



Volunteerism

An Old Concept, A New Business Model for Scaling
Microfinance and Technology-for-Development Solutions

About Grameen Foundation

Grameen Foundation empowers the world's poorest people, especially women, to escape poverty through access to financial services, information, and viable business opportunities. Founded in 1997 by a group of friends who were inspired by the work of Muhammad Yunus and the Grameen Bank in Bangladesh, our innovations, programs, and resources have helped millions of people in Africa, Asia, the Americas, and Middle East North Africa begin their journey out of poverty.

With microfinance and technology as our foundation, we connect people and local institutions across the globe that share our vision of shattering the barriers for the one billion people trying to live on less than a dollar a day.

About Bankers without Borders®

Bankers without Borders® is Grameen Foundation's volunteer reserve corps. More than 5,000 active and retired business professionals from a variety of countries and industries contribute their time, skills, and experience to support microfinance and technology solutions for the poorest. Through on-site technical assistance, training and mentoring, or remote consulting projects, Bankers without Borders' volunteers work to increase the scale, sustainability, and impact of the organizations they support.

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Foreword

By Marge Magner

As the microfinance sector continues to grow and evolve to meet the escalating demand for its services, it must continue to extract best practices from the private sector to improve efficiency, scalability, and sustainability. While there are many differences between traditional consumer banking and microfinance lending, there are also underlying disciplines and practices that are quite similar and transferable. Through skills-based volunteer initiatives, like Grameen Foundation's Bankers without Borders®, microfinance institutions (MFIs) and technology-for-development (T4D) initiatives can tap into first-hand knowledge and applications from some of the world's best companies and brightest minds.

From risk management to human capital development, there is a myriad of strategic and operational needs facing organizations working toward eradicating world poverty. While donor financing to address infrastructure challenges is scarce, there is ample supply of human capital ready to be deployed through short-term volunteer projects, ongoing involvement, or even through virtual connectivity to help microfinance companies. The involvement of these volunteers generally has minimal or little costs to the organizations, but its impact can be transformative and significant – for the organization and the industry. You will read about some of these contributions in the pages that follow.

Global companies, business professionals, and even retirees and students are demonstrating that they have the passion and dedication to volunteer their time for worthy causes. However, volunteers most often are not in a position to leave their jobs for a six-month to one-year assignment. They are contributing their services through paid leave, vacation time, and their own spare time. As such, their time and skills should be leveraged in the most efficient and impactful ways possible in order to maximize the volunteers' experiences as well as to contribute the most benefit for the organizations they serve.

What has been missing from this supply and demand equation was an effective pipeline for matching organizational needs with the right volunteers – those who have the right skills and qualifications to add value to the organization – and preparing both the volunteers and organizations to work together with the limited resources in a targeted, meaningful way. As you will learn in this paper, it is not as simple as establishing an online classifieds listing. For an effective human capital strategy to work, it requires good project design and management and a results-driven process that takes into account the motivations, needs, and constraints of all the stakeholders involved.

This is not volunteerism for the sake of volunteerism, but rather a new business model for solving some of the real problems impeding the scale, sustainability, and impact of microfinance and T4D initiatives. A greater and more strategic use of volunteers can help the field to realize, more rapidly, strategic and operational improvements. The problems of poverty are too large for researchers and practitioners to solve alone. We must take advantage of the enthusiasm, commitment, and knowledge of this growing army of corporate "skill-anthropists," who want to leverage their intellectual capital and make a difference in a way that is relevant and measurable.



Introduction

In late 2008, a human resource specialist with Best Buy's corporate office spent three months at Grameen Foundation developing an assessment tool to help microfinance institutions (MFIs) identify their current human resource practices as well as any gaps that needed to be addressed to help them effectively meet their strategic goals. She then spent two weeks in Nigeria piloting the tool, which is now being used by MFIs in Asia, Africa, and the Americas.

In early 2009, without ever leaving their desks in London and Mumbai, four J.P. Morgan investment bankers helped Grameen Foundation and one of its partner MFIs in Indonesia reduce the currency risk in their loan portfolios.

During the summer of 2009, a team of employees from Accenture, Dow Chemical, and Citi spent eight weeks in India and Tunisia gathering the technical requirements for new accounting software for two MFIs that had outgrown their existing solutions. The team worked to make sure that the accounting software they recommended was easily compatible with the two organizations' current management information software — Mifos®, Grameen Foundation's open-source software platform.

On the surface, all these projects sound like typical consulting gigs. But what is remarkable about these engagements is that these services were donated by the individuals and their companies, which also contributed to the related travel and project expenses. The combined cost of these services on the open market would have exceeded \$300,000.

What is even more remarkable is that Grameen Foundation has managed more than 150 pro bono projects like these since the creation two years ago of its volunteer initiative Bankers without Borders® (BwB). Collectively, more than 440 volunteers have contributed more than 50,000 hours of donated services worth an estimated \$4 million. There are more than 5,000 bankers and other business professionals in the program's reserve corps waiting to be selected for their first assignment.

Given the microfinance industry's desire to reduce operational costs and lower interest rates for borrowers, why aren't more organizations taking advantage of a growing supply of individuals and companies who want to donate their services in support of our collective mission?

In December 2009, Grameen Foundation conducted a roundtable with leaders from the microfinance industry to try to answer this question and explore the potential for an industry-wide initiative to engage skilled volunteers more effectively. What we heard was not completely surprising — participants' responses covered some of the same concerns that Grameen Foundation needed to address when it launched BwB, including: "It takes too much time to find the right people when you need them." "Volunteers are well-meaning, but how do you ensure the job gets done and done well?" "Individuals may have the functional expertise, but they need to have an understanding of microfinance and how their skills might need to be adapted in an emerging market, and we don't have time to train them."

The purpose of this paper is to shed light on these and other challenges that prevent the microfinance industry from taking full advantage of a plentiful but underutilized supply of individuals and companies around the globe with the skills, passion, and fresh perspectives that could benefit our work.



Volunteers can be critical to helping MFIs reach more poor people with much needed financial and information services.

In the pages that follow, we will explore:

- The most prevalent risks facing MFIs today, and how volunteers can help mitigate them.
- Trends leading to a groundswell of interest in skills-based volunteerism.
- Lessons learned from existing volunteer efforts in the sector.
- A prospective future where volunteers are embedded in the design and delivery of services to MFIs and other organizations serving the financial needs of the world's poor.

Though many microfinance initiatives and pro-poor organizations were started on the shoulders of volunteers, it's not uncommon for volunteers to be seen as "less necessary" as these organizations grow in budget and staff size. In the case of nonprofit entities, outside of their boards of directors, you'll often find some volunteer fundraisers, a few interns, and the occasional project developer who perhaps are there to appease a corporate contributor or longtime supporter who wants to get more involved. In a

sector facing growing commercialization, volunteerism can easily be seen as "old school" or trivial.

But what is trivial about a volunteer management system that leverages \$6 in donated services for every \$1 invested, or about research demonstrating that Americans who volunteer are 10 times more likely to donate to those same causes? What is "old school" about open source-solutions, crowdsourcing, or for-profit companies that use volunteers to build their competitive advantage?

When done strategically and with the proper infrastructure in place, volunteerism can be a new business model that enables players in the microfinance and technology-for-development (T4D) spaces to design and scale their programs and services more rapidly and efficiently, while building a broader global network of public support for their work. Volunteers are a critical, missing piece of a growing coalition committed to ensuring that billions of financially excluded people gain access to safe, reliable, and affordable services to help improve their families' lives.

Shifting Perspectives: Viewing Volunteers as Valuable Business Capital

VOLUNTEERS CAN TURN CHALLENGES AND RISKS INTO OPPORTUNITIES

According to the Centre for the Study of Financial Innovation's *Microfinance Banana Skins 2008*, a report that examines risks in the industry, the risks of most concern to microfinance practitioners were institutional — the quality of management and staffing, the problems of mounting competition, and structural change. Small, early-stage MFIs or information-and-communication technology (ICT) start-ups often have limited access to growth capital and often are still striving towards profitability. Thus, as with many start-ups, they lack the resources to hire all the specialists and experts they need or to invest in the systems they need to grow. On the other hand, larger entities that might not be funding-constrained have other operational concerns, such as corporate governance and treasury management.

Microfinance Banana Skins 2009 showed that, due to the economic crisis, market and credit risk had become practitioners' top concerns, revealing the need to develop and institutionalize risk management skills in MFIs.¹ In a November 2009 Grameen Foundation survey of 11 peer organizations, financial risk management, monitoring and evaluation, and board governance topped the list of critical technical needs facing these organizations' constituents. Human resources management, marketing, and information technology followed closely behind.

But regardless of how they rank, risks abound, as do opportunities — opportunities to become more customer-centric, improve and diversify product and service offerings, and demonstrate the social outcomes of microfinance. Volunteers can play a critical role in expanding organizations' capacities and nimbleness in responding to risks and opportunities without significant increases in a need for financial resources.



A BwB volunteer (far right) observing a borrower meeting at Evangelical Social Action Forum (ESAF) in India.

VOLUNTEERS CAN MAKE A WAY WHEN FUNDING FALLS SHORT

For such technical assistance as financial risk management, monitoring and evaluation, and board governance, microfinance organizations turn to outside expertise and support for help — most likely in the form of paid consultants. Portals like Microfinance Gateway enable microfinance practitioners to find consultants with the relevant experience and language skills necessary to provide added capacity on a short-term basis or with expertise that doesn't currently exist internally.

But if financial risk management is a top concern, especially for smaller MFIs with limited access to long-term funding, why aren't more organizations asking themselves, "Do we need to hire a consultant or can we find a volunteer?"

¹ *Banana Skins 2009*, Centre for Study of Financial Innovation, July 2009

Depending on the scope and nature of the project, sometimes a consultant is the right answer. For example, if a quick turnaround is needed on a project, paying someone may save time, ensuring that deadlines are met. Or if there is potential for the scope to expand, a volunteer — who likely has a full-time job also — may not be able to take on the additional work. In certain cases, the learning curve may be too steep for a volunteer who has functional expertise but has never actually worked in microfinance.

If there is no budget for a consultant, a volunteer may be the only alternative. Yet, in most cases, nonprofits don't even explore this route. The work simply doesn't get done until they can find someone to fund it. Organizations should consider if all or part of the project could be accomplished by a volunteer or team of volunteers, or if the scope of work could be limited to one or more definable short-term projects.

VOLUNTEERS CAN BE THE CUSTOMIZED ANSWER TO TECHNICAL CHALLENGES

If you Google the term "microfinance toolkit," more than 800,000 search items will appear — from Microsave's Market Research for Microfinance Toolkit and MEDA's Youth Microfinance Toolkit, to CGAP's Product Development for Microfinance Toolkit and SEEP Network's FRAME Tool. These are just some of the quality curricula that exist online for the taking. A lot of research and funding has gone into the creation of these tools, but there is limited capacity and resources to support any activities beyond making these tools freely available online. In some cases, related training or workshops are given periodically, often in concert with a major national, regional, or global conference.

PROJECT SPOTLIGHT

Grameen Foundation's Social Performance Management Center

1,544 Combined Volunteer Hours | Labor Value: \$59,859 |

The Progress out of Poverty Index™ (PPI™) is designed to measure the poverty levels of groups and individuals and to track changes in poverty levels over time. Building on the concept of Grameen Bank's 10-Point System, the PPI™ was commissioned by Grameen Foundation, in collaboration with Consultative Group to Assist the Poor (CGAP), Ford Foundation, and Microfinance Risk Management L.L.C. BwB volunteers have played a vital role in helping to strengthen the Center and its ability to facilitate use of the PPI in organizations around the world:

- A seasoned entrepreneur and former strategy executive helped the Social Performance Management Center craft its business plan.
- Undergraduate students continually work to gather the country-specific data required to establish the PPI in new countries.
- An economics professor produced an overview and analysis of the impact assessments conducted in the microfinance sector.
- Researchers, graduate students, and Ph.D. candidates use data sets from existing PPI users to test hypotheses and identify correlations between the levels of poverty among microfinance clients and such variables as repayment rates, MFI operational costs, etc.
- A loaned executive from the Capital Group investment bank helped develop and pilot a simple software solution for MFIs to store and produce canned reports of PPI data.
- A team of volunteers from J.P. Morgan conducted a survey of MFIs using the PPI to better understand how the MFIs are using the tool and what kind of technical assistance they need to better integrate it into their management and decision-making processes.

Realizing the value of volunteers, the Social Performance Management Center is partnering with BwB to use volunteers to help scale its latest certification initiative.

In addition to offering financing, many public and non-governmental support organizations provide technical assistance to local institutions. And as the microfinance sector has matured, many support organizations have moved from providing comprehensive technical assistance to offering a clearly defined set of programs and services to local service providers. Focus is the name of the game. However, as more and more support organizations choose this approach, a new market opens up for independent consultants and others to provide customized solutions for MFIs, particularly to early-stage MFIs who aren't quite ready for more sophisticated offerings. For example, there are more than 56 management information system (MIS) solutions now being offered to MFIs.² However, many early-stage MFIs simply lack the human and organizational capacity to map their business processes and identify their user requirements, steps needed to develop or select an appropriate MIS. Using skilled volunteers is a cost-effective way to provide these early-stage MFIs with customized technical services while building a pipeline of MFIs ready for more sophisticated offerings.

Proficiency in financial modeling, business-plan development, business-process mapping, and asset and liabilities management are often required before an early-stage MFI is ready to approach a prospective investor. Volunteers can effectively address these skill gaps. However, there are a few prerequisites to making this happen, including an abundant supply of business professionals with the skill sets required and willingness to donate their services.

“SKILL-ANTHROPISTS”: MAKING A DIFFERENCE OUTWEIGHS MAKING MONEY

One of the most popular videos on YouTube today is bestselling author Dan Pink's riff on what motivates employees. Pink reemphasizes what several organizational development studies have shown: Money doesn't motivate — autonomy, mastery, and purpose do. He illustrates his point by telling the story of the open-source movement. "You get a bunch of people from around the world who are doing highly skilled work, but they're willing to do it for

PROJECT SPOTLIGHT

Corporate Governance Handbook for the Middle East and North Africa Region

536 Combined Volunteer Hours | Labor Value: \$32,492 |

In many parts of the world, the sustainability of MFIs is threatened by weak corporate governance. Grameen-Jameel Pan Arab Microfinance Ltd. collaborated with CERISE (a knowledge-exchange network for microfinance practitioners) to develop customized, interactive training to help MFIs in the Arab world examine and reform corporate governance practices at all institutional levels. As part of this effort, four BwB volunteers were brought on to develop a corporate governance handbook for MFIs in the Middle East North Africa region. The handbook would be a new edition of an earlier publication produced in 2005 for MFIs in West Africa.

With their valued expertise in corporate governance, risk management, and internal control, the volunteers increased the handbook's practicality, shored up its weaknesses, aligned its material with customized training, and tailored its materials to the microfinance context in the Arab world. The process involved an in-depth reading and preliminary edit of the book to identify gaps in providing practical guidance as well as research on regional case studies. Anurag Mittal, Assistant Vice President/Global Compliance Leader of GE Capital International Services, described the end product as "handy, ready to use" and "critical in the MFIs' operations." Undoubtedly, the 536 volunteer hours devoted to this corporate governance project will help ensure that Arab MFIs' strategy, operations, and results are all aligned with their missions.

² http://www.mixmarket.org/sites/default/files/medialibrary/20501.1061/MIS_for_MF.pdf

free," he says. "They volunteer their time, up to 20 hours a week, and then what they create, they give it away rather than sell it."

At face value, the open-source movement seems like a preposterous notion — are highly qualified business professionals really willing to work for free in search of purpose and mastery? But there is a convergence of demographic trends making it possible to easily find these new "skill-anthropists" who are willing to give their time and skills to the social sector on a pro bono basis in exchange for the chance to make a difference.

According to the 2010 Volunteering in America research conducted by the Corporation for National and Community Service, in collaboration with the U.S. Census Bureau, 63.4 million Americans volunteered to help their communities in 2009, contributing 8.1 billion hours of service — equal to an estimated dollar value of nearly \$169 billion.³ The most promising sources of top volunteer talent include retired baby boomers, young people (the millennial generation), and businesses.⁴

Retiring baby boomers offer social-sector organizations experience, management skills, and vast numbers. The number of older Americans, for example, will increase 50 percent by 2020. Boomers are healthier and more educated than previous generations and are predicted to live and work longer. Although one might assume that older people with jobs are less likely to volunteer, research indicates that baby boomers are most likely to volunteer for opportunities that leverage their skills for a cause they care about — a cause that is challenging, convenient, and fits their schedule.⁵

America's young workforce also is increasingly interested in making a difference. One recent study found that almost 70 percent of Americans between the ages of 18 and 26 prefer to work for a company that provides professional volunteer opportunities.⁶

In response to these growing workforce trends, more businesses are establishing corporate programs that provide employees with opportunities to volunteer.



Much healthier and more educated than previous generations, older Americans are willing to engage in volunteer activities that leverage their skills and support causes they care about the most.

A subset of global companies is looking at how to align these volunteerism efforts with strategic business objectives. Employees are urged to use their corporate skill sets to make a difference in the world. In most cases, companies provide paid leave or continue to pay the salaries of their employees while they work on social-sector projects for anywhere from two business days to 10 weeks. Some programs also provide cash matches for the organizations where their employees volunteer and cover any related travel expenses.

These international corporate volunteer initiatives help companies recruit and retain top talent who want to work for companies that care, while helping to develop a new generation of socially conscious and globally-minded leaders gather on-the-ground intelligence on how to do business in emerging markets and forge cross-border relationships inside and outside of the company.⁷

³ <http://www.volunteeringinamerica.gov>

⁴ *New Volunteer Workforce*, Stanford Social Innovation Review, December 2009

⁵ *Great Expectations: Boomers and the Future of Volunteering*, VolunteerMatch, 2007

⁶ *Deloitte Volunteer Impact Survey*, Deloitte & Touche, 2007

⁷ <http://bclcl.chamberpost.com/2010/05/corporate-volunteer-service-goes-global.html>



To fully realize the value of volunteers, like this BwB volunteer (far right) in Ghana, MFIs must overcome common roadblocks like lack of planning and poor project management.

- Contributes approximately 120 hours of service per project.
- Has at least five years of work experience, most often in the financial services industry (although a variety of professional backgrounds are represented).
- Volunteers because he or she has a strong desire to help the poor, a strong belief in Grameen Foundation's mission, or is interested in pursuing a career in microfinance.

COMMON ROADBLOCKS TO EFFECTIVE VOLUNTEER ENGAGEMENT

Many organizations struggle to take advantage of the increasing supply of enthusiastic individuals and corporations wanting to donate their skills and time. The biggest obstacles are not directly related to the volunteers themselves but to the host organization's mindset and approach toward handling volunteers.

Of the 11 microfinance networks that completed Grameen Foundation's online survey in 2009, five had utilized between 0-10 volunteers in the past year, four had utilized between 11 and 200 volunteers, and two had utilized more than 200 volunteers. Only four of the 11 networks paid staff dedicated to managing volunteers and housed this function within their donor relations, human resources, or policy/advocacy departments. Most frequently, volunteers were used to conduct research, raise funds, serve as mentors, and sit on boards.

Volunteers are often seen as a burden rather than a resource by the employees who have to manage them, while leaders often see volunteers as substitutions for paid positions rather than a leveraged resource. These differences in perspective caused tension between volunteers and staff in a number of instances.

To fully realize the value of volunteers, MFIs must overcome eight common roadblocks:

1. **Myth that volunteers are free.** Too often, people assume that because volunteers are donating their services that they are a completely cost-free resource. In reality, the benefit of volunteer engagement to an organization is directly proportional to its investment in volunteer management.⁹ Volunteer management

In concert with this trend, corporate foundations are on the hunt for social-sector partners who can take advantage of both their financial and intellectual capital. During the recent economic recession, many corporate foundations have looked to compensate for reductions in philanthropic dollars by increasing volunteer efforts. According to a recent survey conducted by the Chronicle of Philanthropy, cash donations to charities in 2009 dropped 7.5 percent to \$3.9 billion for the 68 companies that provided two years of information. At the same time, in-kind donations of goods and services rose by 5 percent.⁸

Taking advantage of these trends, Grameen Foundation's Bankers without Borders program has created an online reserve corps of more than 5,000 business professionals. More than 260 new individuals sign up each month — completing a detailed user profile and uploading a copy of their most recent resume.

A typical BwB volunteer possesses the following attributes:

- Lives in the United States (53 percent) or somewhere in Asia (23 percent).
- Speaks English and at least one other language (most commonly Spanish, Hindi, or Mandarin).

⁸http://www.usatoday.com/money/companies/2010-08-08-corporate-philanthropy_N.htm?csp=obnetwork

⁹ *Volunteer Management Capacity in Americas Charities and Congregations*, Urban Institute, 2004

Mifos Cloud Computing

485 Combined Volunteer Hours | Labor Value: \$90,200 |

Technology is a critical operational component for MFIs, but it's often viewed as a huge challenge. In fact, 40 percent of respondents to a 2008 CGAP survey said that IT constraints prevented them from achieving their operational goals. Grameen Foundation, the leading technology provider in the microfinance sector, addressed this issue in 2006 by launching Mifos®, an award-winning, open-source management information system. Mifos meets organizations' needs cost-effectively and enables these organizations to grow by increasing efficiency and effectiveness. However, a primary challenge keeping MFIs from launching an MIS like Mifos are the perceived costs associated with IT personnel, in-house facilities and a lack of funding.

In October 2009, Grameen Foundation's Technology for Microfinance Center engaged four experienced BwB volunteers to help understand Mifos's potential in the cloud computing market. With diverse backgrounds in Internet technologies, project management, strategic planning, and software engineering, the volunteers explored how cloud computing could minimize costs and maximize the value provided by management information systems for MFIs. Complementing each others' expertise, the volunteers conducted competitive and marketing analyses, assessed strategic opportunities in the new market, provided a delivery model, and successfully identified ways to make these business processes work smoothly.

Having donated 485 hours of service, the volunteers provided quality research that led to a business plan for Mifos Cloud — a complete, ready-to-use solution that delivers MFIs this essential technology as an online subscription service that is easy to use and fast to implement. Because of these volunteers' contributions, Mifos Cloud will help MFIs overcome technological barriers and increase efficiency.

entails costs in attracting, developing, and retaining volunteers and in building the capacity of staff to manage volunteer resources. Although these costs are often much lower than paying consultant fees directly (making volunteers a low-cost resource), there are always real or opportunity costs involved.

- 2. Lack of advanced planning.** The demand for volunteers is often out of sync with the supply of volunteers because rarely do organizations incorporate identification of potential volunteer roles as part of annual planning. Thus, those volunteer projects that do take place are ad-hoc and a matter of serendipity, rather than a strategic application of human resources. If managers proactively identified places where volunteers could free up staff capacity or bring new expertise to the organization, they could build in the time to find the best-qualified volunteer candidates. Without advance planning and a reserve corps of skills to draw from, it can be difficult to find a marketing

expert from the commercial banking sector who happens to speak Tamil — on two-week's notice!

- 3. Poor project management.** Nonprofits often have limited resources to invest in staff training on effective project management or project management software. Good volunteer management is essentially good project management. Staff often juggles too many projects while not applying discipline to how they define the project scope and work plan, how they will manage the work and related risks, how they will establish communication and documentation protocols, and how they will build in quality control of deliverables and project metrics.
- 4. Steep learning curve for volunteers.** A senior executive from a global investment bank may be responsible for treasury management of billions of dollars, but without understanding the basics of microfinance and how different MFIs operate, her skills will not transfer easily. Business professionals may have the functional expertise desperately needed by those in

the microfinance sector, but they must also have some context for their volunteer assignment. If done on a one-off, just-in-time basis, the amount of time required by staff to orient each volunteer may not be worth it given the length of the volunteer's assignment.

5. Inability to delegate work. The social sector is filled with entrepreneurial types who find it difficult to give up some control. In many cases, there may not be other employees to whom the individual can delegate work, so they are used to doing everything themselves. Still, others believe they can do it better themselves or fear criticism from their superiors if things go wrong. And in many cases, staff may lack experience in effective delegation techniques. However, by not engaging volunteers and delegating responsibilities to them, staff members minimize their own time to focus on high-value activities and impede the organization's overall productivity.

6. Bad experiences in the past. Often, staff fears that volunteers won't finish the job or deliver quality work products, based on a previous negative experience. Bad volunteer experiences are often attributable to both volunteers and volunteer managers. Good volunteers take their work as seriously as they would if they were getting paid; bad volunteers think that as long as they do something, they are helping. Bad volunteer managers often don't clarify their expectations from the beginning and feel bad holding volunteers accountable because they aren't getting paid. One of the biggest hurdles in realizing the potential value of volunteers is changing mindsets based on a few bad experiences or limited exposure to effective volunteer programs.

7. Staff burden to find the right volunteers. You don't hire everyone who applies for a job with your organization, and you can't be expected to find a skills-based project for every individual who expresses interest in volunteering. Without a centralized volunteer-management function within the organization or an ample pipeline of volunteer talent, individual staff members are responsible for

sourcing their own volunteer talent. With skills-based volunteering, this can be a time-intensive endeavor when you factor in outreach, recruitment, screening, and selection. An organization can only see limited returns from using volunteers if it approaches volunteer recruitment in a decentralized manner.

8. No quantifiable demonstration of volunteer's value. The economic and social value of volunteerism can — and should — be measured, but volunteerism is not easily quantified. Only 30 percent of US-based nonprofits measure the impact of their volunteers annually.¹⁰ There are a variety of dimensions to measuring the value that volunteers bring to an organization — from the value of their donated services, to the economic value created from those services, to the more intangible social outcomes associated with volunteerism (for example, an increase in social capital). Too often, volunteers are thought of as a "nice to have" rather than a "necessary" resource, and little rigor is applied to measuring their impact. Without clear metrics for measuring the effectiveness of volunteer strategies, it can be difficult to make the case that funding volunteers and volunteer programs is a smart investment. Nonprofit leaders and staff, funders, and volunteers all need to see measurable results to sustain a volunteer strategy.

To overcome these common challenges and remove the administrative burden and operational risks associated with volunteers, the CEOs of nonprofits and social businesses need to see the potential value that today's volunteer workforce — some of the best and brightest minds — brings, and invest in creating a centralized, strategic framework for managing volunteer talent.

Volunteers can help save money and raise money, and they are more likely than others to donate their time and expertise to support the organizations with which they engage. Volunteers also bring fresh energy and ideas to organizations, which can help alleviate staff burnout and lead to new innovations. And volunteers can serve as evangelists to their social networks, helping to promote the nonprofit and its mission.¹¹

¹⁰ *Volunteer Management Capacity in Americas Charities and Congregations*, Urban Institute, 2004

¹¹ *New Volunteer Workforce*, Stanford Social Innovation Review, December 2009

Bankers without Borders: Setting the Standard for Managing Volunteers Strategically



Indian MFIs need about 250,000 employees to meet the current needs of 80 million microfinance clients. BwB works with MFIs to build capacity and scale while strengthening their access to capital.

Throughout its history, at any given time, Grameen Foundation has engaged numerous volunteers working in a variety of capacities, from field-level operational work with grassroots partners to pro bono legal counsel or fundraising activities. However, Grameen Foundation lacked a consistent organization-wide framework for volunteer engagement and management, project definition and implementation, and impact analysis and follow-up. This put added pressure on staff, lessened the impact of volunteers' contributions, and resulted in many missed opportunities where qualified and willing volunteers were not deployed.

Launched in 2008 with support from J.P. Morgan, Bankers without Borders® is a global reserve corps of business professionals and retirees from a variety of industries who are willing to contribute their time, skills, and experience to support microfinance and technology. The program works with companies, associations, higher-education institutions, and individuals to match volunteers' skills with the critical needs of organizations serving poor people around the world. Grameen Foundation launched BwB to:

- Build the capacity of MFIs to manage and scale their organizations while strengthening access to capital and related services to expand their services to the poor.

- Increase volunteerism in the microfinance and T4D industries.
- Create an efficient operational framework to mobilize, engage, and leverage the resources of private-sector organizations and volunteers in supporting Grameen Foundation and its mission.

Since the program's launch, more than 5,000 professionals from around the world have registered in the program database, while 440 have been assigned to more than 150 U.S.-based, field-based, or virtual projects in areas such as finance, marketing, graphic design, translation, human capital, and business process management.

HOW BwB WORKS

At its core, BwB is a volunteer-management framework designed to:

- Identify the resource needs of MFIs, relevant industry stakeholders, and Grameen Foundation itself, specifically those needs that can be fulfilled through unpaid volunteer contributions.
- Recruit, screen, orient, and train volunteers.
- Provide a standardized methodology to develop and implement project activities that will have demonstrable results.
- Evaluate the impact of these project activities.
- Quantify volunteer time and financial value of donated services.
- Provide feedback and ongoing communications to volunteers before, during, and after project completion.

Like most volunteer initiatives, BwB has multiple stakeholders with different needs. Volunteers require well-managed, structured projects as well as training, development, and networking opportunities. Companies and associations are looking for turnkey volunteer engagements that are well-aligned with their strategic

TABLE 1: BWB RESPONSES TO COMMON VOLUNTEERISM ROADBLOCKS

8 COMMON ROAD BLOCKS	BANKERS WITHOUT BORDERS SOLUTIONS
Myth that volunteers are free	<p>Grameen Foundation invests in staff and infrastructure to maximize return on investment.</p> <p>BwB quantifies the total project costs and the percentage contribution from volunteers.</p>
Lack of advanced planning	<p>Grameen Foundation incorporates volunteer resources into annual planning process for organization.</p> <p>BwB trains project managers to plan projects one to three months in advance, enabling them to find best-qualified candidates.</p>
Poor project management	<p>BwB works with project managers to design comprehensive scopes of works and determine how the project will be managed and evaluated.</p> <p>BwB articulates 10-step process for managing all volunteer projects.</p> <p>BwB provides third-party support to ensure that projects move forward or any volunteered issues are resolved promptly.</p>
Steep learning curve for volunteers	<p>BwB offers free training to entire pool of prospective volunteers in advance of selection for a project.</p> <p>Certain training is a prerequisite for certain projects.</p> <p>BwB uses technology to interact with hundreds of volunteers from all over the world at one time.</p>
Inability to delegate work	<p>BwB meets regularly with Grameen Foundation departments to understand their work priorities and proactively suggest places where volunteers could add value.</p> <p>BwB provides training and technical assistance to Grameen Foundation staff on effective volunteer supervision.</p> <p>BwB shares project successes across the organization to encourage other staff members to consider ways that they could benefit from using volunteers.</p>
Bad experiences in the past	<p>BwB shares project successes to help change mindsets about using volunteers.</p> <p>When problems arise, BwB debriefs relevant staff and volunteers to identify the breakdown and ways to overcome specific challenges in the future.</p>
Staff burden to find right volunteers	<p>BwB recruits, screens, and shortlists candidates and assists project managers in making final selections.</p> <p>BwB develops corporate partnerships to create an effective pipeline of volunteers with specialized skill sets.</p>
No quantifiable demonstration of volunteer's value	<p>BwB captures the value of donated services for every project and shares information with various project stakeholders.</p> <p>The aggregate value of all documented BwB donated services appears in Grameen Foundation departmental budgets and in organization's IRS Form 990.</p> <p>BwB uses ROI as a measure of the value it brings to Grameen Foundation's work.</p>

objectives, geographical interests, and core competencies. Grameen Foundation staff and microfinance partners are looking for skilled consultants who are knowledgeable of the industry and accountable for clear deliverables. And all three stakeholder groups want to ensure that volunteer engagements result in measurable results and social impact.

To meet these expectations, BwB has adopted a strategic approach and process that places a strong emphasis on project development, volunteer orientation and training, and evaluation.

Project Development

The BwB team provides training and support to Grameen Foundation staff and microfinance partners who develop detailed project descriptions and scopes of work similar to those used for consultancies. This investment in planning improves recruitment, screens out volunteers who may not have the skills or commitment required for the project, and lays solid groundwork for project training and management.

Volunteer Orientation and Training

To ensure that skilled volunteers gain industry knowledge and understand the “big picture,” Grameen Foundation requires all volunteers to participate in an introductory session on microfinance and an orientation to Grameen Foundation’s mission, structure, and strategic priorities. Volunteers also receive project-specific training from their project managers. BwB conducts a monthly webinar series for all volunteers that features guest lecturers and in-depth presentations on discrete topics of interest in the microfinance and T4D sectors. Later this year, the program will launch an e-learning community, including self-paced courses and project management tools, to provide ongoing training opportunities and technical assistance to its volunteers. Not only will this keep the reserve corps engaged when they’re not volunteering, it also will ensure that corps members are exposed to the latest research, trends, and hot topics, which for many individuals is the reason they want to volunteer.

Evaluation

Quantifying the value of volunteers is a key component of project evaluation. BwB measures volunteer impact using a series of indicators, including the value of in-kind services donated, the completion of all volunteer deliverables,

HOW IT WORKS



volunteer and project manager satisfaction, and longer-term tracking of the cost-savings and economic value of volunteer projects. BwB tracks the hours and value of labor donated on a per-project basis. As part of the onboarding process, volunteers provide proof of their hourly rate or salary equivalent. Once assigned to a project, volunteers are responsible for documenting their volunteer hours through an online volunteer-management system. At the conclusion of each project, all stakeholders are advised of the value of the in-kind services donated. This helps to change mindsets regarding the value of volunteers. At the completion of the project, volunteers typically present their findings to staff and other stakeholders through written reports and oral presentations, which provides recognition to the volunteer while increasing accountability for each agreed-upon deliverable. Through exit evaluations with both the volunteer and project manager, BwB is able to gain insights on how to improve the process and on stakeholder support for the future. Grameen Foundation is committed to measuring the social and financial impact of its work, but this often occurs over time horizons much longer than volunteers’ engagements. However, by using a logic-model approach — such as the sample below — volunteers and other stakeholders can see up front the intended outcomes of the project.

TABLE 2: SAMPLE LOGIC MODEL FOR PRESENTING BWB PROJECT RESULTS

PROJECT DESCRIPTION	INPUTS	OUTPUTS/ VOLUNTEER DELIVERABLES	INTERMEDIATE OUTCOMES	ANTICIPATED END OUTCOMES
<p>Treasury Management Consulting for enda (Tunisia)</p> <p>enda, the first MFI in Tunisia, needed assistance in optimizing its treasury management and achieving its strategic objectives, which are aggressive and present risks associated with planned expansion of its services and personnel.</p> <p>enda's strategic objectives for the period of 2008-2012 included the following:</p> <ul style="list-style-type: none"> • Reach 350,000 active clients by 2012. • Grow gross loan portfolio to TND 241.5 million. • Increase total number of branches from 57 to 130. • Increase portfolio quality while reducing the interest rate charged to clients and diversifying product offerings. • Complete the process of decentralizing into seven regions. • Secure an appropriate level and diversity of funding to achieve portfolio objectives. <p>With 57 branches in place, enda wanted to improve its daily cash management within its existing branches before expanding further.</p> <p><i>Project Completed: May 30, 2010</i></p>	<p>Knowledge in French; expertise in cash flow/ treasury management</p> <p>Two J.P. Morgan volunteers</p> <p>318 volunteer hours</p>	<p>\$21,940 in donated service**</p> <p>Reviewed current treasury-management practices and developed a recommendation for optimizing cash-in and cash-out management</p> <p>Consulted on how to align the loan disbursement and reimbursement</p> <p><i>"The volunteers were great." Semia Raggad, enda</i></p> <p><small>**All donated labor values reported are estimated by Grameen Foundation. Estimates were derived by multiplying the number of service hours donated by proxy data from Salary Wizard based on volunteer's job title/ function and location.</small></p>	<p>As a result of the intervention, enda:</p> <ul style="list-style-type: none"> • Has consolidated and integrated treasury-management functions within its credit department. enda is in the process of testing the impact of this decision. • Has a daily acceptable treasury margin between disbursement and reimbursement. • Is working on developing basic training in cash management for all its loan officers and providing all branches with a model to help better calculate and forecast disbursement and reimbursement. 	<p>enda will be able to achieve its strategic growth objectives by 2012, which will mean reaching more poor people with its services and reducing the interest rates charged to those clients.</p>

Building Stronger, More Adaptive Organizations with Volunteers

Reimagining Service is a self-organized consortium of leaders from nonprofits, government, and the private sector interested in increasing the impact that volunteerism can have on solving social problems. The group recently coined the term "service enterprise" which refers to a nonprofit or for-profit entity that fundamentally leverages volunteers and their skills to successfully deliver on the social mission of the organization.¹²

So what differentiates a nonprofit service enterprise from other nonprofits that use volunteers?

- Nonprofit service enterprises not only use volunteers to provide administrative, operational, or fundraising support, but they actually build the use of volunteers into the way they design and deliver programs and services.
- They are able to reach more constituents with quality services beyond what cash resources alone allow.
- Nonprofit service enterprises don't let supply dictate their use of volunteers. Instead, these organizations focus on how volunteers can add value to strategic priorities and institute infrastructure to recruit and manage volunteer talent.
- They invest money in the people, plans, and programs that enable volunteers to create critical impact, usually yielding three to six times the return.

In December 2009, the management consulting group TCC conducted research based on survey responses from a sample of 650 nonprofits in the United States. Based on their assessment, only 11 percent of nonprofits would qualify as strong service enterprises. TCC found that these service enterprises possess significantly and markedly stronger leadership, adaptive management, and technical capacities than organizations that don't involve or engage volunteers at all.¹³

Moreover, when an organization uses at least 50 volunteers per year and has in place an effective volunteer-management framework, not only does it lead and manage its organization better but it is significantly more adaptable and sustainable, enabling it to better "go to scale" with its programs and services.¹⁴

In many ways, these research findings and the service enterprise notion mirrors the concept of disruptive innovation, introduced in the Harvard Business Review by Clayton Christenson in the mid-90s. Disruptive innovations usually don't meet customer needs as well as currently available products or services, but are usually simpler and less expensive, and so appeal to new and less demanding customers. In a follow-up article on disruptive innovation for social change, the author looked at how this model applies to the social sector. "Catalytic innovators," such as nonprofit service enterprises:

- Create systemic social change through scaling and replication.
- Meet a need that is either over-served or not served at all.
- Offer products and services that are simpler and cheaper than existing alternatives and may be perceived as having a lower level of performance, but users consider them good enough.
- Generate resources — such as volunteers and intellectual capital — in ways that are initially unattractive to incumbent competitors.
- Are often ignored, disparaged, or even encouraged by existing players for whom the business model is unprofitable or unattractive.

¹² <http://www.reimagining-service.org/pdfs/PDF03.pdf>

¹³ <http://www.reimagining-service.org/pdfs/PDF04.pdf>

¹⁴ <http://www.reimagining-service.org/pdfs/PDF04.pdf>

TABLE 3: COST COMPARISON OF PPI CERTIFICATION PROCESS

ONE CERTIFICATION PROCESS AT ONE MFI					
WITHOUT VOLUNTEERS	TIME	\$ COSTS	WITH VOLUNTEERS	TIME	\$ COSTS
<i>E-learning Cost</i>	—	—	<i>E-learning Cost</i>	—	166.7
Building Demand for PPI Certification	3	116.58	Building Demand for PPI Certification	3	116.58
Volunteer Pre-Selection Process	0	0	Volunteer Pre-Selection Process	2	40
Volunteer Post Selection Process	0	0	Volunteer Post Selection Process	2	40
Coordination/Matching with the MFIs	3	116.58	Coordination/Matching with the MFIs	1	38.86
Education (Training)	0	0	Education (Training)*	2	77.72
Onsite Certification	72	2797.92	Onsite Certification*	72	4790.88
			Volunteer/Creation of a Report*	10	665.4
Creation of a Report	10	388.6	SPMC/Revision of a Report	5	859.7
Committee Review Results	2	77.72	Committee Review Results	2	77.72
Presenting results to MFIs	1.5	58.29	Presenting results to MFIs	1	38.86
Peer to Peer Mentoring	—	—	Peer to Peer Mentoring	—	—
Travel Expenses (Hotel, Visa, Ticket; paid by staff)	—	\$2,067.00	Travel Expenses (Hotel, Visa, Ticket; paid by volunteers)	—	\$2,067.00
COST PER PROJECT	91.5	\$5,622.69	COST PER PROJECT	100	\$8,979.40
			Volunteer Donated Service and Travel Expenses		\$7,523.28
			GF Out-of-Pocket Cost		\$1,456.11
CERTIFICATION PROCESS AT 45 MFIS		COST	CERTIFICATION PROCESS AT 45 MFIS		COST
GF Out-of-Pocket Cost		\$253,021.05	Volunteer Donated Service and Travel Expenses		\$338,547.60
			GF Out-of-Pocket Cost		\$65,524.80
			ROI		4:1

*Figures represent donated volunteer time.
All other figures represent Grameen Foundation staff work hours.



A BwB volunteer (l) visiting a Finca Peru borrower to certify collection of PPI™ data.

Using this definition, the article defines microfinance itself as a catalytic innovation. However, the use of skills-based volunteers within the microfinance sector is also a catalytic innovation:

- It presents microfinance networks and multilaterals with an opportunity to more efficiently scale delivery of training and technical assistance to MFIs currently unable to afford or access other help.
- The delivery of services provided by volunteers are perceived to not be as good as what would be delivered by paid consultants but good enough, considering the price tag.
- Those organizations that invest in a volunteer-management framework are placing a bet on their ability to overcome the numerous roadblocks and risks previously outlined in this paper.
- Currently, there is little interest from others in the space in pursuing this as a business model or strategic approach.

In August 2010, Grameen Foundation released a set of standards for using the Progress out of Poverty Index™ (PPI™). PPI™ users can apply these standards to assess

their use of PPI data and identify areas for improvement. Technical assistance providers supporting the use of the PPI can use the standards to target interventions more effectively. With these standards, Grameen Foundation is piloting a certification process through which MFIs and other PPI users will be able to receive a seal of approval signaling that they are using the tool correctly. Table 3 compares the cost to implement this certification initiative with paid resources versus volunteer resources. In the paid-staff model, each certification (per MFI) would require 91.5 hours of staff time and cost \$5,622, including staff time and other expenses. By using volunteers who are asked to cover their own travel expenses, only 16 hours of staff time is required per certification, and the total cost to Grameen Foundation is \$1,456 per certification.

It would cost approximately \$253,000 to execute certifications at 45 MFIs using a paid staff model. With volunteers, the cost to Grameen Foundation is \$65,000 total. That's a return of more than \$4 for every \$1 invested in the volunteer training and management infrastructure required for a volunteer-led approach.

RUMA

700 Combined Volunteer Hours | Labor Value: \$51,476** |

Founded in 2009 with a Grameen Foundation grant, RUMA is a social business start-up in Indonesia with a mission to serve the poorest in underserved communities. RUMA provides a "business in a box" solution that enables the poor to sell prepaid mobile phone airtime in their communities. However, RUMA faced challenges — how to manage operations with a scant number of employees and limited resources and how to evaluate client data logically.

Volunteers from BwB, possessing a variety of background knowledge and capabilities, stepped in to help shape all of RUMA's functional areas. A J.P. Morgan volunteer with 20 years of experience in advertising, graphic design, print design, and web and application design dedicated 78 hours to create a framework for RUMA's website and design their logo. And because RUMA had no financial management staff when it launched, a retired international commercial banking executive spent three weeks on the ground helping it realize its revenue, performing pre-auditing, and providing a management action report. Two J.P. Morgan investment bankers and a marketing strategy consultant helped build a poverty data analysis framework to ensure that RUMA was equipped with the tools to target the right clientele.

Having dedicated 700 hours, these enthusiastic volunteers pooled their skills and knowledge to solidify RUMA as a program that can transform the poor into entrepreneurs.

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With profits from her RUMA business, Halima can now provide for her family and ensure her daughters get good educations.



Eha is saving to fund her children's education, buy a new home for her family, and expand her business.

Scaling Bankers without Borders Beyond Grameen Foundation

Grameen Foundation created BwB not merely to further its own work but to further the mission of the microfinance sector. Rather than spending years conceptualizing an industry-wide approach and soliciting global support and buy-in, Grameen Foundation chose to prototype BwB quickly and test the approach on itself. In its first two years, the program has proved to be a valuable resource. There is now an opportunity to explore how BwB can become a shared platform for the microfinance industry to engage skilled volunteers as pro bono consultants.

One of the major impediments to unleashing the potential of this under-tapped pool of talent is the lack of infrastructure that exists within organizations for managing volunteer engagements. Rather than going without or investing in duplicative infrastructure, global and local networks can identify those volunteer management functions that make the most sense to strengthen internally and look to BwB to provide any additional back-end support.



BwB helps pro-poor organizations, like danone.communities, further their missions. danone.communities is making safe drinking water accessible for more than four million people in India in the next five to six years.

danone.communities

130 Combined Volunteer Hours | Labor Value: \$16,900** |

One of the most significant challenges in the poorest regions of the world is a lack of safe drinking water. danone.communities, in collaboration with Naandi, a social sector organization in India, is creating a social business model to accelerate the rural poor's access to safe drinking water. Through BwB, J.P. Morgan employees contributed to danone.communities projects.

Based in Mumbai, J.P. Morgan's investment banker brought with him extensive experience in mergers and acquisitions and extensive knowledge of the local economic environment. After assessing the business plan, he provided advice on structuring the venture. danone.communities estimates that in five to six years, more than four million people will have access to safe drinking water through a decentralized drinking-water supply chain, at an affordable price. The positive impact of this venture will resonate throughout the regions served.

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This borrower is signing for her very first microloan. Volunteers have the power to support MFIs in making this possible for more poor people worldwide.

With support from presenting sponsor J.P. Morgan, Grameen Foundation has invested the money needed to get BwB off the ground. Now that the infrastructure is in place, the cost of managing and supporting additional engagements is minimal compared to the costs of hiring consultants on a per-project basis.

Through its new Alliance program, BwB is providing seed capital, technical assistance, and operational support to local and regional microfinance associations and other pro-poor networks in Sub-Saharan Africa, Asia, the Americas, and the Middle East and North Africa regions to help them increase their capacity to utilize volunteers. Alliance members will be able to access the BwB staff and technology platform to support development, recruitment, management, and evaluation of volunteer projects supporting their constituents.



BwB provides resources to local and regional microfinance organizations to bolster their ability to utilize volunteers more effectively.

BwB is also interested in piloting projects with other global networks to demonstrate effective volunteer management and the value that skilled volunteers can bring to their organizations.

The beauty of bringing more volunteers and outsiders into the microfinance and T4D space doesn't just lie in the proposition of getting free or low-cost professional services. By creating a volunteer-based mechanism for MFIs, we are reinforcing the civic underpinnings of the global movement to eradicate poverty. This growing force of volunteers may just bring the creativity, passion, and new ideas the sector needs to innovate and scale even further to reach more of the world's poor.



**GRAMEEN
FOUNDATION**

*Empowering people. Changing lives.
Innovating for the world's poor.*

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