the smart campaign

Keeping clients first in microfinance

TOOLS

Collecting and Using Exit Survey Data

A Tool for Financial Institutions

AUTHOR
Leah Wardle

WITH SUPPORT FROM
Anne Hastings and Daniella Hawkins

Overview

This tool discusses how financial institutions (FIs) can design exit survey tools, collect exit data, and use them for designing and improving products and services. It explains a five-step process for developing, introducing, and using an exit survey. FIs with existing exit surveys can use the tool to rethink and strengthen their current tool. Those without an existing tool can use it to understand their options and design a tool.

Introduction

This tool will discuss how FIs can design exit survey tools, collect exit data, and use it for designing and improving products and services. **Section 1** introduces the importance of using an exit survey tool for designing and improving products and services.

Section 2 explains a five-step process for developing, introducing, and using an exit survey. These steps help ensure that the exit survey generates useful data and that management uses the information for decision making.

Annexes 2 and 3 present sample exit interview methodologies and questions.

Who Should Use the Tool

This tool can be used by FIs and those who support them, including technical assistance providers, professional associations, donors, and others. FIs with exit surveys can use the tool to rethink and strengthen their current tool. Those without an existing tool can use it to understand their options and design an effective tool.

Client Protection Standards for Client Protection Principle 1

This tool responds to **Client Protection Principle 1—Appropriate Product Design and Delivery** (see **Box 1**). The Smart Campaign defines successful implementation of this Principle as "designing products and delivery channels (i) in such a way that they do not cause clients harm and (ii) taking into account client characteristics."

The Smart Campaign's Client Protection Certification Standards expand on the above definition. This tool responds to **two of the standards for Client Protection Principle 1** (see **Annex 1** for the full list of standards for this Principle):

> The FI investigates reasons for client drop out.
> The FI uses client feedback to inform product development and improve existing products.

This tool focuses on one of the most practical and useful means for fulfilling the above standards—collecting and using client exit data.

TOOLS

Identify problems. While some clients do leave FIs for positive reasons (e.g., "graduating" to a larger financial institution), client exit is a useful proxy indicator for client satisfaction with products and services. It also indicates whether or not clients are facing problems that cause them to leave the institution or to become inactive. Increasing levels of exit can represent a significant risk for your institution, reflecting client dissatisfaction, client stress, inappropriate products, or effective competition from other local providers. Exit is often a leading indicator for an impending decline in portfolio quality.

In conjunction with your institution's complaints mechanism, you can use exit data to identify risks and client problems in order to respond appropriately. For example, a client exit interview may reveal misconduct on the part of a loan officer, providing managers with the opportunity to resolve the issue and possibly recover the client. As another example, client exit trends may show that many clients leave due to business inactivity, highlighting a problem that requires further investigation by management.

Get input for product design. Exit client data is biased toward dissatisfied and/or poorly performing clients, and should never be your only source of market research. However, you should use it alongside other market information to understand how to improve products, services, and delivery channels.

Exit interviews are typically more candid than other types of client interviews, as exiting clients do not fear that their responses will affect their relationship with the institution or their access to services. Many institutions find that exit interviews are at least as useful, if not more useful than interviews with existing clients.

Exiting clients can often point to specific product and delivery flaws that the institution can address. Examples include delays in service delivery, problems with information disclosure on product terms and conditions, and product flaws such as inappropriate loan repayment schedules or inadequate insurance cover. When analyzed in aggregate, such client input is invaluable for making product/service delivery improvements that may reduce client exit in the future.

2

The Process for Developing and Using an Exit Survey

TOOLS

While the process for developing and using an exit survey will vary by institution, there are several steps that should be common to any institution. These steps help ensure that staff and clients understand the purpose of the survey and that it generates useful information for management. The remainder of this section explains the steps listed in the graphic below.

Step 1. Set a strategy
> Create management buy-in.
> Develop an institutional strategy.

Step 2. Design the survey
> Select questions for the survey.
> Select a survey methodology.

Step 3. Pilot the survey
> Train staff to use the survey.
> Pilot the survey with clients.

Step 4. Roll out the survey
> Modify the survey based on pilot findings.
> Roll out the survey.

Step 5. Use survey data
> Analyze exit data.
> Use data for management decisions.

STEP 1

Set a Strategy

Create management buy-in. Discuss the implementation of an exit survey with executive management and the board, focusing on the benefits to clients and the institution. Generate ideas for how the institution can use exit client data to correct problems and to inform product design.

Develop an institutional strategy. The purpose of the client exit survey should be clear to all stakeholders (board, management, employees, clients). Such understanding begins with a clear institutional strategy for creating and using the tool. Develop a succinct strategy that includes the following:

> The purpose of the initiative and its intended outcomes
> Roles for the board, management, different employees, and clients
> A timeline for development of the tool and roll-out to all branches/locations

As part of creating this strategy, management should select specific staff for the following roles: (re) designing the survey, training managers (e.g., branch managers), training field staff (those who will survey clients), piloting the survey, making survey improvements, training/informing clients about the survey, analyzing survey data, and using survey data for product and operational improvements.

   Additionally, management should set a timeline and a budget for developing, piloting, and rolling out the exit tool. Deciding these details upfront will help management and the board to understand how this initiative fits with other institutional priorities and what outcomes to expect.

Design the Survey

Select questions for survey.
When choosing questions for the pilot survey, aim to strike a balance between simplicity and depth. Survey questions must be simple enough for field staff to ask accurately and for clients to answer easily. At the same time, the survey should attempt to uncover specific issues that lead to client exit, so that management can address these in the future.

To begin, generate a list of questions based on the experience of client-facing staff. Interview area/regional and branch managers, along with senior field staff, asking them to identify common reasons that clients exit the institution, along with important research questions that might be answered using direct client feedback (e.g., Why do clients miss group meetings? Do clients understand the new insurance product?)

In addition to gathering input from staff, study examples from other institutions (see **Annexes 2 and 3**) and consider whether your institution could benefit from expert assistance from a consultant experienced in survey design.[1]

When deciding on the final list of pilot survey questions, be sure to include questions on:

> Identifying information (client name, branch, etc.)
> Length of tenure with the institution
> Most recent product(s)/service(s) (e.g., last loan amount, last savings deposit)
> Most recent business and related information (e.g., type, asset value, start-up costs)

> Factors leading to exit related to:
> > The institution
> > The business
> > The family
> > External factors (e.g., illness, relocation)
> > Other clients
> Quality and appropriateness of products and delivery mechanisms
> Quality of service delivery/client treatment
> Current economic situation (e.g., no business, formal employment)

In addition to the standard question areas above, you may want to gather information on a current issue or research question. These questions may change over time and can be added or removed from the survey. Use them to fills gaps in your institution's existing knowledge about how clients experience your products, services, and employees. Examples of such questions include:

> How has the drought affected your agricultural business?
> Did your loan officer miss group meetings on a regular basis?
> How many other loans outstanding do you have with other lenders?
> How far did you have to travel to reach your nearest branch office?

Finally, review the list of questions for length. Exit interviews should not last longer than one hour, and in many cases, clients may prefer to spend less than an hour in the interview. When piloting the tool (see **Step 3**), check that the length is not excessive.

Select survey methodology. Survey methodology refers to how your institution will collect the exit client data. Your institution should determine the following elements of the survey methodology:

> How to select interviewers
> How to select clients for interviews (sample selection)
> How to interview clients
> How to record client responses
> How to follow-up when necessary

Each of these methodology issues is discussed below.

How to select interviewers. Most institutions either use loan officers or specialized market research staff to conduct exit interviews, and some institutions use external firms to conduct a time-bound series of interviews. There are positives and negatives associated with each of these options, and your institution's choice will largely depend on your human resources (availability, skills), and your budget (ability to train existing staff or hire new staff or external researchers). **Table 1** (page 7) presents some of the positives and negatives associated with these three options, and additional considerations to take into account for each option. Regardless of which option(s) your institution chooses, ensure that the interviewers have the ability to put interviewees at ease during the interview.

---

1 The Social Performance Task Force offers a resource called *Technical Assistance Providers in Responsible Finance* (http://sptf.info/resources/ta-providers), a database of professionals who can provide technical assistance in one or more areas of responsible finance, in critical areas such as client protection and social performance management. The database is constructed from self-reported data, and provides information on each person's experience, references, and contact information.

Using open-ended and closed-ended questions to uncover reasons for exit

Consider using a combination of closed-ended questions (the client chooses from a list of possible answer choices) and open-ended questions (the client is not provided with a list of answer choices) when asking about factors leading up to client exit.

Closed-ended questions allow the institution to easily categorize the type of client exit and examine trends over time. For example, you might ask: "In the six months leading up to exit, did your business: 1) Grow, 2) Stay the same, or 3) Diminish?"

Open-ended questions allow the institution to gather rich detail on the client's experience and nuanced information about his/her reasons for exit. For example, you might ask: "Why do you think that your group members urged you not to take a subsequent loan?"

Open-ended questions are more difficult to record, code, and analyze, so staff should be well trained in the survey methodology and analysis.

How to select clients for interviews. It is impractical to attempt to interview all exit clients. Instead, aim to capture a representative sample of exit clients. Instruct staff to seek interviews with clients within one month of exit, so that client recall is more accurate and clients are easier to locate. From these clients, staff should select clients that have varied experiences with the institution. The sample should include clients:

> From the portfolios of various loan officers/field agents
> Who used different types of products
> With long/short tenures with the institution
> Who left voluntarily (e.g., did not take a subsequent loan) and those who were denied services (e.g., defaulted)

How to interview clients. In order to capture the best client sample, interviewers should be willing to interview clients in a variety of

settings, and should not expect clients to come to a branch location. Instruct interviewers on how to make clients comfortable sharing candid responses. Such techniques include:

> Explaining that the purpose of the conversation is to learn and address problems, not to investigate the client's intentions or shortcomings
> Ensuring client confidentiality or anonymity (as applicable)
> Avoiding going through the survey as a questionnaire. Instead, it should be as natural as possible, allowing the client to lead the conversation.

Instruct interviewers to be very familiar with the survey tool before beginning to minimize disruptions to the flow of conversation caused by reviewing the list of questions. In addition, interviewers should probe deeper into areas that may be of particular interest to the institution, asking follow up questions to gather additional detail from the client (see **Box 2**).

How to record client responses. Create a standard survey template that allows interviewers to easily record client responses during the interview. Most institutions provide interviewers with a paper form that s/he fills in during or directly after the interview. Alternatively, some interviewers record responses onto a laptop computer or handheld device. These should only be used if they do not make clients feel uneasy during the conversation and if the interview has the client's permission.

As interviews are often conversational, interviewers may need to spend additional time recording important details after the interview has ended. Instruct interviewers to take this time directly after the interview, while the conversation is easy to remember.

After the interview, paper forms should be transferred to an electronic database that includes standard fields (e.g., branch location) as well as open fields for the interviewer to provide

TABLE 1

Options for who will conduct exit interviews

PERSONNEL	POSITIVES	NEGATIVES	ADDITIONAL CONSIDERATIONS
Loan officers (or equivalent)	▶ Typically the least expensive option ▶ More efficient as staff know which clients have exited and where/how to find them	▶ May not report negative client responses about self or colleagues ▶ May not have the necessary time and skills ▶ Clients may not feel comfortable sharing openly about problems	▶ Provide additional training on interviewing skills, use of the tool, etc. ▶ Consider prohibiting loan officers from interviewing clients from *their own* portfolio ▶ Ensure loan officers have time for this function, or reduce other responsibilities
Specialized market research staff	▶ Have the time and expertise necessary to perform this function ▶ Are not associated with a particular branch or portfolio, so clients may feel more comfortable	▶ Will need loan officers to assist in locating clients ▶ May be seen as "auditors" by field staff and treated with resistance	▶ Explain their purpose to other field staff ▶ Create an efficient system for identifying/locating exit clients ▶ Identify opportunities to integrate the results of exit interviews with other market research such as client satisfaction surveys
External firm	▶ Same points as "specialized market research staff" ▶ Highest level of interview expertise	▶ Typically the most expensive option ▶ Will need internal staff to identify and locate exit clients ▶ May be seen as "auditors" by field staff and treated with resistance	▶ Same points as "specialized market research staff" ▶ May be an appropriate option in the beginning but consider moving to in-house staff over time

details on the client's response. The database should allow the institution to transmit the interviews between offices (e.g., from the field to headquarters) and to aggregate and analyze client responses.

How to follow-up when necessary. Some exit client interviews will uncover issues that require immediate follow-up. Such cases include problems with particular staff (e.g., client harassment, fraud), problems with particular clients (e.g., theft, lying, harassment), or legitimate mistakes on the part of the client or the institution (e.g., the client did not mean to close her savings account and would like to reopen it, or the institution approved a subsequent loan but a clerical error canceled it).

Interviewers should clearly understand the process for relaying such cases to managers for follow-up. Instruct interviewers on the types of cases that require follow up—providing specific examples—as well as a timeline for reporting these and which specific staff should receive the client information.

Pilot the Survey

Train staff on using the survey.
Before training staff on the use of the tool, ensure that they are clear on the purpose (see **Step 1**). Staff should understand why the tool is being introduced and how the institution will use it to improve operations and products. Make it clear that while the tool may be used as a risk management measure, it is not a staff performance evaluation tool. Emphasizing this fact will increase the likelihood that staff will not be afraid to accurately record client responses, even when those responses reflect poorly on the branch.

In addition to explaining the tool objectives, train staff on how to use the tool, including each of the five topics listed under **Select survey methodology** (**Step 2**).

Pilot the survey with clients. Choose a small number of branches/locations to pilot the tool. You may want to select branches in different geographic areas, with varying degrees of performance (well/poorly performing), and that have different product offerings (where applicable). This will allow you to make modifications to the tool so that it applies to varying types of branches and clients.

Instruct staff on how to record their observations about the tool and client reactions so that they can give feedback on the pilot. Organize discussions with pilot staff after a period of time (at least three months) to gather this feedback. In addition, analyze the survey results as well as the quality of the responses, looking for potential gaps in staff knowledge about how to use the tool.

Roll Out the Survey

Modify the survey based on pilot findings. Based on follow-up discussions with pilot staff, as well as the results of the pilot surveys, identify shortcomings in the tool. Consider the following questions, which focus on improving the usefulness of client exit data for management decision-making:

> Did the survey responses provide us with a clear picture of how exiting clients experienced our products/services/staff and their reasons for exit?
> Did the survey responses provide us with *actionable* information?
>> Can responses be used to generate ideas for improving products, services, operations, etc.?
>> Can responses be used to generate market research topics (e.g., why insurance uptake is low) that we can then explore using additional research techniques (e.g., client focus groups)?
> How did clients respond to the survey questions and the methodology used? Did they provide honest and detailed information?
> How accurately did staff record and analyze the information?

Based on the answers to these questions, make necessary modifications to the tool and the methodology.

Roll out the survey. After making modifications, roll out the survey to the entire institution. Follow the same steps as discussed above—including training staff and informing clients.

Use Survey Data

Analyze exit data. There are many ways to analyze a data set, and your institution may need assistance with some of the technical aspects of data analysis, especially as you are getting started. The data analysis techniques presented in this section focus on data analysis for decision making, responding to the Smart Campaign certification standard: the FI uses client feedback to inform product development and improve existing products (see **Annex 1**).

Aggregate the data. Data analysis begins at the point of aggregating exit data received from individual interviews. The aggregation process will vary according to the size and capacity of your institution, but will likely include the following steps:

1. Data is transferred from hard copy into electronic form. Typically, this is the responsibility of the interview staff.

2. Individual interviews are transferred to the staff responsible for aggregating the data. For example, field staff may send all interview results as an email attachment at the end of the month, or may enter data into a shared database on an ongoing basis.

3. Data analysts clean and aggregate the data using a database designed for this purpose.

Coding responses. To begin analysis on the aggregate data, management may want data analysis staff to

> Look for ways to augment survey data with other client information. Exit data alone may not be sufficient to make conclusive decisions, but combining exit survey findings with other information provides a more complete picture of the client experience.

produce two types of analysis for each survey question: 1) a full list of responses, and 2) response trends. For example, the analysis might produce a list of 14 different reasons for business failure, but should also demonstrate the top five most common reasons. As another example, the analysis might show that 22 percent of clients complained about field officer incompetence during the interview, and these clients provided eight different complaints.

As part of producing a "full list" of responses, analysts will likely need to code client responses. For example, if 136 clients answered the open-ended question "What was the start-up cost for your business?" analysts might code individual responses using the codes "< $50; $50–$200; $201–$400; >$400." Choose codes that produce useful information and allow analysts to generate reports that are easy for management to interpret.

Management-driven analysis. Once analysts have produced the full list of responses as well as the trend analysis for each survey question, management should provide guidance on further analysis and reporting. Exit interviews typically produce large amounts of

data, and management is unlikely to find the raw data useful. **Table 2** (page 10) demonstrates sample research questions asked by management, as well as the data analysis necessary to provide insight into the question.

Use data for management decisions. The ultimate purpose of a client exit survey is to glean information from clients that can be used to improve products and operations.

Reporting. After data analysts have produced the type of information that management needs to answer important research questions (see **Table 2**), the information should be presented to management and where applicable, the board of directors. Your institution should decide the form that this report takes, the frequency it is produced, and the information included in the report. For example, management may want the information in a 2-page report as part of a quarterly packet of meeting materials, they may want more frequent updates on particular issues important to operations (e.g., a monthly report on exit survey responses from

TABLE 2

Examples of how to analyze data according to research questions

RESEARCH QUESTION FOR DECISION MAKING	RELEVANT DATA ANALYSIS
What are the primary reasons for business failure among exit clients?	▷ The percentage of exit clients reporting business failure as a reason for exit ▷ The top 3–5 reasons for business failure (using codes for responses) ▷ Business failure by tenure, business type, and loan product ▷ Of clients reporting the top reasons for business failure, a list of other commonly-present factors (e.g. Of clients reporting failure from selling on credit, over half also reported lack of knowledge about booking procedures)
Are loan repayment schedules problematic for clients?	▷ Of exit clients with unpaid loans, the percentage who mentioned problems with repayment ▷ Of these, the percentage that reported difficulty repaying on schedule ▷ Of these, the reasons given for the difficulty (e.g., seasonal business) ▷ Reported business type by reported loan product type (to demonstrate potential mismatch between product types—and hence, repayment schedules—and business types)
Among clients who do not renew their insurance policy (exit), was the insurance policy well-understood?	Data available from the MIS: ▷ Overall renewal rate on the insurance product (data available from the MIS) ▷ Of all non-renewal clients, the percentage that made a claim when their policy was active (data available from the MIS) Data available from the survey of exit insurance clients: ▷ The percentage that report they made a claim when their policy was active ▷ Of those, the percentage whose claim was denied ▷ The percentage that can recall receiving a verbal product explanation ▷ The percentage that can recall receiving written product information ▷ The percentage that report low understanding of the product

a very poorly-performing branch), or some other form. Consider when and how management will use the information, and structure the reporting accordingly.

Decision-making. If the exit survey tool and data analysis has been well managed until this point, your management team should have access to valuable data that is ready for discussion. **Table 3** uses the same research questions in **Table 2**, demonstrating how the data can be used to answer those questions (*findings*) and to make operational and product improvements (*decisions*).

Aim to discuss client exit data at least twice a year, if not quarterly. As your field staff becomes accustomed to integrating exit interviews into their daily responsibilities, and management becomes more adept at interpreting the results of the analysis, you may find that exit data is one of your most valuable sources of client input.

Finally, look for ways to augment exit survey data with other client information—including portfolio and demographic information from the institution's management information system and additional market research gathered from focus groups, client interviews and other methods. Exit data alone may not be sufficient to make conclusive decisions, but combining exit survey findings with other information provides a more complete picture of the client experience.

TABLE 3

Using exit data to inform product design and improve operations

RESEARCH QUESTION	FINDINGS	DECISIONS
What are the primary reasons for business failure among exit clients?	> 35% of exit clients report some type of business failure as contributing to their exit. > The top three reasons provided are: 1) Needed additional capital and could not get it, 2) Sold goods on credit to customers and did not recover amount owed, 3) Profits were not reinvested in the business due to family needs. > Over half of business failures occurred among "new" clients (tenure less than one year) > Of clients reporting failure from selling on credit, over half also reported lack of knowledge about bookkeeping procedures	**Management will work to prevent exit due to business failure in the following ways:** > Investigate further the need for larger loan sizes and consider changes to the credit limits used by credit committees > Provide financial education to small business owners, including the topics of selling on credit and bookkeeping > Increased monitoring of loan utilization among first-year clients
Are loan repayment schedules problematic for clients?	> Of exit clients with unpaid loans, 85% mentioned problems with repayment > Of these, 70% reported difficulty repaying on schedule > Of this group, the top two reasons provided were: 1) the business is seasonal but repayments are monthly, 2) family demands subverted repayments > Data on loan use shows that at least 25% of exit clients used small business loans for agricultural activities	**Management will address the problem of exit due to repayment problems by:** > Increasing the time devoted to the discussion of repayment schedules during client orientation > Improving staff training on how to match clients with the most appropriate loan product > Developing a pilot agricultural loan product to test among rural clients
Among clients who do not renew their insurance policy (exit), was the insurance policy well-understood?	Data available from the MIS: > Overall renewal rate on the insurance product is 37% > Of all non-renewal clients, 12% made a claim when their policy was active > Of these, over half were denied Data available from the survey of exit insurance clients: > 4% report they made a claim when their policy was active > 56% can recall receiving a verbal product explanation > 38% can recall receiving written product information > 75% exhibit low understanding of the product	**Management will work to increase the renewal rate of the insurance product by:** > Commissioning an external evaluation of client demand for different product features > Monitoring how the product is explained to clients and what materials are made available to clients, and adjusting staff training accordingly > Increasing the time devoted to product explanation during the policy sales process

1

The Client Protection Certification Standards and Indicators for Client Protection Principle 1: *Appropriate Product Design and Delivery*

TOOLS

Standard: The institution designs products that are appropriate to clients and do no harm.

Indicator: The FI designs products that are appropriate to client needs and do no harm. It does not offer products that produce negative value for the clients.

Indicator: The FI has a policy describing acceptable pledges of collateral; Has clear guidelines for how collateral is registered and valued.

Standard: The FI seeks client feedback for product design and delivery.

Indicator: The FI investigates reasons for client drop out.

Indicator: The FI uses client feedback to inform product development and improve existing products (client feedback can be informal).

Standard: The FI does not use aggressive sales techniques.

Indicator: The FI does not use high pressure/aggressive sales techniques. Does not force clients to sign contracts (for credit, no forced signing of any individual borrower or group member, or any guarantor).

2

Example Client Exit Survey— MicroLoan Foundation, Malawi

TOOLS

This example from MicroLoan Foundation, Malawi demonstrates how a financial institution can instruct field staff on how to administer an exit survey (**Part 1**) and the types of questions that are useful for management purposes (**Part 2**).

This particular survey reflects a management focus on service quality and client protection issues such as loan officer attendance at client meetings, client over-indebtedness, and loan recovery tactics. The institution chose these specific questions in order *to monitor particular risks that concern management*. This is an excellent example of how management created a tool that produces practical, actionable information on topics that are important to the sustainability of the institution and the wellbeing of the client.

MicroLoan Foundation Exit Client Survey

PART 1

Instructions to field staff on how to conduct a client exit interview

Before you go

- Ensure that you organize to travel together with the loan officer (LO) to the groups/clients and try to avoid the LO communicating your arrival with the groups/clients ahead of time
- Ensure that you have organized the relevant groups/clients to visit ahead of time (see 'client/group choice' below)
- Take copies of the rights & responsibilities document with you in case the group/client has not been informed

General guidance

- Sit on the ground with the clients (if relevant) so that you put them at ease
- Ensure that nobody else is present that may influence the client's/group's ability to speak openly e.g. LO, BM, other group members (if exit discussion/business assessment), even potentially other family members, etc.
- The questions have been organized so that they start off with the less difficult, less personal questions first, and get a bit more difficult and personal later on.
- Try to avoid going through the questions like a questionnaire; instead, deliver them more as a conversation—your role is to **allow the client to relax so that she discusses issues openly**, and to **listen and understand**. Cover all the questions below (particularly the quantitative ones), but it does not matter what order you do them in. Follow the flow of the conversation and what the client wants to talk about, and try not to impose yourself too much on the conversation.
- Probe to get more detail on situations/events, or to get more examples of certain types of situation/events.
- Only ask questions in the 'questions' column; anything in square brackets [like this] is for your guidance and should not be read out
- Qualitative answers are to be written in the longer report template; quantitative answers are to be entered into the Key Performance Indicator (KPI) monitoring database

How to introduce yourself and the discussion—most important: **put the client at ease!**

> ▶ Introduce yourself
> ▶ Explain that the client is not in any trouble
> ▶ Explain that you would like to find out more about her experience with MicroLoan, both good and bad, so that we can improve experiences for other clients in future
> ▶ Explain that nothing she says will be told to any member of staff that she may mention
> ▶ Ask the client if she is happy to proceed with the discussion. Explain that she can choose to stop the discussion at any time and that will not be a problem
> ▶ Explain that the discussion will take around one hour, and ask her if that is ok with her
> ▶ You may want to start with a general chat about whatever subjects (not related to the questions below) that you feel are appropriate to relax the client

Client choice

> ▶ Exit discussions must be done on clients who exited no more than 1 month before the date of the interview
> ▶ Choose clients from a range of different LOs; if 2 LOs were covered in the last visit then cover different LOs this time. Prioritize clients from LOs who have been experiencing problems
> ▶ Choose clients from groups with both HIGH PAR and LOW PAR
> ▶ Choose clients on different loan cycles
> ▶ Choose clients with different loan amounts (i.e. relatively large for the cycle and relatively small)

The exit survey tool

Section 1. Identifying Information

Interviewer name

Client name

Group reference

Branch

Loan Officer name

Date of discussion

Date of exit

Loan product

Loan cycle number at exit

Section 2. Quality of Service Delivery

QUESTIONS AND QUALITATIVE ANSWERS (ENTER INTO QUALITATIVE REPORT TEMPLATE)	QUANTITATIVE ANSWERS (ENTER INTO DATABASE)
1 In the last loan cycle did the loan officer (LO) attend every meeting that he/she was meant to?	LO ATTENDED MEETINGS (if LO did not attend 1–2 times then still count as attended) LO DID NOT ATTEND MEETINGS (if LO did not attend more than 2 times count as did not attend)
2 If no, how frequently was he/she absent in the last loan cycle?	——
3 In the last loan cycle did the loan officer (LO) attend every meeting on time as agreed with the group?	LO ON TIME TO MEETINGS (if LO was late 1–2 times then still count as on time) LO NOT ON TIME TO MEETINGS (if LO late more than 2 times count as not on time)
4 If no, how often was he/she late in the last loan cycle? How late was he/she?	——
5 Can you remember the most recent repayment meeting that you attended?	——
6 Did your loan officer talk to you about _____ [training topic] which involved _____ [training activities]. [see guidance]	——
7 How many training sessions did your group receive in the last loan cycle?	EVERY REPAYMENT MEETING NOT EVERY REPAYMENT MEETING NO TRAINING AT ALL
8 When you and the group have problems do you know about phoning MicroLoan Foundation on the customer hotline for assistance?	——
9 [If they do know about the hotline and have had problems, ask:] Have you used the hotline? Were you happy with the service?	
10 If you haven't used it are there any reasons for this?	

Section 3. Problems with Repayments and Supportiveness

QUESTIONS AND QUALITATIVE ANSWERS (ENTER INTO QUALITATIVE REPORT TEMPLATE)	QUANTITATIVE ANSWERS (ENTER INTO DATABASE)
11 In the last year have you experienced any difficulties raising money for repayment? Even if you successfully repaid but struggled to get the money we would like to know. [If client answers 'no' probe to find out if this is actually the case.]	———
12 Have you had to make any sacrifices or had any negative impacts in the last year connected to you having to repay your loan?	Negative coping strategy: YES/NO
13 What was this? [PROBE for as many answers and as many details about each answer as possible. This could include but is not limited to: ▶ Reduce quality/quantity of food ▶ Reduce education ▶ Had to work more than usual ▶ Had to postpone important expenses ▶ Deplete financial savings ▶ Had to borrow anew to repay ▶ Sell or pawn assets ▶ Had assets seized by others ▶ Used family/friends' support to repay ▶ Suffered from shame or insults ▶ Felt threatened/harassed by peers, family or loan officer ▶ Suffered psychological stress yourself or in your marriage]	You should circle yes: ▶ If any one event happened **frequently** in the last year (more than 3 times) OR ▶ If any one or more event was said to be **not acceptable** OR ▶ If any of the following **serious events** took place even if they were not frequent or said to be acceptable: ▶ Had to sell or pawn assets ▶ Had assets seized by others ▶ Suffered from shame or insults ▶ Felt threatened/harassed by group, family, loan officer ▶ Suffered psychological stress herself or in the marriage
14 How frequently did this happen? [repeat this question for each separate incident]	
15 How acceptable was this to you? [repeat this question for each separate incident]	
16 Have you experienced any problems at home that contributed to your repayment problems? [These could be problems such as hunger due to seasonality, illness, death, natural disaster, job loss etc.]	———
17 What do your family say about you taking a loan from MicroLoan?	———
18 Have you experienced any problems with your business that contributed to your repayment problems? [These could be problems such as seasonality, theft, not being able to access stock, few customers etc.]	———
19 How would you describe the frequency of the repayment problems? [probe to find out if was difficult to make repayments throughout the whole cycle, or whether it was easy to start with and then got more difficult towards the end, or if it was just a one off repayment problem that affected the rest of the cycle, etc.]	———

Section 3. Problems with Repayments and Supportiveness (continued)

QUESTIONS AND QUALITATIVE ANSWERS (ENTER INTO QUALITATIVE REPORT TEMPLATE)	QUANTITATIVE ANSWERS (ENTER INTO DATABASE)
20 Can you tell me what your business set up costs were?	——
21 Can you tell me how much you would spend on restocking your business? [Get an idea of what **one full restocking session** would total: this should include all separate items and costs related to the business, even if some items are restocked more frequently and some less frequently. Do not base the calculation on a fortnightly restocking unless this is the client's one full restocking session]	% of loan used on one full restocking plus set up costs
22 [If the client did not use all of the loan for restocking ask:] I can see that you have used X on your business in restocking and your loan is Y. What did you use the remaining amount for?	——
23 In the last loan cycle have you had any other loans? [probe: this could be informal loans like caterpillar loans or loans from family, or formal like loans from another MFI]	YES OTHER FORMAL LOAN YES OTHER INFORMAL LOAN NO OTHER LOAN OF ANY DESCRIPTION
24 What kind of loan was it?	
25 How did your group respond when you, or someone else in the group, experienced problems?	VERY SUPPORTIVE (e.g. long-term support like group running business) SOMEWHAT SUPPORTIVE (e.g. short support like repaying for client) NOT SUPPORTIVE (e.g. not willing to repay for client, forcing client to sell assets, exerting any kind of pressure client feels is unacceptable) N/A—NO PROBLEMS IN GROUP
26 When you or any member of your group had a problem making a repayment did the LO know about?	——

Section 3. Problems with Repayments and Supportiveness (continued)

QUESTIONS AND QUALITATIVE ANSWERS (ENTER INTO QUALITATIVE REPORT TEMPLATE)	QUANTITATIVE ANSWERS (ENTER INTO DATABASE)
27 When you or any member of your group had a problem making a repayment how did your loan officer (LO) respond? [probe: ask for specific examples of incidents. Emphasize that the LO will not find out what the client has told you]	**LO supportiveness:** LO SUPPORTIVE (e.g. understands problems and/or facilitates group to be long-term supportive and/or no unacceptable collections practices) LO SOMEWHAT SUPPORTIVE (e.g. minimal attempt to understand problems and/or facilitates group repay but not long-term supportiveness and/or no unacceptable collections practices) LO NOT SUPPORTIVE (e.g. no attempt made to understand problems and/or does not facilitate supportive group and/or unacceptable collections practices) N/A—NO PROBLEMS IN GROUP **Unacceptable collections practices:** NO UNACCEPTABLE COLLECTIONS PRACTICES ONE OR MORE INSTANCES OF UNACCEPTABLE COLLECTIONS PRACTICES (e.g. where the Code of Ethics appropriate collections practices guidelines not followed) N/A—NO PROBLEMS IN GROUP
28 [Only ask this question if there are cases of unacceptable collections:] In the last year how frequently did this happen? [repeat this question for each separate incident of unacceptable collections practices]	NOT FREQUENT FREQUENT(more than 3 times; add up all the incidents) NO UNACCEPTABLE COLLECTIONS N/A—NO PROBLEMS IN GROUP

Section 4. Client Feedback Questions

QUESTIONS AND QUALITATIVE ANSWERS (ENTER INTO QUALITATIVE REPORT TEMPLATE)	ANSWERS (ENTER INTO DATABASE)
29 Since leaving MicroLoan do you still run your business?	——
30 If no, why not?	——
31 What do you think about MicroLoan's policies and procedures? [probe]	——
32 How does MicroLoan compare to other MFIs that you know about?	——
33 What are the positive things about MicroLoan?	——
34 What are the negative things about MicroLoan?	——
35 What do you think about MicroLoan's interest rates?	——
36 What do you think about MicroLoan's savings?	——
37 Have you accessed your savings from the group savings account in the last 12 months? [other than when the client exited]	——
38 What did you use your savings for? If you did not access your savings [other than when the client exited] why was this?	——
39 Other issues/comments from the client:	——

3

Example Client Exit Survey— FONKOZE, Haiti

TOOLS

This example from Fonkoze, Haiti demonstrates a comprehensive client exit survey designed to uncover reasons for exit arising both from problems with products/services/delivery methods and also from social and economic dynamics affecting clients in the local context.

In order to develop this survey tool, Fonkoze's Monitoring and Research Department interviewed field staff to understand the common reasons for client exit, as well as current client problems that might be solved with additional information gathered from client exit interviews. The tool has been updated over time to reflect changes in client conditions (e.g., food security related to natural disasters) and new product offerings such as microinsurance.

Fonkoze uses client exit information, in conjunction with other types of market research and client data, to make management decisions about how to reduce client exit by designing interventions that benefit clients. For instance, when Fonkoze learned that health problems were a major reason for client exit, the institution designed a health program to address some common preventable illnesses. Additionally, when the institution found that many client business failures were related to lack of client understanding of basic business principles, Fonkoze designed a reference book for clients that explained how to create a profitable business using very little capital, as well as the expected costs and profits for many common client businesses.

Fonkoze Survey of Exit Clients

SECTION 1. Identifying Information

Complete this section before you meet with the client:

1. Branch
2. Interviewer
3. Interview date
4. Client name
5. Location
6. Client account #
7. Credit product:
   ☐ 1. Solidarity Group
   ☐ 2. Small Credit
   ☐ 3. Other (please specify)
8. Group name
   Center name
9. Start date in Fonkoze ___—___—___
   End date ___—___—___
10. Credit cycle at end date
11. Value of last loan (in Gourdes)
12. Did the client reimburse the last loan? Y/N
13. If not, how much does she owe?
14. Savings account balance?
15. How much did she withdraw from savings in order to pay the last loan?
16. Name of the last credit agent she worked with
17. Reason client exited (select only one)
    ☐ 1. Client exited on her own.
    ☐ 2. The solidarity group fell apart
    ☐ 3. The group asked her to leave
    ☐ 4. Other (please specify)

Section 2. Reason(s) the Client Exited

Script: *We want to know why you left Fonkoze. Please think about the reasons you left. What you say in this interview is confidential. This interview won't take a long time and we appreciate any feedback you can provide.*

A. Overall reasons for exit

A1. Why did you leave Fonkoze? What happened to you? (If the client says she is "taking a break" ask her why).

A2. Who advised you to leave Fonkoze? (Choose one)

- ☐ 1. Myself
- ☐ 2. A family member/friend
- ☐ 3. The Group
- ☐ 4. Fonkoze
- ☐ 5. My partner
- ☐ 6. Other (who)

A3. Why did they give you this advice?

B. Problems with the credit program

B. What is the biggest problem you had with the credit program?

- ☐ 1. The loan amount was too big or too small.
- ☐ 2. The loan repayment period was too short.
- ☐ 3. The interest rate is too high.
- ☐ 4. It took too long to get a new loan.
- ☐ 5. I signed for the loan but never received it.
- ☐ 6. I took credit from another institution.
- ☐ 7. I didn't like my repayment schedule.
- ☐ 8. I didn't have any problems.
- ☐ 9. Other (please specify)

C. Problems with the credit center

C. What was the biggest problem you had with your credit center?

- ☐ 1. The credit agent always arrived late to our center meetings.
- ☐ 2. Too many meetings.
- ☐ 3. The second meeting in the month was not useful.
- ☐ 4. I had problems with the center chief.
- ☐ 5. The center was poorly organized.
- ☐ 6. The center put too much pressure on me when I wasn't able to pay.
- ☐ 7. The center didn't meet regularly.
- ☐ 8. I didn't have any problems.
- ☐ 9. Other (please specify)

D. Problems with the solidarity group

D. Did problems with your solidarity group contribute to your exit from Fonkoze?

- ☐ 1. I didn't want to be responsible for paying for others.
- ☐ 2. Other members didn't respect me.
- ☐ 4. I couldn't trust my group members.
- ☐ 3. I gave the group leader my repayment and she didn't pay it.
- ☐ 5. Other members didn't respect the principle of solidarity.
- ☐ 6. I didn't have problems.
- ☐ 7. Other (please specify)

E. Problems with the business
Choose only one response for questions E1 to E3.

E1. Type of commerce

- ☐ 1. Walking around
- ☐ 2. Sitting
- ☐ 3. In the same place every day

E2. I normally sell...

- ☐ 1. In several marketplaces
- ☐ 2 At my house
- ☐ 3. In one marketplace

E3. I buy stock...

- ☐ 1. Every day
- ☐ 2. Every week
- ☐ 3. Every month

E4. What happened with your business that led to you leave Fonkoze?

- ☐ 1. I don't have enough money for the business now.
- ☐ 2. I don't have stock.
- ☐ 3. I had the possibility to take a larger loan.
- ☐ 4. My business is seasonal.
- ☐ 5. I sold goods on credit.
- ☐ 6. My stock was stolen.
- ☐ 7. I lost the money on my own.
- ☐ 8. I didn't have a problem.
- ☐ 9. Other (please specify)

E5. During the past 6 months, did your business...?

- ☐ 1. Grow a lot
- ☐ 2. Grew a little
- ☐ 3. Stay the same
- ☐ 4. Diminished
- ☐ 5. Diminished a lot

E6. What do you think you need to increase your profit?

F. Problems in the household

F1. How did your relationship with your partner (husband) change during the time that you were a client of Fonkoze?

- ☐ 1. It improved.
- ☐ 2. It got a little better.
- ☐ 3. It stayed the same.
- ☐ 4. It got a little worse.
- ☐ 5. It got worse.
- ☐ 6. I don't have a partner.

F2. How much support did you have from your partner (husband), regarding your participation in Fonkoze?

☐ 1. A lot of support

☐ 2. A little support

☐ 3. I didn't have support

☐ 4. I don't have a partner

F3. Did your participation give you more power in your relationship?

☐ 1. Yes, more power

☐ 2. It stayed the same

☐ 3. No, less power

G. Personal reasons for exit

G. What personal problems did you have, which led you to leave Fonkoze ?

☐ 1. I lost my money.

☐ 2. I was pregnant/had a small baby.

☐ 3. I wanted to take a little break.

☐ 4. I moved away from the area.

☐ 5. Death or illness in the family

☐ 6. I didn't have any problems.

☐ 7. Other (please specify)

H. Loan utilization

H. What did you do with your most recent loan from Fonkoze? *(Choose as many as apply)*

☐ 1. Invested in my business

☐ 2. Saved it

☐ 3. Bought food

☐ 4. Bought medicine/paid for a funeral

☐ 5. Made changes to my business

☐ 6. Paid school fees

☐ 7. Other (please specify)

I. Benefits to the client

I1. How did your loan from Fonkoze help your family? *(Choose as many as apply)*

☐ 1. I bought more and better food.

☐ 2. I paid school fees for my children.

☐ 3. I bought clothing.

☐ 4. I made repairs to my home.

☐ 5. I bought furniture, kitchen wares, and/or household goods.

☐ 6. I invested more in my business (more merchandise).

☐ 7. I paid for health care or a funeral.

☐ 8. The loan didn't help my family.

☐ 9. Other (please specify)

I2. Of the responses below, which best describes your experience in repaying your last loan? *(Select one)*

☐ 1. I had difficulty paying.

☐ 2. I had some difficulty paying.

☐ 3. I paid easily.

I3. How did you reimburse your last loan?

I4. Overall, which of the responses below best describes what credit did for you?

☐ 1. It benefited me a lot.

☐ 2. It benefited me a little.

☐ 3. Credit was very difficult for me to manage.

☐ 4. It didn't benefit me at all.

What should Fonkoze do to make the program better?

Interviewer observations