



PAYGo PERFORM Workshop: The Last Mile to KPIs 2.0



Meeting Agenda

DRAFT version PAYGo PERFORM KPIs

Meeting Agenda		
Time	Topic	Speaker/Facilitator
09:00 a.m. – 09:15 a.m.	Introduction to PAYGo PERFORM and the Working Groups	Russell Sturm (Global Head, Energy Access IFC)
09:15 a.m. – 09:45 a.m.	Progress Update from Working Groups	Working Group Co-chairs
09:45 a.m. – 10:15 a.m.	Q&A/Feedback on Progress	Daphne Pit (GOGLA)
10:15 a.m. – 10:30 a.m.	Break	
10:30 a.m. – 11:30 a.m.	Workshop: Debate on Key Issues	Alexander Giorgios Sotiriou (CGAP)
11:30 a.m. – 12:00 a.m.	Next Steps and Acknowledgements / Appreciation	Koen Peters (Executive Director GOGLA)

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PAYGo PERFORM KPIs – Overview

DRAFT version PAYGo PERFORM KPIs

Company Indicators

- Publicly available information
- Not sensitive
- Helps to understand the context of a company



Operational Indicators

- Operational benchmarking
- Proposed to be a set of standardized indicators to be used internally only
- Not (yet) to be reported against









Financial Indicators

- PQ and UE KPIs







Company Indicator #1

Sales Model

	<p>DEFINITION</p> <ul style="list-style-type: none"> Pick all that apply: <ul style="list-style-type: none"> (1) Sales Model: <input type="checkbox"/> PAYGo <input type="checkbox"/> Cash; (2) Distribution Model: <input type="checkbox"/> Direct PAYGo Sales <input type="checkbox"/> PAYGo Via Partners <input type="checkbox"/> B2B <input type="checkbox"/> B2C <input type="checkbox"/> Other (explanation to be requested in a comment)
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> PAYGo or Cash sales companies have very different financing needs Understanding the sales approach provides context for the rest of the financial and performance metrics and supports comparability
	<p>CALCULATION</p> <ul style="list-style-type: none"> Scale of 0-100% for each response based on a revenue share from the sales model(s) and the related distribution model(s)
	<p>NOTES</p> <ul style="list-style-type: none"> Sales revenue should consider all the payments expected to be received from the customer in case of PAYGo, including customer down payments and deposits Includes all units sold, irrespective of whether they are repossessed or written off Normalize to USD Period: N/A
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> No business model considerations for now
	<p>STATUS</p> <ul style="list-style-type: none"> Subject to discussion







Company Indicator #2

Geographical Area

	<p>DEFINITION</p> <ul style="list-style-type: none"> In which geographical areas are you serving customers? (more than 1 answer possible) <input type="checkbox"/> East Africa <input type="checkbox"/> West Africa <input type="checkbox"/> Southern Africa <input type="checkbox"/> South Asia (except India) <input type="checkbox"/> India <input type="checkbox"/> Southeast Asia <input type="checkbox"/> South/Central America <input type="checkbox"/> Other
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> The geographic focus indicates the unique social, economic, and political factors that affect a company's strategy Unique market features may dictate what type of products and approaches work best in each region
	<p>CALCULATION</p> <ul style="list-style-type: none"> Answer provided on a scale of 0-100% based on revenue share from the selected regions
	<p>NOTES</p> <ul style="list-style-type: none"> Companies should check all that apply PAYGo means that a respondent is responsible for financing the accounts receivable from PAYGo customer contracts Period: N/A
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Currently no business model considerations have been identified
	<p>STATUS</p> <ul style="list-style-type: none"> Subject to discussion







Company Indicator #3

Total Net Sales

	<p>DEFINITION</p> <ul style="list-style-type: none"> • Net total number of units sold from the business's start of operations
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> • Measure the size of the company according to the units sold and not returned • Useful to understand the overall performance of the company and to further customer portfolio analysis
	<p>CALCULATION</p> <ul style="list-style-type: none"> • All sales units discounted by returns & repossessions measured from the business's start of operations
	<p>NOTES</p> <ul style="list-style-type: none"> • This indicator should consider only sales units of the entire SHS to the final user of the system • This is considered per unit to be easily implemented in the industry • Other complex considerations would allow a value-based indicator • Period: this indicator is designed to show information since the business's start of operations, but it can be also considered to analyze annually, by adapting the period of sales and respective returns/repossessions
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> • Currently no business model considerations have been identified
	<p>STATUS</p> <ul style="list-style-type: none"> • Subject to discussion







Company Indicator #4

(Existing KPI) Portfolio Size

	<p>DEFINITION</p> <ul style="list-style-type: none"> Total number of customers in portfolio an/or total USD value of the accounts receivable from PAYGo contracts
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> The size of a company's current portfolio is indicative of the scale of its operations and growth trajectory While not conclusive, the size of a PAYGo portfolio has implications for the financing structure and expectations around the maturity and sophistication of a company's systems/processes
	<p>CALCULATION</p> <ul style="list-style-type: none"> # of active [Contracts]/Reported Accounts Receivables Value
	<p>NOTES</p> <ul style="list-style-type: none"> Customers who have made no payments in the preceding 90 days are deemed to be inactive and are not included in the portfolio size Period has not yet been defined for this definition
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Currently no business model considerations have been identified
	<p>STATUS</p> <ul style="list-style-type: none"> Advanced and agreed by Working Group

Financial Indicator – Portfolio Quality #1

Receivables at Risk

	<p>DESCRIPTION</p> <ul style="list-style-type: none"> Renamed to decouple from MFI industry Identifies risky proportion of receivables portfolio Will use empirical analysis to determine threshold for identification of risky receivables using either consecutive days of nonpayment or a sufficiently low collection rate over a given period
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> Important to have a key metric to track overall risk of portfolio Critical that the measure used is a robust leading indicator of write-offs
	<p>CALCULATION</p> <ul style="list-style-type: none"> (Remaining Value of Outstanding Receivables Streams for Which Collection Rate is Less than [Y]% Over Period [X]) / (Value of Total Future Receivables Due); OR (Remaining Value of Outstanding Receivables Streams which Have Not Paid Over Period [X]) / (Value of Total Future Receivables Due)
	<p>NOTES</p> <ul style="list-style-type: none"> Final formula and thresholds to be determined by empirical analysis
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Applies only to PAYGo or asset finance companies
	<p>STATUS</p> <ul style="list-style-type: none"> Advanced Empirical analysis and insights from PAYGo providers to be used to determine risk indicator as well as period of evaluation







Financial Indicator – Portfolio Quality #2

Write-off Ratio

	<p>DESCRIPTION</p> <ul style="list-style-type: none"> The sum of the remaining payments of receivables streams that have been terminated over the sum of the remaining payments of the receivables streams for the entire portfolio
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> Is a measure of underwriting quality Important to regard in relation to other portfolio quality metrics such as RAR (a leading indicator) and collection rate (write-offs can make this look artificially higher)
	<p>CALCULATION</p> <ul style="list-style-type: none"> $(\text{Value of Receivables Payments Outstanding for Contracts Written-off Over Period [X]}) / (\text{Average Value of Total Receivables Outstanding Over Period [X]})$
	<p>NOTES</p> <ul style="list-style-type: none"> Final formula to be determined by empirical analysis
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Applies only to PAYGo or asset finance companies
	<p>STATUS</p> <ul style="list-style-type: none"> Subject to further discussion Development including harmonization with needs of Unit Economics working group






Financial Indicator – Portfolio Quality #3

Repossession Ratio

	<p>DESCRIPTION</p> <ul style="list-style-type: none"> Ratio of repossessed units that will be redeployed over total installed units
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> Provides further color to write-off ratio Can indicate need for further analysis of repossession and redeployment strategy and efficiency
	<p>CALCULATION</p> <ul style="list-style-type: none"> $(\text{Units Repossessed for Redeployment Over Period [X]}) / (\text{Average Total Installed Units Over Period [X]})$
	<p>NOTES</p> <ul style="list-style-type: none"> ...
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Applies only to PAYGo or asset finance companies
	<p>STATUS</p> <ul style="list-style-type: none"> Advanced Period of evaluation to be determined by further discussion / empirical analysis







Financial Indicator – Portfolio Quality #4

Collection Rate

	<p>DESCRIPTION</p> <ul style="list-style-type: none"> Ratio of all collected receivables payments over total receivables payments due for a period (does not include deposits)
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> Indication of how effective a company is at collecting payments and selecting customers who pay regularly Can also be used to identify risky receivables streams
	<p>CALCULATION</p> <ul style="list-style-type: none"> $(\text{Value of Total Receivables Collected Over Period [X]}) / (\text{Total Customer Payments Due Over Period [X]})$
	<p>NOTES</p> <ul style="list-style-type: none"> Needs to be considered along write-off ratio (which can artificially increase by removing poor payers from denominator) and growth
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Applies only to PAYGo or asset finance companies
	<p>STATUS</p> <ul style="list-style-type: none"> Advanced Period of evaluation to be determined by further discussion / empirical analysis

Financial Indicator – Portfolio Quality #5

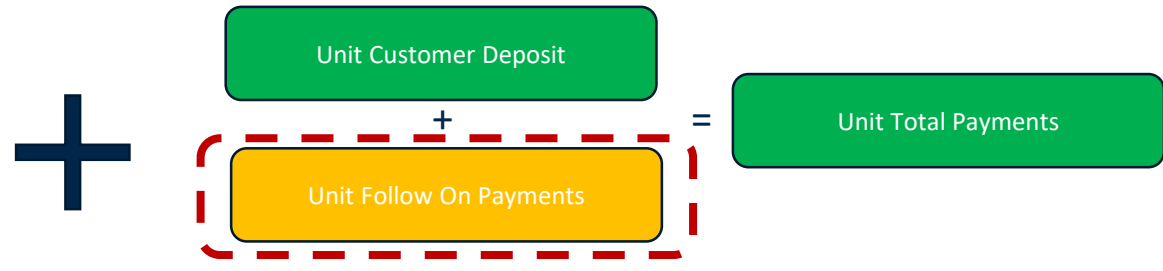
Repossession Ratio

	<p>DESCRIPTION</p> <ul style="list-style-type: none"> • Effective length of time taken for an average customer to pay off their solar device
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> • Contractual credit periods do not factor in flexibility of payment which can significantly increase the effective credit period
	<p>CALCULATION</p> <ul style="list-style-type: none"> • $(\text{Average Credit Period}) / (\text{Collection Rate})$
	<p>NOTES</p> <ul style="list-style-type: none"> • Significant growth can increase the collection rate and artificially depress the effective credit period
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> • Applies only to PAYGo or asset finance companies
	<p>STATUS</p> <ul style="list-style-type: none"> • Advanced and agreed by Working Group

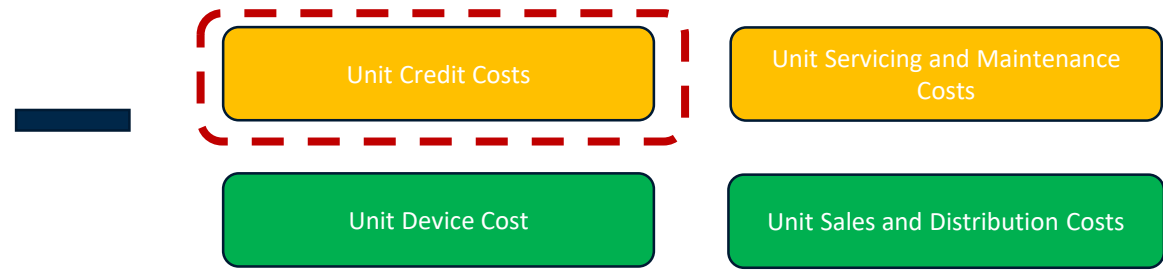
Financial Indicators – Unit Economics Overview

Unified Framework for Unit Profitability KPIs – Update

Unit Payments



Unit Costs









- Agreed by Working Group
- Subject to Discussion









Financial Indicator – Unit Economics #1

Unit Customer Deposit

	<p>DESCRIPTION</p> <ul style="list-style-type: none"> Two approaches: (1) Total contractual customer deposits as a fraction of total contractual payments by product; (2) Total contractual customer deposits per units sold of each product
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> Measure of payback timing primarily for cash flow analysis and risk analysis by product – higher deposit percentage generally correlated with higher repayment rates
	<p>CALCULATION</p> <ul style="list-style-type: none"> Two approaches: <ol style="list-style-type: none"> Total contractual deposits / Total Payments; Total contractual deposits / Total Units Sold
	<p>NOTES</p> <ul style="list-style-type: none"> Contractual Deposit, or down payment, is defined as the total amount expected to be paid at time of unit acquisition, exclusive of payment per use Calculation is done by product and should be forward looking Total Payments and Total Units Sold refer to the payments and units sold for a particular product
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Applies only to PAYGo or Asset Finance companies
	<p>STATUS</p> <ul style="list-style-type: none"> Advanced and agreed by Working Group







Financial Indicator – Unit Economics #2

Unit Follow on Payments

	<p>DEFINITION</p> <ul style="list-style-type: none"> Sum of contractual follow on payments until system is permanently unlocked, net of customer deposits, per unit sold
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> Provides a measure of expected follow on cash flows on a unit basis that a company will receive on a periodic basis
	<p>CALCULATION</p> <ul style="list-style-type: none"> Sum of the contractual follow on payments / Total Units Sold
	<p>NOTES</p> <ul style="list-style-type: none"> This KPI has embedded the interest income generated by the PAYGo firm due to the financing of the SHS unit to the customer PAYGo firm can provide the contractual follow on payments and their corresponding discount rate, so that an investor can make the PV calculation, if needed The calculation is performed for each type of product sold and it is forward looking
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Applies only to PAYGo and Asset Finance companies
	<p>STATUS</p> <ul style="list-style-type: none"> Subject to discussion







Financial Indicator – Unit Economics #3

Unit Total Payments

	<p>DEFINITION</p> <ul style="list-style-type: none"> Sum of contractual customer deposits and follow on contractual payments per unit sold
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> Provides a measure of total expected cash flows on a unit basis
	<p>CALCULATION</p> <ul style="list-style-type: none"> This KPI can be calculated by the sum of two KPIs: (1) Average Customer Deposits and (2) Average Follow On Payments
	<p>NOTES</p> <ul style="list-style-type: none"> Can be combined with the Cost KPIs to calculate the expected Total Unit Contribution Margin
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Applies to all business models For cash-based products, it will be equal to the expected payments to be received
	<p>STATUS</p> <ul style="list-style-type: none"> Advanced and agreed by Working Group







Financial Indicator – Unit Economics #4

Unit Credit Cost

	<p>DEFINITION</p> <ul style="list-style-type: none"> The contractual follow on payments that will not be recognized due to write offs on a per unit basis
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> Represents the cost related to the probability of write off of expected receivables, which impacts the amount of cash that will be ultimately received
	<p>CALCULATION</p> <ul style="list-style-type: none"> Unit Follow On Payments * Write Off Ratio An alternative approach would be to use the Provision for Credit Cost as per IFRS 9 Accounting Guidelines / Total Units Sold
	<p>NOTES:</p> <ul style="list-style-type: none"> Write Off Ratio KPI used from Portfolio Quality Working Group; The % of write off would be based over the lifetime that has been observed by the PAYGo firm The Write Off Ratio should be determined for each product; in the event it is not available, a proxy Write Off Ratio for the whole firm or a similar product should be used IFRS 9 Accounting Guidelines for the Provision of Credit Cost provides a clear way to calculate the Credit Cost If the Provision for Credit Cost per IFRS 9 is used, it may require guidelines on how to perform the calculation for PAYGo firms which have not implemented this accounting method
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Only applies to PAYGo and Asset finance firms
	<p>STATUS</p> <ul style="list-style-type: none"> Subject to discussion







Financial Indicator – Unit Economics #5

Unit Device Cost

	<p>DEFINITION</p> <ul style="list-style-type: none"> The total cost of the device inclusive of hardware, transportation (to the warehouse), import taxes & duties, and stock insurance per unit sold
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> One of the key cost components of a PAYGo firm Typically, it represents the largest variable cost component
	<p>CALCULATION</p> <ul style="list-style-type: none"> Sum of (Cost of hardware, transportation cost (to the warehouse), import taxes and duties, stock insurance) / Total Units Sold
	<p>NOTES</p> <ul style="list-style-type: none"> This KPI includes the cost of getting the solar device from the factory to the destination where it is delivered (i.e., landed cost) Transportation costs only include transport from the manufacturing site to the warehouse; it excludes the transportation cost from the warehouse to the end customer Calculation is done by product
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Applies equally to different business models
	<p>STATUS</p> <ul style="list-style-type: none"> Advanced and agreed by Working Group







Financial Indicator – Unit Economics #6

Unit Sales & Distribution Cost

	<p>DEFINITION</p> <ul style="list-style-type: none"> The total cost of installing the device at the customer site, transportation cost (from warehouse to customer) per unit sold
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> Represents the cost required to install and complete the sale of a SHS unit
	<p>CALCULATION</p> <ul style="list-style-type: none"> Sum of (installation cost, commission for sales agent and transportation cost to the customer site) / Total Units Sold
	<p>NOTES</p> <ul style="list-style-type: none"> This KPI includes the variable cost of making a sale to the customer, and the costs associated of taking the product from the warehouse and installing it at the customer site. Commission costs should be related to the installation of the SHS units Fixed cost components such as marketing and salaries/benefits of sales managers are excluded from the calculation Calculation should be done by product. Total Units Sold refers to the total units sold of a particular product
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Applies to all business models
	<p>STATUS.</p> <ul style="list-style-type: none"> Advanced and agreed by Working Group







Financial Indicator – Unit Economics #7

Unit Servicing and Maintenance Cost

	<p>DEFINITION</p> <ul style="list-style-type: none"> The total cost of servicing a customer (i.e. collection of payments, customer service) and providing maintenance of installed units
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> Represents an ongoing cost that PAYGo firms will need to cover to support the sale of solar devices
	<p>CALCULATION</p> <ul style="list-style-type: none"> [Sum of (total servicing costs and maintenance costs) per month * Effective Credit Period] / Total Active Units
	<p>NOTES</p> <ul style="list-style-type: none"> Servicing costs relate to all costs that take place after the sale of the unit to service the customer This may include the cost of collection agents, SMS/payments and call center (incoming and outgoing) Call center costs may be difficult for some PAYGo companies to attribute by product Units written off are excluded in the denominator Costs related to repossession of SHS units is included under Servicing Costs Warranty costs are included in the calculation Calculation should be done by product, and take into account the Effective Credit Period (Nominal Credit Period / Collection Rate)
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Dependent on the business model; cash sale and some PAYGo solar devices may not have maintenance costs
	<p>STATUS</p> <ul style="list-style-type: none"> Subject to discussion







Financial Indicator – Unit Economics #8

Unit Contribution Margin

	<p>DEFINITION</p> <ul style="list-style-type: none"> The average profit based on variable costs on a unit basis for a particular product
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> Represents the unit profitability for a particular product
	<p>CALCULATION</p> <ul style="list-style-type: none"> $\frac{[\text{Sum of (Customer Deposits and Follow On Payments)} - \text{Sum of (Credit Cost, Device Cost, Sales \& Distribution Cost, and Servicing \& Maintenance Cost)}]}{\text{Total Units Sold}}$
	<p>NOTES</p> <ul style="list-style-type: none"> Calculation should be done by product. Total Units Sold refer to the total units sold for a particular product Only variable costs are included in the calculation
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Dependent on the business model, specifically as it relates to maintenance cost
	<p>STATUS</p> <ul style="list-style-type: none"> Advanced and agreed by Working Group







Operational Performance Indicator #1

Average Selling Price

	<p>DEFINITION</p> <ul style="list-style-type: none"> • Mean price of all systems sold for each of the sales models adopted (PAYGo and Cash sales)
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> • Important to understand the share of sales from large to small units and the customers profile of the company
	<p>CALCULATION</p> <ul style="list-style-type: none"> • Sum of sales revenue/ # systems sold
	<p>NOTES</p> <ul style="list-style-type: none"> • Incorporating established product categorizations (tier 1, tier 2, tier 3) proposed • Sales revenue should consider all the payments expected to be received from the customer in case of PAYGo, including customer down payments and deposits • Includes all units sold, irrespective of whether they are repossessed or written off • Normalize to USD • Period: this indicator can be used quarterly, semi-annually, annually and since creation adapting both variables in the calculation; it's recommended to be updated semi-annually
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> • Currently no business model considerations have been identified
	<p>STATUS</p> <ul style="list-style-type: none"> • Subject to discussion







Operational Performance Indicator #2

Sales per Distribution Channel

	<p>DEFINITION</p> <ul style="list-style-type: none"> Sales per distribution channel represented as a percentage of the total units sold. Agents (___%), Wholesalers (___%), Shops (___%) and/or Other (___%)
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> Important indicator to evaluate the performance of each sales distribution channel over the total Interesting to understand the distribution trends across the industry
	<p>CALCULATION</p> <ul style="list-style-type: none"> For each individual distribution channel: Number of units sold (in that distribution channel) / Total number of units sold
	<p>NOTES</p> <ul style="list-style-type: none"> This indicator should consider only sales units of the entire SHS to the final user of the system This indicator can be also interpreted for logistics purposes and for that reason calculated per unit A revenue-based indicator can also be considered Period: this indicator can be used quarterly, semi-annually, annually and since creation adapting both variables in the calculation; It's recommended to be updated quarterly
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Currently no business model considerations have been identified
	<p>STATUS</p> <ul style="list-style-type: none"> Subject to discussion







Operational Performance Indicator #3

Sales Points Churn Rate

	<p>DEFINITION</p> <ul style="list-style-type: none"> Fraction of sales points that have gone inactive over the previous 90 days, grouped by sales distribution channel - Agents (___%), Wholesalers (___%), Shops (___%) and/or Other (___%)
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> Related to sales strategy, this indicator helps to evaluate the reliability of each sales distribution channel Important indicator for the overall performance of the company due to the direct link to sales performance
	<p>CALCULATION</p> <ul style="list-style-type: none"> For each individual distribution channel: Sum of sales points that have gone inactive (in that distribution channel) / average # sales points (in that distribution channel)
	<p>NOTES</p> <ul style="list-style-type: none"> A sales point is considered inactive if not performed a unit sales in the previous 90 days A sales point represents a single unit of the sales channel distribution. For instance, a single agent or a single shop Period: this indicator can be used monthly, quarterly, semi-annually, annually and since creation adapting both variables in the calculation It's recommended to be updated monthly
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Still some outstanding challenges when it comes to comparability
	<p>STATUS</p> <ul style="list-style-type: none"> Subject to discussion







Operational Performance Indicator #4

Warranty Cost

	<p>DEFINITION</p> <ul style="list-style-type: none"> Warranty cost represented as a percentage of the sales revenue
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> Important indicator to understand customer experience and understand the percentage of revenue that is assigned to warranty service This is a relevant indicator to take into consideration in the business model
	<p>CALCULATION</p> <ul style="list-style-type: none"> Total warranty costs / Total sales revenue Alternatives are <ol style="list-style-type: none"> Total warranty costs/ total number unit lost; Total installed warranty costs all time/total collections of all time (might be difficult to calculate)
	<p>NOTES</p> <ul style="list-style-type: none"> In the warranty costs should be included all costs incurred with the repair or replacement of goods Period: this indicator can be used monthly, quarterly, semi-annually, annually and since creation adapting both variables in the calculation; It's recommended to be updated monthly
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Currently no business model considerations have been identified
	<p>STATUS</p> <ul style="list-style-type: none"> Subject to discussion

Operational Performance Indicator #5

Net Promoter Score

	<p>DEFINITION</p> <ul style="list-style-type: none"> Measure the loyalty that exists between a provider and a consumer
	<p>WHY DOES IT MATTER?</p> <ul style="list-style-type: none"> Predict customer loyalty (as evidenced by repurchase and referral) to a product, service, brand, or company; predict future purchases and referrals of individual respondents
	<p>CALCULATION</p> <ul style="list-style-type: none"> <i>How likely is it that you would recommend our company/product/service to a friend or colleague?</i> The scoring for this answer is most often based on a 0 to 10 scale
	<p>NOTES</p> <ul style="list-style-type: none"> To be explored how to make this existing and broadly used indicator universal and easy to use for the PAYGo sector Period: N/A
	<p>BUSINESS MODEL CONSIDERATIONS</p> <ul style="list-style-type: none"> Currently no business model considerations have been identified
	<p>STATUS</p> <ul style="list-style-type: none"> Subject to discussion

More information on PAYGo PERFORM

Learn everything about the initiative and sign up:

<https://www.findevgateway.org/organization/paygo-perform>

Get more information on activities of the Working Groups:

Portfolio Quality WG

<https://www.findevgateway.org/working-group-2-portfolio-quality>

Unit Economics WG

<https://www.findevgateway.org/working-group-3-unit-economics>

KPI WG

<https://www.findevgateway.org/working-group-1-key-performance-indicators>

Sign up for the upcoming Webinar:

<https://www.findevgateway.org/gateway-webinar/key-performance-indicators-paygo-perform-how-far-we-have-come>



Related Publications and Programs

GOGLA Impact Metrics

First launched in 2015, the impact metrics are designed to standardise impact measurement, enhance knowledge and streamline reporting.

The metrics can be used to estimate the impact of solar lanterns, multi-light kits and solar home systems across seven different topic areas: energy access, economic activity, income generation, CO2e reduction, light availability & quality, energy spending and financial inclusion.

Why should I use the Impact Metrics?

- **Companies can:** streamline reporting and attract investors
- **Investors can:** understand and compare the impact of their investments with a level of confidence
- **Policymakers can:** understand the impact of the off-grid sector on households and businesses

“The impact metrics add a lot of value for CDC as an investor. They articulate credibly the downstream impact of our OGS investments for our stakeholders and give a fuller picture of what our investments are achieving.”

Geoffrey Manley, Head, Energy Access and Efficiency, CDC Group

How do the Impact Metrics work?

The metrics use bespoke formulas and readily available data to estimate impact, such as sales figures, warranty length and product cost, as well as standard variables built from extensive off-grid sector research.

Just Launched!

This month also sees the launch of the Impact Metrics Calculator, making estimating impact even easier:

- xl based tool
- Quick and simple to use
- Can estimate quarterly or annual impact

Learn More:

Join the Impact Metrics Calculator Webinar:

- 3pm CEST, Wednesday 3rd July 2019

Go to: www.gogla.org/impact/gogla-impact-metrics

Or, contact us at: info@gogla.org



Eveline Jansen



Sjef Ketelaars

Related Publications and Programs

Pay-as-you-go Market Attractiveness Index

Lighting Global has released the 2019 version of the Pay-as-you-go Market Attractiveness Index (PAYGo MAI) for 24 countries across Sub Saharan Africa and Asia.

Why should I use the PAYGo MAI?

The PAYGo MAI provides businesses, policymakers and practitioners with a flexible and accessible tool that can be used to assess the profitability of a national market for PAYGO energy services. The tool provides a structure for decision-making criteria for use on:

- Entry into a new market;
- Deepening market penetration;
- Favorable conditions and challenges in each market by comparison;
- 71 indicators of market attractiveness, organized under three main pillars – demand, supply and enabling environment and other aspects of market attractiveness (such as the size of population not connected to reliable electricity and policy incentives for renewable energy);
- Additional quantitative and qualitative market research.

Just Launched!

This year's new features include a detailed report, a technical user guide, and an enhanced Excel-based tool that surveys a total of 24 countries: Angola, Cameroon, Congo, Dem. Rep., Cote d'Ivoire, Ethiopia, Guinea, India, Indonesia, Kenya, Madagascar, Malawi, Mozambique, Myanmar, Niger, Nigeria, Pakistan, Papua New Guinea, Senegal, Sierra Leone, Tanzania, Togo, Uganda, Zambia and Zimbabwe.

We have also developed a Nigeria Country Focus summary, to provide a deep dive into Nigeria's PAYGo solar market, an increasingly popular market for offgrid players. The summary highlights market segments, partnerships and PAYGo business models that have been deployed in Nigeria to supply its off-grid and unreliable grid energy needs.

Learn More:

To find out more, simply go to:

www.lightingglobal.org/resource/paygo-market-attractiveness-index-2019

Related Publications and Programs

Productive Use Leveraging Solar Energy (PULSE)

This market research report provides an overview of the market for productive use appliances leveraging solar energy (“PULSE”) in sub-Saharan Africa.

What is the value of this report?

The report seeks to inform the strategy of industry, government, and development actors going forward and to catalyze the market for PULSE solutions across Africa. It was produced by Lighting Global, in collaboration with Dalberg Advisors.

The Path to Profitability Knowledge Series

The Path to Profitability knowledge series is designed for off-grid solar firms working with retail and financial products, as well as industry investors, donor and foundation stakeholders supporting capital mobilization for the industry. This new series from Lighting Global offers a unique way to examine and critique unit-level economics as the core building block of the business.

What can I do with this toolkit?

We introduce an advanced toolkit to evaluate and benchmark pricing, margins, and cost structures that support a firm’s pathway toward profitability. Designed with early-stage, middle and scaling firms in mind, this series supports increased profitability at various phases including launching, refining, or pivoting.

Why would I use this toolkit?

The toolkit is also ideal for investors and donors looking to better understand and assess unit economic performance of prospective or current portfolio companies.