

Impact assessment & clients satisfaction survey

Summary



KATERINA – Fashion Designer

October 2016

Measuring the impact of AFI

- What happens to the entrepreneurs and their companies, who benefited from a microloan through AFI
- What is the **impact** of AFI's actions on the social and economic inclusion of AFI clients and the survival rates of their micro-enterprises?
- How do entrepreneurs perceive and assess the **quality** of services delivered by AFI staff?



MARIA - Pregnancy Consulting & Pre natal Yoga

The present document represents the main results of the survey AFI conducted in October 2016 among its clients in order to answer those questions.

This inquiry enables AFI to:

- 1) measure the impact of its actions,
- 2) verify that the results of the organization are in line with its missions statement,
- 3) inform AFI's partners about its achievements,
- 4) identify improvement levers as regards its positioning & modus operandi

This survey is the first one AFI implements but certainly not the last one as the organization intends to conduct similar surveys on a regular basis.

Methodology

- 🌍 The survey was conducted by **phone** by an independent consultant from **October 10 to 31, 2016**
- 🌍 **15 minutes** phone interviews on average.
- 🌍 Calls were made at varying hours during working time to ensure **customers' availability**.
- 🌍 The **sample** consisted of the whole customer portfolio of AFI (namely **45 clients**) who benefited from both business development services support & microloan, from January 2015 to September 2016.

AFI targets vulnerable entrepreneurs



AFI was created to tackle **social & economic exclusion** by helping unemployed and self-employed persons and generally **vulnerable citizens** excluded from mainstream banking system, to start-up or develop a professional activity or a micro-enterprise.

To do so, AFI provides free of charge business development services and access to small funding (up to €10,000) through its banking partners (PCB and Eurobank).

40% of AFI clients had seen their loan **application denied** by a Bank before applying to AFI, a figure equivalent to that of national statistics (*2015 SBA Fact Sheet Greece*) and **33%** didn't bother going to a Bank knowing they were **not eligible**.

The remaining **28% didn't want to get a loan from a bank**, which demonstrate the negative effect of Greek financial crisis over Greeks' trust towards the banking system. By providing loans to this category of people AFI thus contributes to the restauration of trust within Greek society.

Despite this context and considering the critical situation of Greek economy as well as a rather inhospitable tax regime, one out of five AFI clients was **unemployed**, against 80% already self-employed.

42% of AFI clients are **women**, versus 44% national average of early-stage entrepreneurs* (*Global Entrepreneurship Monitor, 2015*). Entrepreneurial gender gap in Greece decreases mainly due to high female unemployment as well as pressure on income in households in which men lost their jobs.

100%

of AFI clients are considered excluded from mainstream banking system either because their loan application was denied or because they self-censored themselves and did not dare to apply, or because they don't want to get loans from banks.

On average AFI clients are **36 years old** and one in three clients belong to a vulnerable age group (under 30 or above 50).

* Defined as Individuals in the working age population, actively involved in a business, either in the phase of starting a new firm (nascent entrepreneurs), or in the phase spanning 42 months after the birth of the firm (owner- manager).

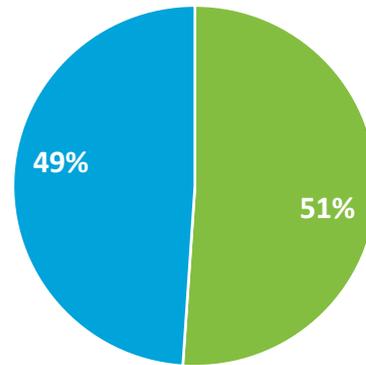
Profiles of the ventures supported by AFI....

More than half of the ventures, which benefited from AFI support are new-born (less than six month seniority at the time of microloan disbursement).

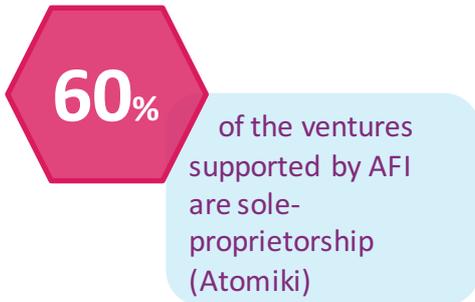
Almost two out of three enterprises supported by AFI are **sole-proprietorship** companies (Atomiki*).

** Greek name of the legal status of this type of company*

Ventures seniority



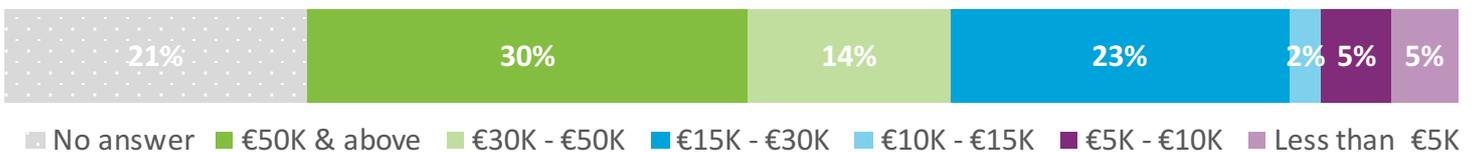
■ New ventures (Less than 6 months) ■ Existing ventures



Among the remaining 40% we observe a growing number of **social enterprises** (Koinsep*), a relatively new type of legal status, which is trendy among Greek small entrepreneurs at the moment.

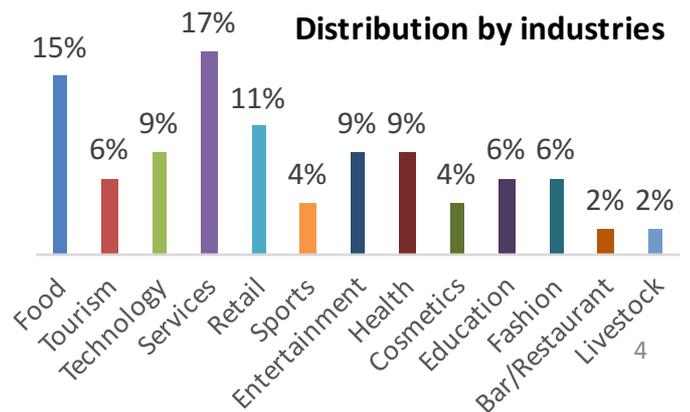
** Greek name of the legal status of this type of company*

The **annual turnover** of AFI clients shows high disparities but the overall picture reveals that almost one out of two companies generates a €30,000 or more yearly turnover. A data to be interpreted with cautious due to the 21% of respondent, who couldn't or didn't want to answer.



AFI client are optimistic about their businesses

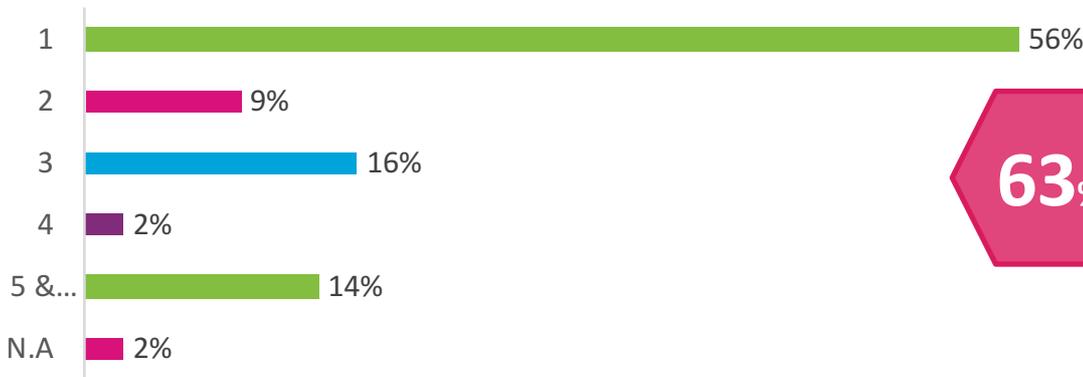
- 98% of AFI clients think their business goes rather well or very well.
- 91% of them declare they intend to develop their business within 12 months
- 58% say they might need additional funding to achieve that.



Impact on Greek economy

Despite their rather small sizes, the enterprises supported by AFI contribute to the fight against unemployment as they created or maintained **96 jobs** in Greece, among which 28 open-ended. Almost two third of AFI clients intend to hire more people in the coming 12 months.

of persons currently working in the company (including client)



2,2
Is the average number of jobs created by ventures supported by AFI

100%
of the ventures supported by AFI are still active after one year

63%
have the intention to hire one or more additional employee within 12 months

The economic activity of AFI clients also has a positive impact on others actors of the Greek economy as they work on a regular basis with **176 suppliers**.

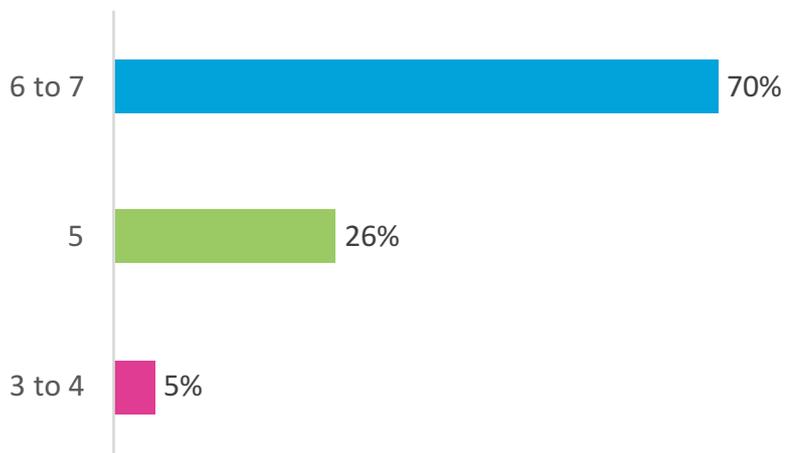
AFI clients and their relation to their business

Through the creation of their own job, AFI clients improve their financial status but not only. They also create an occupation, to which they dedicate a large part of their time and which give them satisfaction in return.

70%
say they live better financially wise since they started their business

88%
declare they are very satisfied to have created their own business

Nb. of days / week dedicated to business



A trustful relationship between AFI and its clients

A huge part of the success of microcredit lies in the provision of quality and bespoke **business development services (BDS)** to micro-entrepreneurs. With the valuable support from a pool of over **16 volunteers**, AFI provides a full set of business support services tailored to the need of its clients.

before the loan disbursement:

- Get Started Sessions
- Business Model Canvas module
- Business Planning Basic module
- Business Planning Advanced module



after the loan disbursement:

- Online Marketing & Social Media
 - UX / UI module
 - Exports
 - Licencing
 - Mentoring

In practice, each and all AFI clients receive support and advice from their microcredit development officer. In addition to that support a majority of them also attended at least one group or individual support session lead by a volunteer.

Attending those business support services has a real impact on the way entrepreneurs manage their business:

58%

of AFI clients
attended at least
one BDS session

- 72% of AFI clients say their work & business management methods changed
- 95% agree the support of AFI was very useful to develop their business
- 86% of AFI clients agree that the support from AFI was very useful to overcome the challenges they faced.

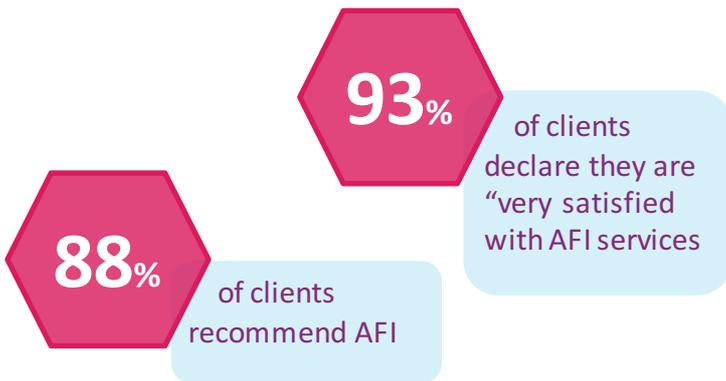


GEORGE – Bicycle repair & courier

67%

of AFI clients
plan on using AFI
non-financial
services within
the next 12
months

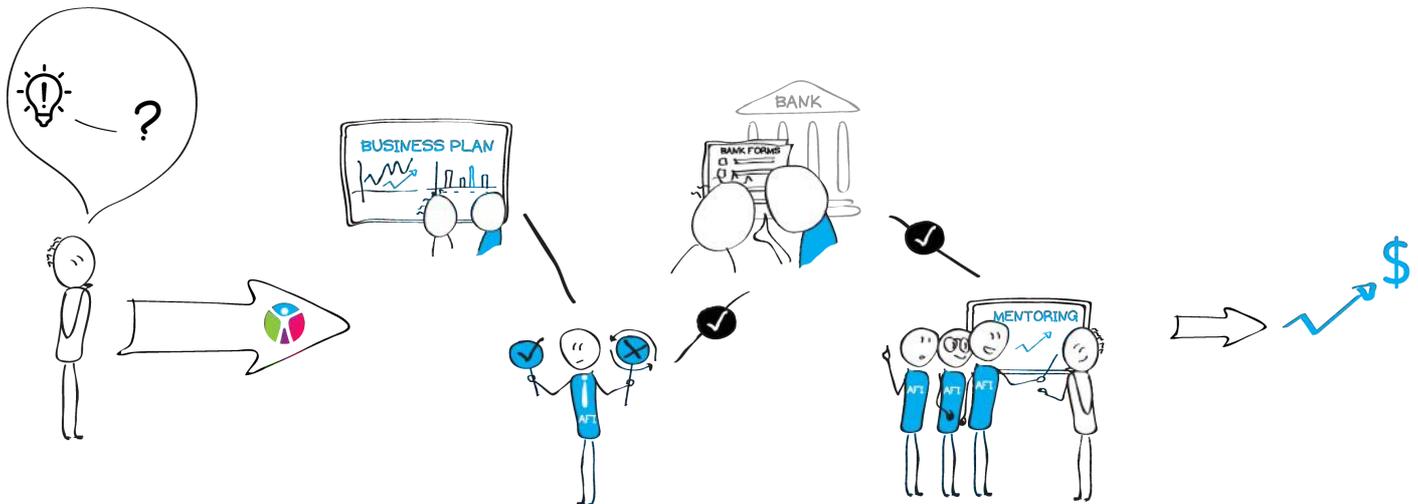




MARIA – Montessori inspired childcare articles

Over the period covered by the survey, 100% of AFI clients declared to be satisfied with AFI services, including financial and non-financial support. Among them 93% declared to be "very satisfied".

Due to legal constraints AFI cannot lend directly to its clients. In order get round this legal constraint AFI partnered with two banks (PCB & Eurobank). Despite a significant improvement of microloans disbursement timeline over the last months the appraisal and disbursement process still takes longer than AFI wish it would.



However, in the current Greek financial and banking context getting access to business loan remains exceptional for many Greek entrepreneurs and AFI timelines are thus satisfactory to them:

- 95% of clients judge the appraisal process "quick and simple"
- 95% of AFI clients are "satisfied" with the disbursement timeline.
- 97% of AFI client claim they would turn to AFI if they need another loan in the future

« If you had in your entourage people willing to set up a business, from 0 to 10, what is the likelihood that you recommend AFI? »

