



Strategic Plan 2020

BACKGROUND

Hurricane Mitch hit the Caribbean, tearing through Honduras in the fall of 1998. Adelante Foundation Founder, Tony Stone spent most of his childhood on the northern coast of Honduras and watched the footage with horror. Pieces of homes and businesses from his childhood neighborhood swept down the flooded streets. He knew he had to do something in response to the destruction.

After extensive research on sustainable poverty alleviation, Tony was drawn to microfinance, specifically, the "Grameen" micro-financial services methodology. Developed in Bangladesh, it is based on the implementation of a loan model for the support of women living in extreme poverty in rural areas, who do not have access to formal sources of financing.

He learned that lending money rather than giving it away could foster economic development through independence and dignity versus creating dependence. With the support of venture capitalist and philanthropist Ed Cohen, Adelante Foundation was born. "Adelante" is the Spanish word for "forward," to reflect movement out of poverty. With a commitment to working with the poorest of the poor in rural areas and serving marginalized women.

On September 14, 2000, Adelante disbursed its first loans and set out on its mission of working with the poorest of the poor, reaching rural areas, and serving marginalized women. Today, Adelante continues to change lives, moving Honduras forward one loan at a time.

MISSION, VISION, and VALUES

MISSION

**"TO EMPOWER ENTREPRENEURIAL WOMEN OF LITTLE OPPORTUNITIES TO
ACHIEVE ECONOMIC SELF-SUFFICIENCY"**

VISION

"THAT NO ONE LIVES IN POVERTY"

VALUES as expressed in the motto with which we begin and end all client and board meetings:

"UNITY, DISCIPLINE, WORK AND VALUE, THIS IS OUR WAY OF LIVING"

COMMITMENT TO OUR CLIENTS

The competitive advantages that Adelante Foundation has are **Agility**, as in quick turnaround on loan timing; **accessibility**, including traveling where customers are, to save them time and resources; **personalized service**, including credit officer knowledge, kindness and personalization, as the credit officers know the clients and their families well.

From the very beginning Adelante has designed its services and products to improve the basic needs of the women and families with the greatest need. Based on the observations of Professor Mohamed Yunus, founder of Grameen Bank, and winner of the Nobel Prize in 2007, we identified five basic needs for all human beings, needs which are lacking in poor families:

- **Living in a safe home** - Adelante offers a home improvement product.
- **Sufficient food to avoid hunger** - Starting a small business will increase family income, thus the ability to afford food.
- **Access to medical attention** – Referring our clients to other health care institution where they can get medical attention.
- **Education for clients and their children** - Educational credit is used for uniforms and student supplies.
- **Ability to save money** - The Deposit in Guarantee is a backup to cover unexpected needs.

In Honduras, the relative poverty rate in 2017 reached 64.3% (5.9 million inhabitants) of the general population in the rural areas, the extreme poverty rate is 56.1% (3.3 million inhabitants) Conditions are worse here since rural populations continue to have less access to basic goods and services, which generates wide gaps in welfare, employment and income, where women are the most vulnerable.

It is worth noting the scope of Adelante's outreach since 2000. More than \$41.6M has been provided in loans, to over 150,000 borrowers. Many women use these loans to start a business for the first time, or improve their homes, and to help pay their children's educational expenses, or expand their Agricultural activities, and establish a savings to provide for lean times. If you consider family members living under the same roof, which benefit from a women new business income, a staggering 600,000 have been touched by our program.

Adelante has understood from the beginning that credit itself is not enough. A person who has never had a business before greatly benefits from business Administration training. Adelante offers a series of business administration modules organized in a series of certificate levels, which significantly improves the odds of running a successful business and consequently bettering lives.



SWOT ANALYSIS

STRENGTH	WEAKNESSES	OPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Personalized services to clients • Involvement of administrative staff in credit operations • Financial Education to clients • Constant technological innovation • Self-sustainability • Loyalty from our clients • Service at client's house 	<ul style="list-style-type: none"> • High client dropout rate • High delinquency rate • Weakness in design and implementation of products • Concentration of credit portfolio in group loan methodology. • Weakness in documentation of processes which guarantee agility • Lack of development in cognitive skills of field personnel. • Lack of continuous follow up and supervision of processes execution 	<ul style="list-style-type: none"> • Geographical widespread • Opening of new strategic alliances. • Potential portfolio growth with existing customers. • Investment in marketing of products and services. • High performance of IT Department that allows constant technological innovation 	<ul style="list-style-type: none"> • Competition (takes away our clients) • Climate changes and pests that affect the agricultural sector • Economic stagnation in rural areas (High index of unemployment) • Over-indebtedness of client.



OPERATIONS

1. Monthly monitoring of compliance with institutional goals.
2. Visits to agencies to empower sales and collection management.
3. Define strategies for portfolio growth, some already planned are;
 - a) Prequalified Credits
 - b) Spiral growth (work has already begun with promotional schedules.
 - c) Client referencing
4. Continuous monitoring of the operations team in matters of sales, collection, credit analysis.
5. Quarterly meetings with the Business Team for the evaluation of results.
6. Timely Monitoring and Control
7. Promote dynamic but not permissible environments

FINANCE

1. Monitor the continuity of the Financial Statement of the Strategic Plan.
2. Monitor portfolio performance by advisor and product
3. Quarterly analysis of the composition of the loan portfolio, to monitor the gaps between rates and performance
4. Calculation and monthly monitoring of the Loan Reserve

IT DEPARTMENT

1. Create credit line products both in our mobile application and in our web application.
2. Mobile Application Development for Customers
3. Calculation and monitoring of compensation to staff.
4. Improve our security infrastructure, updating servers and services, tools will be implemented that allow us to operate in a more reliable and secure way, where our information is protected.



EDUCATION

1. Carry out pilot tests in some agencies such as La Ceiba, Tocoa and La Ceiba; where the Educator should give the subject of training at home or business.
2. Design and development of virtual online financial education portal include the launch of trial version, monitoring, improvements, etc.
3. Direct communication with INFOP to investigate if through them we can certify our clients
4. In Promotion - develop a marketing plan that includes promotional, discounts, benefits etc. for clients who take training topics
5. In Marketing and Sales - Design and printing of printed educational material (individual pre-credit) and promotion and sales flyer
6. Define social goals 2020 - Detect the probability of placing new vulnerable credit, improving housing and sanitation, educational credit, through projections, Classify vulnerable clients according to conditions, Establish training target for vulnerable clients.
7. Timely Monitoring and Control
8. Promote dynamic but not permissible environments

HUMAN RESOURCES

"Human Talent Department (Human Resources) exists to make sure that there are employees integrated into the work and structure, responsible for all organizational functions related to people, fair treatment, in which each employee knows their rights, obligations, policies and areas of improvement and results." - Brenda Flores -Human Talent.

1. Perform projected personnel hiring together with the manager of each area (advisors, accountant.
2. Together with the other areas, continuity will be given to the Personnel Induction Plan.
3. The productivity of the Operations Team will be monitored through payment and incentives.
4. The 360 2020 evaluation will be carried out.
5. Internal training on good internal customer service will be provided
6. Timely Monitoring and Control
7. Promote dynamic but not permissible environments

