Making the Case for Impact Performance Management at Your Institution

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Many financial institutions face impact reporting requirements internally, or to meet investors or funders’ requirements so they can use it for impact reporting. When it’s all about reporting, these expectations can seem onerous or extraneous. But an effective impact management system can benefit your institution in multiple ways.

The solution lies in the distinction between performance measurement and performance management. The latter moves beyond measuring performance for risk purposes or investor/regulatory compliance, to analyzing data in a feedback loop to inform business decisions, drive strategy, and create real value for your institution.

To analyze how a performance measurement system can benefit your institution, evaluate your institution’s most pressing needs and think through how the current reporting you’re doing could feed back into your systems most productively. Do you have upcoming priorities like developing SME-targeted products, executing a new strategy, or targeting a different client segment? Performance management can help with all of these goals. Some examples include:
1. **Assessing return on marketing investment:** Demonstrates efficacy of marketing campaigns, and allows future campaigns to be more effectively targeted

2. **Market segmentation:** Suggests new opportunities among previously-unidentified segments and refinements to existing ones

3. **Driving uptake among customer segments:** Identifies new markets for existing products and opportunities to increase the market share in current markets

4. **Informing product development:** Surfaces customer needs for new products and pinpoints refinements along the products’ development and rollout cycle

5. **Informing strategy decisions:** Provides data to propose changes in strategy, back up resource allocation, and identify blind spots in company focus

Once you’ve made this business case, your institution can begin building the components of a successful performance management system: identifying KPIs, integrating them with the core banking system, benchmarking results, and developing relevant systems to analyze and support decision making. For more on how to successfully implement this system at your institution, please contact capacitybuilding@capplus.org.

Related: [CapPlus Webinar: Performance Measurement for SME banks](#)
Theodhori (atheodhori@capplus.org), in our next newsletter.

As always, Alkis and our CEO Lynn (lpikholz@capplus.org) remain fully accessible to our partners and clients, who we always like to hear from.

improvements in education. EMii benefits:

- Children
- Women and Girls
- Youth
- Education Entrepreneurs
- Local Financial Institutions

Click here to learn more about how EMii works - and how you can join CapPlus in this impactful new area!

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2019 CapPlus Webinar schedule - registration now open!

7 February: Marketing Financial Services To Entrepreneurs Effectively and Affordably

Does your brand have a strong standing in your target market? This webinar, aimed at financial institutions seeking to become leaders in SME lending, shows how to improve your marketing approach to become more effective in building visibility and appeal, while keeping marketing costs affordable. To provide a practical context, the webinar provides examples of marketing to SME entrepreneurs, including to women entrepreneurs as a specific target segment.

21 March: Double Your Financial Institution's Sales to SMEs – Proven, Integrated Sales Development Approach

11 April: Big Profit from Big Data – Practical Ways to Embrace “Digital Readiness”

16 May: Human Centered Design for Financial Institutions – Pt. 1

13 June: Human Centered Design for Financial Institutions – Pt. 2
Bristol-based UK design agency cxpartners are working with CapPlus in Kazakhstan to help deliver better, profitable microcredit services through customer-centered research at ACF, a microfinance institution.

Although the challenges and products are different, ACF’s experience is similar to financial service businesses elsewhere. ACF must respond to increased competition and digitally disruptive entrants who are attracting the higher value customers (leaving behind the poorest and least digitally- and financially-literate), and must improve their service propositions while retaining clients and employees.

CapPlus, cxpartners and ACF look forward to sharing more of this project's story and lessons over the course of 2019, including through Q2 webinars that provide an in-depth look at the human-centered design process.