

Tanzania - Arusha

MICRO-FINANCE



➤ Table of contents – Monthly Report for August 2014

Summary of Current Developments.....	2
Volunteer Information	5
Loan Portfolio.....	6
Monthly Achievements.....	7
Future Developments	8

Summary of Current Developments

General Development

Projects Abroad, through the microfinance project, continues to have weekly meetings with local entrepreneurs where we help them record their business figures and give them advice on how to manage their finances in a favourable way.

Currently we provide 30 female entrepreneurs with loans. We also provide them with the opportunity to take part in various workshops that will improve their business skills. Thanks to a large number of volunteers during August, we were able to split these women into groups of 5 where we focused on providing training on marketing, bookkeeping, arithmetic and reading and writing to those with lower levels of literacy, just to name a few.

To improve efficiency, we developed a process by which daily meetings are conducted:

Team Composition	Microfinance team will delegate tasks for each loan group
1st Part	Introduction (especially for the new volunteers)
2nd Part	Loan Administration a) Bookkeeping: → conducted by other microfinance group members
3rd Part	Follow-Ups and Skills Training a) Bookkeeping records and individual interviews → conducted by the microfinance group leader and may involve follow-ups to questions raised by loan group members in the previous week, as well as tailored marketing training/advice, dependent on the business situation observed from weekly business figures and challenges faced b) Skills training → conducted by other microfinance group members Groups for skills training are segmented based on the skill levels observed among loan group members: <ul style="list-style-type: none">• Those who can read and write: negative numbers and bookkeeping• Those who cannot read and write: ABC's, basic vocabulary, basic math
4th Part	Business Visits(where time permits) <ul style="list-style-type: none">• Tailored marketing counsel may be provided during business visits• 4P's, Porter's 5 Forces, SWOT, etc.

This new process was designed based on the capacity of at least four volunteers.

Bookkeeping

We continue to distribute and educate loan members about the new bookkeeping system . Some groups are now comfortable with the bookkeeping system. We've observed improvement during the course of the month; some are now able to record their business figures with minimal to no mistakes.

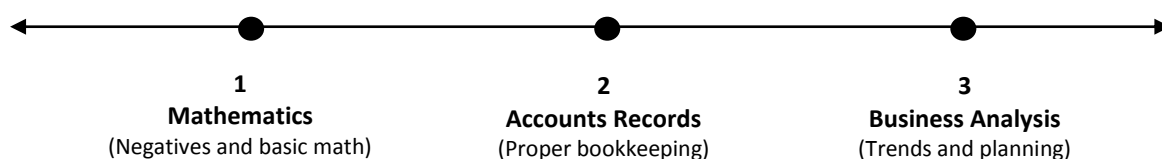
The next step is to assist group members with analysing business trends to enable better business planning and improvements in their businesses. Reviewing historical trends among revenue, costs and profits will provide loan members with greater insights to manage their businesses according to sales and/or seasonal patterns, if any.

Some benefits of bookkeeping that may be learned include:

- Making a sales forecasts in order to plan the profits and the potential savings that can be made from the business
- Adjusting the supplies according to seasonality or annual events (e.g. Ramadan, *Nane Nane*, etc.)
- Analysing the business cycle (e.g. launch of a new product, new competitors effects, etc.)

The goal of the training is to educate group members about their business figures so that they can use them as business planning tools.

To assist with future training preparation, we have developed a bookkeeping progress line with respect to the degree of comfort observed among each loan group member:



By the time the members reach the third stage, they should be able to criticise and improve their business. This continuous improvement approach will promote business sustainability.

Marketing Training

Previously, marketing lessons have been given using standard frameworks such as SWOT analysis and the 4P's. This month, we've introduced the Porter's Five Forces framework to assist with their analysis of their business environment and how changes to the external environment may impact their business performance. Through examples, group members were able to understand and relate theory to their own businesses. Marketing training reveals insights that may assist Projects Abroad with further development of the micro finance curriculum.



Volunteer Information

Weekly visits have been made to all of the groups during this month. During the month of August Alexandra (Norway), Redouane (France), Farih (Indonesia), Ming-Lai (Canada), and Yanna (the Netherlands) joined the microfinance Team. Justine, Michaela, Hannah, Yasmine and Dennis left the project.



Loan Portfolio

Group	No. Women	Issue Date	Total Loan Value (TSH)	Repayment 31.08.2014	Defaults	Outstanding Balance @ 01.09.2014
Chemchem	13	0	0	0	0	0
Tupendane	10	6 loans, 13 th May 4 loans, 27 th May	2,500,000	1,600,500	0	899,500
Ikusura	8	8 loans, 29 th April	3,200,000	2,720,000	0	480,000
CHE	10	6 loans, 20 th August 3 loans, 23 July	3,600,000	432,500	0	3,167,500
Amani	10	5 loans, 15 th August 5 loan 4 April	5,500,000	3,476,000	0	2,024,000
Mshikamo	6	6 loans, 21 February	0	0	0	0
TOTAL	56	40 Active Loans	14,800,000	8,229,000	0	6,571,000
Available Cash						[5,229,000]
Next Capital Required September 2014						[5,500,000]

Monthly Achievements

5th Loan for Amani Group

On the 7th of August, after examining the application forms submitted in the previous week, the microfinance team gave new loans to the Amani Group, ranging from 500,000 TSH to 450,000 TSH for each woman, as well as new books for bookkeeping and calculators. These loans are expected to help the women's businesses while introducing to them the interest rate which we set at 5%. However, the money collected from the interest will not be used as Projects Abroad profits. It will be given back to the women as savings to further develop and improve their businesses as well as their lives in general.

Education

This month there has been an increased focus on educating the women in the project through reading/writing, bookkeeping training, negative numbers and marketing training. Due to a low number of participants, it was difficult to have market days as everyone had to attend the women's group meetings.

Reading and Writing Training

We have identified that there is on average 2-3 women in each group who cannot read and/or write. Due to this, we implemented an alphabet and number training program to assist these women. For each group, we separated the women who were able to read and write from those who were not. We would then go through the different numbers in addition to having the women write them. For literacy training we would explain the meaning of each letter to the women through word association. The women seemed to appreciate this training and some of them started to understand the meaning of the different numbers.

Bookkeeping Training and Negative Numbers

This month's group found that the women who can do their bookkeeping struggle the most with negative numbers. In order to teach them this we went through the basics of maths before testing them on bookkeeping exercise sheets. The women were given bookkeeping training with trick questions in order to map whether or not they truly understood the concept of "negative money". The women's ability to complete their bookkeeping improved over the month and fewer seemed to struggle.

Marketing Training

As most of the women had relatively good bookkeeping this month, we decided to give them some additional training. We focused on a simplified version of Porter's 5 Forces. The main reason for choosing this model was to encourage the women to consider and evaluate their overall environment and to think whether or not their business was the best for them given their current status. The women seemed to appreciate this training and it made them think about their business.

Direct Volunteer Support

This month, the microfinance volunteers chose to purchase the majority of their souvenirs from the various loan groups. This amount exceeded 200,000 TSH, directly benefiting the women of the Ikusura and Twaweza group.

Future Developments

- We have noticed that whenever we ask the women questions, they give us simple, surface-level answers. . As a team, we need to formulate more probing/open questions to ask the women, so that they are encouraged to provide a more detailed response.
- The education curriculum should be an important part of future training with the groups. It still needs further development, but the ground work for future training has been done. The curriculum should be seen as an on-going process, where new volunteers can store new training exercises in the Drop Box under section 3. Training → Education curriculum.
- The knowledge transfer to new volunteers has to be more structured and formalised. We have already created the education curriculum, but we need to make sure that the curriculum will be used in the future and developed further. It should, therefore, be made a part of the induction of the new volunteers that they be introduced to the education curriculum.
- After handing out the new bookkeeping books we should ask for feedback from the women. Questions such as, “Did our examples and frequently asked questions help the women when they needed help?” “Are there mistakes we have overlooked?” “Is there anything we could add or remove?” This information could be used to improve the next issue on basis of the feedback.
- Plan another market day for all volunteers. Feedback from the microfinance groups on the last market day was good! They sold a lot of things; however, they mentioned that people stopped buying things when the BBQ started. We will bear this in mind for the next market day.
- The microfinance shop in the office should be improved. At the moment it doesn't draw attention to the products we have for sale and it isn't clear that they are made by the women we support. A colourful sign would help draw attention, and displaying portraits of the women next to these products would make it more personable. By implementing these changes we hope to increase the profit of our little office shop.
- The consequences currently in place for not attending the meetings are not strictly enforced. This process should be better managed to achieve more accountability. We should watch the attendance more closely and make the women aware of the consequences by ensuring we follow through on them each time.