impact measurement and management with the realities of being new at the table. Three years since making that initial equity investment, and being able to reflect on our engagement with portfolio companies on both business and impact performance indicators, we wanted to more actively drive the impact conversation. This required going back to the drawing board and crafting an impact framework that reflected our overarching theory of change anchored in FINCA's mission, and yet that is tailored to each investee, aligned with industry efforts and standardized in the use of metrics.

Theory of Change

FINCA Impact Finance, a global network of community-based microfinance institutions and banks founded by FINCA International, continues to be at the forefront of financial inclusion. Driven by a mission to alleviate poverty sustainably, FINCA International is now taking a more expansive view on how to help poor and low-income families build

assets and resiliency through better access to essential, non-financial goods and services.

FINCA Ventures, an impact investing initiative by FINCA International, leverages the organization's institutional knowledge of serving low-income customers for 35 years to make equity investments in early-stage companies whose products and services unlock productivity and improve the quality of life for the world's poor, with a focus on markets across sub-Saharan Africa. Gains in productivity through adjacent channels (e.g., access to energy) will manifest improvements in financial well-being, engendering a need for responsible financial services from FINCA Impact Finance or other financial institutions. Coupled together, access to finance and access to basic services should improve the lives and livelihoods of low-income populations at scale.

With access to patient, strategic and impact-first capital, FINCA Ventures is positioned to:

- Play an active role in reducing the pioneer gap that exists for high-impact, early-stage companies;
- Provide hands-on support to pioneering entrepreneurs that prepares companies for the next phase of growth; and
- Cultivate strategic partnerships between social enterprises and FINCA Impact Finance to improve customer resilience.

Combined, these efforts will improve the long-term sustainability of early-stage social enterprises while deepening, broadening and hastening their impact.



"When you ask a farmer what their problems are every Monday and every Friday, first they mention finance, then weather forecasts and, finally, access to markets. With FINCA, we've gotten a partner that can help us solve multiple problems."

LIISA SMITS, FOUNDER & CEO, IGNITIA



ENEZA AND IGNITIA JOIN THE MILLION LIVES CLUB

At SOCAP19, USAID announced Eneza Education and Ignitia were inaugural members of the Million Lives Club, recognizing organizations that are improving the lives of over 1 million people who are living on less than \$5 per day.

Incorporating Impact in the Investment Process

We seek intentional, positive social impact within our portfolio companies and it underpins our investment criteria. Throughout the investment process, we verify that social impact is articulated within the company's mission, inherent in the business model and

ingrained within the leadership team. FINCA Ventures works hand-in-hand with portfolio companies to align on a mutually agreeable impact strategy and implementation plan and provides ongoing support throughout the duration of the investment to help investees better define, measure and report on the impact that they are having through their products and services.

IDENTIFY IMPACT



Use FINCA Ventures' theory of change and priority SDGs to determine key problem areas and construct investment theses, screen for companies with high-impact potential that sit on the efficient frontier of scale, depth and poverty level and assess their ability to deliver meaningful results.

ASSESS AND EXTEND IMPACT



Through due diligence, refine a theory of change for the company, establish scale potential and depth level of intervention and evaluate poverty level of end-customers; set IRIS+ metrics and SDG targets with the entrepreneur and agree on regular reporting requirements.



Leverage the broader FINCA Impact Finance network, with presence in 20 countries and 10,000+ staff, to forge mutually beneficial partnerships that catalyze incremental impact by linking basic products and services with financial tools.

MONITOR IMPACT



At all opportunities (e.g., investment terms, key decision-making rationale, governance structures) commit to being the impact voice at the table, always bringing the best interests of the end-customer front and center at critical junctions and pushing companies to continually renew their commitment to impact.



Review progress against metrics and changes to poverty level of customer base regularly; assist the company with internal resources (e.g., FINCA International's research team) and external vendors to monitor impact metrics, measure outcomes and assess customer satisfaction on a regular basis.

EVALUATE IMPACT



Publish an annual impact report highlighting key metrics across the portfolio, spotlighting individual stories and transparently sharing lessons learned and best practices gathered.

Aligning with Sustainable Development Goals and Other Industry Standards

FINCA Ventures invests in early-stage companies that offer affordable, high-quality and life-enhancing products and services in energy, education, health and agriculture. To assess outcomes across such diverse sectors, FINCA Ventures utilizes universal standards for measuring, monitoring and optimizing the impact of investments. These include the United Nations Sustainable Development Goals (SDGs) and the Global Impact Investing Network (GIIN) IRIS+ metrics. Impact measurement, of course, comes in many forms. Custom survey instruments and metrics are deployed as needed for deeper or more specific evaluation and understanding.

The team reviews the targets underlying the 17 SDGs and compares them with the goals and activities undertaken by investees to identify direct and indirect impacts that each company has on relevant targets and goals. SDG targets are then mapped to relevant IRIS+ metrics to obtain measurable indicators on social performance. Portfolio companies provide reporting biannually which we use to monitor performance against targets. The FINCA Ventures impact measurement system seeks to collect social metrics that are core to the business and provide meaningful insights for all stakeholders of the company.

Based on our review, FINCA Ventures and its investees *directly* contribute to 12 of the 17 SDGs.



Assessing Portfolio Companies Across Three Dimensions of Impact

Complementing our effort to align impact goals to the SDGs, FINCA Ventures also assesses portfolio companies across three dimensions of impact to develop a theory of change which articulates how the company is improving access to basic services and unlocking productivity for low-income populations. These three dimensions are: scale, depth and the target poverty level of end-customers.

Scale and depth of impact have inherent tradeoffs. High-touch models may result in significant depth of impact, but they can be difficult and expensive to scale. Technology-driven businesses may be rapidly scalable, but they can face limitations regarding depth of impact if a broader system of activities is not in place. In assessing the poverty level of end-customers, we take into account that some models will naturally serve multiple income targets, with early adopters stemming from middle-income populations to make the business model feasible for lower-income segments. Keeping these tradeoffs in mind, FINCA Ventures supports portfolio companies across this spectrum and aims to provide post-investment assistance in areas most likely to enhance both commercial performance and social impact.



SCALE

Measured by number of end-customers directly impacted by the company.



DEPTH

Evaluated using multiple indicators such as income lift, cost savings, customer satisfaction, health outcomes, impact evaluations that show the product delta and more.



POVERTY LEVEL

Measured by the socioeconomic level of end-customers impacted by the company.



"We see FINCA Ventures as not only providing the knowledge and expertise of working in challenging markets, but also linking us with potential partners and financing products that would allow more microentrepreneurs to participate in the sanitation value chain."

ANDREW FOOTE,
CO-FOUNDER & CEO, SANIVATION

IMPACT HIGHLIGHTS

FINCA Ventures supported eight portfolio companies that delivered life-enhancing products and services in 31 countries globally in 2019.

GLOBAL

AMPED INNOVATION:

27,910 families benefiting from 2,547 mWh of clean energy

Haiti Dominican Republic

Senegal
Gambia
Sierra Leone
Liberia
Côte d'Ivoire

GHANA

IGNITIA:

1,362,351 individuals receiving 23,523,910 weather forecasts



"Impact is central to our business model, so it was wonderful to have FINCA on-board who shares a strong impact focus."

GENEVIEVE BARNARD ONI, CO-FOUNDER & CFO, MDAAS GLOBAL

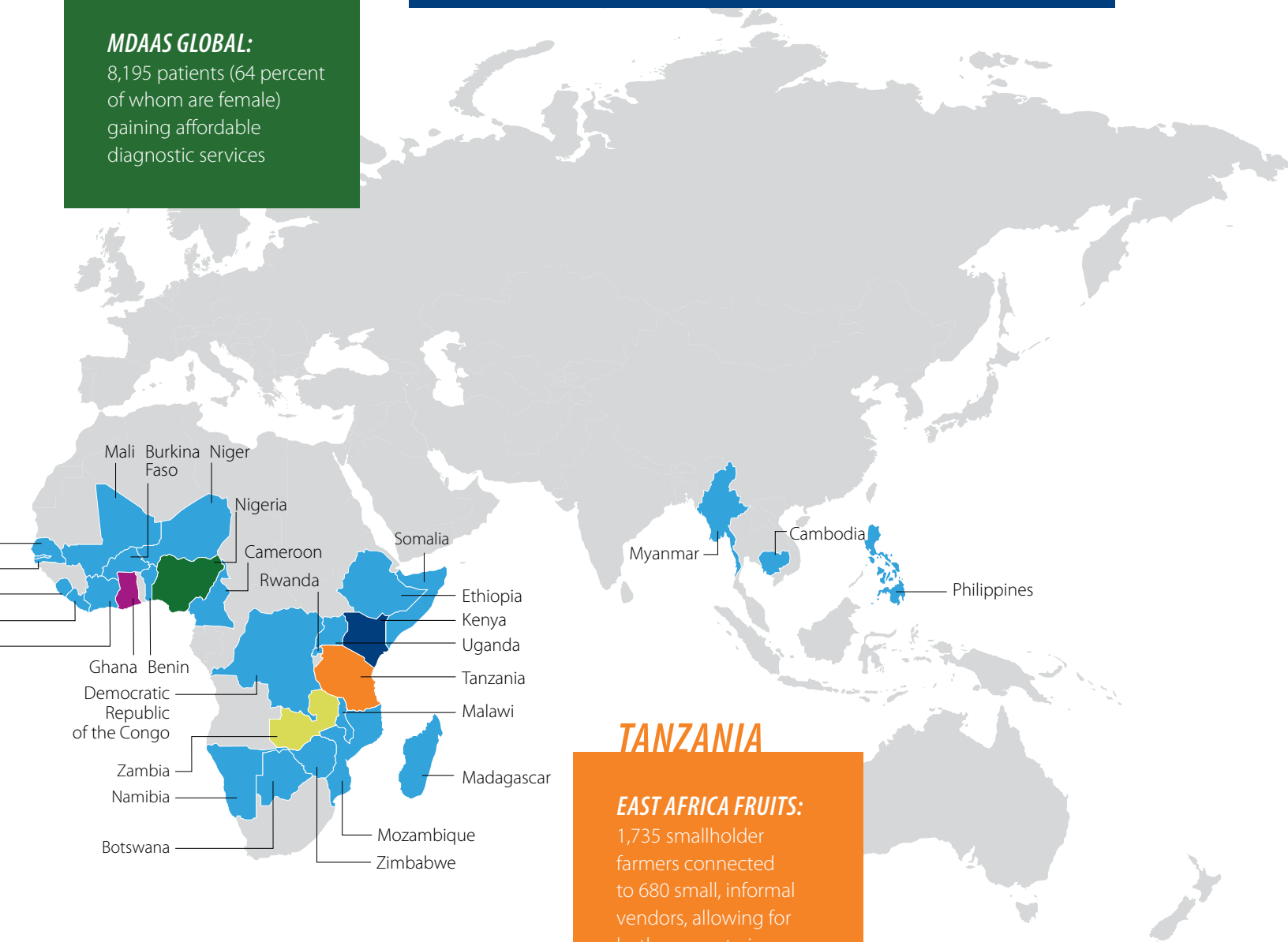
KENYA

ENEZA EDUCATION: 636,906 active learners on the platform (on average) accessing digital education resources and completing 4,932,581 lessons

SANIVATION: 907 metric tons of fecal sludge converted to fuel substitutes, saving 27,387 trees

NIGERIA

MDAAS GLOBAL:
8,195 patients (64 percent of whom are female) gaining affordable diagnostic services



TANZANIA

EAST AFRICA FRUITS:
1,735 smallholder farmers connected to 680 small, informal vendors, allowing for both groups to improve their incomes

ZAMBIA

GOOD NATURE AGRO:
5,582 smallholder farmers getting \$966,415 in payouts for their harvests

DIGITIZING THE CLASSROOM SO ALL STUDENTS CAN SUCCEED



Four years ago, Imelda Mumbi came home from her school in Nairobi, Kenya and learned that the family was moving to live with a relative in a distant village due to the ever-increasing cost of city life. Imelda was devastated.

"I knew that if we moved to the village, I would not have many opportunities in life. Most of the good schools and jobs are in the city."

Fortuitously, the next day representatives from Eneza Education paid a visit to Imelda's school to talk about their e-learning service. Eneza's digital

educational curriculums are not only compatible with basic feature phones, but also are more affordable than traditional textbooks.

With the knowledge that Eneza would help improve Imelda's grades and, crucially, replace the need to purchase costly textbooks, Imelda's mom agreed to postpone the move to the village. Buoyed by the chance for a fresh start, Imelda began waking at 3 a.m. just to use the program for one hour before school. Eneza's service has done wonders for Imelda's grades, her self-confidence and the family's budget. "It is the pillar of Imelda's education," said Imelda's mom. "It was difficult to afford schoolbooks, but this takes the place of books and is more affordable."



BUILDING PROSPERITY WITH BETTER FARMING



Victoria Mbewe lives in the Kachamba village in eastern Zambia raising four children on her own, having sent her husband away several years back for “being lazy.”

Victoria is a smallholder farmer, a trade she learned from her now 85-year-old mother. For years, Victoria relied on maize and groundnut harvests to provide for her children, but it was never enough. Market access was poor, and the prices paid for her staple crops were rock bottom. This had devastating effects on her ability to feed and educate her children.

When a private extension agent for Good Nature Agro was going door-to-door in Victoria’s village, spreading the word about an opportunity to triple one’s income through better farming, Victoria jumped at the chance.

Good Nature Agro provides farming inputs, like seeds and fertilizer, to smallholders at no upfront cost. This is paired with extension services, such as agricultural and financial management training, overseen by a network of private extension agents. At harvest time, Good Nature Agro buys all the seeds grown by the farmer at premium prices.

Victoria received a bag of cowpea seeds from Good Nature Agro, which she planted in her field. After months of diligently following the training provided by the private extension agent, Victoria couldn’t believe the result: It was a harvest like she had never seen before.

“I used money from my cowpea harvest to build a new home for me and my children, so I call it our ‘cowpea house,’” said Victoria, smiling.

The next season Victoria grew soybeans, learning from Good Nature Agro about the importance of crop rotation for soil preservation. She then used money from this harvest to begin construction on another home. Victoria plans to use her “soybean house” for rental income. When asked why she is building so many homes, Victoria’s answer was clear.

“I want to memorialize what Good Nature Agro has done for me in a public and lasting way—what better way to do that than to build a home?”





"FINCA represents the voice of the customer....FINCA has its ears close to the ground and a pulse on the customer and they push us on what's possible."

ANDI KLEISSNER, CO-FOUNDER & CO-CEO, AMPED INNOVATION

AMPED INNOVATION



Designs solar-powered home energy systems and productive use appliances to help those living under \$4 per day grow their wallets.

REGION

Global

DATE OF INITIAL INVESTMENT

March 2017

METRICS

27,910 Solar Home Systems Sold

13 Distribution Partners

2,547 Energy Capacity of Solar Home Systems Sold (mWh)

AMPED INNOVATION CLOSES ON SERIES A FUNDING OF \$3.3 MILLION

Amped Innovation closed a \$3.3 million Series A round in October 2019, which will be used to develop a new generation of highly efficient DC appliances, focusing on televisions, cold-chain, water pumping and diesel generator replacement solutions that are affordable to low-income segments.

THEORY OF CHANGE

- ▼ More than 80 percent of sub-Saharan Africans do not have access to electricity; by 2040 there will still be an estimated 530 million people that are living off-grid.
- ▼ Electricity needs to be coupled with affordable, useful appliances (like solar water pumps, refrigerators, generator sets) that improve productivity by helping MSMEs and low-income households save time, money and create access to new income opportunities.
- ▼ Coupled with reliable electricity from solar energy, productive use appliances increase incomes and improve health outcomes to enable families to move out of poverty and become financially included.

SDGS SUPPORTED





EAST AFRICA FRUITS



Formalizes the informal farm-to-market sector by providing a stable, fair market for horticulture crops, transporting goods using cold-storage and distributing to food buyers to improve productivity and incomes for smallholder farmers and informal vendors.

REGION

East Africa

DATE OF INITIAL INVESTMENT

September 2019

METRICS

1,735 Smallholder Suppliers

37 Percentage of Female Smallholder Suppliers

\$933,544 Payments to Smallholders

680 Informal Vendor Customers

EAST AFRICA FRUITS PRODUCE PURCHASES NEAR \$1 MILLION

In 2019, East Africa Fruits purchased about \$1 million worth of produce from its smallholder farmer supplier base, putting money directly into the hands of growers to better support their farms and their livelihoods.

THEORY OF CHANGE

- ▼ Post-harvest storage issues result in 50 percent crop losses of more than \$7 billion annually in Tanzania.
- ▼ Food distribution inefficiencies create low prices for farmers and variable product quality and high prices for informal urban food vendors where most Tanzanians continue to purchase fruits and vegetables.
- ▼ Reducing food loss and waste is critical to alleviate poverty, improve nutrition, manage food security and mitigate climate change.
- ▼ Distribution companies can reduce post-harvest waste and improve food security, reduce environmental degradation and translate efficiency gains into higher incomes for farmers and vendors and lower prices for customers.

SDGS SUPPORTED



Develops engaging digital educational curriculums that work on basic feature phones for primary and secondary students and beyond.

REGION

Pan-African

DATE OF INITIAL INVESTMENT

July 2018

METRICS

636,906 Average Active Users on the Platform
(5,589,274 Total Learners Inception thru 2019)

4,932,581 Number of Lessons Completed

16,351 Number of Lessons Offered

219 Number of Subjects Offered

ENEZA EARNS THE EDTECHX GLOBAL IMPACT AWARD

Eneza Education earned the 2019 EdTechX Global Impact Award as part of EdTechXEurope, Europe's largest summit connecting the global learning community.

THEORY OF CHANGE

- ▼ Each additional year of schooling has been demonstrated to result in a 10 percent average increase in an individual's earnings.
- ▼ In one-third of sub-Saharan African countries, about 50 percent of all children do not complete primary education and nearly 9 out of 10 children between the ages of 6 and 14 will not meet minimum proficiency levels in reading and math.
- ▼ Over-burdened teachers often do not provide the quality of education necessary for children to access learning in a meaningful manner.
- ▼ Interactive SMS-based platforms provide supplemental education for female, rural and low-income learners and help to achieve positive education outcomes, prepare students for future employment and drive financial resiliency.

SDGS SUPPORTED





GOOD NATURE AGRO



Partners with smallholders to improve their productivity through soil-enriching legume farming and links them to a high-value seed market to grow farmer incomes.

REGION

Southern Africa

DATE OF INITIAL INVESTMENT

September 2018

METRICS

5,582 Smallholder Suppliers

44 Percentage of Female Smallholder Suppliers

\$250,568 Value of Inputs Provided to Smallholder Suppliers

110 Number of Private Extension Agents (PEAs)

\$966,415 Payments to Smallholder Suppliers

GOOD NATURE AGRO EXPANDS AGENT NETWORK

Good Nature Agro graduated 110 private extension agents (PEAs) through its training program in late 2019, with a curriculum focused on technology adoption, training facilitation and goal setting to better serve a growing smallholder farmer base throughout the year.

THEORY OF CHANGE

- Maize dominance, poor soil quality and changing climate characteristics have made farming in sub-Saharan Africa increasingly unproductive, threatening food and economic security, as 70 percent of the population relies on smallholder farming for income.
- Agricultural strategies need to be implemented that address productivity, soil health and crops that materially grow income and market linkages.
- By providing all required inputs, best-in-class extension services and a guaranteed offtake market for legume seeds, farmers can grow their income by 200 to 300 percent, in addition to improving soil fertility and health, increasing household nutrition and providing added resilience against climate change.

SDGS SUPPORTED



Provides the most accurate, hyper-local tropical weather forecasts to smallholders via SMS to reduce risk and loss and improve farmer decision-making for better harvests.

REGION

West Africa

DATE OF INITIAL INVESTMENT

August 2018

METRICS

23,523,910 Number of Forecasts Sent

1,362,351 Forecast Subscribers (Inception thru 2019)

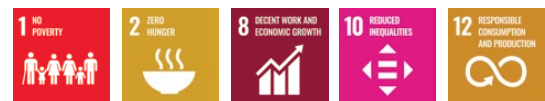
IGNITIA WINS THE NORRSKEN IMPACT AWARD

Ignitia was selected as a winner of the Norrsken Impact Award, recognizing Nordic impact start-ups that are solving some of the biggest problems of our time using entrepreneurship and scalable technology. Ignitia received a \$1 million prize consisting of a McKinsey & Co. engagement for new market entry into Brazil, communications consulting from Brunswick Group, office rent for one year and legal services from Mannheimer Swartling.

THEORY OF CHANGE

- Over 70 percent of the sub-Saharan African population relies on smallholder farming for income, with 90 percent of farming being rain-fed.
- More unpredictable rainfall, caused by climate change, has contributed to an increased frequency of crop losses and food shortage.
- Smallholders need reliable information to make informed decisions regarding their crop production cycle in order to enhance economic productivity, stabilize incomes and increase food security.
- By improving the accuracy of rainfall forecasts from 39 percent to 84 percent, farmers, can double their yields and improve incomes dramatically.

SDGS SUPPORTED





MDAAS GLOBAL

Builds and operates modern, convenient and affordable diagnostic centers in clinically underserved communities offering imaging, cardiac and lab services to identify health issues earlier and more accurately for effective treatment.

REGION

West Africa

DATE OF INITIAL INVESTMENT

April 2019

METRICS

2 Number of Health Care Facilities

8,195 Number of Patients

64 Percentage of Female Patients

100 Percentage of Patients Surveyed that Recommend their Services to Friends or Family

MDAAS GLOBAL CLOSES ON SEED FUNDING OF \$1 MILLION

MDaaS Global closed a \$1 million seed round in June 2019, which will be used to replicate its innovative diagnostic center business model across Nigeria, providing modern, connected health care for Africa's next billion.

THEORY OF CHANGE

- ▼ Underinvestment in health systems and a fast-growing population has resulted in inadequate health care infrastructure, an absence of key specialist services, poor quality of care and loss of confidence in general health services.
- ▼ A lack of tools that can detect and diagnose health problems means that many health risks remain undetected or receive inappropriate treatment.
- ▼ Centralized, outsourced diagnostic service centers can provide physicians and patients in clinically underserved communities with affordable and high-quality imaging and a broad array of lab tests.
- ▼ Through more accurate diagnosis and imaging for maternal health, HIV, TB and more, physicians can identify issues in a more timely and accurate manner, helping to improve outcomes and reduce costs.

SDGS SUPPORTED



Partners with local governments to scale sanitation services in rapidly growing urban areas, turning fecal sludge into environmentally friendly fuel alternatives to firewood and charcoal.

REGION

East Africa

DATE OF INITIAL INVESTMENT

May 2018

METRICS

314,000 Number of People Indirectly Provided with Improved Sanitation (Per Month)

907 Waste Treated (Metric Tons)

728 Fuel Substitutes Sold (Metric Tons)

27,387 Trees Saved

SANIVATION EARNS A PATENTS FOR HUMANITY AWARD

Sanivation was issued a Patents for Humanity award by the United States Patent and Trademark Office on a process for combining waste products into biomass fuels.

THEORY OF CHANGE

- ▼ In Kenya, less than 5 percent of human waste is properly treated before disposal; by 2030 only 40 percent of Kenya's population will have access to sewers.
- ▼ To make sanitation solutions affordable, they must be addressed at the municipal scale and waste collected through the process should be transformed into revenue-generating products (e.g., firewood, charcoal) derived from the energy found in fecal sludge.
- ▼ By mitigating waste generation through the proper collection, treatment and reuse of fecal matter, improvements in the overall dignity, health and environment of urbanizing communities will be seen.

SDGS SUPPORTED



PILOTING DIGITAL FINANCIAL SERVICES FOR SMALLHOLDER FARMERS



Good Nature Agro (GNA) works to bring smallholder farmers firmly into the middle class with a farming model proven to enhance productivity and incomes. With more money in their pockets and their futures looking brighter, GNA farmers are seeking safe, reliable places to hold their savings and banking facilities that enable them to invest in productive assets to further improve their businesses. Across Africa, just 31 percent of adults have an account with a financial institution, with smallholder farmers among the most excluded.

In addition to obtaining access to financial services for their farmers, GNA seeks to solve another critical issue: payments. GNA paid their growers nearly \$1 million in the 2019 season in cash. Cash payments are not only a logistical nightmare, but also a security risk.

Enter FINCA Zambia, a local microfinance deposit taking institution that has been operating in the country since 2001. They were looking for growth opportunities and wanted to serve new customer segments. FINCA Zambia's Chipata Branch is just minutes from GNA's headquarters. By leveraging FINCA Zambia's digital banking platform, GNA opened a bank account alongside a pilot group of farmers they work with and now GNA deposits farmer payments directly into these farmers' mobile phone-accessible bank accounts. This digitally enabled banking partnership allows GNA to make payments to its farmers more securely, lessening the risk and burden of

carrying cash while preserving customer convenience. Farmers may still access their money via FINCA Zambia community-based banking agents who can exchange mobile money for cash when farmers need it.

Being banked comes with great benefits to farmers. It means they can securely save toward their future goals without amassing a large pile of cash at home. It also allows them to access an array of financial services in the future.

Of course, the partnership isn't without its challenges. Weak cellular networks in rural areas can impact the effectiveness of agency banking and mobile money. Low levels of financial literacy coupled with a lack of trust in digital money can have a similar effect. And banking agents, who are few to begin with in rural areas, can run into liquidity problems when farmers seek cash payments en masse at harvest time.

The FINCA Ventures team is working closely with GNA and FINCA Zambia to find creative solutions to overcome these challenges, with a goal of bringing digitally enabled, affordable and accessible banking to GNA's wider farmer network of smallholders and making digital payments to all growers every season by 2021. This partnership could provide a model for other social enterprises seeking value-added connections with a financial institution to grow resilience for their customer base.

"FINCA Ventures pushed us to think about how to build value in our business while maintaining a strong impact focus."

**CARL JENSEN, CO-FOUNDER & CEO,
GOOD NATURE AGRO**





"The research team has been incredibly helpful in developing and refining our patient satisfaction survey."

**GENEVIEVE BARNARD ONI,
CO-FOUNDER & CFO, MDAA GLOBAL**

DEEP DIVES

DEPLOYING CUSTOMER SATISFACTION SURVEYS IN HEALTH CARE CLINICS



Scaling a social enterprise is difficult. The list of important factors to take into consideration is near endless: unit economics, talent, new market dynamics, operational efficiencies, product design and more. But among the most important is a refusal to compromise on delivering an excellent customer experience, even in the face of rapid growth. An inability to satisfy customers is a recipe for business failure, and in health care, this can have unintended negative social impact.

That is why MDaaS Global initially implemented a paper-based survey to continually monitor and evaluate customer satisfaction levels at its first clinic, which was growing quickly. At the beginning of 2019, MDaaS was operating one small medical diagnostic clinic in Ibadan, Nigeria. By year-end, the company had opened its second, much larger center in Ilorin, and was finalizing the staffing to open a third location in Osogbo in early 2020.

As MDaaS transitioned from running a single clinic to being operators of a chain of diagnostic centers, the founding team knew the brand they had built must continue to deliver on its reputation of excellent customer service. This is where FINCA International's research team came in. Working collaboratively with MDaaS, FINCA's research function helped redesign and digitize the customer satisfaction survey for patients as they leave the clinic. Using FINCA's

patented cloud-based software tool, ValiData, to host the survey, MDaaS is able to get real-time insights and analysis and flag customer issues as soon as they arise. This allows the MDaaS team to monitor the customer experience of all diagnostic centers from a centralized headquarters location. The survey allows the team to track patient feedback across the customer journey (front desk, payment process, waiting room, main clinical process, etc.) for each service (lab testing, X-ray, ultrasound, etc.).

The survey's intention is to elevate the voice of the customer through simple, intuitive questioning and MDaaS' strong bend toward learning and improvement resulted in many satisfied clients. When asked "Would you recommend our services to a friend or family member if they needed these services?" 96 percent of the patients selected "Definitely Yes" and the remaining 4 percent chose "Probably Yes."

Following the success of this pilot survey implementation, MDaaS and FINCA's research teams are exploring additional ways to collaborate. This includes designing more robust patient surveys and tools to capture more structured feedback from the network of doctors that MDaaS partners with. While no one may look forward to a medical appointment, MDaaS is committed to providing the absolute best patient care when you get there.

INSIGHTS

Establishing a framework for measuring and reporting on the impact of investments produced significant learning. Like the problem-solving principle known as Occam's Razor, oftentimes the simplest insight is the most profound.

Here are the top takeaways from endeavoring to keep the “impact” in impact investing:



DON'T DELAY

As we developed an impact framework for FINCA Ventures over the past year and changed our process for metric and measurement selection for new investments, we also had to retrofit existing portfolio companies into this new framework. Incorporating robust impact measurement into the investment process *at the onset* is critical to setting expectations and alignment across all stakeholders—especially because what gets measured, gets managed. It is easier to remove metrics that you recognize are no longer vital to measuring the company's impact than it is to add new metrics midway through a business cycle.



COLLABORATION IS A MUST

Let's face it, there can be too many cooks in the kitchen when it comes to impact reporting requirements for investees. One of the most important things investors can do as they work with an investee to set reporting guidelines is to communicate and manage reporting expectations with co-investors and other stakeholders (i.e., grantmakers, etc.), as much as with the investee. By opening conversations with co-investors to understand and gain alignment on impact objectives and corresponding reporting expectations, we streamline reporting requirements on the investee and work together to measure what matters. This may not lead to a one-size-fits-all approach, but this kind of collaboration will make life easier for every cook in the kitchen.



USE THE RIGHT TOOL FOR THE JOB

It's important to recognize which metrics are appropriate for which business model, to reevaluate the sufficiency of these metrics on a regular basis and to understand when you may need additional resources to gain deeper insight on the customer or the business. For example, in-depth customer research using qualitative studies like focus groups or randomized control trials to evaluate outcomes and impact may be required. In other instances, more rapid customer surveys that provide immediate feedback on product or service efficacy can offer valuable data on the impact of a social enterprise's business operations. At FINCA Ventures, we work with internal data experts on FINCA International's research team and external partners to utilize the best tools for the job to ensure the company's business strategy is continuing to deliver on customer needs in a way that creates the desired social impact.



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