

Closing Remarks at the “Designing for Adoption and Scale” Workshop¹

Co-Hosted by Grameen Foundation and Citi

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It is a great pleasure and an honor to offer some closing thoughts at the end of this very important and invigorating workshop on such an important topic.

First of all, I would like to thank each and every one of you for coming and participating so actively in this potentially historic gathering.

I am going to offer some reflections and also highlight some resources that will be available to you in your efforts to apply the concept of “user centered design” in your work. I will also invite Bob Annibale of Citi to offer some closing comments.

There have been so many memorable ideas, concepts, examples and analogies we have all heard during these two days. One that has stuck in my mind is Samit Ghosh’s likening of the shift we are trying to make to moving from catching rabbits to catching elephants. The comparison is apt, and even a bit daunting. But with dynamic leaders like Samit (and his tremendous experience at [Ujjivan](#)) to guide us on this journey, and with the stakes being serving the poor better, I think we can do it.

I have been impressed by many things about this gathering.

First by the “what,” or the content. So many ideas I have heard have prompted me to think differently about my work.

¹ This speech has been reconstructed from the author’s outline which guided his remarks. It has been augmented in certain ways but remains largely true to what was said.

Second, by the “who” – the caliber of people in the room.

But perhaps most strikingly, I have been struck by the “how” – the deeply engaged manner that virtually everyone in the room participated in the sessions, whether they were speakers or members of the audience.

I was impressed by how vigorously people engaged in the exercises and simulations, as well as the plenary and group discussions. When we began group exercises, many a person broke for the door to make phone calls and so forth. Especially given how busy we all are, and how taxing these exercises can be, that is quite something!

In fact, when I saw such senior people, such accomplished people, engaging in the exercises so actively, I thought back to a gathering almost exactly ten years ago. In 2004, Grameen Foundation gathered about 20 leaders from Silicon Valley – founders and CEOs of companies like Google, eBay, and Cisco, and leading venture capitalists. At the outset of our two days together, on the advice of a consultant we threw out a basic question for them to engage in. Such as: What will it take to end global poverty? I worried that they would feel it was a contrived exercise, and revolt against it, perhaps by simply leaving the room.

Rather, they dove into tackling the question as a group with a seriousness that deeply impressed me. As I was later quoted in the [New Yorker article](#) describing this event, I felt they each “got in touch with their inner graduate student.” That moment taught me that people deeply committed to excellence and to progress take the challenges thrown at them and attempt to rise to meet those challenges, rather than shirk or avoid them. That same spirit that I saw ten years ago, I saw during this workshop.

As we contemplate scaling this mountain called “user-centricity²,” I think we need to reflect on how far we have already come in the microfinance and financial inclusion journeys. We started with “proof of concept” largely focused on delivering credit to the poor, and even to the poorest. Once we saw that such loans could be repaid, and that they could invigorate microbusinesses and aid in consumption smoothing and reducing the stress that the poor feel

² Also known as client-centricity, and related to the concepts of user-centered design and client-centered design.

from experiencing [scarcity](#), we adjusted the goalposts to showing that this could be done on a break-even or even profitable basis. So this constitutes what I consider the first wave of innovation.

The second wave focused on scaling this credit-dominated model. This push brought its own breakthroughs, challenges, excitement and excesses. But overall it was an amazing accomplishment, since so many social innovations in history have passed the “proof of concept” test but failed to scale.

The third wave was about new products and filling in the gaps or “white space” where scaling had lagged. The new products included everything from savings and insurance to health education and solar energy solutions. The white space included the urban poor in India – where the [Michael and Susan Dell Foundation](#) has played a catalytic role – and the rural areas of Latin America. This wave has made impressive progress, but the work remains unfinished.

The fourth wave of innovation, which brings us together today, is focused on improving the quality and cost of services, which we refer to as customer-centricity, user-centered design, human centered design, and delighting the client (among other terms). This is an exciting and very challenging agenda, and its demands that we use both technology and people in new and innovative ways. I believe that it began with the launch of [Grameen II](#) in 2002, a client-friendly methodology that has been detailed in the [Grameen Guidelines](#) published by Grameen Foundation and Grameen Trust. It has evolved considerably from that promising beginning.

Cutting across all four waves have been evolving approaches and growing emphases on:

- client protection (though this has only been explicitly discussed towards the end of the third wave and especially during the fourth),
- performance measurement and benchmarks, and
- people and culture³.

³ For information about human capital and microfinance, visit Grameen Foundation’s [Human Capital Hub](#).

It is easy to diminish the importance of the earlier waves, and to focus on the centrality of whatever the current one is. But I believe that to a large extent, the potential and opportunities of each successive wave are made possible only by the successes of the previous ones. I stand before you humbled by the fact that many of you have been at the forefront of multiple waves of innovation, and are still at it as we confront the fourth.

Grameen Foundation came into existence 17 years ago, right at the end of the “proof of concept” stage. We contributed to that initial phase in India and globally, among many others who were involved. We have been more active in the last three waves. GF has had its successes, and also its share of failures.

In no country have we been more active than in India, and whatever we have accomplished here and elsewhere has been through and with partners. That is one of the reasons it is so gratifying to be with this group today, as it is composed by some of our most important partners. Citi and Citi Foundation have been with us virtually from our founding. MasterCard has been an essential partner during the last six years. [CARD](#), [Cashpor](#), [ESAF](#), [SKS](#) and more recently Ujjivan have been essential thought and practice partners. [GSMA](#), [CGAP](#) and the [ThinkPlace Foundation](#) have emerged recently as key allies. Our local subsidiary [Grameen Foundation India](#) and our joint venture [Grameen Capital India](#) – both structured as [social businesses](#) as defined by Professor Yunus – have ensured that were close to our partners and to the poor themselves.

For the next couple of minutes I will talk about the importance, and the pitfalls, of partnerships, technology and conferences.

After all the poignant talk today about “ecosystems of partnerships” and sharing failures and learnings, let me say something as clearly as possible. Institutions working towards poverty alleviation through financial inclusion can no longer afford the luxury of “going it alone” and spurning partnerships that can add value to the client experience. In the past, we had the luxury of being guided by our grandiose notions of what we can do on our own, overemphasizing the importance of philosophical differences, and, frankly, indulging our individual and organizational egos. No more. Today, technology, regulations, client needs and

competition all demand partnerships as never before. In that vein, Grameen Foundation is working on some alliances with partners that may surprise you, and I am sure we are not alone. To a large extent, I believe that the microfinance organization that decides to go it alone in today's world will be increasingly irrelevant.

In this sense, I see sharing learnings and failures, as we have discussed today, as a way of treating this entire industry, this entire movement, as our partner. My own view is that any organization that accepts philanthropic or subsidized capital to any significant degree has an ethical obligation to broadly share knowledge that in a purely commercial context might be considered a proprietary asset that should be kept secret. This is a small cost to pay for inexpensive if not outright free capital to finance R&D as well as growth.

But I have been reminded by Grameen Foundation's immediate past Chairman, Paul Maritz, the semiconductor industry (one of the most competitive in the world) has, for example, decided that sharing information with competitors can have the effect of benefitting the entire industry – growing the pie rather than simply slicing it up differently. So even those involved in financial inclusion for purely commercial reasons may also find that sharing information helps their own bottom lines as well as the industry at large.

It is this notion that belatedly prompted eight microfinance networks to form the Microfinance [CEO's Working Group](#), which I now Co-Chair with Mary Ellen Iskenderian, the CEO of [Women's World Banking](#). The MCWG has a substantive agenda to help advance the industry, mostly from leading by example in the areas of [client protection](#), [social performance](#), and pricing transparency. But for me one of the important side benefits is that I have gotten to know my peer organizations, and my peers, more as they really are, rather than as they are caricatured. In fact, I have found a lot of common ground – philosophically, analytically and operationally – with Accion International, which has traditionally been seen by many as the polar opposite of everything Grameen stood for. I have developed a deep respect and rapport with its CEO, Michael Schlein, in the process.

Let me now talk a little about technology as it relates to financial inclusion and customer-centricity. Basically, I believe that we need to be careful and not assume that technology alone

is going to solve the issue of bringing affordable, quality financial services to the poor and especially the poorest. I say this as one of the instigators of the Grameen Technology Center, launched in 2001 as an integral part of Grameen Foundation, so clearly I do not have any bias against technology per se.

We have heard many times today that seeing the remaining challenges to [full financial inclusion](#) as a purely technical exercise is deeply flawed. In our session on learning from failure, Priya Jaisinghani of USAID generously gave us the example of sending messages on HIV treatment by SMS to an entire population of people who did not have mobile phones! But while this represents an egregious example of over-reliance on technology without considering the human element, there are many other, less flagrant examples where flawed, technology-driven approaches have stunted impact. The temptation to look for technology-driven quick-fixes to age-old problems related to product development and delivery, and related business models, is strong. In reality, the messy world of human beings and human networks usually needs to be engaged in order to make things actually travel meaningfully across the last mile and create value for poor people.

Let me share some insights from a conference I attended en route to Mumbai this week. A Grameen Foundation supporter named Manny Medina organized a major convening – [eMerge Americas](#) – as part of his vision of Miami becoming the Silicon Valley of Latin America. Grameen Foundation organized a workshop there where we discussed how technology and distributed human networks can bring financial services to the rural poor of Latin America. Among the speakers were representatives of Citi and MasterCard, which are both, as you know, also major supporters of this meeting here in Mumbai.

One of the keynote speakers talked about the difference between “artificial intelligence” and “augmented human intelligence.” He described the historic moment when IBM’s Deep Blue computer first defeated the best chess player in the world. The expectation then was that computers, as they gained speed and power, would gradually replace human beings in such areas of research, problem-solving, and governance.

But it did not turn out that way. He gave another example: weather forecasts. Not surprisingly, as computers have improved over the last 30 years, their ability to analyze data and then forecast the weather has improved. But at every step of the way, when a meteorologist has been able to analyze and, where his or her judgment dictated, modify those predictions, the resulting forecasts have been *about 15% more accurate* than what the computer alone predicted. In this and other fields, technology has the ability to augment human judgment and intuition, but it cannot effectively replace it. Human beings with the right training and ethics have an ability to know when technology provides a logical solution, and when it does not.

Let's apply this to the work of microfinance and financial inclusion, and especially to the idea of customer-centricity. I imagine there will be times when people will argue that simply feeding a bunch of data about clients into a super-computer that will figure out the best suite of financial products for people, and then deliver those products through the mobile phone. My sense is that such approaches will periodically lead to sub-optimal outcomes, and at times even harmful and unethical ones. Augmenting such strategies with human beings who can use their judgment and intuition to both design and deliver products to marginalized populations seems like a much more promising approach, even though it is likely to be more costly, messy and complex in most cases.

Now let me make an observation about conferences, seminars and workshops, especially since we are at one today. I have to admit that there is a certain degree of cynicism about convenings like these. On the one hand, people say that over these two days we are simply "preaching to the converted." On the other hand, people question whether any value is being created at all. My friend Josh Goldstein of Accion has just published a presumably tongue-in-cheek [blog](#) proposing that we conduct a randomized control trial of financial inclusion conferences, to see if they have any impact. While he admits this will cost millions of dollars, he says that if it finds that they have no impact, we can cancel all these gatherings and save many millions more. And on and on these critiques go.

Well, what exactly is wrong with "preaching to the converted"? I note that the world's major religions have been doing it for quite some time! In fact, it is an integral part of keeping their

faiths vibrant and growing. The reality is that doing things like applying the ideas of user-centered design within bureaucratic institutions, or applying the ethical principles of religions like Christianity, Judaism, Hinduism, Buddhism or Islam is really quite difficult. It requires regular reinforcement as well as a constant stream of new ideas about how to do it more effectively. It also is aided by a kind of peer accountability that comes from learning in a group setting what can and should be done.

In fact, I think it matters that we know that some of us will meet up in six months at some other convening and can ask each other whether we, for example, tried to apply in our institutions the promising “Kaleidoscope” concept that we just heard today from [Janalakhsmi](#). Left alone, we might simply resign ourselves to doing business as usual. In a social context, we have incentives to throw off complacency and to redefine and raise our performance by using new and better ideas.

When we think about it, there have been quite a few conferences that have dramatically impacted the microfinance industry and the movement for full financial inclusion. There was the original Microcredit Summit, focused on getting to scale while not losing focus on the most marginalized populations, and the many valuable follow-up summits. More recently, there was MasterCard Foundation and the Boulder Institute, and Financial Inclusion 2020 [Global Forum](#), organized by the Center for Financial Inclusion. FI 2020 importantly gave us a five-part [Roadmap to Financial Inclusion](#) which has helped shape and focus this workshop on designing for adoption and scale. And here in India, Sa-Dhan’s conference in August 2012 was an essential turning point in getting microfinance here back on track, and one that I was honored to take part in and [speak](#) at.

I think that we can all look at gatherings like this that have deeply impacted our thinking and actions. Usually this is because of a person we met or an idea we were introduced to. So the question is, how can we ensure that this workshop turns out to be historically important, not just for the people in the room, but for the wider community that we represent?

I will return to this in a moment, but let me first highlight a few resources that are available to us. We have just heard about the offerings and resources of USAID, MasterCard Foundation

and CGAP. Let me also remind you that we are giving all of you Field Research Synthesis and Ideation Activity starter guides, which are also available online. We have also included Usability Case Studies. Within a month, Grameen Foundation and Citi will publish a final report on this workshop.

In addition, there are some great organizations that can help you navigate the issue of user-centricity. Some of them are present here today: the ThinkPlace Foundation, [CKS](#), Grameen Foundation's [financial services team](#), and the start-up [GRID Impact](#). There are also some groups that are not here today, such as IDEO, Frog, ideas42, and Continuum, among many others. These are organizations that have been set up to help apply these ideas in practical ways, and I strongly recommend you consider allowing them to help you. Grameen Foundation has partnered with some of these organizations, and will continue doing so.

Now, let me add some concluding thoughts about what will make this workshop on “Designing for Adoption and Scale” another watershed event. Obviously, the first step is to take the time to explore and test the ideas that have been at the core of our discussions. With all that each of us has going on, this is clearly not a given. But please, give it a try, and share back with us what you accomplish and what you learn. Here are a few other ideas:

- **Reward Failure.** Yes, I did write that! People have talked today about the importance of admitting and sharing failures. But I think we should take it a step further. When people take a risk and try something new, sometimes their hypotheses don't turn out to be correct. So they fail. But they often emerge from that failure much wiser. When I look at my own career, those moments when I set out to do something based on certain assumptions and failed, I learned a lot about my assumptions and about my capabilities, and emerged a better professional. But if we only reward success, and merely “admit” failure, we may be missing opportunities to incentivize risk-taking and new thinking, and miss opportunities to leverage the growth that often comes with failure.
- **Cross-Industry Learnings.** As we have heard over these two days, there are many opportunities to gain insights from applications of “client-centricity” in other industries.

But we have only scratched the surface. But on the lookout for tactics and strategies that could accelerate our progress, and take the time to share those insights widely.

- **Academia and Government.** Don't forget to engage researchers and policy-makers, as they can be key allies. In fact, if we repeat this workshop in the future, I'd like to see more representatives from these two communities.
- **Context Matters.** As I mentioned (in a sadly prescient way) in my [debate](#) with Vikram Akula at the outset of the India microfinance crisis, what we do happens in a socio-political context. Even when we are doing good, if the society at large – including the media and public officials – do not understand the benefits of our work, they can become our adversaries. We ignore them at our peril.
- **Two Things to Avoid.** Be wary of short-cuts, particularly ones that are solely reliant on technology, and avoid complacency at all costs. Even if you get “client-centricity” right at a certain point in time, client needs evolve and you are likely to be left behind if you are not rigorous in reapplying these principles continuously.
- **Client Protection, and Common Sense.** Even as we roll out new and hopefully better products, let us do it in a context of client protection and advancement, bearing in mind the principles of the Smart Campaign but realizing that in this fast-changing world, these principles may not always keep pace with practice. (In other words, client protection principles may be written to guide current and contemplated products and delivery mechanisms, and may not be easy to apply to new, unanticipated approaches that evolve quickly.) So that is why it is important to always apply common sense and ethics to your work at every turn.
- **Not just what, but how.** Lastly, let's remember to have fun with our work, and to do it with joy. Certainly there are difficult moments, and sometimes it feels like a long slog. But by bringing in playfulness and celebration, as we have done over these two days to some

extent, we can help to continually reenergize ourselves and to attract talent at the same time. As we saw in the video about Zappos, people are attracted to organizations where the people seem to be enjoying themselves.

Finally, let me thank our co-host, Citi, offer special thanks to Mastercard and CGAP, and recognize the following people on my team who did the lion's share of the work to make this workshop happen: Kimberley Davies, Olga Morawczynski, Camilla Nestor, Chandni Ohri, and Gaurav Singh. Let's give them a well-deserved round of applause.

And of course we appreciate the role that each of you played in the success of this gathering, whether you were on the stage or not, and wish you safe travels home and good luck in applying the ideas we have been talking about these last two days.

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