Lessons Regarding Scale:

Findings from a Literature Review by the Aspen Institute/FIELD and the Association for Enterprise Opportunity

As part of a feasibility study funded by the Citigroup Foundation, the Association for Enterprise Opportunity (AEO) and the FIELD program of the Aspen Institute engaged in a literature review to explore research and writing on the topic of scale. This literature review examined pre-existing work on this topic by AEO and FIELD, but also went further to examine research by other organizations – including those that examined scale in settings outside of the domestic microenterprise field, such as the community development finance, international microfinance and human service industries.[1] These efforts have generated lessons that should form the basis of future efforts to expand the scale of microenterprise services in this country. The key findings and lessons from this literature review are as follows:

Organizations that grow to reach significant scale have a clear and consistent focus on scale and cost recovery. Scale does not happen by accident. Rather, it requires a clear and consistent focus on the part of an organization's board and management. In addition, if growth is to be sustainable, an organization must focus on cost recovery as it also works to reach more customers.

Else refers several times to the organizational capacities and culture that are necessary for growth (although he also deals with the question of program effectiveness, not just growth). These include: a management process that focuses or is led by results; flexibility and the willingness to take risks and shift focus; a strong focus on cost per outcome; and the collection and use of data to guide management decisions. Else notes that it can be difficult to achieve these capabilities in programs that are nested within a larger organization (CDC, CAA, etc.), because of the different orientation and capacities required to operate a microenterprise program.

Ratliff and Moy also suggest that while replication is part of the process, "scale occurs not through fortuitous replication but a deliberate and well considered roll-out." The pathway to scale includes moving from idea and experimentation through early replication, the identification of best practice, and then standardization, infrastructure building and wide-scale roll-out."

Klein-Collins in *The CAEL Self-Study* also states that leadership skilled in both entrepreneurship and good management is essential to guiding an organization to scale. Entrepreneurial leadership and culture fosters innovation at all levels.

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[1] This was not originally intended for distribution and thus the citations included are not specified with page numbers. All cited works, however, are listed in the Reference section at the end. Despite the lack of specificity in the citations, upon completion of the project the authors felt others might find the material useful and decided to make the document available.

Defining mission in a broad way also creates opportunity for scale, because it allows leadership to be open to exploring new territory and approaching change from different angles (Klein-Collins). This approach is labeled "strategic opportunism" in the Bridgespan Group's, "Growth of Youth-Serving Organizations," which noted that many youth organizations that grew, did so because their leaders saw and seized opportunities to acquire funding and/or talented staff.[2]

Market knowledge is key. Market information is critical to scale-up in several ways. First, a clear and substantial demand for services, or market gap, is a primary factor driving which products can be scaled up. Secondly, once a market is identified, the organization must figure out how to reach it; thus marketing as well as market information are key to expansion. Finally, experience shows that those organizations that grow, and are able to sustain growth, are those that succeed in identifying and adapting to changing market conditions. This point is reinforced in AEO's publication, *Pump Up the Volume: Strategies for Reaching Scale in the U.S.*

The challenge is that the microenterprise market is, in many respects, a niche market or set of niches that must be identified and assisted. Schreiner, for example, estimates that "probably no more than 6 in 1,000" are able to move from welfare to self-employment[3] (cited in Nitin Bhatt, Gary Painter, and Shui-Yan Tang, "The Challenges of Outreach and Sustainability" in *Replicating Microfinance in the United States).*

Marketing is also key. Programs cannot assume that prospective clients are aware of their services, and an array of methods must be tested and employed to reach the market. This is discussed in some depth in *Scaling up Microenterprise Services* and in FIELD's *forum* on marketing, but is also mentioned in Bhatt, Painter and Tang (cited above), who note that passive methods such as fliers, public service announcements and newspaper advertisements cannot be relied on. Programs must develop "more proactive and systematic strategies to identify and target potential clients … programs need to invest in intensive outreach efforts … programs can establish relationships with grassroots organizations and advocacy groups that are interested in promoting social justice."

Further, according to Burrus ("Microenterprise Development in the United States: Closing the Gap"), there "does appear to be a fair amount of general skepticism that must be overcome by any lender who is interested in serving this population. "There are several key concepts that need to be kept in mind: minority groups appear to have a strong desire for an entity that would serve their community, or was established to serve their particular need; there is not a strong understanding or correct perception of what it

[2] Note that these approaches – a planned or focused approach to scale versus strategic opportunism – seem to conflict. This may be due to differences in how "scale" is defined. Ratliff and Moy perceive "scale" to imply a significant increase or leap forward in the size or market reach of a program; whereas the Bridgespan report seems to refer to growth, not necessarily large-scale growth.

[3] It is not clear what the basis is for Schreiner's estimate of "no more than 6 in 1,000." Statistics from the National Survey of America's families (as cited in FIELD's report *Opening Opportunities, Building Ownership),* found that 6.8 percent of TANF leavers surveyed – or 68 out of 1,000 – reported earning income from self-employment.

means to be a “nonprofit lender,” and the label needs more explanation, particularly in the context of lending and interest rates; and the value in creating a welcoming environment cannot be underestimated. In looking for an “ideal loan company,” focus group interviews suggest that critical features also are interest rate (while there was general lack of knowledge about the subject, the instinctive preference was for a low rate); a simple, noninvasive loan application; and the capacity to obtain a wide range of loan sizes. There is also an interest in using on-line and other technologies to access loans. Operational implications from these findings include:

- The need for materials that educate prospective customers on loans and interest rates;
- The need to emphasize certain terms (community) in outreach and not others (nonprofit);
- The need to market both broadly and on the grassroots level; and
- The need to experiment with phone and on-line lending technologies.

The ability to create a diversified yet complementary set of products is key to achieving scale. Organizations that grow are those that can offer a set of products and services that tap into the variety of market segments served by the microenterprise field, and that meet the needs of microentrepreneurs as their businesses grow and change over time.

Continually scanning and assessing opportunities to scale up the delivery of products and services is a valuable management practice. CAEL has “learned from its experience that even though something does not initially seem to lend itself to scalability, it doesn’t follow that a model for scalability can’t be explored in other circumstances. … Much depends on timing, staff, and external conditions. Innovation is not just coming up with something brand new, but recognizing new uses for existing products and services.” Bhatt, Painter and Tang also recommend a “multi-product business strategy” for sustainability, and savings as critical for clients.

One issue raised by the literature reviewed raises the question of whether offering new products that don’t relate to the needs of microentrepreneurs, but rather to low-income individuals, can be seen as contributing to “scale” for the industry (as opposed to scale for the *organization*, which clearly they would support). Lisa Servon talks about this in her article, “Microenterprise Development in the United States,” and the same issue is taken up by Schreiner and Morduch in their article in *Replicating Microfinance*. Servon mentions two products that relate to business – IDAs for business and equity products. Both pieces, however, also appear to refer to a broadening of product lines beyond microenterprise loans to other complementary financial services, such as inexpensive savings (Schreiner and Morduch), credit builder loans and payday loans. These comments are looking prospectively, and are not based on current experience. Similarly, Ayse Can Talen, Marc A. Weiss and Sohini Sarkar in “The Future of Microfinance,” note in the concluding chapter of *Replicating Microfinance* that there is a big opportunity to “serve the consumer finance needs of the ‘unbanked.’” AEO’s *Pump Up the Volume* also addresses the role of product diversification in scale-up.

Scale-up can take place at the product level, but this is a process that has rarely been achieved in the community development finance world. Strong market demand for the product has to be there, projecting profitability. (Not all products must be profitable, but the overall product mix must be profitable if a CDFI is to be sustainable. Product mix and profitability is under-studied in the development finance field.) The process is almost always far longer and more costly than initially envisioned. Many developing products will be rejected along the way, or substantially re-tooled from the original. A full roll-out requires a perfected prototype, something rarely achieved in the community development world (Ratliff and Moy, "New Pathways to Scale for Community Development Finance").

Geographic expansion is also critical. Programs that tapped new geographic markets were more able to reach new clients, and also to achieve the level of transactions that enable to them to generate economies of scale. In particular, organizations with a national reach or market have a greater opportunity to reach scale (Klein-Collins).

As organizations expand geographically, they will need to find the right balance between local autonomy and central control. This was a recurring challenge in a set of youth organizations attempting to grow, and their experience suggests that there is not one way to structure a network that works best (Bridgespan Group, "Growth of Youth-Serving Organizations"). These comments are echoed in Bradach, on replication (see below).

Partnerships, mergers and other approaches to strategic restructuring often play a key role in broadening geographic coverage or expanding/adding product lines. This may entail a change in legal structure. New organizational relationships – of a variety of forms – can be key in enabling a program to gain knowledge, expertise or capacities that can enable it to grow its product line or market area. Horizontal integration – as opposed to the more traditional vertical integration of services and functions – holds the opportunity for achieving greater economies of scale and potentially greater outreach. This approach has allowed private-sector companies to expand with incredible efficiency (Servon, "Microenterprise Development in the United States"). Ratliff and Moy in "New Pathways to Scale," also note that an industry of small, vertically integrated institutions with limited resources cannot be expected to scale-up solely through the growth of individual organizations. AEO's *Pump Up the Volume* provides information on how to assess the role of a merger in increasing scale.

Partnerships also require considerable commitment and negotiation (which can be intense and time-consuming). Issues like pricing for products and services, branding and marketing, policies and work processes all require attention. Prospective partners need to be clear about their expectations up front, especially with respect to why each is interested in exploring the partnership and what they hope to get out of it. Partnerships also require long-term data-tracking to gauge success, well-designed management mechanisms, and technologies that enable partners to integrate products and services. Personal dedication is also required to make it work (Katy Jacob, *Utilizing Partnerships to Test Emerging Market Strategies).*

Replication also can be a path toward greater scale for the industry. Successful replications are difficult, but those that have succeeded share the following characteristics/lessons:

- A clearly articulated theory of change, in which the key elements that drive success are as simple as possible.
- Clear articulation and standardization of key operating components (e.g., training curriculum or key skills to be acquired).
- Finding the right people for management – which depends upon (1) selection of staff with the necessary skill set, and (2) appropriate training and socialization.
- An appropriate financial structure, such as a clear revenue or business model (how much revenue from various sources; local corporations sponsoring "teams," etc.), and a unit cost that can be articulated and replicated.
- Replicating the operating model involves three critical steps or issues:
  - Deciding where to replicate (where is there room/strong prospects, partners for growth);
  - Determining what kind of network to build (how loose or tight); and
  - Determining the role of the "center." Three roles to confront in this process are:
    - Ensuring quality/protecting the brand;
    - Facilitating learning; and
    - Providing centralized (specialized) services.
- Paradox of success: Funders often back away just as there is potential for replication/growth – due to donor fatigue, the desire to spread their dollar widely, etc. Donors are also often reluctant to fund the center (nonprogrammatic services). Many are not willing to put in the real dollars needed to replicate. As such, many models that perhaps deserve replication don't get replicated – because of the limitations of donors.

Standardization can be a necessary precursor to growth. While intensive customization has allowed the microenterprise field to serve very specific target groups, it has also led to fragmentation and an inability to benefit from economies of scale. Opportunities for standardization include data collection, training curricula, loan products, underwriting, risk mitigation procedures and other back office functions. Standardization in data collection and transparency also can increase funder confidence in the industry and make specific institutions more attractive options for investment (Servon, "Microenterprise Development in the United States"). Ratliff and Moy, in "New Pathways to Scale" also state that "in practice, scale is not possible without some degree of standardization."

Else also discusses the need to come to greater clarity regarding how to be most effective in the delivery of business skills – that the field needs to learn more about when training versus technical assistance is most effective. Presumably such knowledge would lead to greater standardization in training and assistance models. In a discussion with Charles Tansey of NeighborWorks America conducted as part of this research, he also indicated the role of standardization in scale-up – as standardization is critical to the ability to collect common data (to justify subsidy and impact) as well as for the creation of platforms that can allow for aggregation on a variety of levels.

Investments in technology play a role in expanding services, increasing efficiency, and cost savings. Technology has a critical role to play in both enabling and supporting growth and scale-up. Technology can be a means to expand outreach (through, for example, Internet-based training or on-line loan applications), add new products (such as technology-based training), and reduce costs (through techniques such as credit scoring). AEO's *Pump Up the* Volume also discusses the issues involved in using technology as a tool for scale-up.

Significant investments in infrastructure – the basic systems, technologies, and resources available to a program – will be critical to successful growth. An industry of small, vertically-integrated institutions with limited resources cannot be expected to scale-up solely through the growth of individual organizations (Ratliff and Moy). What is required is infrastructure that can support the standardization and more efficient delivery of a set of products. Infrastructure development can happen within an organization, or across organizations (i.e., through the development of common systems or technologies that can provide efficiencies for a set of providers).

New staff capacities and management skills are needed at different points in the growth process. Organizational growth and the addition of new products require the addition of new staff expertise. Some of this expertise may be product-related: more underwriters, trainers with specific industry knowledge, etc. Other knowledge demands may be functional; as larger organizations require more sophisticated financial management, human resources, or development skills. One hallmark of organizations that have succeeded in growth is that they have found ways to attract and retain the necessary staff capacities. The Bridgespan study of youth-serving organizations, notes that bringing in a chief operating officer, and other staff with specialized skill, is a critical part of organizational growth that often proves challenging for leaders and staff. Growth can also require redefining the role of the board, requiring changes in the type of members needed.

Organizations focused on scale-up use performance measurement to guide decision-making. Organizations that introduce it into their operations earlier do better than those that introduce it later. "…organizations that came late to performance measurement tended to find it organizationally taxing and at times divisive" (Bridgespan Group, "Growth of Youth-Serving Organizations"). Else also describes the critical role that data collection and analysis play in creating an organization that manages by results and can move towards greater scale.

Organizational scale-up takes time and money. The institutional development that can support scale-up is not a quick process. World Bank experience in other industrialized countries suggests that it requires careful use of subsidies to support the right type of institutional development. As Buckley notes in "Microfinance in Industrial Countries," the industry requires a "better understanding of the level and distribution of subsidies" required to achieve effectiveness. Ratliff and Moy also note that "reaching scale can take a long time, a period possibly better measured in decades than in years," and that "a principal barrier to scale may be the inefficient use of subsidy" ("New Pathways to

Scale"). They also note that not only are the current amounts of capital inadequate for scale-up, but the types of capital available can be counter-productive to growth. The funding needed is for market research, patient capital for research and development, and infrastructure development.

Significant growth requires substantial investments of capital; growth without adequate financing can in fact endanger an organization's sustainability. As the above lessons indicate, achieving greater scale is a multi-step and multi-faceted process that involves increasing market knowledge; developing or adding new products and/or service areas; and building the systems, technologies and staff capacities to support efficient growth. Each of these steps or facets of the process requires capital, and if these steps are underfunded they can threaten the organization's ability to achieve or sustain growth. In fact, the Bridgespan study of youth organizations found that the financial condition of these organizations, "even the best known and fastest-growing, was remarkably fragile."

These points are also supported by Andres Vinelli in "Financial Sustainability in U. S. Microfinance Organizations: Lessons from Developing Countries" in *Replicating Microfinance*, who notes that, "size and longevity might not automatically improve financial self sufficiency. Although size is important to take advantage of scale economics and improve outreach, the results from this investigation question the mantra that 'larger is better.'"

Ratliff and Moy in "New Pathways to Scale," also note that scale cannot be achieved without sustainability. Therefore, it is important to diversify funding to maximize the viability of the organization, incorporating a mix of grants, fee for services, other earned revenues and loans. A mix of funding sources can give an organization an advantage during changes in the external economy. As part of this, it is important to know the real costs of operating the organization, and how each line of work contributes to both costs and revenue. This enables an organization to make smarter decisions regarding when and how to use subsidy, and how much to charge for services. A financing strategy that also includes building up cash reserves, and using debt strategically, can support both the sustainability and scale up of an organization. One revenue generator that can cross-subsidize other lines of work is also critical (Klein-Collins). Several studies (Else, Bradach) note the importance of an organization understanding and articulating its unit costs (costs per outcome, for example) in being able to grow its programs.

Thinking strategically regarding spending is also critical. Finding ways to be flexible (using a cadre of consultants, temporary staff, being creative about space) allows an organization to test expansion without taking on larger fixed costs prematurely (Klein-Collins).

The legal or regulatory environment also can play a key role in driving or facilitating expansion and growth to scale. As noted by Ratliff and Moy in "New Pathways to Scale," public policy can play a critical role in driving growth and capacity within the industry. Certainly the availability of public funding can help to provide the resources necessary to finance growth. Policies such as the Community Reinvestment Act set the stage for engagement between microenterprise organizations and mainstream financial institutions in the communities and neighborhoods served by the microenterprise field. Looking forward, other new policy initiatives could be a force in driving and facilitating greater scale in the microenterprise industry.

Else discusses the strategy of incorporating microenterprise within existing public sector funding and service delivery systems, such as the TANF and employment training systems. He notes, however, that making these connections will entail significant work.

The funding environment is also critical to supporting scale. Current foundation funding most commonly propels early growth and provides general operating support. Foundation funding, on average falls from roughly 40 percent of total revenue when an organization is under $1 million in size, to less than 20 percent when it is in the $3 to $10 million range. And funds for building infrastructure consistently lag the need for them (Bridgespan Group, "Growth of Youth-Serving Organizations"). Funders must look beyond funding product innovation to product delivery, and to developing organizations and the industry (Ratliff and Moy).

Scale can occur at three levels: the product, organizational, and industry level (Ratliff and Moy). If you begin to pay more attention to organizational dynamics you can ramp-up the rate of growth by focusing on infrastructure, technology, capital, partnering, management and new organizational structures. If you pay more attention to the industry dynamics then you can ramp-up even more by focusing on regulatory policy, strategic positioning, industry intermediaries, industry infrastructure and new sources of capital.

The issues and needs for growth are different at each level:

- *Product level needs*. For scale to happen there needs to be a major shift in funding. There is an urgent need for investment in the following areas of product development: market research to improve understanding of current and emerging community needs; patient capital for experimentation, reinvention and refinement of products; pilot testing and eventual roll-out of quality products that make it through a rigorous development process.
- *Organizational level needs* are: infrastructure to integrate larger, often physically distributed operations; technology to increase efficiency, promote cost savings and higher quality services to low-income customers; capital to support broader organizational needs e.g., research and development, operational cash flow; and management expertise to guide larger institutions.
- At the *industry level* there's a need for improved competitive positioning of the industry made possible through a series of investments in infrastructure to support institutions across a range of activities and service-delivery methodologies:
    - Industry-specific technology – management software, cost accounting, branding, marketing and communications;
    - Industry intermediaries that broaden the range and increase the sophistication of the product and service mix offered by an individual organization.

Both AEO and FIELD believe that the time is right to create a set of new scale-up initiatives for the microenterprise field, building on these important lessons.

Strategies for Achieving Greater Scale

The following four strategies were identified in the original proposal to Citigroup. For the most part, these focus on initiatives that could be undertaken by one or a set of individual programs, rather than those that would be undertaken at an overall industry level. We have added at the end of this list a other strategies for program growth, as well as a set of strategies that are industry-focused rather than program-focused.

- ***Growth and expansion of microenterprise organizations with high growth potential.*** High-performing organizations capable of making major leaps forward in the scale and scope of their programs can benefit from substantial financial investments to build market knowledge, increase staff and organizational capacity, increase their loan portfolio (if their methodology is credit), develop infrastructure (such as management information systems, technologies for on-line or distance training and lending, or credit-scoring models), broaden product lines and/or geographic reach, strengthen their capital structure and implement a business model for long-term sustainability. Note that the assumption here is that achieving scale at this level goes beyond a single initiative (adding new products, expanding geographic reach, using technology), to include a range of efforts that together result in a significant increase in size and cost-efficiency.

  Lessons from Ratliff and Moy, and in particular the findings from the previously cited San Francisco scale meeting, raise a number of issues and pre-requisites for growth at the individual organizational level.

- ***Mergers***. Mergers between organizations that can expand market range and/or product offerings, and thereby increase client numbers in specific cities, states or regions, are also a strong target for support. The mergers might be among organizations fairly equal in size and complementary in product offerings, or smaller organizations might merge into larger ones that can expand scale more efficiently by absorbing the smaller entity. The end result of a successful merger should be the creation of an organization that can grow into another high performing entity for the field. AEO's *Pump Up the Volume* discusses the value of mergers from a scale perspective, and the issues and steps involved in the completion of a merger.

- ***Functional collaboratives or partnerships.*** New collaborations between programs that allow the participants to take advantage of specialization, or to share costs, can also be supported as a strategy for growth. Examples of such collaborations could include the creation of a common loan pool, a central underwriting and loan processing center, or possibly an Internet-based loan application and credit-scoring product. Programs might also collaborate to develop and offer on-line training products, or engage in joint purchasing of products or services, such as human resources services, insurance, computer services, etc. This functional collaborative approach could also encompass initiatives in which a regional or national provider offers, or co-brands, a product through local microenterprise partners. The purpose of these collaboratives or partnerships is to broaden product offerings, and/or to increase efficiency and quality. To the extent that efficiencies are produced, this can, in turn, free up resources to increase outreach, marketing and program services.

Else discusses the "intermediary" approach of having a centralized loan pool or lender that can be tapped by locally-based training providers (he cites the NCRC model).

In addition, a set of mid-sized, small-business focused CDFIs are exploring the idea of a shared services or capital organization that can allow them to achieve higher impact. Of note is the fact that these organizations are not necessarily looking to achieve greater scale in terms of much larger numbers of individuals served, or in terms of greater geographic reach. In fact, they are concerned that significant growth in those terms would undermine their ability to provide greater impact through the high-touch, customized services that they perceive are their true purpose or mission. Rather, they seek to collaborate in order to realize the benefits of large scale, thereby delivering greater and more articulated value to their investors, and increasing their earnings/leverage potential, without going to large-scale operations ("A Case Statements for Collaboration Among Mid-Sized CDFIs"). On a broader level, the collaborative models examined at the San Francisco Federal Reserve meeting also suggest potential collaborative strategies for achieving greater scale.

- ***Geographic systems or collaboratives.*** A fourth model for scale-up would involve support for a group of programs, located in a common geographic region, that would come together to build a larger "system" for microenterprise support. This would involve working to close gaps in service, and build a coherent branding/marketing campaign that aims to dramatically increase awareness of and access to services on the part of microentrepreneurs in communities within the system. This approach is similar to the Kellogg rural entrepreneurial systems strategy, and could involve reorganization of products and services among the engaged programs, as well as concerted market research and marketing work. The goal of this model would be to increase the market share or market penetration of the collaboration – in other words, to increase the percent of microentrepreneurs in the geographic region who receive services from a microenterprise program.

- ***Expansion into products and services that go beyond the "microenterprise" market.*** As noted above, several of the items in the literature review have indicated that one means for microenterprise programs or the industry to move toward greater scale involves moving beyond microenterprise to a broader definition of microfinance (meaning finance at a small scale, but not necessarily business-focused) or consumer financial services. Such products might involve savings, credit builder loans, alternatives to predatory payday or refund anticipation loans (RALs), etc.) While such initiatives may have positive implications for the scale of individual microenterprise programs, they would not necessarily address the challenge of providing services to a larger segment of the microenterprise market. Thus, the issue of whether these are truly scale-up strategies for the microenterprise field depends on the specific definition of scale that is used.

The following strategies provide ideas for scale-up that would be implemented at the industry level rather than the individual program level. The first three focus on a policy or regulatory approach rather than a solely programmatic approach.

- ***Using the tax system/EITC as an entry point for delivering microenterprise services.*** This recommendation is found in Servon's policy piece, but builds, in fact, on work being done by Gene Severens at NFED/CFED. Severens notes that millions of self-employed individuals currently claim EITC, many more receive services from paid tax preparers. Often the services of paid preparers are predatory (for example, if they lead to RALs). More broadly, the completion of Schedule C represents a significant teaching moment for entrepreneurs. Severens and others are investigating whether there are ways to partner with or use existing systems for filing these tax returns as a means to deliver services – in the form of technical assistance, capital or other benefits – to the microenterprise market at large scale. The piece by Katy Jacob on H&R Block initiatives provides useful insights about the implementation of such a strategy.

- ***Create a credit enhancement pool of $500 million for the SBA Microloan program, using SBA dead assets.*** This proposal, cited by Servon but developed by Charles Tansey and Wall Street Without Walls (an organization that pairs volunteer Wall Street executives with community development organizations), calls for expansion in both the types of businesses and types of intermediaries that could be funded under the Microloan program. The idea is that this infusion of capital and markets could dramatically expand the reach of microlending in the U.S.

- ***Provide expanded access to health care for microentrepreneurs.*** This is an area where there are no specific ideas for how the field might move forward. However, researchers and observers in the field (FIELD, Servon, Tansey) have noted that one of the key challenges and needs facing microentrepreneurs is the need to access affordable health care coverage. Presumably, providing an effective instrument would dramatically expand the field's reach to the microenterprise market.

- ***Create a national intermediary that creates, disseminates and transfers information regarding best practices.*** Robert M. Buckley, in his piece "Microfinance in Industrial Countries" in *Replicating Microfinance,* further suggests that the U.S. field could benefit from a CGAP-like institution, "an effective partnership of donors, beneficiaries, innovators, and those interested in this innovation." Such an organization, serving as an "effective channel of information and transfer mechanism for best practices," may be an effective focal point to move the industry forward.

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