Microfinance is a powerful and demanding tool. Do it well or leave it to others. A well designed M.F. project focuses a people’s ability to contribute, their own resources and how these can play an important role in improving the livelihood. In the battle against poverty no single tool or approach can claim to be the only solution. The complexity of poverty requires a set of tools and approaches of which M.F. is one. It is hard to imagine a situation with economic growth without the presence of financial services in some form improvements within the field of education and basic health are likewise crucial for reducing poverty. In general one can say that the existence of M.F. services have two main effects reducing the vulnerability related to income and / or expenses fluctuations and secondly, making it possible for the poor to exploit business opportunities. A stranger household economy will increase the likelihood of more balanced nutrition that the family can afford to send children to school and increase access to health services.

6.1 Conclusions

1. M.F is fruitful in combating poverty
2. Access to financial services is crucial in reducing the Poor’s vulnerability versus income and expenditure shack.
3. In order to succeed, the focus must be one of building sustainable M.F. institutions and not of running a project.
4. Permanency, scale and long term commitment are key characteristics of successful M.F.
5. Financial sustainability for the MFI must be a goal.

6. Retail capacity is today the single most important constraint when it comes to increased outreach this does not mean that there is a need for more institutions but rather that the institutions should either be professionalized to be able to scale up their activities of leave the MF field.

7. M.F. requires specialization, unprofessional projects risk destroying the markets for the professional ones and thereby threatening the chances of a long term access to financial services for the poor.

8. Because of risk and cost involved, the poorest clients cannot always be reached with M.F., but can and should be reached by providing safe saving services.

9. Direct targeting HIV / AIDS infected with credits is high risk and likely to lead to collapse.

10. Establishing strategic alliances between MFIs and other organizations provide additional services, such as education and information, has a great potential.

A well driven M.F. institution providing adequate financial services to the poor will have positive spillover effects on “traditional developmental goals. On the other hand, improved health conditions and education have proven to be important factors in improving the productivity of MF clients.

The Micro Finance Industry is at a crucial stage of its evolution: it is coming of age. For a long time, Micro Finance has been moving beyond “small credit” to encompass “financial services to reduce vulnerability and to improve livelihoods”. This shift in the scope of Micro Finance is both
timely and essential. While the important shift has been in progress for many years amongst leading MFIs, many remain fixed on “credit for enterprise”. In such organisations Micro Finance clients continue to struggle to manage their savings to meet their real needs. Many MFIs continue to simply replicate systems developed and delivered in foreign lands and very different socio cultural and economic environments to markets that are fundamentally different in nature and then struggle to understand why their clients leave in such large numbers. As a result this form of M.C. is confined to certain limited market segments and is not realizing its full potential developmental impact.

Despite the remarkable impacts of Micro finance and its contribution to the economy of some developing countries, the dominant mono-product culture of short term loans backed by compulsory savings mean that Micro Finance is not contributing as much as it might. In addition to a clear need for product diversification (but not proliferation) to offer Micro Finance Clients a wider range of services, there is a clear clients a wider range of services there is a clear need for MFIs to look carefully at how to optimize their delivery and communication systems. Micro finance continues to struggle to maximize the cost effectiveness and client responsiveness of delivery systems and this will be one of the industry’s key challenges for the next decade. In addition, MFIs continually struggle to communicate effectively with their clients and markets thus losing opportunities to retain and serve existing clients as well as attract new ones. Selling products and, in increasingly competitive environments, branding is also essential both for the sustainability of MFIs, as well as empowering poor people to access the financial services of their choice.
But the diverse range of core functions affected by a market led approach present a significant problem for MFIs and indeed corporation operating in almost every industry worldwide. A market led approach, by definition, affects almost every aspect of the business, and thus the Marketing Director needs to be a master of networking, alliance building and collaborative working within the organisation.

MFIs will have to, and in some cases are beginning to, rise to these challenges. Delivering and communicating a variety of market led, products through appropriate and cost effective systems is: Banking infrastructure in India.

The Indian government can help foster a tradition to a system of small banks providing microfinance to India’s poor by creating incentives which encourage experimentation and improvisation in handling the challenges that come with lending to the poor. Interesting policy initiatives include a system of declining subsidies to small banks committed to servicing those in poverty that would eventually end, thus forcing banks to develop methods to ensure profitability. Additionally, India’s government must charter an ever increasing amount of banks as they become increasingly more sustainable, thus fostering competition and forcing the innovation required to lend to the poor at declining interest rates. Overall, India’s challenge is an enormous one. Fostering inclusive development in a country with so many divides, including splits in religion, education, and class, is an incredible challenge that will require sweeping reforms in all areas of Indian life. Microfinance, however, is one of the only reforms that promise to empower India’s poor by making them an integral part of the economy, thus improving India’s economic outlook while ameliorating the plight of its poor. Overview of
what Sewa talked about. Importance of inclusive development, microfinance is the only way to keep current economic incentives without killing the golden goose of economic incentives. The gains from entrepreneurial growth Sewa are allowing the poor to play the same game as the rich to enrich themselves and put the political instability to rest.

I have find out following problems which restrict growth of microfinance in weaker section that should improve.

- Long time perspective – permanency
- Reaching large numbers of clients – scale
- Depth of outreach- reaches to poor to poorest
- Financial suitability- more fund through donors, Govt. & others
- Provision of additional services – more & more services include

6.2 SUGGESTIONS

Generalized format for the marketing support to MFIs in developing countries, but, different countries are following different models which include formal / informal MFIs, commercial banks, self help groups, co-operative societies etc. The dominance of one particular model within a country / region depends on the SLEPT (Social, Legal, Economic, Political and Technology). Therefore, the marketing strategy evolved in this paper can be used as a reference only while evolving a marketing strategy for any particular model used by the MF industry in a particular country / region.

- Commitment from board and management
- Knowledge of microfinance best practices
• Delivery channels located as per the convenience of the clientele
• Innovative loan, deposit, remittance and insurance products especially adapted for low income groups
• Systems and procedures adapted to the microfinance operation, e.g. systems that support immediate follow up on missed savings / loan repayments.
• Appropriate training and incentives for staff.
• Transparent policies and procedures which enable all the stakeholders to scan through.
• Appropriate training and incentive for staff
• Transparent policies and procedures which enable all the stakeholders to scan through.
• Appropriate risk management techniques and practices
• MFI should have solid foundation for governance, which is broadly made up of six fundamental elements
  - A shared vision / mission
  - Good management information system (MIS) for making data based decisions and for monitoring
  - Well laid down processes for making decisions
  - Appropriate training for staff, both in skill development and attitudinal development
  - Ability to face external and internal crises
  - Resilience to bounce bank.
6.3 RECOMMENDATIONS

Following is some of the recommendation is given from study and hypotheses testing. If MFIs would follow my Recommendation it would work in better way.

- Hypotheses result shows that NABARD is significantly distribute microfinance in Gujarat through various activities. The performance growth rate was increased in positive manner. I would recommend from my study that the way NABARD is Distributing Microfinance purpose wise that should carry in the same manner with increasing growth rate.

- Hypotheses result shows that Nabard does not significantly Distribute Agency Wise Microfinance in Gujarat through various activities. The performance growth rate was not increased or grows in significant manner. I would recommend from my study that the way NABARD is Distributing Microfinance purpose wise that should not grow in specific manner. Its contribution is not sufficient. Nabard should provide or create more agencies in Gujarat for developing MF activities.

- Hypotheses result shows that SIDBI significantly distributes Microfinance through various schemes in Gujarat through various activities. The performance growth rate was increased in positive manner. I can recommend from my study that the way SIDBI Should continue in same manner of increasing growth rate to distribute Microfinance through various schemes.

- Hypotheses result shows that SEWA Significantly Generated Employment through Various Activities in Gujarat through various
activities. The performance growth rate was increased in positive manner. I would recommend from my study that the way SEWA Significantly Generated Employment through Various Activities and carry the increasing growth rate in the same manner. Provide more employment opportunity through various activities.

- Hypotheses result shows that SEWA significantly distributes Loans through SEWA Bank in Gujarat. Bank loan performance growth rate was increased in positive manner. I would recommend from my study that the way SEWA bank significantly distributes Loans that should carry the growth rate in the same manner.

- Hypotheses result shows that SEWA has not significantly paid insurance claimed to the Micro client in Gujarat through VIMO SEWA activities. Claimed performance growth rate was not increased in significant manner. I would recommend from my study and hypotheses result that the way SEWA does not paid insurance claimed to the Micro client in significant manner and sewa try to make claim process faster as well as create more number of client. Sewa should increase its performance in this activity.

- Hypotheses result shows that Tribhuvandas Foundation (TF) has significantly satisfied number of beneficial through various activities in Gujarat. TF should carry the increased growth rate of services in the same manner.