



LEAN DATA UPDATE 2016

Lessons from another year using
technology to understand customers
and grow our social impact.

A **ACUMEN**
CHANGING
THE WAY
THE WORLD
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Acumen is changing the way the world tackles poverty by investing in companies, leaders and ideas. We invest patient capital in businesses whose products and services are enabling the poor to transform their lives. Founded by Jacqueline Novogratz in 2001, Acumen has invested more than \$97 million in 90 companies across Africa, South Asia, Latin America and North America. We are also developing a global community of emerging leaders with the knowledge, skills and determination to create a more inclusive world. This year, Acumen was named one of Fast Company's Top 10 Most Innovative Not-for-Profit Companies. Learn more at www.acumen.org and on [Twitter @Acumen](https://twitter.com/Acumen).

FORWARD

For most of us in the field of impact investing, understanding how we create social and financial benefits for the people we serve is of paramount importance.

The gulf however between what we should understand and what we actually understand about impact remains wide. Advances in the measurement architecture, such as IRIS—a catalogue of both social and financial indicators—have not resulted in the widespread adoption of impact measurement beyond the use of company sales data and secondary proxies.

This goal remains an ambition rather than reality, in large part because a valued, repeatable, cost effective, and sufficiently simple approach to gather social data has not been created. Instead companies and funds alike are confused by questions, such as how much data they need, what methodology to use, or how to ask effective survey questions. Additionally, many are bewildered by the costs of data collection offered to them by the established measurement market. As a result, they don't collect data and thus don't fully understand their customers or their impact.

Lean Data is different. It has been developed with a keen understanding of the realities of funds and firms in the social enterprise sector. Rather than impose complex measurement requirements down onto firms struggling to build businesses in some of the toughest markets in the world, Lean Data takes away the pain of collecting data by making it cost effective, rapid, and focused on the user experience of both firms and their consumers.

We believe this approach to measurement holds great promise. We've been supporting Lean Data since its earliest stages and are excited with the progress it is making. We believe that within a few years Lean Data has the potential to become a leading approach to measurement that will allow us all to access rich data on social performance with comparative ease.

Once adoption of social measurement is widespread, we can truly begin learning what actually results in impact.



OMIDYAR NETWORK

Roy Steiner
Director, Omidyar Network

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INTRODUCTION & PURPOSE OF THIS UPDATE

“What does leading a thriving business and measuring social impact have in common? Understanding the wants and needs of customers.”

This brief update builds on our first Lean Data report, which was published last year¹. The first report introduced the idea of Lean Data, explained how it was designed with accompanying case studies, and outlined our ambition to fill the impact measurement gap in our sector. We aimed to demonstrate that data collection from end consumers—social or otherwise—is at the core of a successful social business.

This update is structured as follows: after quickly recapping what Lean Data is, the paper outlines what we've learnt from another year of implementation. We've discovered a lot, pivoted a fair amount, erred a bit, and, most importantly, made significant progress. In the past year, we've implemented a further 21 Lean Data projects, tested new innovations such as sensors, and expanded our work into new geographies including Latin America. The lessons are grouped into two key areas: getting data and using data.

While Lean Data represents one advance in social performance measurement, we've also noticed encouraging signs in our sector regarding other, complementary measurement advances. We continue to appreciate pioneering work done by peers such as Root Capital and LeapFrog. We're excited by the thought leadership of Tideline and Omidyar Network through the Navigating Impact Investing Project², as well as joint work by Bridges Impact Plus and Skopos Impact Fund that is focused on improving impact goal setting. Within the more traditional evaluation sector, IPA's Goldilocks Toolkit³ is helping to provide clarity on if and when organizations should use formal impact evaluation.

These advances notwithstanding, the practice of conducting high quality impact measurement—underpinned by hearing directly from customers⁴—still remains the exception rather than the norm. We hope that by sharing what we've learned through Lean Data we can encourage others to collect primary impact data directly from end-users. By collectively sharing lessons learned, we aim to build the sector's capacity to assess social impact in a way that adds value to companies and their customers.

1. It's called Innovations in Impact Measurement and you can download it here <http://acumen.org/wp-content/uploads/2015/11/Innovations-in-Impact-Measurement-Report.pdf>

2. <http://tideline.com/projects/the-navigating-impact-investing-project/>

3. <http://www.poverty-action.org/goldilocks/toolkit>

4. You might call them “beneficiaries”, “clients” etc. these are the people whose lives or work that our own work is aimed at improving. We will use the words customer and consumer interchangeably. If your work focuses on the environment or climate change then this text might be less directly relevant to you, though we hope you'll find useful some of the principles we discuss.

RECAP: WHAT IS LEAN DATA?

Over the past two years, we have developed a new approach to social performance measurement, collecting data from more than 13,000 customers across 32 of our portfolio companies.

We call it Lean Data.

Our aim with Lean Data is to set the standard for consumer-based data collection in the impact investing sector, enabling investors to take measurement to the next level and provide real value to customers, companies, and those that support them. By leveraging technology and more efficient data collection methods, Lean Data allows growing enterprises to quickly and affordably collect high quality data on social performance, customer feedback, and customer behaviour.

New technologies allow for a high level of iteration when it comes to measurement. We believe this is critical for a growing enterprise as knowledge on social performance is most effectively collected in a step-wise manner, rather than all at once. One of the specific goals of Lean Data is to support the repeated collection of meaningful metrics that add value to multiple stakeholders and enable data-driven decisions.

Perhaps, the most powerful component of Lean Data is the shift in mindset and reordering of priorities that it represents. In general, our sector has prioritized upward accountability, collecting data that predominantly meets the needs of investors or academics. What we believe is missing is a commitment to downward accountability—to making sure that social enterprises are collecting and using data to improve their interventions and with it the lives of their intended beneficiaries.



GETTING DATA

GETTING DATA

In the context of social enterprises, data collection that is exorbitantly expensive, takes years to implement, overly distracts management, or imposes limits on sales growth is a non-starter.

In our sector widespread social measurement will only be made possible by developing a repeatable model for measurement that is rigorous, but also fast, value-adding, and not prohibitively expensive. Here's what we're learning about the art of the possible when it comes to collecting Lean Data.

1. Measurement starts with conversation not frameworks

Impact measurement frameworks abound. Our industry works under an established paradigm, which more or less says, "start with a Theory of Change and use it to outline the data points to collect." There's no doubt that these frameworks can be valuable, but they are not always deployed effectively. Such theories are typically developed at a desk far from the action, and when people invest considerable time in their development that sunk cost may limit appetite for flexibility.

We've learned that the framing and positioning of data collection is one of the most crucial elements to its success. Indeed, it is the foundation of getting "buy-in" and ultimately enabling the data to spur action. When a conversation with a new investee starts with describing a framework and listing a prescribed set of metrics, it tends to establish a relationship of compliance and thereby waste an opportunity to make data collection mutually valued.

When we introduce Lean Data to an investee in our portfolio, we treat them like a client. Rather than make a data "ask" by laying out metrics we require, we make a data "offer" by asking, what data would be most interesting for you? We then outline how we can help get that data most efficiently.

Of course not all companies will know what data they need, especially from a social performance perspective. In these circumstances we act as guide, providing examples of what we've collected for other investees and explaining how and why they've found such data useful. We have found that this simple shift in mindset has created major change and, from an initial perception of metric burden, we've created an opportunity.

This approach may mean you, the investor, have to sacrifice collecting some data that you initially think is important. However, because you end up building a relationship of trust and are able to repeat Lean Data both easily and cost effectively, there will be opportunities over time to collect data points that may have initially been deprioritized.

Lean Data Tips: suggestions for better conversations

Instead of:

Try this:

“My theory of change tells me that I need this data point, I need it semi-annually.”

“What does success look like to you from a social perspective, what are you using to understand this?”

“My donor has said they want this, so you’ll need to collect it”

“What do you wish you knew about your customers and the way your product works that you don’t know today?”

“Your data is insufficiently robust, I’ll need you to measure baseline and endline data for me”

“How much do you trust the data you’re getting today, how can we improve it together?”

2. Never miss an opportunity to collect multiple types of data

Marketers and social scientists alike build their understanding upon data they are able to gather from end-users. Isn’t it strange that they haven’t more directly cross-pollinated their work? We’ve learned that one of the best ways to drive value through impact measurement is to use engagements with a customer to collect broader consumer and market insights.

This doesn’t have to dumb down the impact bit. Rather, effective data collection gathers a broad spread of data which is valuable to multiple stakeholders for different reasons. It also helps build interest in and thus demand for more data. Tools such as the Net Promoter Score® are a terrific addition to impact surveys, shedding light on consumer perspectives and loyalty levels (see box).

Best of all is when a question kills two data birds with one stone. We’re developing questions that can do just that. For example, our “meaningfulness” question (details of which can be found in the Lean Data Field Guide⁶) can simultaneously gather data on social performance as well as business critical insights. The question gathers a general impact assessment, alongside details on the social “outcome”⁷ themes that are most important to consumers. We’ve found that this is also a great way of understanding the product value drivers in the eyes of the customer.

3. Three KPIs to keep the quality of our surveying on track

By far the most frequent question we are asked is, “Is the data from remote surveying as good as in person surveys?” It’s an interesting question because it uncovers a common assumption, especially within international development, that the way we’ve always done things—in person—must be better.

In fact, there is little evidence to show that in person is better or worse. Work in the behavioral sciences tells us there are plenty of reasons that taking the human out of the survey process can improve data quality.⁸ That said, we’ve been careful in testing how our remote surveys compare to in-person where feasible.⁹

Based on these tests, we have growing confidence that remote surveys work well. In addition, we’re increasingly tracking new Key Performance Indicators (KPIs), which will give greater confidence that these surveys are providing high quality data and meeting expectations (both our own and those of our investee clients).

5. Courtesy of Clara Barby of Bridges Impact Plus)

6. <http://acumen.org/wp-content/uploads/2015/11/Lean-Data-Field-Guide.pdf>

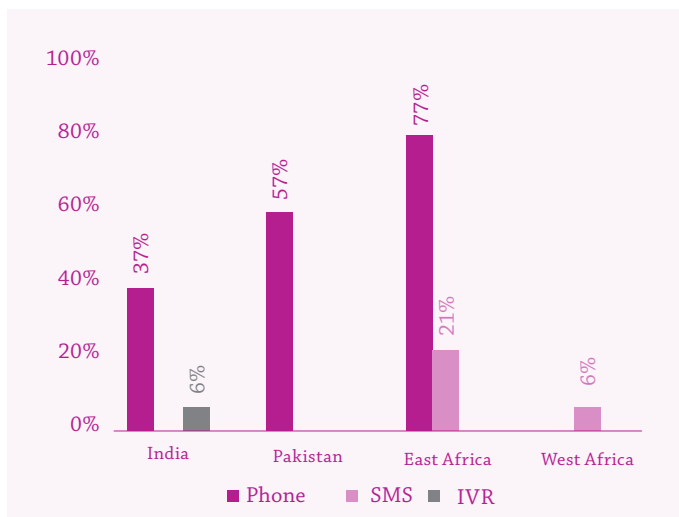
7. We’re assuming the reader is familiar with the standard Theory of Change lexicon of input, outputs and outcomes. But just in case here’s a resource we like <http://www.goodinvestor.co.uk/impact-plan/>

KPI 1: Response Rates & Representative Samples

A key part of our ongoing assessment of the effectiveness of Lean Data is an analysis of response rates: we need to understand how representative our samples are of the entire customer base. There are obvious reasons to pay attention to this: a low response rate might lead to biased data¹⁰ or increase the costs of our work.

In general, we continue to find that phone surveys have the highest response rate, followed by SMS then IVR. Though it is too soon to draw any universal conclusions¹¹, it fascinates us that East Africa consistently has the highest response rates to our surveys. This suggests that the performance of technologies will be affected by societal norms. Perhaps the willingness to respond to SMS is due to prevalence of SMS as an everyday tool in other walks of life, such as mobile money. In addition, mobile penetration is relatively new in East Africa, making things like robotic-calls and scam calls less prevalent than in geographies such as India and Pakistan.

Chart 1: Response Rates by Tech & Geography



8. Especially by removing the unintentional biases even a well-trained surveyor can bring that can lead respondents' answers. It may also be easier to give negative feedback to someone on a phone and easier still on a text.

9. See section on "Data-Accuracy" in our first report <http://acumen.org/wp-content/uploads/2015/11/Innovations-in-Impact-Measurement-Report.pdf>

10. Either by creating a significantly unrepresentative sample or those that do respond are systematically different from those that don't.

11. Since it may have more to do with the enumerators we work with than the country context.

LEAN DATA TIPS: TO INCREASE RESPONSE RATES AND OVERALL SURVEY EFFICACY



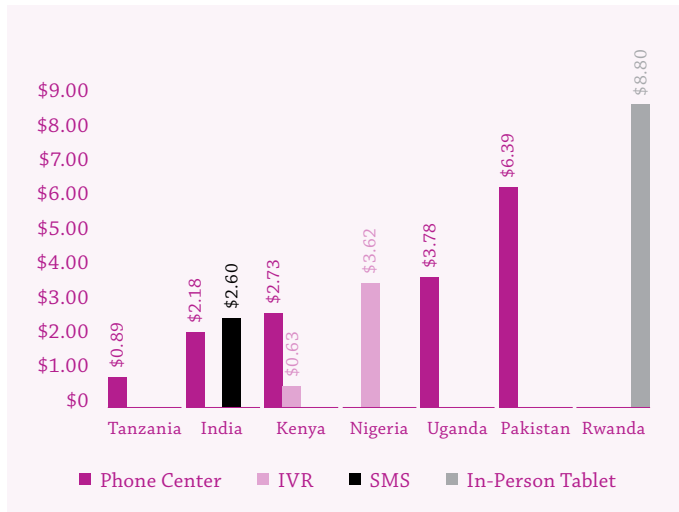
- + Provide clear context for the survey – both to respondents and to enumerators/call center staff (when relevant).
- + If sending an IVR survey, send an SMS first to tell customers or respondents to expect the call (timing, instructions, context, purpose, etc.). Out of the blue IVR often performs poorly.
- + Time your surveys depending on your audience (for example, if you're surveying farmers, time your surveys for the evening so you can ensure they are at home and have service).
- + After collecting data, check to ensure it is sufficiently representative of the true population you're aiming to survey.

KPI 2: Per survey cost

We are pretty obsessed with driving down the cost of Lean Data surveys. We believe that if impact measurement is to become a norm, the perception of its cost-to-benefit ratio has to flip from high cost, low user benefit to low cost, high value. For each technology we use, we track and compare costs between previous projects as well as across countries.

The below chart breaks down our average cost per survey in each country, by technology type (assuming an average sample size of 200 respondents). We've found that the variation in these costs is, unsurprisingly, largely dependent on the availability of multiple, established technology providers. For instance, in Tanzania, India, and Kenya there are multiple phone centers and SMS providers, as well as wide availability of trained enumerators. In Nigeria and Pakistan, however, we have identified fewer qualified enumerators and tech providers. Over time, we expect the sector to continue growing and to develop more options, driving down costs still further.

Chart 2: Cost of Surveys by Country & Technology type



KPI 3: Time taken per survey

It's obvious that lengthy surveys drive up costs: time is money. But there is also a second type of cost, often overlooked, the cost to the interviewee of giving up her time. As we highlighted in a piece published with Jer Thorp of the Office for Creative Research¹², not only do we think that valuing others' time is the right thing to do, it is also in the self-interest of the entire social sector. Ensuring people feel respected throughout data collection will both increase the likelihood they will respond and, as importantly, increase the chances they provide accurate data.

For example, in an IVR survey in India, we found response rates dropped after the 5th question of a 10 question survey. We've seen similar drop-off rates for longer SMS surveys. It is both smart and respectful to keep remote surveys short and sweet. A good rule of thumb is to keep SMS surveys shorter than 7 questions. For phone center surveys across Pakistan, India, East Africa, and Latin America, we keep to 15-20 question surveys that take an average of 13 minutes to complete.

ATTRIBUTES OF OUR STANDARD GO-TO SURVEY METHODS: CALL-CENTER OR SMS



Call-Center

Our experience with phone surveys has been overwhelmingly positive. In each geography, we have trained enumerators (sometimes belonging to a third party call center) to conduct phone surveys. Compared to other remote methods, phone surveys are particularly well suited for more complicated questions that involve recall or time-based answers; enumerators are able to explain the questions and ensure that customers understand them. Phone surveys also allow us to get detailed qualitative feedback.

SMS

SMS surveys continue to be the most time and cost effective method. Whereas a 200-person phone survey would take two enumerators one week to complete, we can get data from SMS surveys within hours. As shown above, it's feasible to greatly expand sample size at minimal marginal cost. A 1,000-sample survey via SMS in Kenya would run about \$650, whereas a similar sized survey conducted by phone would cost almost 5x more. Although questions are limited to a 160-character limit, SMS respondents generally provide a rich level of qualitative feedback – much more than we had initially expected. We also have early, anecdotal, evidence that customers are might be more willing to share sensitive information over SMS, as it is more anonymous than phone surveys.

12. <https://medium.com/acumen-ideas/whose-data-is-it-anyway-3f9ba60c8924#ia0n0uc70>

4. The power of “why”: Using open-ended questions

The conversation about impact measurement is often dominated by a focus on quantifiable metrics. We’re in favor of better-defined, more accurately collected, and more consistently comparable social performance metrics, but have also come to discover the limitations of too narrow an approach.

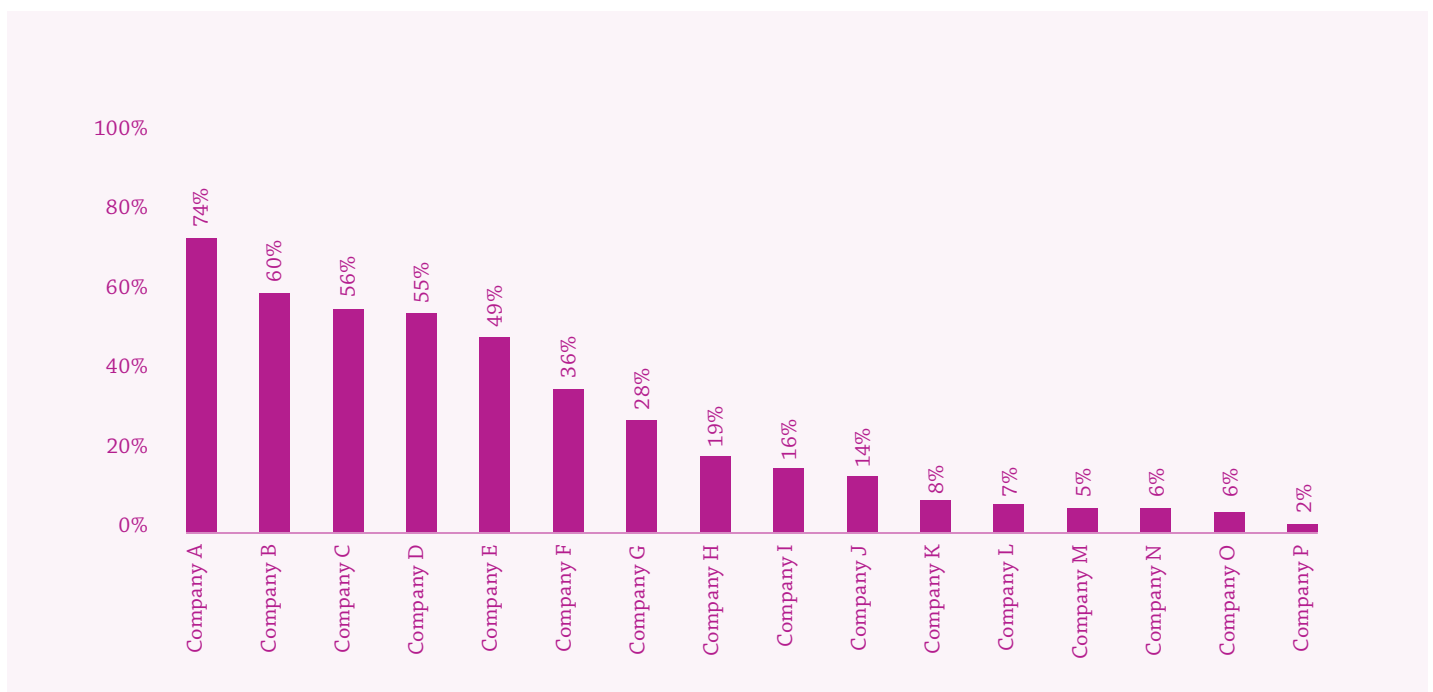
We began our measurement efforts by focusing almost exclusively on collecting quantitative metrics. However, we’ve discovered that qualitative evidence and open-ended feedback can be every bit as valuable. By asking customers directly for feedback, suggestions, or complaints, we are able to gather a richer data set that provides color and context to quantitative data, and often these qualitative questions can effectively be coded to drive more quantitative subsequent surveys. Indeed, we find this context absolutely fundamental to understanding not just the “what” of impact (i.e. what changed) but the why.

Perhaps not surprising, then, that the word we use more often than any other in our surveys is a simple “why”?

Asking “why” has the added benefit of changing the tone of a survey. In many of the geographies in which we work, customers, especially those living in poverty, are rarely asked their opinion about a product or service. When given a chance to provide feedback, whether over SMS or phone, customers are generally appreciative and responsive. We’ve seen people type out more than 500 character texts in response to open ended questions asked by SMS.

Customers treat such questions as a chance to provide in-depth feedback that provides our companies with a clear understanding of their value proposition, customer pain points, and concrete areas for improvement. We end all our surveys with one last chance to hear qualitative feedback asking “Is there anything else you’d like to share?” We frequently get answers expressing gratitude at being asked for opinions. And of course this feedback isn’t always rosy. These are often some the most valuable responses we receive providing insight helps our social enterprise clients spot problems and provides insight on how to fix them.

Chart 3: % of respondents reporting complaints



LEAN DATA TIP: THE PERSON BEING SURVEYED IS YOUR FIRST CUSTOMER



We appreciate that any interaction with a company's customers has potential implications beyond the data collected. A survey that is viewed by a customer as a waste of their time may worsen the company's brand in her or his eyes. As the author and marketer Seth Godin points out in a recent blog post,¹³ "If you ask someone if they're satisfied and then don't follow up later, you've just made the problem a lot worse. If you ask your best customers for insight and then ignore it, you've not only wasted the insight, you've wasted goodwill as well."

Keeping this in mind, we ask questions in a way that aims to strengthen the connection between a company and its customer. We have found three things to be especially important.

- + The survey itself has to be engaging. We've noticed that surveys with more unusual or original questions get higher overall response rates.
- + It is important for the person giving data to feel that they are being listened to as opposed to having data extracted from them.
- + Where we find problems or dissatisfaction, we urge and/or increasingly help our companies to follow up to directly address the concerns that have been raised.

13. http://sethgodin.typepad.com/seths_blog/2016/03/survey-questions.html



USING
DATA

USING DATA

Collecting data is not an end in itself. Data is only useful if it leads to action. One of the most exciting developments over the last year of using Lean Data with our companies is shift in the use of the data we are collecting.

We've still got a way to go, but this is a hugely positive start, one that gives us greater confidence that our focus on collecting data direct from consumers with the company's priorities front and center is the right one.

1. Data makes us more informed Impact Investors

We've collected data from thousands of customers using Lean Data, and this data is giving us powerful new insight on our progress in building sustainable businesses that address poverty. And, naturally, given our focus on poverty alleviation, one of the core questions that we've long wanted to answer is how well our investments are actually reaching those living in poverty.

Our first Lean Data pilots tested the use of the Progress out of Poverty Index (PPI)¹⁴ by SMS¹⁵ and phone¹⁶ to determine the average level of poverty in which our investees' customer bases were living. The data we got back was robust, and since then we have collected PPI data from nearly half of Acumen's active portfolio (and growing¹⁷). For the first time we have the ability to aggregate and compare these data across our portfolio. With this data in hand (see chart 4 below) we can begin to assess the degree to which different companies, across various sectors and country contexts, are managing to reach people living in poverty.

This PPI data is a baseline from which we can track changes over time and evaluate shifts in performance at a company and portfolio level. From it, we might also learn how a company's poverty focus relates to its short-, medium-, and long-term profitability. In one instance we've even discovered that our data suggests, paradoxically, that the company's poorest customers may also be their most profitable. By repeating this simple survey across our portfolio, we have built the foundation upon which we can initiate important conversations that, in the absence of reliable data, have been merely theoretical.

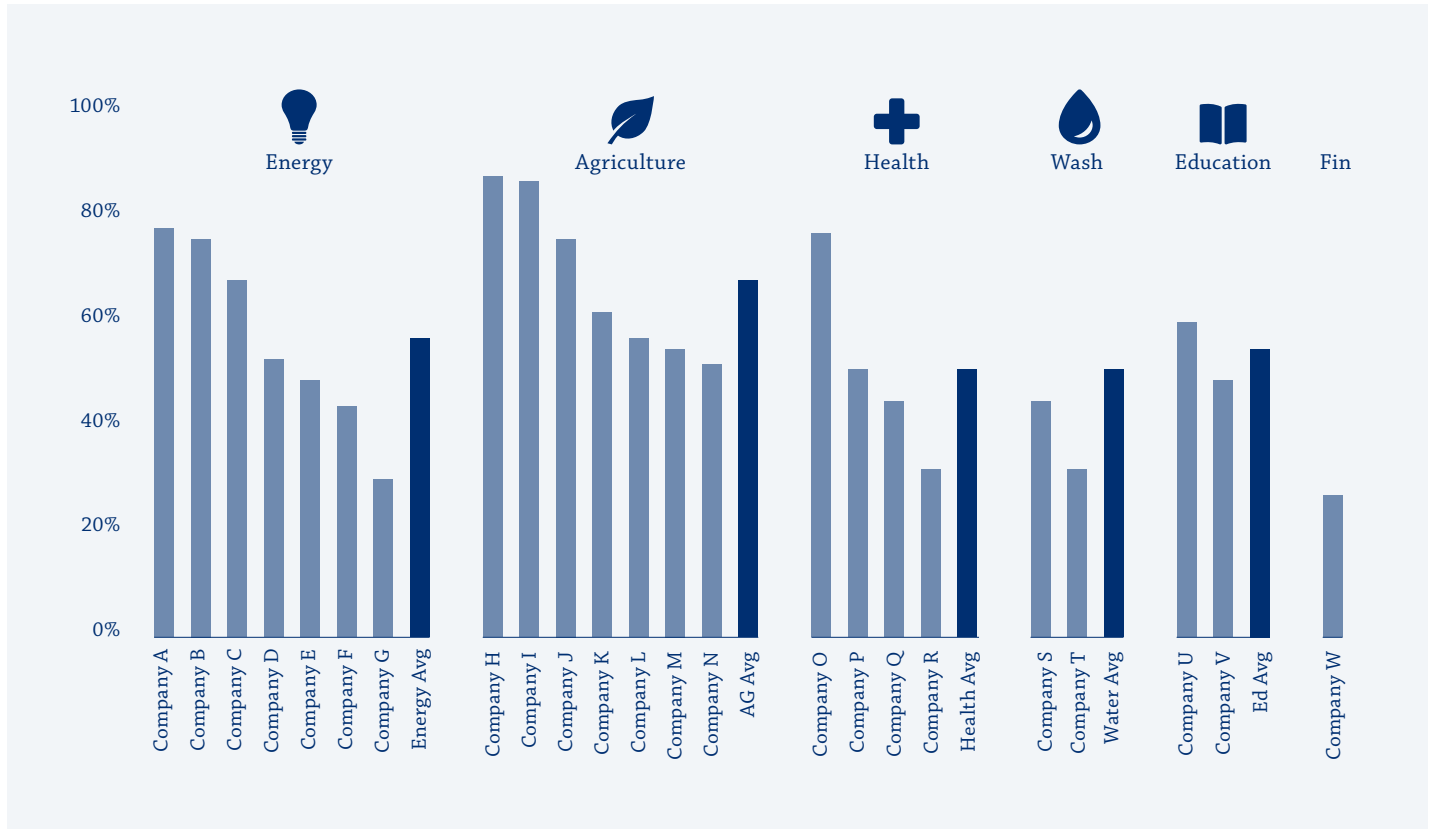
14. The Progress out of Poverty Index (PPI) is a 10 question poverty measurement tool developed by Grameen Foundation and Mark Schreiner: <http://www.progressoutofpoverty.org/>

15. <https://thegiin.org/assets/documents/pub/collecting-impact-data-using-mobile-technology.pdf>

16. <http://acumen.org/content/uploads/2014/09/ZHL-PPI-study-final.pdf>

17. Our target is 75% of our portfolio by

Chart 4: Poverty profile of Investee companies as at January 2016.



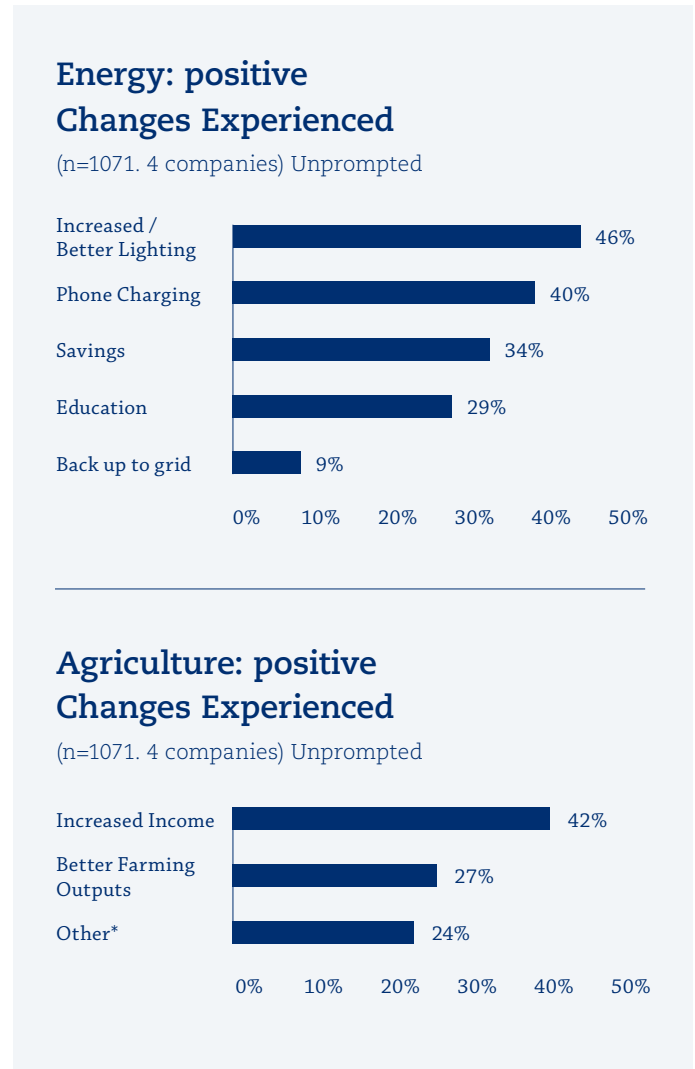
Moreover, for the sector at large, this data may show what is possible for socially oriented enterprises and investors who are motivated to target the poor in order to achieve greater impact. Perceived wisdom often assumes that successful businesses can't serve the poorest, or that in order to do so they must start by targeting relatively wealthier customers and moving downwards into poorer groups in of society. Our data suggests this assumption may be false, or at least not universally true. We hope this data can help others benchmark their own success and allow funders to set expectations.

2. Listening leads to learning

When we speak to others about Lean Data, we find ourselves talking, almost incessantly, about the power of listening. Ironic isn't it? But there's a reason. We believe there is something incredibly powerful in data collection that is based on listening and being open-minded. We've learned that some of our assumptions about what will be impactful to customers do not always hold true. Additionally, we've found that what is impactful for ostensibly the same product or service may differ across regions.

For example, in our energy portfolio, we used to believe that educational improvement would be one of the chief drivers of impact that customers purchasing solar products would highlight. What we've found is that this is not always the case. Instead, customers mostly tell us that increases in quality of light and energy savings are most important to them. That's not to say that education isn't important (we're working with researchers at both MIT as well as Stanford to undertake formal evaluations to find out more¹⁸), only that it may not be the most important thing in the eyes of the consumer.¹⁹

Chart 5: Drivers of impact from solar as reported by end-users



Similarly from customers of companies working in Agriculture we learned that farmers consistently report increased income as the most significant benefit; next most important is improved farming outputs, such as increased yields.²⁰

18. We expect results on these to be delivered mid-2016. In the meantime the one evaluation we know of in this area was undertaken by IDinsight focused on d.light solar home systems in Uganda. It discovered that solar energy didn't appear to increase the quantity of study by children but couldn't yet say anything about quality. It's well worth a read, see http://www.dlight.com/files/3314/4666/5533/20151028_d_light_impact_report_FINAL.pdf

19. We recognize there are occasions when consumer voice may not synonymous with social impact. If it were, no one would ever smoke and people would be considerably more environmentally conscious. Notwithstanding we think it's critical that this voice is included in our assessment of impact, lest we fall into the trap of always assuming we know what's best for people.

3. The power of triangulating questions

Everyone wants the killer KPI, but reality is often more complex than a single number. A few key numbers can tell us a lot about the macro- or micro economy, or about the performance of a company, but the numbers alone almost never tell the whole story. Social impact is no different. While we're always looking for as much simplicity as possible (i.e. avoiding excessive indicators), we've found that in many instances single metrics can be misleading or incomplete. Instead we have discovered that asking multiple, sometimes similar questions can elicit a clearer picture of both customer satisfaction and perceived impact. This is especially the case for qualitative insight.

For example, following extensive trial and testing, we developed a standard question set that we consider to be our insights 101 Lean Data question set. Think of it as an introduction to the power of listening to your customers. In this question set, we ask interrelated quantitative and qualitative questions on themes including customer demographics, product(s) in use prior to purchase and market alternatives, thematic changes to quality of life & product value proposition, customer loyalty, and value for money. As mentioned above, "why" is a watchword throughout this survey.

The insights that come from asking about a product's underlying value proposition are invariably fascinating. Sometimes we discover that a company selling a product that clearly meets customer expectations in terms of value proposition is, counterintuitively, performing weakly in terms of customer loyalty (and vice-versa). In such instances, further investigation has revealed that the issue typically comes from poor communication or a breakdown in the customer journey. For example, customers may like the product but dislike how sales staff treat them or misunderstand a financing option. If we had asked one question without the other, we might have misunderstood the performance of the company or the value the product was delivering in the eyes of the customer.

20. Whilst such sector-wide themes may hardly be surprising, the data comes to life when we delve into sub-sectors. Here the drivers of impact may change. For some of our companies, reliability of payments may even trump increased incomes.

TESTIMONIALS: WHAT DO INVESTEES SAY ABOUT LEAN DATA?



“It was insightful and helped in giving concrete backing to many assumptions we had.”

Head of Brand & Marketing, Paga

“...The study was definitely helpful and helped us get a better understanding of our farmers. We also got useful feedback which we have started working on and hope to build a better ecosystem... The findings were well-presented in a easy-to-understand manner...”

Anand Patidar, Sayhayog MD

“...We so appreciate the effort. This is such a great service you’re offering. It’s the kind of thing we always talk about, but we struggle when it comes to choosing the questions that are most insightful and then executing on them. ...And here you come and deliver this platter of nutrients to us. We feel good about the positive results but even more excited about the things you pointed out that we can work on...”

Ella Gudwin, Vision Spring President

“... This was a great experience and yielded terrific insights...”

Hillary Miller-Wise, Esoko CEO

“...What was most useful was the customer feedback and key recommendations on “Bottles Cleaning” and “Delivery Services”. As these two elements are very essential part of our business which need to be focused, prioritized and executed ASAP...the survey was conducted through a 3rd party, therefore feedback are very much unbiased, true, transparent and useful for us while taking various corrective actions in near future..”

Hussain Naqi, Pharmagen CEO

“...This type of research has not been done in Guardian. As it was new and exposed various operational issues, it would support us to improve our operations in all respects...”

Paul Sathianathan, Guardian CEO

“We found it a great report and the data very well presented - easy to digest and share. We also found the experience with the Insights team very efficient and effective. The team were very attentive to us and made sure the communications before during and after were well maintained. For me, the most valuable thing is the way that the data is presented. The clarity of the slides, the simplification of the way it is communicated (but not oversimplified) really helps. Every piece of information was valuable.”

Lorenn Ruster, SolarNow Marketing Director

4. Data and decision making

Here's the best bit about Lean Data: the data is actively being used not just by us, but by our companies too. In the first half of 2016 alone, at least seven Acumen companies have presented the findings from Lean Data projects to their Boards of Directors. Several companies have also asked for our support in building their own customer insights engines in order to integrate Lean Data into their operations. We are also seeing opportunities to use the data in ways we never expected, such as to help our companies with their branding (See box right).

EXAMPLES OF LEAN DATA DRIVING ACTION ACROSS OUR PORTFOLIO



At **Pharmagen**, a safe water supplier in Lahore, Pakistan, our Lean Data survey highlighted that what customers value most are health benefits, quality, and an affordable price. These survey results came in just before Pharmagen launched their franchise business model, an ideal time to think about the branding of these franchises. We commissioned our partner design firm to work with the company to revamp their logo and create promotional material that were informed by the insights from Lean Data.

Paga, Nigeria's biggest mobile-money platform, wanted to understand how many of their users who currently only use the service by physically visiting local Paga-agents ("agent customers") would be willing and able to use Paga independently. The quantitative and qualitative feedback from the Lean Data project showed that this group of customers are willing to use Paga independently of agents, but need additional information or instructions on how to do this. We are now working with Paga to better understand how to encourage greater direct-use among current clients and to increase wider uptake across their services.

SolarNow, a solar home system company in Uganda, has used results from multiple Lean Data surveys to propose a new customer insights strategy to their Board – a strategy they are now implementing to regularly gather customer data. In addition, as Lean Data surveys continuously highlighted the economic impact of owning a solar home system as the main value proposition, the company is now working to reflect this in its marketing materials.



FINAL
THOUGHTS

FINAL THOUGHTS: PLANS FOR THE YEAR AHEAD

Lean Data is still growing and improving. While there remains plenty of white space ahead in terms of how Lean Data can improve and adapt, many of the “unknown unknowns” we struggled with at the start of our work are steadily turning to “knowns” or, at a minimum, “known unknowns”. As a result, we can be more certain about what comes next, and why, in order to improve Lean Data. Here are some chief targets for the next twelve months.

Deepen our understanding of bias and causality

As one would expect with a relatively new data collection approach, unanticipated bias in our data remains an ongoing concern. Asking questions by remote methods means we may be surveying an unrepresentative subset of the population of any firm. This year we aim to find a Lean re-weighting solution that can help us understand and potentially correct for this possible bias. Similarly we know that our data tends to be descriptive (people describing what has occurred or exists) rather than causal (that one variable affects another). We’d like to introduce proportionate techniques to get more certainty of causality. We see much promise in the Qualitative Impact Protocol developed by Bath University and will be looking to partner with them to experiment with this.

Supporting further adoption of lean data by other organizations

We will also be thinking hard about the adoption of impact measurement, what will drive it, and what the constraints are. We’ve long known that defining indicators or metrics is a necessary, but by no means sufficient, condition to drive change. An indicator is great, but the hard work of survey design, methodology selection, physical data collection, and data analysis cannot be forgotten. For inspiration we’ve been looking at what already works in terms of driving adoption, and are inspired by the success of ready, off-the-shelf, surveys such as NPS and Progress out of Poverty Index. Given these successes, we are optimistic that adoption of Lean Data-type approaches will accelerate in the coming years. Indeed we are seeing an increasing hunger for impact measurement approaches that creates real learning. The world abounds with flow charts and frameworks, but there are far fewer examples of simple, effective approaches to gather the data that these frameworks assume readily exists. We’ll be looking to develop and share many more of these—from the coping strategies index to customer archetypes—and tailoring those to be deployed via remote methods.

If we can improve in areas such as these, we can create a better Lean Data. One in which the data we gather is increasingly robust, offers more insight into causal relationships, and is easier still for others to adopt. As we do we will continue to share what we’ve learnt and we’re always eager for your feedback, suggestions and even critique (twitter #LeanData).

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