

The Duke MBA Global Consulting Practicum 2010

Project Summary



Project Title: Financial Resources and Revenue Generation Strategy for Indian Microfinance Nonprofit

Client Information:

- Centre for microfinance, <http://cmfraj.org/>
- Jaipal Singh. Executive Director

Period of Performance: December 2009 - April 2010

Duke MBA Team:

- Paige Elisha (Fuqua '11)
- Liana Humphrey (Fuqua '11)
- Adam Sandlin (Fuqua '11)
- Jennifer Snook (Fuqua/Nicholas '11)
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- Kento Ueha (Fuqua '11)

Instructor: Pranab Majumder

Partner Description:

The Centre for microFinance, Rajasthan (CmF) was established in 2007 with the vision of providing resources that promote the “timely availability of microFinance services, on fair terms, and with dignity to help people enhance their livelihoods.” CmF provides support to the sector through its work in four main areas: Resource Agency, Idea Incubation, Networking and Advocacy, and Knowledge Hub. It also acts as a nodal agency for the Sakh Se Vikas (SSV) program of the Sir Ratan Tata Trust – essentially acting as a “one-stop-shop” for microfinance-related information, advice, and networking.

Problem Statement:

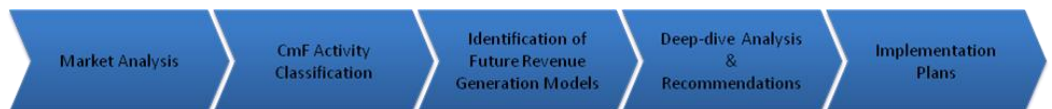
CmF is currently engaged in nine programs within the four areas described above. Many of these activities do not have a sustainable revenue stream from which to cover the associated costs. Furthermore, CmF does not have a documented approach to determine whether an activity could generate revenue for the organization or if the activity should be considered an investment to the sector or CmF’s brand.

Objectives:

The purpose of the project was to equip CmF with the analysis, recommendations and implementation plan needed to increase revenue generating activities and achieve greater financial sustainability.

Approach / Methodology:

A systematic five-phased approach was used to assess CmF’s businesses and the microfinance industry.



1. Initial Market Analysis of the microfinance industry was conducted prior to the team’s arrival in India.
2. In order to complete an initial Activity Classification, the team researched CmF’s programs and conducted on-site observations of the Certificate Course in



microFinance and two Self-Help Group programs. Activities were then classified based on their potential for earned revenue using a decision model developed by the team for use with both current and future programming. The decision model grouped activities into four classifications:

- Limited Value Add Activity
 - Investment Activity
 - Current Revenue Generating Activity
 - Potential Revenue Generating Activity
3. The team Identified Future Revenue Generation Models for the Certificate and SHG programs and rated each on four dimensions and presented these findings to the client on-site.
 4. At the client's request, the team further conducted a Deep Dive Analysis and Recommendations on one strategy: partnering with a university on the Certificate Course.
 5. An Implementation Plan was developed based on the analysis.

Recommendations:

At the on-site presentation, the following recommendations were made regarding the Certificate Course in microFinance:

- Focus on strengthening the course in Hindi first
- Increase batch size
- Shift timing of course
- Enhance marketing efforts
- Maintain diversity of students
- Explore options to monetize value to NGOs

The subsequent research into university partnerships yielded these additional insights:

- Supplement course with in-service training and short-term workshops
- Increase visibility of training programs on web site
- Create a network of program graduates
- Translate into English to capture new audience
- Offer suite of courses for different types of practitioners
- Shorten length of course
- Become a member of The Microfinance Management Institute
- Become recognized by CGAP's Microfinance Gateway, with a course listing on their website under Training Courses

Results Achieved:

The client has gained a new, standardized approach to assessing the revenue generating potential of their business activities going forward.