

# FRIENDSHIP BRIDGE

## 2011-2013 Strategic Plan

Balancing financial self-sufficiency with positive social impact



FriendshipBridge



## ORGANIZATIONAL OVERVIEW

Friendship Bridge (FB) is a nonprofit, nongovernmental organization that positively impacts the lives of impoverished women and their families in rural Guatemala. Working in 10 departments through six branch offices in Guatemala with 80 in-country staff, Friendship Bridge served more than 13,000 women in 2010 through our Microcredit Plus program. FB's Microcredit Plus program combines microloans, averaging \$300 for six-to-nine month loan terms, and a non-formal, participatory educational program designed for the preliterate. Our clients borrow as a group, forming Trust Banks (groups of 7-25 women who serve as co-guarantors of the loan and act as a self-regulating network of support). Security for the loan is created by this joint-borrowing mechanism, otherwise known as social collateral. On average, a Friendship Bridge client earns \$1.74 a day, has had 2.6 years of formal education, cannot read or write, and is unlikely to speak Spanish, the official language of Guatemala. FB's educational curricula are offered at the monthly loan repayment meetings and provide practical, applicable lessons on topics relevant to our clients, such as basic business skills, money management, health, self-esteem and women's rights. Ultimately, our Microcredit Plus program benefits not just the client, but on average at least as many as six others, including spouses, children, parents and employees.

### Friendship Bridge Board of Directors

President – Francy Stewart Milner  
Vice President – Paul Kovach  
Secretary – Kelly Reynoldson  
Treasurer – Valorie Hall  
Dana Falletti  
Julie Carver  
Felicity Hannay  
Humberto Olavarria  
Bonnie O'Neill  
Sandy Youngmans



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### Friendship Bridge Leadership Team

Executive Director – Karen Larson  
Acting Controller – Astrid Cardona  
Development Director – Karen Radman  
Credit & Ops Director – Carlos Buitrago  
Education Manager – Roberto Ibarra  
HR Manager – Rosmery Pacay

# STRATEGIC PLAN DEVELOPMENT

Although Friendship Bridge's growth in 2007 and 2008 translated into more women receiving loans, it also put significant stress and strain on the institution. The necessary internal controls and skill sets were not in place to successfully manage the growth. Consequently, 2009 and 2010 were a rebuilding period for the organization, concentrated on improving operational capabilities and efficiencies, hiring skilled employees, providing staff development and implementing new technology solutions. By the fall of 2010, Friendship Bridge was positioned to look beyond the short term, leverage past learnings and investments and prepare for a future that balances financial self-sufficiency with positive social impact.

In October 2010, Friendship Bridge's Board of Directors and Leadership Team convened in Guatemala for a full week of information sharing and brainstorming in preparation for creating the strategic plan. In advance of that meeting, an internal organizational review and external environmental assessment were conducted. This process provided the context for this strategic plan and led to the establishment of six institutional goals discussed on page 5.

The internal organizational review focused on feedback from clients, employees, donors and volunteers.

Client surveys and focus groups with Trust Bank presidents revealed:

- Friendship Bridge's products and services are competitive and support clients' basic needs.
- All clients – new and veteran – request a savings product, desiring a safe place to hold their money.
- Veteran clients seek longer terms, larger loans, special purpose loans, more advanced business training and specific technical training.

Employee feedback was solicited and revealed insights including:

- Motivation and energy is much higher among employees in 2010 compared to 2009.
- Employees request more employee training, career advancement opportunities and performance feedback.

Donor/Volunteer feedback was gathered through focus groups and revealed insights including:

- More consistent, transparent communications from Friendship Bridge to donors/volunteers are needed.
- Donors/volunteers request more statistics, measurable goals and industry news/update.

The external environmental assessment included consultations with leading experts in the microfinance and non-formal education fields and extensive research to better understand the environment, identify opportunities for improvement and expansion of product and services. Insights from the assessment included:

- Operating principles and complete transparency within Friendship Bridge are critical.
- Competition continues to increase in the microfinance industry.
- Well-delivered education programs aimed at both the clients' well-being and improving their business opportunities are critical to differentiating Friendship Bridge from the competition.
- Efficient delivery systems and best practices in terms of products and services are critical to compete effectively, as well as to continue offering loans in the most rural areas.

## STRATEGIC PRINCIPLES

The 2011-2013 strategic plan is built around the following principles:

Friendship Bridge is committed to listening and responding to client feedback in order to offer additional products and services, allowing FB to grow with our clients and meet their ongoing needs.

Friendship Bridge is committed to continually identifying improvements and efficiencies and building necessary expertise within the institution by enhancing technology and hiring, training and coaching employees.

Together, these components will fortify Friendship Bridge as a values-driven organization and ensure the balance between financial self-sufficiency and positive social impact.



# 2011-2013 INSTITUTIONAL GOALS

Six institutional goals have been identified to provide the foundation for our strategic plan. Combined, the goals are intended to offer our clients products and services that best meet their needs, identify efficiencies, build necessary expertise, and implement new technology solutions. All of the goals leverage past learnings and balance financial self-sufficiency with controlled growth and positive social impact. The six institutional goals are:

## **1. Expand programs to offer diversified financial products and advanced educational services**

Adding financial products and educational services to grow with our clients, Friendship Bridge aims to move clients from successful group borrowers to self-sufficient entrepreneurs, who may need more sophisticated and complex loans and who may eventually borrow individually and become true change agents in their communities. [See Client Continuum on p. 6]

## **2. Leverage strategic partnerships**

Partnerships will enable Friendship Bridge to focus on controlled growth and financial self-sufficiency, while providing products and services outside of Friendship Bridge's core competencies to meet our clients' diverse needs.

## **3. Cultivate a values-driven organization**

Friendship Bridge strives to demonstrate its core values each and every day by implementing and holding each other accountable for policies, programs and procedures that ensure all decisions and relationships – with clients, employees and partners – are driven by these values.

## **4. Attain and maintain financial self-sufficiency and pursue responsible growth**

Becoming financially self-sufficient will enable Friendship Bridge to ensure long-term, consistent support for our clients and a reliable workplace for our employees. A commitment to careful, healthy growth will enable FB to offer Microcredit Plus to more women, positively impacting more families and communities while ensuring the financial health of the organization.

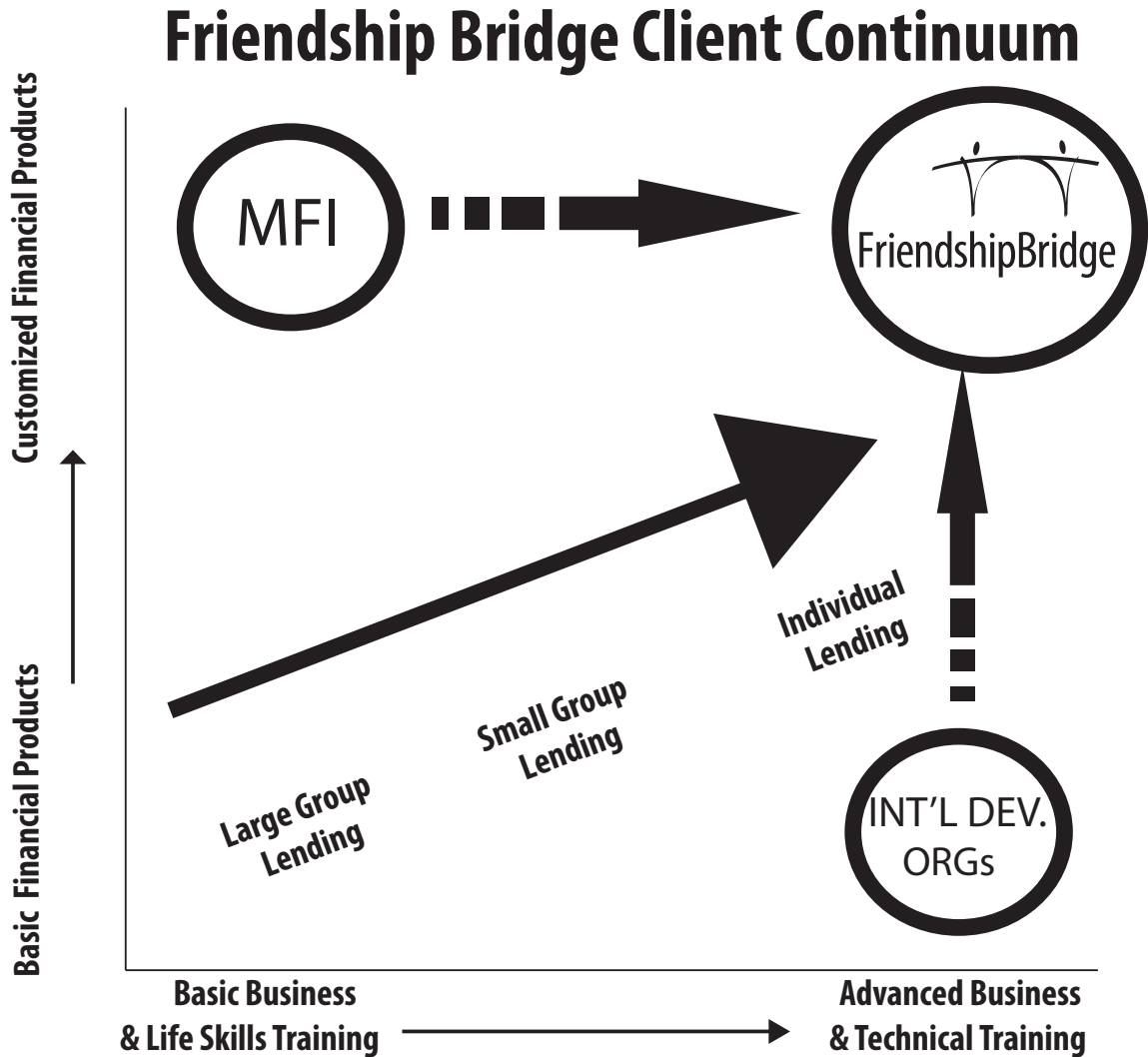
## **5. Drive operational excellence**

Friendship Bridge will continuously assess and implement (when necessary) technology improvements, internal processes and procedures, risk management techniques and employee training to ensure operations perform at an optimum level.

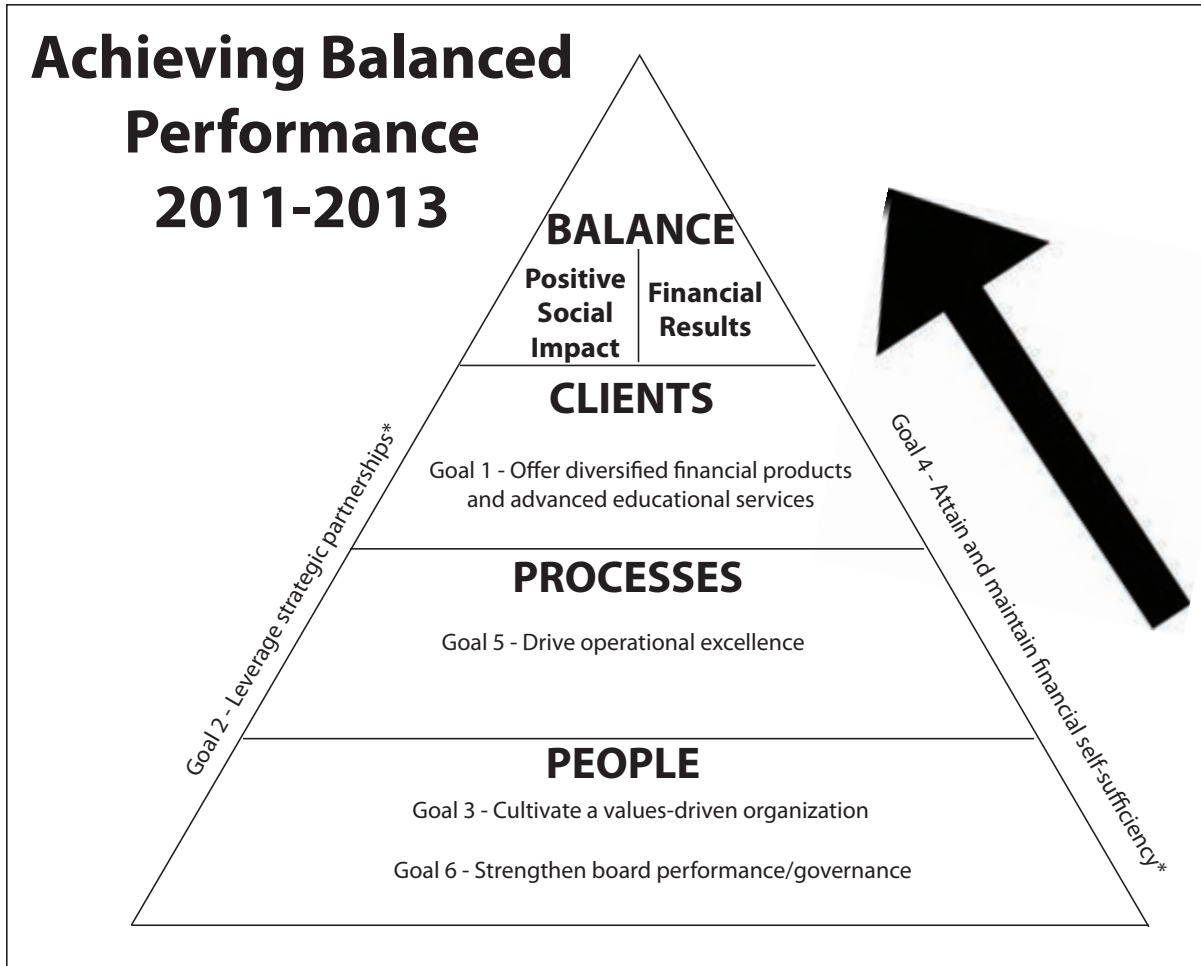
## **6. Strengthen board performance/governance**

Friendship Bridge's Board of Directors will be expanded and engaged to lead the institution by advancing the mission, maintaining high standards and adopting best practices for governance, strategy development and fundraising.

# CLIENT SEGMENTATION MODEL



Clients move along the client continuum based on their need, and ability, to secure more customized financial products while also maturing from basic business training to more advanced business and technical training. Moving along the continuum, clients also transition from large group lending to more individual lending. Friendship Bridge has always been uniquely positioned between a traditional microfinance institution (MFI) and an international development organization, offering not only microcredit but also non-formal education.



\*Goals 2 and 4 encompass people, processes and clients.



# FriendshipBridge

## MISSION

To provide microcredit and education to Guatemalan women so that they can create their own solutions to poverty for themselves, their families and their communities.

## VISION

A world in which empowered women eliminate poverty.

## CORE VALUES

- Empowerment
- Respect
- Solidarity
- Participation
- Quality
- Integrity
- Transparency



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