

## KOMIDA SETS SOCIAL TARGETS

**KOMIDA (Indonesia)** is one of the largest microfinance providers in the country. During an externally-facilitated workshop, KOMIDA's entire senior management, and a board member reviewed its social mission and vision. After dissecting the mission and vision, the group formulated, social goals that correspond to the FSP's social purpose.

The social goals and targets were divided into three categories: 1) outreach, 2) quality of products/services, and 3) outcomes. For example:

**Outreach goal:** Rich women who are from poor and financially excluded household, with a focus on those living under US \$1.25/day.

**Quality of products/services goal:** Provide a range of quality financial and non-financial services. Achieve high client and staff satisfaction and retention.

**Outcomes goal:** contribute to increases in client, savings, incomes, and ability to pay for schooling and sanitation.

For each of their social goals, KOMIDA develop social indicators and targets. For example: increased by 15% the percentage of new clients who live under the US \$1.25/day poverty line.

It was important to KOMIDA that targets not be arbitrary numbers. They wanted to avoid setting unrealistic targets that would frustrate staff or create unnecessary work to revise the indicators. To test that targets were realistic, the KOMIDA's SPM team gather baseline data for most of the indicators from various existing sources of information. For most of the outreach indicators, the data was available in KOMIDA's MIS (e.g., male/female; Cashpor Housing Index scores, poverty scores). For indicators related to product/service quality, KOMIDA mined data from the HR and operations departments; for example, client complaints data and client retention numbers. As KOMIDA had not yet focused on collecting client data on client outcomes, baseline information was largely unavailable. Therefore, the institution designed client survey forms to capture data, such as percentage of clients with access to sanitary toilets. KOMIDA postponed setting the targets until the baseline data was collected.

After six months of gathering and distilling baseline data, KOMIDA's SPM team presented the data (up to two years wherever available) to management. Then, the management—including all department heads and regional managers—used the data to set the social targets for the following year. These social targets have been integrated into the annual business plan.