

# The GLOBE

Global Loan Opportunities for Budding Entrepreneurs



## Gazette

### Second Annual Spring GLOBE Mixer is a Huge Success

GLOBE Managers past and present, friends of GLOBE, and faculty had the opportunity to reconnect during this semester's "Friends of GLOBE Mixer". The event was hosted at Hudson Station on Thursday, April 11th from 6pm-9pm. The Mixer is on the road to becoming a popular annual tradition for GLOBE, where attendees can enjoy a networking opportunity with young entrepreneurs and like-minded professionals in a casual, relaxed setting.



# GLOBE Managers Spring 2013



## **Enterprise Development, Program Audits and Budgeting:**

Emily Atkins, Melissa Kraus, Mina Salib\*, Najwa Sobti

## **Finance and Risk Assessment:**

Gina Frisa\*, Jhanelle Gopie, Jamaris Harrell, Felipe Juan, Catherine Sims

## **Technology and Communications:**

Alisa Elsner-Young, Nicollete Lygeris\*, Julian Naiken, Arianna Vargas, Sylvia Yu

## **Marketing and Fund Raising:**

Jessica Avenia-Gamba, Victoria Hackert, Joanna Michalski, Michael Moretoni, Desiree Perez

\* Indicates Team Liaison

## **Micro-Donation Day 4/15/13**



## **Enterprise Development, Program Impact Audits & Budgeting Team**



## **Updates & Goals**

### **Allocate Funds in Budget**

We conduct impact audits in the classroom and in the field, as well as manage the program budget. We aim to properly allocate the funds in GLOBE's budget through communication with the Marketing and Fund Raising Team to foresee fundraising goals.

### **Translate Loan Application toward Program Expansion**

We would like to translate GLOBE's loan application into Spanish. We will also be working on creating applications in Arabic and French to have on file since we will look toward expanding into the Middle East and possibly Haiti.

### **Create Training Module**

In conjunction with the Technology and Communications Team, we will work on communicating one training module for the Daughters of Charity in the field. We will be training them on how to find reasonable and responsible entrepreneurs that GLOBE can support.

### **Define GLOBE's success**

We would like to discuss and define how the measure of success is determined in the field. When creating audits, we will focus heavily on the level of impact on the ground.

## **Create Business Plans**

We will create a list of possible business plan ideas in the region or community based on skill sets and cultural aspects of a particular region of interest with extensive research. We will be working closely with the Finance and Risk Assessment Team in this endeavor. Our team plans on drafting four separate business plans for our research paper.

## **Finance & Risk Assessment Team**



## **Updates & Goals**

### **Refine Borrower Criteria**

We would like to refine the criteria for vetting potential applicants. We need to create a borrower profile and a risk profile. This will allow us to reduce the default rate and reach more entrepreneurs. We would also like to perform systematic analysis of GLOBE loan repayments by evaluating past loan performance, identifying trends, and identifying generic risk profile for loan applicants. We need to establish a system to analyze the cash inflow and debt capacity of the clients in order to provide the best possible loan package.

### **Establish Connections**

We would like to establish connections directly with the Daughters of Charity in the field. They have a wealth of information that could aid us in selecting future clients. Better contact will enable us to respond more quickly to issues that may affect our borrowers. We would like to figure out a way to communicate directly with the borrowers as well. Direct communication with the borrowers could potentially increase their likelihood of repaying the loan because they would have a deeper understanding of their responsibilities and a deeper personal connection to our MFI.

## **Research the Leaders in the Field**

We are researching the work of other microfinance institutions in order to increase the effectiveness of our lending program. This research will allow us to better understand current trends in the field, which will then help us provide the best possible services to our borrowers. We also need to research and recommend 1-2 countries to enter, and why they would be beneficial to GLOBE and issue 1-2 new loans.

## **Risk Assessment for Regions & Potential Borrowers**

We need to evaluate the default rate of borrowers and assess the overall success in the regions where we have given loans. We will research the regions we would potentially recommend for the future by assessing the political, social, and cultural risks associated with each region.

## **Work with all GLOBE Teams**

We will continue to work closely with the Enterprise Development, Audits and Budget team this semester, because we use much of the same data that this team does; therefore, collaboration is mutually beneficial. We would also like to collaborate with the Marketing Team to plan fundraisers throughout the semester. Moreover, we would like to keep contact with the following GLOBE classes to make sure that we follow through with our goals and help the following GLOBE classes reach their goals as well.

## **Tracking Loans**

We will follow up on our loans creating status updates/reports and develop a system for flagging loans that appear to be problematic. We would like to create a procedure for collecting outstanding loans. We shall implement the declining balance interest rate method on future loans and secure approval of GLOBE Steering Committee to write off outstanding and poor performing loans. We will create an interactive map to help us monitor the areas where we're operating, giving us a better idea of which Daughters are with which borrowers. We would like to have someone to actively observe the business cycles of our borrowers to see if the money is going where it was intended to go and to see if the borrowers are on track to be able to repay the loan. Lastly, we want to implement a loan-backing strategy to improve repayment.

## Technology & Communications Team



### Updates & Goals

#### Steady Event Attendance

We aim to attend as many GLOBE related events as possible. For our bake sale on February 21st, we will have a member of the IT team there to invite students to follow us on our social media pages and also be there to take photos. We are looking forward to the GLOBE Mixer, since it has raised a significant amount of money in the past, we are excited to see what we can bring in this semester.

#### Increase Social Media Presence

GLOBE's social media presence has been significantly increasing. We want to keep Facebook, Instagram and Twitter updated daily and most frequently since they are more user-friendly. We have already increased "Likes" on Facebook and "Followers" on Instagram. In order to promote each one of our social media pages effectively, each member of the IT Team has been assigned a social media page. Each member is responsible for posting photos, inspirational quotes, and keeping our followers up-to-date on GLOBE's upcoming events.

#### Create New Promotional Video

We need to create a video that can relate to our donors, managers, former managers, and students who are interested in learning more about GLOBE. There are many different groups that we aim to target, all in a short video. We have been utilizing all of our social media pages and plan to continue doing so throughout the semester.

## Updated Database

Since the hard drive is difficult for every member of GLOBE to access there is a "Sky Drive" we are creating to make files more accessible.

## Marketing & Fund Raising Team



### Updates & Goals

#### Raise \$2,250

We wanted to pick a fundraising goal that was achievable, yet high enough to be challenging and motivating. Our fundraising will be from bake sales, our "Friends of GLOBE Mixer", our "Micro-Donation Day", and our end of the semester raffle. We will be constantly reevaluating our fundraising efforts based on their individual success rates.

#### GLOBE Mixer

Last spring, the GLOBE managers successfully hosted a fundraising event, the "Friends of GLOBE Mixer", aimed at former GLOBE managers and hosted at the midtown Manhattan bar, The Irish Exit. Because the managers were able to secure the venue at no cost and were able to keep 100% of the donations, the event was wildly successful. We want to make the Mixer a GLOBE tradition by making it an annual event. Every year the number of GLOBE graduates increases by about 40 students. This mixer is the perfect way for former managers to come together and to raise funds, share advice, continue their microfinance education, and celebrate their collective achievements in GLOBE.

## Boost GLOBE Recognition by 10%

The Marketing and Fund Raising Team noticed a disturbing trend on the St. John's University campus this year: an utter lack of GLOBE awareness. Before beginning an awareness campaign, we wanted to get a feel for the exact percentage of on-campus awareness. To do that, we have created and administered a simple online survey, which we will send out again at the end of the semester to track our results. We plan to implement two major tactics for raising awareness: a poster campaign and a "Micro-Donation Day". Our poster campaign will be aimed at reaching the students and faculty through explanation of microfinance terminology, along with the themes of the class. Towards the end of the semester we will supplement our poster campaign by holding a "Micro-Donation Day" where, for one day, GLOBE managers approach students on campus to share their GLOBE stories. Coupled with a bake sale and the opportunity for students and faculty to 'like' us on Facebook on our provided laptops, we think on-campus awareness will be positively affected.

## Investigate Feasibility of a Student Fellows Fund

GLOBE is now in its ninth rotation of student managers. Over the past four years, each team has been incredibly successful at fundraising. We want to reexamine the allocation of our funds and future fundraising with the hope of financing GLOBE managers' trips to potential borrowers worldwide.

## Bake Sale 2/21/13



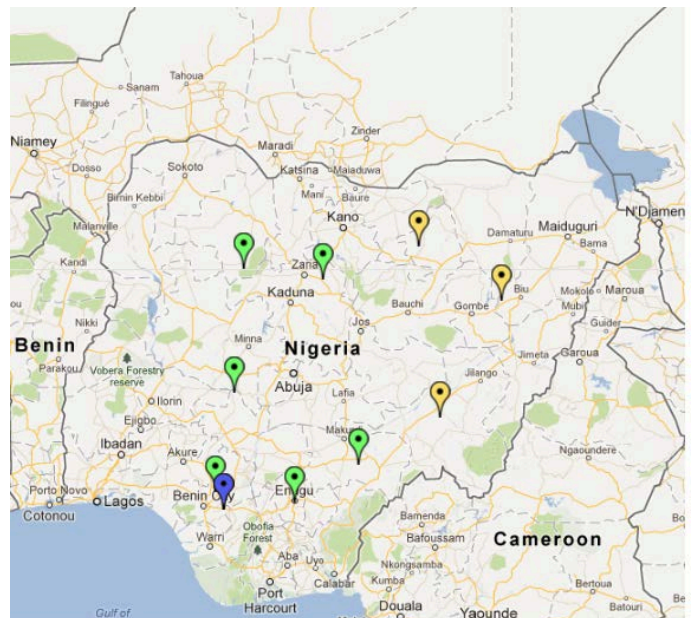
## Human Trafficking Conference 4/6/13



## Managers meet with Past Alumni



## Interactive Map of GLOBE's Borrowers



[www.zeemaps.com/pub?group=521942](http://www.zeemaps.com/pub?group=521942)

## ALUMNI CORNER

**Stephanie Pereira Lima**  
GLOBE Manager Spring 2012



As the former Marketing and Fund Raising liaison for Spring 2012, I am extremely proud to see the progress that GLOBE has made since. Our team had the vision of creating an event for GLOBE that would be memorable, fun, effective, and that would ultimately help us achieve our fundraising goals. Thus, we proposed the idea of a social mixer that would be interactive and educational, through bringing together GLOBE managers (current and former), St. John's students, friends, and faculty. This way we could start to build a community of GLOBE supporters both inside and outside of the St. John's network to share the successes of the program and the progress to come. The Spring 2013 Managers exceeded my expectations in carrying the torch and expanding this vision. The event was extremely successful and I look forward to attending future GLOBE Mixers to come. Great job!!!

### Interest Rates & Microfinance

By: Michael Losito, GLOBE G.A.P. (Graduate Affiliate Program)

Some Microfinance Institutions (MFIs) have recently come under scrutiny due to the ethical debate of high interest rates assigned to loans. Some MFIs respond by claiming high interest rates are assigned to protect their own interests in the event of default. The interest rate acts as a risk premium where a higher interest rate is attached to a loan where the borrower has a higher chance of non-payment. A recent study, however, has shown that the repayment rate is extremely high, around 97%, so many wonder why such an interest rate needs to be assigned to these loans. If the basic rules of risk and return are in play, then there is no need for such an interest amount because this proves that the risk of default for providing microfinance loans simply is not a factor. The underlying goal for MFIs should be to provide small loans with affordable repayment terms to impoverished borrowers who normally would not have access to such funds. They should not be in the business of making large profits at the expense of low-income entrepreneurs. GLOBE maintains this mission by charging either 3% or 5% interest, the entirety of which goes toward community expenses incurred in the field by the Daughters of Charity.

## GLOBE G.A.P. Members attend U.N. WEPs Conference 3/6/13



### Two Former GLOBE Managers to Participate in DDI Charity Walk



John Kenny and Nathan Holmes have teamed up with the not-for-profit Developmental Disabilities Institute for a unique charity event: "From the Bridge to the Beach – Walking LI for Autism." The two plan to walk from the Brooklyn Bridge to Montauk Point Lighthouse to fundraise for the organization and spread autism awareness. They will begin the walk on May 28 and finish on June 4. DDI serves over 5,000 children and adults with autism and other developmental disabilities. John and Nathan firmly believe that their participation in the GLOBE program has fostered their interest in serving the community. "We view this walk and the community service project associated with it as a capstone to our time at St. John's, where participation in GLOBE impressed upon us an increased appreciation for the ways in which we can improve the lives of those around us," John said. Nathan added, "We decided we would like to do one final project to commemorate our time at the university and to start to transition to serving the community post graduation." Further information can be found at [www.ddiny.org/liwalk](http://www.ddiny.org/liwalk).

**THANK YOU for your continuous support of GLOBE**

For further information on current events and activities of GLOBE, please follow us on our social media sites or visit us @ [www.stjohns.edu/globe](http://www.stjohns.edu/globe)

