



SCALING OUR IMPACT

THE TRICKLE UP
STRATEGIC PLAN
2012-2015

Ultrapoor (ül'trə-pöör).

1. A subset of the \$1.25-per-day extreme poor. There are 200-400 million people living in ultrapoverly.
2. A condition characterized by chronic food insecurity and poor health, insufficient and irregular income, minimal productive assets with a high vulnerability to shocks, and the need to prioritize consumption over investment.
3. A population that is historically marginalized and underserved by government and NGO programs and policies. They are disproportionately women, indigenous, and people with disabilities.
4. Trickle Up's singular focus.

Scaling Our Impact

Trickle Up Strategic Plan 2012-2015

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I. EXECUTIVE SUMMARY

This is a plan for how we will scale Trickle Up's impact.

There are two dimensions to impact: quality (the improvements we help make in each family's life) and quantity (the number of people we reach). We need to achieve both.

"How do we help the poorest of the poor?" was the question that inspired Glen and Mildred Robbins Leet when they started Trickle Up in 1979. We have maintained consistent focus on the very poorest and most vulnerable – the *ultrapoor* – ever since, and now we are ready to expand our ambitions. Even as we invest in continuing to improve our program methodology, we will leverage our experience, expertise and reputation to mobilize others to serve the ultrapoor.

This is the moment to take this leap. Our mission of serving the very poorest, a huge underserved population, demands it. The global development community – NGOs, governments, funders like the Ford Foundation, and thought leaders like the World Bank and UN – are now recognizing that the ultrapoor are a distinct and significant segment that will benefit from programs like ours. If we successfully build the platform for scale outlined in this plan, we have then set the basis for subsequent exponential growth and the potential to help millions of people a year build sustainable livelihoods and gain greater voice in shaping the lives of their families and communities.

We will scale Trickle Up's impact with strategies that:

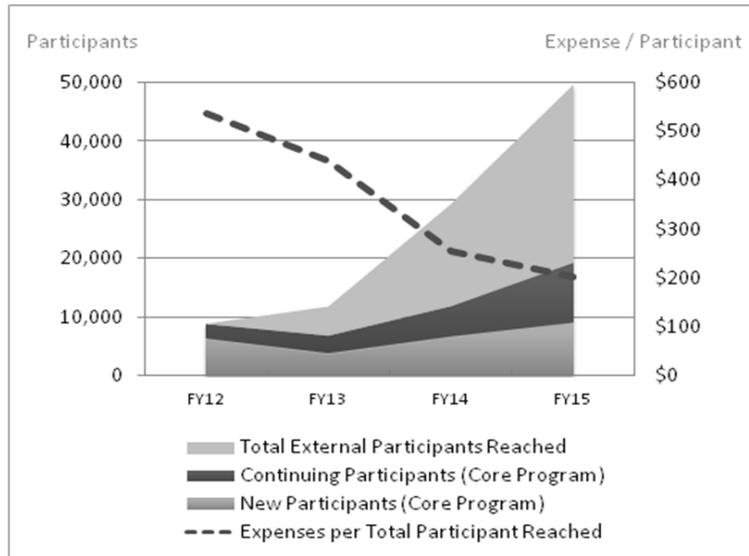
- **Focus exclusively on the "ultrapoor,"** a subset of the population described as the "extreme poor." The shorthand for the latter is 1+ billion people living on less than \$1.25 a day, and it has been the main frame for the UN Millennium Development Goals and the World Bank. While Trickle Up has always aimed to serve the extreme poor, over the past five years we have sharpened our focus on the ultrapoor. Their needs have never been more urgent: Even as there is historic progress in reducing extreme poverty, the ultrapoor population numbers in the hundreds of millions and is underserved by governments and the development community. The ultrapoor population is Trickle Up's strategic focus.
- **Strengthen our core program** in West Africa, India and Central America. It is the source of our knowledge and gives us the credibility for sharing our methods with others and to advocate on behalf of the ultrapoor. We are committed to continuous improvement of our program approach, based on evidence from our monitoring and evaluation systems

as well as the professional expertise of our staff. We will seek to develop adaptations of our approach for specific populations and purposes, as well as to reach the levels of critical mass in each region that are necessary for efficiency and to persuasively demonstrate our effectiveness.

- **Expand the number of people we reach by providing “technical assistance”** to help other NGOs and governments apply the tools and methodologies of Trickle Up and the CGAP-Ford Foundation Graduation Program. Our role will be as a consultant to organizations with the resources to implement their own ultrapoor programs. Establishing a technical assistance program will require us to develop new capabilities, institutionalize our knowledge and methods into a set of tools and methods that can be used by other institutions, enter into new kinds of partnerships, staff the function appropriately, and develop an appropriate pricing structure. Replication via technical assistance is a well-established pathway to scale.
- **Engage in advocacy**, appropriate to our resources, so that we can help ensure that local, national and international policies and programs reach the ultrapoor and are designed to address their specific conditions and needs. Working in partnership with like-minded organizations, we can help bring other needed services and resources to the ultrapoor and improve the “enabling environment” established by the public and private sectors. In addition to being advocates for the ultrapoor, we will help them make their own voices heard.
- **Increase Trickle Up’s visibility** and establish our reputation as an experienced and authoritative leader in serving ultrapoor populations. We will leverage our years of experience, monitoring and evaluation, global partnerships, and the reputation that Trickle Up has built over 33 years of single-minded focus on serving the poorest of the poor.
- **Mobilize the resources we need** by developing additional new funding models, expanding the role of our field offices in fundraising, and establishing a capital growth fund to provide the resources to invest in necessary and strategic capacity.
- **Make Trickle Up a more effective and agile organization** that can deliver on these goals efficiently and consistently. Doing so, in part, requires improvement of basic systems: clear roles and decision-making processes, an organizational structure that fits our goals and activities, effective and efficient management systems. A strong organization requires elements that are less tangible but no less important: strong leadership throughout the organization, meaningful values and a culture that emphasizes accountability, collaboration, trust, and openness to change.

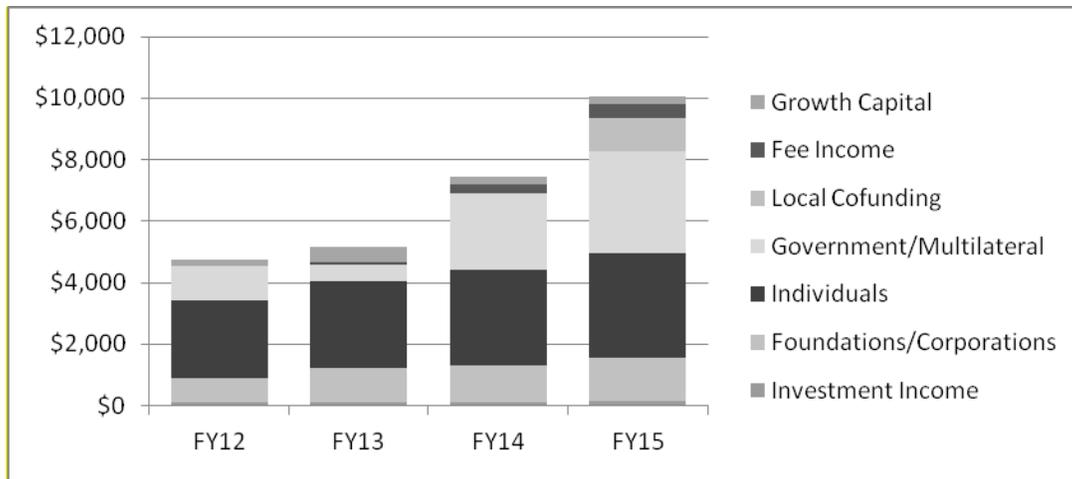
By September 2015 – the conclusion of this three-year plan, the end of our fiscal year 2015 and the deadline for achieving the UN Millennium Development Goals – we aim to serve about 50,000 people, a six-fold increase from current levels. About 20,000 would be people directly served by Trickle Up, with the balance via indirect technical assistance. Figure 1, below, shows the growth in participants and the decrease in Trickle Up’s cost per participant.

Figure 1: Participants and cost/participant



To achieve the goals in this plan, we would need to double our budget to about \$10 million and increase total headcount from 45 authorized positions currently to 73 by the end of FY15. By investing in fundraising capacity and increasing the role of field offices in resource mobilization, we believe we can increase the rate of growth in each category, especially government/multilateral. In addition, new types of funding will help increase total revenue. Figure 2 shows projected growth in revenue, by category.

Figure 2: Projected revenue (000s)



This plan takes us beyond our traditional core program activities, which means we have to learn new things, do old things new ways, and take the risks that accompany any new business model. We have already begun. Recently we entered into a new partnership with a leading international NGO for a technical assistance consultancy, to and already have technical assistance projects, in active development. We are now in the process of building two program toolkits, one for working with people with disabilities and one for livelihood planning. These examples, plus others in the advocacy sphere, demonstrate that there are markets and funders for the types of products and services described in this plan.

The plan detailed here is ambitious. Trickle Up’s mission requires nothing less.

II. FOCUS ON THE ULTRAPOOR

The Millennium Development Goal of reducing by half the percentage of the world's population living in extreme poverty has already been met, five years ahead of schedule. However, progress on the MDGs has not been equal for all groups, notably the ultrapoor. Because of the depth of their poverty and the complex challenges they face, the ultrapoor have not been well served by large-scale development programs, governments and funders. Programs that seek only to provide economic strengthening do not address the full spectrum of need, and government social safety net programs and short-term supports to address crises rarely break the cycle of poverty.

In its 33 years, Trickle Up has always sought to serve the extreme poor. Five years ago our India program began sharpening our focus so that selection methods and program design are directed specifically to the poorest segment of this population – the ultrapoor – and we have been adapting this learning to other regions. Our emphasis on the ultrapoor is the backbone of this strategic plan, and we believe it represents an opportunity to differentiate Trickle Up in the development field, position us as a leader, maximize our resources, and have a greater impact in the world.

While this plan outlines several significant changes in our program approach and activities, three defining characteristics of Trickle Up remain constant:

- The centerpiece of our program is a livelihoods development methodology that combines seed capital grants, training, savings support, and integration into self-help groups. While the outcomes we hope to achieve go beyond the economic sphere, it is an important foundation for change.
- We focus on women. They are disproportionately represented among the ultrapoor, and our experience, supplemented by that of many other development organizations, is that programs that focus on women have a greater impact of the household as a whole while increasing women's own status.
- We are an international organization and our presence in three regions gives us a broad perspective and knowledge, generates incremental funding and minimizes the risks inherent in working in only one region.

A watershed event for Trickle Up has been our participation, starting in 2006, in the CGAP-Ford Foundation Graduation Program, which sought to demonstrate that a well-sequenced, intensively monitored program combining consumption support, access to savings, livelihood training and social capital strengthening can enable ultrapoor people to take sustainable and transformative steps out of poverty. In addition to being a catalyst for significant improvements

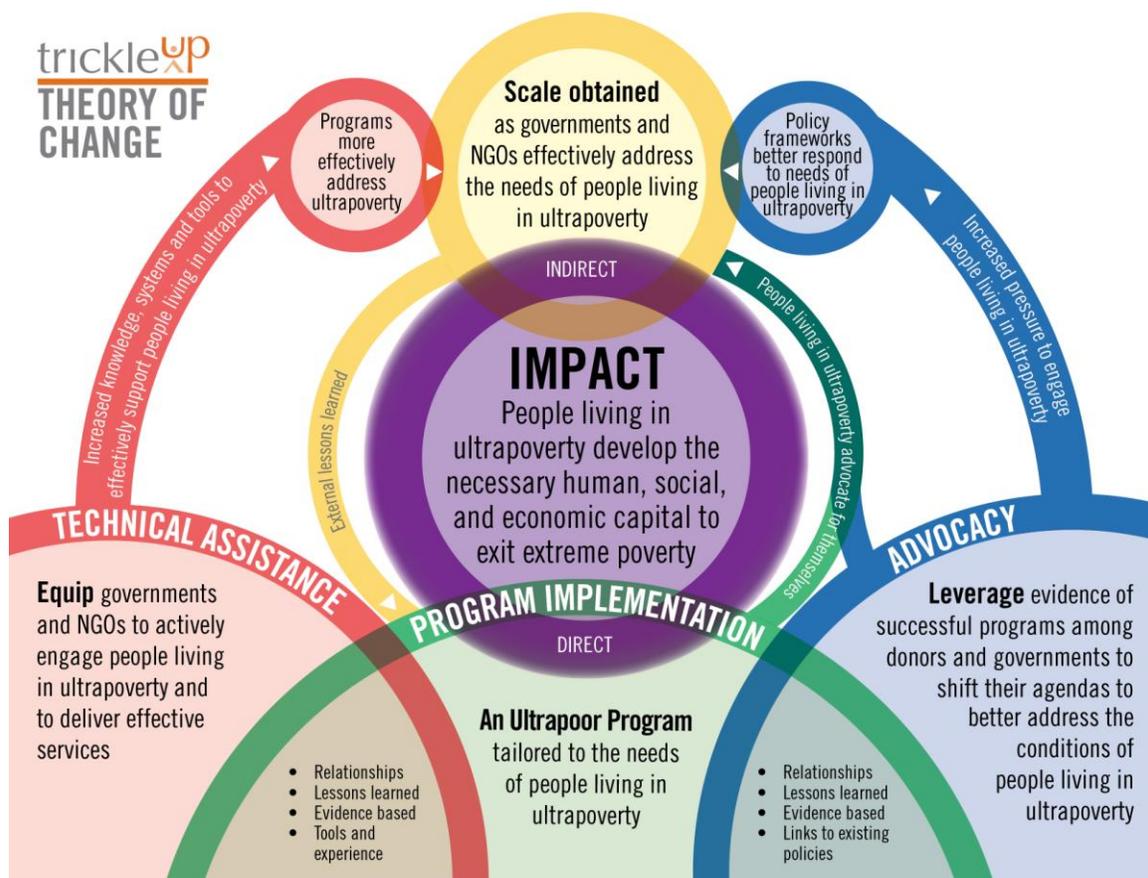
to our program approach, the Graduation Program has enabled us to become part of a large and influential community of practice that brings together major NGOs (including BRAC, Plan International, Fonkoze) , funders (including the Ford Foundation and MasterCard Foundation), government and multilateral agencies (including the World Bank and several leading national development agencies), and researchers (including Innovations for Poverty Action) that share a commitment to addressing the needs of the ultrapoor.

Our active role in the leadership of the CGAP-Ford consortium has also been a critical factor in the development of the new technical assistance role included in this strategic plan. Additionally, our role in CGAP-Ford and the SEEP Network's STEP UP (Strengthening the Economic Potential of the Ultrapoor) initiative reinforce our goal of becoming an effective advocate for the ultrapoor.

Our increased focus on the ultrapoor comes at the right moment. There is a growing realization by governments and the international development community that more must be done to address the condition of the poorest of the poor *and* that there are effective means to do so.

III. THEORY OF CHANGE

Trickle Up assists the ultrapoor to develop the necessary human, social and economic capital to exit ultrapoverly. For this to be meaningful, the impact must reach a significant level of scale and will only do so if large actors embrace the need to serve the ultrapoor populations. Trickle Up's singular focus on ultrapoor populations defines the organizational strategic niche in strengthening service to participants and broadening impact by influencing other actors.



Three strategies drive our Theory of Change:

- Trickle Up will continue to offer services and strengthen our program for individual participants, their families and peer groups. This is the base for impact, learning and evidence to improve program effectiveness for ourselves and influence others.
- Understanding that our scale alone will not be sufficient, we will leverage our experience and expertise to provide technical assistance to governments and other

large agencies to actively engage the ultrapoor and improve the effectiveness of their service delivery.

- Working with our participants, their self-help groups, and an array of strategic partners, we will work to build understanding among government and donors to influence the development of policy frameworks that effectively respond to the needs of the ultrapoor.

Each of these strategies is important by itself, but it's the combination of the three into one coordinated approach that will give us the ability to ultimately have impact at a scale appropriate to the needs of millions of people.

IV. VISION, MISSION & VALUES

Our vision & mission

Trickle Up works to create a world in which it is unacceptable for anyone to live in ultrapovertry. We inspire and support the poorest and most vulnerable to build sustainable livelihoods and take their first transformative steps out of ultrapovertry.

Our values

We stand together

All people have the right to ensure their own wellbeing and the wellbeing of their families. We are inspired by the capability of people living in ultrapovertry and are committed to partnering with them.

We listen

All perspectives should be heard. Listening to our participants, partners, staff, board and donors keeps us humble and adds value to our work.

We collaborate

Working together improves our ability to achieve shared goals. We strive to create open channels of communication, clear roles and responsibilities, flexibility, transparency, and mutual accountability in both our internal and external relationships.

We work with integrity

Every organization should maintain the highest ethical standards. We are strengthened by our willingness to question key assumptions and validate our claims. We hold ourselves accountable to what we say, what we do, and who we serve.

We are determined

Ultrapovertry is characterized by challenges and complexity. As a results-driven organization, we confront barriers, seize opportunities, and take calculated risks in order to serve people living in ultrapovertry.

Goal 1: Impact through program quality

Build upon our experience with and increased focus on ultrapoor populations to strengthen and systemize Trickle Up’s methods for helping them develop sustainable livelihoods, reduce vulnerability and improve access to savings and peer groups.

1.1: Consolidating our focus on the ultrapoor

Continue to improve Trickle Up’s program design and build a knowledge base to support our technical assistance and advocacy by conducting participatory research with people living in ultrapoverly, complemented by findings from our own monitoring and evaluation (M&E) and research and that of other organizations.

1.2: “Toolbox”

Build a “toolbox” of methods and systems that effectively reach and serve ultrapoor populations.

1.3: Local partnerships

Strengthen Trickle Up’s local partnerships by developing standards and guidelines for consistent selection, agreed outcomes, and accountability mechanisms in order to increase the effectiveness and quality of service to our participants.

Goal 2: Impact through scale

Leverage our experience and expertise, as well as that of strategic partners, to influence and assist governments, NGOs, funders, and the private sector to increase the number of people who take sustainable steps out of ultrapoverly.

2.1: Technical assistance

Provide tools and technical assistance to NGOs, governments and other institutions seeking to implement programs with ultrapoor populations.

2.2: Improving reach of services

Establish new partnerships with regional, national and international institutions to provide improved services to Trickle Up participants, savings groups and others in their communities in order to increase the depth, breadth, and sustainability of our impact.

¹ The plan’s four goals describe long-term outcomes and answer, “Toward what end?” Accompanying each goal are initiatives summarizing major actions or efforts Trickle Up will undertake to achieve the goals. Detailed plans for how Trickle Up will implement these initiatives include specific objectives and outcomes, resource requirements, milestones and timelines, relevant staff involvement, and interdependencies between the initiatives.

2.3: Advocacy²

Join strategic alliances to advocate for local, national and international policies that address the needs of ultra-poor populations and strengthen their capacity to access existing rights.

Goal 3: Impact through organizational effectiveness

Strengthen Trickle Up's organizational capacity and foster an organizational culture that is values-driven, results-based, collaborative and adaptive.

3.1: Organizational structure

Ensure clear and effective delineation of roles and responsibilities, decision-making and accountability measures for all Trickle Up activities and staff. Expand field office responsibility and authority.

3.2: Management systems

Increase the efficiency and effectiveness of our global organization through strong and effective systems for planning, finance and accounting, human resources, internal controls, legal, facilities, risk management, and safety and security.

3.3: Knowledge management

Develop and implement new systems for collecting, analyzing, storing, retrieving, sharing and using information and knowledge, both internally and externally, using appropriate information technology.

Goal 4: Funding for impact

Significantly increase funding by focusing on core supporters who have the capacity to provide significant multiyear funding and who share a commitment to TU's mission.

4.1 Prioritize and innovate

Maximize potential for growth and fundraising efficiency by prioritizing large gifts and grants, both institutional/government and majors. Develop new revenue models (e.g., capital growth fund, "co-funding,"³ fee for service, subcontracting).

² In the development context, advocacy means speaking out on an issue of strategic importance to one's goal in order to influence decision-makers. It is usually geared toward creating, changing, or implementing policy, but can also be used simply to raise awareness of a key issue, with the assumption that greater awareness can help create a constituency supportive of subsequent policy work. "Policy" should be understood in a broad sense – it can range from multilateral trade deals to how resources are allocated or decisions made by a community-level governing body.

³ "Co-funding": Funds secured from government or other sources that go directly Trickle Up partners to fund a portion of the expense of delivering the Trickle Up program, thereby reducing Trickle Up's own expenses.

4.2 “Field-based” fundraising

Leverage and build the skills, experience and relationships of field offices in order to increase institutional/government funding.

4.3 Board and major-donor expansion

Expand the Trickle Up board and our major donor base in order to increase funding from individual donors and benefit from diverse board and donor skills, networks and perspectives.

VI. FUNDING THE PLAN

This strategic plan includes a financial planning model based on the projected costs of the goals and initiatives in this plan. The model is based on realistic assumptions and will be the basis for annual budgets. There are three basic cost drivers to the model:

- Increased numbers of participants and increases in program inputs (seed capital grants and partner support) in West Africa and Central America, to align with our India approach.
- Increased personnel costs – based on headcount increasing from 45 currently authorized positions to 73 by the end of FY15 – in order to support new activities, increased participant numbers, and adequate operational capacity.
- Costs (non-personnel) related to new activities.

In order to fund the strategic plan, we will need to double revenues to about \$10 million by FY15. Table 1 shows projected income growth between FY12 and FY15 by funder category. The premise for this model is the \$10 million needed in FY15 in order to achieve our goals; working to that total, we developed a hypothesis for the sources for that growth.

Table 1: Revenue by source (000s)

	FY12	FY13	FY14	FY15
Growth Capital	200	500	250	250
Fee Income	0	66	310	466
Local Cofunding	0	0	0	1,050
Government/Multilateral	1,100	550	2,500	3,332
Individuals	2,550	2,850	3,091	3,400
Foundations/Corporations	770	1,090	1,199	1,446
Investment Income	95	98	101	104
Total	4,715	5,154	7,450	10,048

The government/multilateral sector accounts for about half of the total revenue growth over the three years, increasing from 23% to 34% of total income. Reaching the level of \$3.4 million in government/multilateral funding by FY15 will require two grants of at least \$1 million per year and 5-8 grants of \$250-\$700,000. In addition to USAID and other US government programs, major prospects include the European Union, bilateral agencies like AusAid in Australia and DFID in the UK, several UN agencies, and the World Bank.

This model also assumes funding from the “Fund for the Future,” a new capital growth fund that we propose to establish from the Leet bequest, a portion of current reserves, future bequests,

and additional funds to be raised for capital growth and scaling efforts. The purpose of the Fund for the Future is to enable us to make essential strategic investments that will enable us to achieve this plan. Over the three years of the plan, the amount to be funded from the Fund for the Future totals \$1 million, with \$500,000 in FY13 and \$250,000 in each of FY14 and FY15. Expenditures from the Fund for the Future would be approved by the board as part of the annual budget approval process.

The revenue model also assumes two new income sources: fee income (from technical assistance consulting) and “local co-funding” (local government programs or other funders covering costs, such as seed capital grants, traditionally funded only by Trickle Up).

This is an ambitious plan, to be sure, and here are six reasons why it is achievable:

1. **Program strength:** We have a strong program and a growing evidence base to demonstrate our impact. We are developing new activities (e.g., technical assistance, advocacy) and themes (e.g., climate change, indigenous groups) that can open up new funder segments.
2. **Credibility:** As evidenced by a large grant from Ford and several grants from USAID, our program, M&E, staff and organizational strength have earned the respect of knowledgeable, demanding funders. Our profile is rising within the development community.
3. **Capacity:** This plan strengthens fundraising, and will improve efficiency by focusing on larger, multiyear opportunities. Regional representatives will increase their role in establishing strategic partnerships.
4. **Government/multilateral donors** typically give the largest grants, usually for multiple years. There is additional potential with USAID, especially in West Africa and Central America, and with other significant bilateral and multilateral donors: DFID (British development agency), AusAid (Australia), and UN agencies (e.g., IFAD, UNHCR, UNDP, Unicef).
5. **Funder trends:** There are strong signs of greater funder interest in the ultrapoor, social protection and safety nets, and the linkages between livelihoods development and other interventions. We also benefit from greater funder realism about the limits of microcredit and the recognition that it does not serve the very poorest.
6. **Board and majors:** Our board and major donors have been a great strength for Trickle Up, as evidenced by board giving and getting, highly successful galas, and successes in attracting new five-digit and six-digit individual gifts. We will have strategies in place for

board expansion, building new donor networks, and upgrading current major donors to larger, multiyear gifts.

VII. IMPLEMENTATION: MONITORING OUR PROGRESS & LIVING THE PLAN

This strategic plan is the centerpiece of Trickle Up’s planning process. The other tools that are critical to successful implementation of the plan include annual operating and plans and budgets, prepared in May-June for July board approval; regional plans, updated annually; three-year financial plans, updated as part of annual planning and budgeting process; and individual performance plans, including annual performance review.

Here are seven steps we will take to ensure that this strategic plan remains a “living plan” that guides us in decision-making, accountability and change.

1. **Use the plan’s goals and initiatives as the organizing logic of our key planning tools** – annual operating plans, individual goals and performance reviews.
2. **Frame the board’s work** around the plan’s goals and initiatives – instead of departmental or functional frameworks – for meeting agendas, quarterly President’s Report, dashboards, etc.
3. **Review our progress quarterly** against the plan’s goals and objectives, share lessons learned, and determine any needed mid-course corrections. Quarterly review meetings will be held by the three regional offices, at headquarters and by the Senior Management Team.
4. **Create a strategy dashboard**, organized by our goals and initiatives, with high-level key metrics, to be shared with all staff and board on a quarterly basis.
5. **Develop and maintain a three-year financial plan**, including revenue plan, which is updated as part of the annual planning and budgeting process.
6. **Conduct annual “organizational health” surveys** of staff and board.
7. **Keep the plan front and center**, with tools laminated one-page summaries for every TU employee and board member; posting our vision, mission and values in the conference room, etc. Translate the plan into French and Spanish.

APPENDIX 1: BUILDING ON OUR SUCCESSES

This strategic plan builds upon Trickle Up's two previous strategic plans, for 2004-2007 and 2007-2012. Among Trickle Up's significant accomplishments during those two plan periods:

2004-2007 Plan

- Significant geographic refocus, from 24 countries to 14.
- Began decentralization of program operations, with opening of regional offices in Mali in 2003 and India in 2005.
- Commitment to develop new M&E measures based on emerging techniques in the development field and grounded in sound methodological practice.

2007-2012 Plan

- Established third regional office in Guatemala in 2008.
- Aligned our geographic reach with our financial and staff resources by concentrating on five countries in three regions, closing program activities in 10 countries and three regions (South America, East Africa, United States).
- Established strong M&E systems that are now producing program data for all regions, generating evidence for program results, data to improve program design and implementation, and serving as a basis for Trickle Up's sharing its knowledge with others.
- Sharpened our poverty focus by incorporating improved selection methodologies and adapted Trickle Up's approach to better meet the needs of people living in ultrapovertry.
- Through active participation in the CGAP-Ford Foundation Graduation Program, adapted our core program strategy in India in order to increase our impact and sustainability.
- Secured USAID funding for expansion of Mali program and developed innovative programs in Guatemala and Mali to serve people with disabilities.
- Strengthened fundraising capacity in all segments, notably foundations (climaxing with a major Ford Foundation grant in 2012), majors (additional of several six-digit donors), events (highly successful galas ever year) and government (from zero to 25% of total income between FY07 and FY12).

- Strengthened the Trickle Up brand through improved messaging, a strong website and active blogging and social networking, and greater visibility within the development field.
- Strengthened systems in finance, internal controls, human resources, safety and security, and governance.

In 2010, as the organization was making substantial progress in modernizing our traditional program and building stronger core capacities, we challenged ourselves to develop an expanded vision centered on the question of how we could scale our impact, both qualitatively and quantitatively. Staff and board began an in-depth long-range planning process, looking a decade or more into the future. Working with a strategic planning consulting firm, we conducted various self-assessments of our assets and our needs. Reaching out to experts in our sector, especially several members of the Trickle Up Advisory Council, we set out to learn from where Trickle Up could best fit in the development field in the 21st century. Both staff and board were actively involved in the “vision” process, and our conclusions were incorporated into a May 2011 memo, “Mapping a Path to ‘Scalable Impact’ for Trickle Up.”

In September 2011, we began a structured process to convert our high-level vision into specific, realistic goals and initiatives. With the assistance of a strategic planning consultant, we created a participatory process, with input at various stages from every staff member at Trickle Up, to establish a clear and actionable strategic plan. As part of the strategic planning process, we also built a multi-year financial planning model that will be a tool for future planning.

In making this plan, we chose a three-year time frame because of the inherent difficulty of anticipating events over a longer period and because the next three years will be especially crucial to Trickle Up’s evolution. This plan calls for dramatic changes in our work and organization, and we expect that future strategic plans will be more evolutionary in nature.

Following extensive review, this strategic plan for 2012-2015 was unanimously approved by the board on May 10, 2012.

APPENDIX 2: MILESTONES

