**Session Description:** Join us for a conversation on how social performance data can help social enterprises make better decisions. We’ll bring examples of how Acumen’s Lean Data Initiative and Grameen Foundation’s Progress out of Poverty Index have helped companies collect and analyze customer data that generate insights to serve their customers better.

**Session Leaders:**
- Venu Aggarwal, Acumen
- Julie Peachey, Grameen Foundation

**Lean Data: A new approach to social performance management**

**Impact framework at Acumen**

Three dimensions of impact
1. Breadth: number of lives reached
2. Depth: meaningful change to an end user’s well being
3. Poverty focus: percent of customers living on under $2.50 per day

**Lean Data**
- Customer first
- Low cost technology
- Fast feedback loops
- Data to make decisions

Use technology as much as possible to connect customers through low-cost collection of lean data

**Case Study: Solar Now**

Founded in 2011
Sold over 5,000 home systems
Acumen investee since 2014

**The Lean Data Process**
- Diagnose: what do you wish you knew about your customers and social performance? (i.e. what my customers truly think about the solar home system)
- Design: customer-centric survey questions
  - Questions that are simple and colloquial, specially after translation
  - 10 to 12 minutes maximum
- Deliver: 4 phone enumerators conduct 216 phone surveys over 5 days
- Analyze: data on social outcome (i.e. .5 additional hours of light per night)
Advise: shared reports with analysis and recommendations including improvements in customer service
  - Recommendations on how to integrate data going forward

The Data
49% customers living under $2.50 per day
32% customers reporting service issues
95% kerosene reduction

Taking action from the data
1. Stronger focus on the customer: setting up a Customer Insight “Engine”
2. Pivot of value proposition, subsequent rebranding: focus more on the economic impact of the system
3. Customer service: increased priority

- Customization of standard questions
- Although the job can be externalized to call centers or independent organizations, it is preferable to use familiar staff to conduct the survey because of:
  - Necessity to listen
  - Understanding of responses, and the questions they generate
  - Background information
- Through the pilot program, come up with questions and concerns that may be pivotal but unknown to surveyors
- Quintessential: open-ended questions (i.e. anything else you wish to share with us?)

What is the PPI?
- Progress out of Poverty Index
- A statistically rigorous yet easy-to-administer poverty measurement tool
- Methodology designed and conducted by Mark Schreiner of Microfinance Risk Management LLC

- PPI has 3 primary use cases
  1. To measure beneficiaries’ levels of poverty
  2. To improve performance, including products and services
  3. To track progress

How do we get the right data to support decisions of mission-focused organizations?
- Start with asking business questions to know which data you need to collect
- Understand
  - Company: is it meeting its social mission
  - Investor: is it meeting its social mission across the portfolio
  - Leads to future decisions about investment and management
**Business question:** are we reaching poorer customers equally well in both rural and urban areas?
- 38% under the $2.50 per day in rural areas
- 27% under the $2.50 per day in urban areas
- Using the PPI, Microfinanzas PRISMA in Peru discovered that their outreach in rural areas was higher

**Business question:** Is it possible to launch an aggressive customer expansion strategy without affecting poverty outreach?
- When uptake in savings accounts grew, poverty outreach dropped very little
- Showed that the organization (MFI) could move ahead with their expansion strategy and not lose their impact

**Key questions:**
- From the company’s perspective, how to make decisions to improve performance?
- When/how is the PPI applicable in helping organizations make these decisions?