

Accurate measure of Many Rivers' success

A business mentoring and microfinance group hopes a more rigorous approach to measuring its programs can increase its reach.

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MICROBUSINESS development organisation Many Rivers is chasing further growth in Western Australia as new data suggest its programs are proving effective for disadvantaged and remote customers.

The data has emerged from a pro bono arrangement with technology firm Accenture to develop a sophisticated customer relationship management software system.

Launched in NSW in 2007, Many Rivers provides business mentoring and microfinance services across Australia, with six of the organisation's 14 offices located in WA.

The first WA office opened in South Hedland in 2010, followed by branches in Kununurra, Karratha, Kalgoorlie, Broome and Perth.

While the software system, Compass, has only been able to provide preliminary data, Many Rivers claims its two main goals are being achieved – to target disadvantaged Australians and help build sustainable businesses.

The results indicate that, that on a national basis, 60 per cent of Many Rivers' clients have been unable to access mainstream financial institutions.

They also show that, of the 397 clients supported nationally, 55 per cent left school in year 10, 28 per

cent are welfare dependent, and 42 per cent have assets worth less than \$10,000.

Initial analysis has also shown that Many Rivers helped almost 100 new businesses start in WA in the three months to the end of December, with more than 40 per cent of those in the Pilbara.

The data also provided valuable insight into the longer-term outcomes of Many Rivers' work, particularly regarding the sustainability of the businesses it helps.

The early results show that about half of the businesses nationwide that marked their first revenue between 2008 and 2011 are still in operation.

Many Rivers has claimed that as a success; and considering half of all new Australian businesses are destined to fail, businesses launched by disadvantaged Australians would logically have even smaller chance of survival.

The success rate has been even higher in WA, with 77 per cent still operating, although 20 per cent were 'struggling'.

Many Rivers has been the target of intense scrutiny in recent years, particularly regarding the proportion of funding that has gone on staffing and training.

Criticism of the organisation

emerged following reports that it cost Many Rivers \$250,000 to support each of its field workers in developing communities every year.

It now says its 'cost to serve' has fallen from \$13,000 per field worker per year in the 2010-11 financial year to \$8,143.

"Those figures are looking pretty robust from a service delivery point of view," chief operating officer John Burn told an audience at the launch of Compass in Perth last week.

Leigh Coleman's role as the organisation's chief executive has undoubtedly brought the organisation more attention, as he was also chief executive of failed Sydney-based Christian organisation Hillsong Emerge. That organisation was also put under the spotlight over its handling of finances.

In one instance, a program funded by Indigenous Business Australia was halted when Hillsong Emerge failed in its bid to generate indigenous entrepreneurship.

Mr Coleman would not say whether the new data system was intended to provide greater transparency of Many Rivers' activity, but said demonstrating its effectiveness would improve its chances of gaining more funding.

"Really building serious scientific



rigour around what we do – and showing that this is an emerging science – we can really draw on the private sector,” Mr Coleman said.

“And they are keen to take what they’re learning through running big corporations and apply them to this kind of work because they identify with what we’re trying to do.”

Key supporters in WA include Woodside, Chevron, Atlas Iron and the state government.

“The large mining companies here are more and more engaged with the community and they understand that a development approach has much more integrity,” Mr Coleman said.

“You really have to go to the people and ask them what they want to do.”

In further cost-saving gains, the CRM system has enabled Many Rivers to streamline its processes by shifting the input of client data into a more sophisticated process. A result has been a reduction in the time field workers take to fill out

paperwork for a loan agreement by up to two hours.

While it was Accenture that approached Many Rivers with the proposal to develop an organisation-specific software system free of charge, the not-for-profit said it was already planning such a move.

In 2012, Many Rivers commissioned Deloitte Access Economics to analyse its operations.

One of its recommendations was that Many Rivers develop a sophisticated CRM; with Accenture’s input it has, and Deloitte is now helping analyse the data emerging from it.

The Many Rivers board has a strong link to Christian charity Mission Australia, which is represented by three senior executives.

Chief information officer Ross Hawkey, chief financial officer Tim Morris-Smith and chief operating officer Catherine Yeomans are three of the eight Many Rivers board members.

“ Really building serious scientific rigour around what we do ... we can really draw on the private sector

- Leigh Coleman



BIG DATA: Many Rivers chief executive Leigh Coleman and WA state manager Charles Nyemba are expanding the not for profit’s reach in the state. **Photo:** Attila Csaszar