



EMN

**Covid-19**

*Technical  
Assistance*

# Managers in uncharted territory: lessons from Permico during Covid

The Covid-19 pandemic has impacted MFIs and their clients in many ways. True to its mission as the voice of the sector, EMN launched in June 2020 a tailored assistance programme, with the support of J.P. Morgan. The purpose of this project was to deliver Technical Assistance (TA) to a selection of MFIs to build their capacity to ensure continuous, efficient, and adapted support to entrepreneurs in the Covid era. Project beneficiaries are a selection of six MFIs operating on three continents: Adie (France), Credisol (Brazil), Fundación Oportunitas (Spain), PerMicro (Italy), Pro Mujer (Argentina), and SEF (South Africa).

In this paper series, you will discover some highlights of what the six beneficiaries developed and implemented through the consultancies of this project.





## Permico, a leading Italian MFI

Permico is a Microfinance institution founded in 2007 and based in Turin, Italy. Permico provides microcredit to businesses and families and non-financial services. Its mission is to create employment and social inclusion through the professional provision of credits, microcredits, financial education, and start-up/support services to businesses.

Permico serves competent people with a good business idea and individuals or households with primary financial needs (home, health, education), excluded from traditional credit channels due to insufficient credit history or a precarious job position.

Since its inception in 2007, Permico has provided 32,962 credits for a value of over 255 million euros, helping support many families temporarily in strain and favoring the establishment and development of entrepreneurial activities in various sectors, from small businesses to catering, from crafts to personal services and many others.



## The Covid-19 pandemic according to Permico

The pandemic hit Italy particularly strong, posing an increased risk of new poverty and social exclusion. That's why Permico launched extraordinary measures and interventions responding to the needs of the most vulnerable, such as::

- Permico branches remained open for the entire duration of the emergency.
- Enhancing Permico's Service Center to make it operational every day from 9 am to 6 pm.
- Extending the deadline for the moratorium on the payment of the principal amount of some of the loan installments.
- Loan renegotiation for selected customers.



## People Management Training

Among the main business obstacles brought by the Covid-19 pandemic, Permico acknowledged another challenge rising on the side: how to take care of its workforce, often stressed by the new complex context, and at the same stimulate them to give their best. The CEO's first priority is the "first line" of workers, those directly in touch with clients and, therefore, those who suffered the most because of the pandemic.

The training about People Management therefore aimed at strengthening the relationship between area managers and workers as well as improving the performance cycle.

The training focused on some important managerial skills, self-awareness, and leadership style.

The most effective session was undoubtedly the one carried out in person, both for the beauty of being together after the years of the pandemic and for the effectiveness of the role games.

One of the most successful activities was the connection between results, development, and motivation, i.e., how much a manager plays a crucial role in understanding and managing the expectations of their collaborators, especially today where the context requires a mentality that predisposes to agility.

We analysed the role of the manager - who also plays a filter role and has the task of "making things happen" - and, playing with two "extreme" models, we reflected on the leadership style we aspire to. The level of engagement, listening to individual employees, and the ability to grasp both their skills and motivations in order to correctly demand a result orientation are crucial.

In the last two sessions, we worked on feedback (the different types and ways to give it), and even if the online mode is less engaging, it was a very useful exercise.