

Feed the Future Sierra Leone Entrepreneurial Agriculture for Improved Nutrition activity

Debrief on Microfinance Institution Transformation

Dates, Freetown

Volunteer Name: **JILLANN (JULIANA) W.
RICHARDSON-ROHRSCHEIB**

State of Origin: **VAIL, COLORADO, USA**

Host Organization: **SALONE MICROFINANCE TRUST LLC (SMT)**

Assignment: **BUSINESS/ENTERPRISE DEVELOPMENT (E)**

Dates of Assignment: **12 JUNE – 07 JULY**

Number of days worked: **PRE-ASSIGNMENT 49 HRS ≈ 6 x 8-hr days**
ASSIGNMENT – 221.5 HRS ≈ 27.7 x 8-hr days

(NB: The assignment time does not include presentation time in the CRS/FtF Office in Mugbaraka, nor does it include Post-assignment hours)



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Provide technical support in preparing SMT for the transformation process into a deposit taking institution. The complete transformation plan will enhance SMTs service delivery and product offerings to increase client outreach. Specifically, the identified FtF Volunteer will:

- 1) Review SMT's Manuals (Lending, Finance, Board, Personnel, Internal Audit), 3-Year Business Plan, and other relevant documents and provide modifications where needed for becoming a deposit-taking institution.
- 2) Prepare the Outline for SMT's Savings Manual.
- 3) Prepare an Internal Checklist/Report on state-of-compliance with Bank regulatory requirements and prepare a Plan of Action.
- 4) Train the SMT Teams in the process of designing and pilot testing savings products, with practicums in at least two (2) Branches.
- 5) Prepare training materials and conduct training sessions to SMT team members for the designing and pilot testing, as well as any other capacity building requests agreed upon with SMT Management at start of assignment.



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OBJECTIVE #1 - REVIEW SMT'S MANUALS

- 1) Credit Operations & Internal Audit Manuals reviewed and insertion of Savings information has been identified (completed in USA).
- 2) Administration/Human Resources and Board Manuals have not been reviewed (will Sr. Management and/or the Volunteer do this?)
- 3) The new Risk Assessment / Risk Analysis Program (RAMP) information needs to be added to all of the Manuals.

➔ It will be the responsibility of the Department Managers / Board Secretary to add the new information into their respective manuals.



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OBJECTIVE #2 - SMT'S SAVINGS MANUAL

- 1) The outline for SMT's Savings (Banking Operations) Manual has been completed.
- 2) The Manual will need to be updated by the SRT (with support from the Volunteer, as needed) once the Board has approved the Savings Product.
- 3) All supporting documents (hard copy and electronic) for the development of the Savings Product will need to be appropriately stored and available for future use.



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OBJECTIVE #3 – INTERNAL CHECKLIST FOR BSL APPLICATION

- 1) Checklist was sent to the MD (26 April) for initial review.
- 2) Meeting with Sr. Mgmt. Team (16 June) to walk through the Checklist to discuss what needed to be accomplished, who would be responsible for what, and where possible, added deadline dates.

➔ The completion dates for Checklist need to be aligned with the “Master Calendar” dates of all of the activities related to the Development of the Savings Product.



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OBJECTIVE #4 – TRAIN SMT TEAM IN SAVINGS PRODUCT DEVELOPMENT

- 1) **DEVELOPMENT OF SAVINGS PRODUCTS** (20-21 June) for 24 people
 - ToT #1A – The Five (5) Stages of Savings Product Development
 - ToT #1B – Elaboration of the Savings Product(s) & Framework
 - ToT #1C – Finalization of the Tools & Protocol
 - ToT #1D – Simulation (& Refinement of Products, Framework, Protocol)
- 2) **CONDUCT PRACTICE MARKET SURVEYS** in Makeni & Waterloo Branches (26 June – 03 July) by 10 people
- 3) **HOW TO PREPARE FOR THE PILOT TEST** (04-05 July) for 13 people
 - ToT #2A – The Four (4) stages of Pilot Test Preparation & Plan Development (by Department) with Checklists
 - ToT #2B – Compliance & Risk Management
 - ToT #3C – Leadership & Group Development
- 4) **DESIGN POTENTIAL SAVINGS PRODUCTS** (11-12 July) for 15 people
 - ToT #3A/B – Tallying & Analyzing Savings Products (Simulation)
 - ToT #3C – Designing Savings Product (Simulation)
 - ToT #3D – Stage 4-Pilot Test & Stage 5-Management





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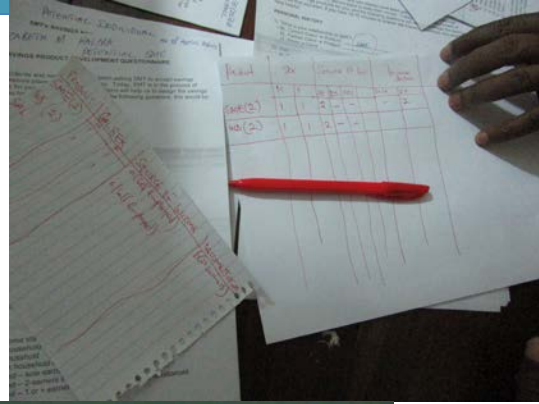


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* INCOME		REASON FOR DEPOSIT		SEX OF CLIENT	
NUMBER	PERCENT	NUMBER	PERCENT	MALE	FEMALE
1	100%	1	100%	1	0
2	0%	0	0%	0	0
3	0%	0	0%	0	0
4	0%	0	0%	0	0
5	0%	0	0%	0	0
6	0%	0	0%	0	0
7	0%	0	0%	0	0
8	0%	0	0%	0	0
9	0%	0	0%	0	0
10	0%	0	0%	0	0
11	0%	0	0%	0	0
12	0%	0	0%	0	0
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48	0%	0	0%	0	0
49	0%	0	0%	0	0
50	0%	0	0%	0	0



DESCRIPTION	RATIONALE	DOCUMENT	OBSERVATIONS
II – DEPOSIT TYPE			
a) Individual v. Group	<i>individual accounts -- all types of people req'd indiv.</i>	Survey	# incomes, income source, sex, type of product, reason for saving have no influence as to indiv. V. gr. Savings acct.!
b) Min/Max deposit required	<i>No minimum amt for deposit - SMT's clients are microentreps</i>	Survey did not gather this info properly	Based on experience, no. min. should be req'd
c) Frequency of deposits	<i>As often as client's want to deposit - helps them with their cash mgmt/security</i>	Survey	1,2,3x/WK and 1x/MO were most common



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OBJECTIVE #5 – PREPARE TRAINING MATERIALS & DOCUMENTS

- 1) **Training Modules** have been modified with information gathered during the training
- 2) **Handouts** – some were provided during the training others may be sent to staff electronically
- 3) **Draft Documents have Prepared:**
 - ✓ SRT Terms of Reference (TOR)
 - ✓ Market Survey Protocol
 - ✓ Savings Framework
 - ✓ Questionnaire
 - ✓ Focus Group Discussion Guide
 - ✓ Tally Score Card
 - ✓ Savings Tally Sheet
 - ✓ Savings Tally Count
 - ✓ 1st Draft of Training Module for Surveyors on “How to Conduct Market Survey”





NEXT STEPS

- 1) SRT Constituted (18 – 21 July)
- 2) Calendar Alignment (T/B/D, 18 – 28 July)
- 3) Conduct Surveys in Bo, Freetown, Makeni, Waterloo (07 – 18 August)
- 4) Surveys Talled, Analyzed, Savings Product(s) Designed (21 - 25 August)
- 5) Financial and Technical Analyses by MD/Sr. Mgmt. (28 August – 01 September)
- 6) Financial and Technical Analyses incorporated Savings Product(s) (04 – 08 September)
- 7) Presentation to Board / Board Decision (T/B/D / T/B/D)
- 8) SRT completes revisions, Handover completed (T/B/D)
- 9) PTT constituted (T/B/D)
- 10) SMT submits ODTI Application to BSL for approval (T/B/D)





CONSIDERATIONS

- 1) SMT Board/Managing Director are encouraged to elaborate a Strategic Plan for 2018 – 2030.
- 2) SMT Board/Managing Director, along with the Credit Operations Department are encouraged to review salary / incentive pay structures for POs, Sr. POs, PO Supervisor, Branch Manager and Area Manager, Credit Operations Manager.
- 3) SMT Senior Management Team members are strongly encouraged to adopt the attitude of developing leadership within SMT (“the role of a leader is to develop new leaders”)
- 4) SMT is encouraged to follow through on becoming a “good member” of the SMART Campaign
- 5) SMT is encouraged to become a part of the Microfinance Transparency (MFT) program and become certified
- 6) SMT is strongly encouraged to enter the last 3 years of financial history into the MIX.
- 7) SMT is strongly encouraged to strengthen its Risk Assessment / Risk Management Program (RAMP), including creating a Risk Management Committee in the Board
- 8) SMT should consider putting together a short Strategic Error Prevention and Management Plan (checklist) to deal with the errors that will happen with the new Musoni system and Savings Operations
- 9) SMT Board and Senior Management Team are strongly encouraged to put together Emergency Plans for each of its installations to protect buildings/equipment, people (staff and clients), and cash.





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5. Recommended future volunteer Assistance

It might be helpful to SMT to have a Volunteer assist them continue elaborating and implementing the Risk Assessment / Risk Management Program (RAMP). The first draft of the program was created by the Teams with support from the Volunteer; however, they will need additional support to refine and put into action.



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Improving the Volunteer Experience

- 1) For Orientation, please prepare a .ppt presentation about the FtF program:
 - Vision, Mission, Values, History
 - FtF in SL (maps, photos, other Vols/Orgs – we are part of a bigger program)
- 2) Prepare a flash drive with all of the info that Volunteers will need during their assignments, and explain how to use these forms
 - Need to count W/M (get attendance sheets? If yes, provide attendance sheet)
 - Types of photos to take (Volunteer training, Action!)
 - Types of linkages/relationships to investigate/report on during the assignment (add this to the reports)
 - Need for host to rack/calculate costs? If yes, provide tracking sheet
 - Need for Volunteer to track/calculate training costs OR contributions? If yes, use CRS form #13
 - Explain how to calculate Q1.6 on Report and **“Value of Volunteer Time of Service” on Data sheet**
- 3) Provide date / time / location of tentative presentation during Orientation and follow-up with any changes





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There are five types of companies:

- ***Those who make things happen (SMT!);***
- *Those who think they make things happen;*
- *Those who watch things happen;*
- *Those who wonder what happened; and*
- *Those that did not know anything had happened*

~Philip Kotler, Marketing Management



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