

23 October 2020

Online Event



**Micro
savings,
maximum
impact.**

Scale2Save 3rd Peer Review Event Feedback from Working Groups & Wrap Up



Welcome



Weselina Angelow
Programme Director
Scale2Save

Feedback from Session 1: Managing Change



Weselina Angelow
Programme Director
Scale2Save



Diana Dezso
Team Leader
Mastercard Foundation Savings
Learning Lab

Roundtable on changes triggered by the pandemic

ABB

- Had to raise to the challenge and design digital solutions
- Some changes would have taken more time without pandemic
- Team management, Activity management - reorganization internally
- Customer engagement: channel redevelopment to still be able to connect: online credit (new!), text messages to customer, remote payments
- Huge adaption effort, digital services
- Most difficult: Digital backoffice already in place thanks to WSBI, customer engagement and communication most challenging, managing the crowds

BaridCash

- Greater need for remote operations, had already developed an APP
- Need to find solutions for massive G2P disbursements

Roundtable on changes triggered by the pandemic

FCMB

- Working tools for bank staff
- Dilemma for meeting project KPIs, developed mobile banking solutions helped to catch up with delays incurred during lockdown
- Changed sales staff incentives to help customers to still engage with the bank

BRAC

- Only six months into 2nd Tier Banking: no remote digital channels and customers in solutions in place, had to speed up digital transformation journey
- Unable to lend during four months but to keep all staff employed
- Customer expectations: refinancing and rescheduling for 94 % of customers - unusual for microfinance! - prepare staff to acknowledge the importance

Advans

- Organizational change related to staff reorganization, only 40% of staff at head office, sales team also working from home during three months - very difficult in terms of internal communication, staff training, ensuring sales officer supervision, supervision outcome tracing.
- Tools used: reactivated facebook and WhatsApp as remote instant comms platforms, mobile messages for sales officers
- Digital transformation, accessibility of tools, development of distance training platform needs to be speed up

Key Take-aways

Building Teams of Change Champions and ensuring long-lasting engagement - How does it work?

ABB

- has an internal central committee that identifies internal teams, how to guarantee connection between field staff / back office/ central bank, central committee: 10 people (high level executives), ABB: had to take ownership internally of Central Bank measures
- ABB: in each region there is also a regional committee, met daily initially, now weekly

FCMB

- Critical Steering Committee - meeting every week; Business Continuity Committee championed by the HR lead
- Group CEO, MD of bank lead SteerCO team every week,
- Whatsapp group, call center available 24/7

Building Teams of Change Champions and ensuring long-lasting engagement - How does it work?

BRAC

- Institutional change beyond COVID: 163 Branches that used to operate as NGO arm
- Change from MFI to becoming a 2nd Tier: picked change champions senior, middle, frontline level at central level and at regional level to feed into central and then up to leadership team on a weekly basis
- Regional team and central team has to be separate from top management but feed into their decisions

Advans

- The change champions committee includes staff from different levels
- Important to have a change manager , someone who really has management skills (full resource)
- During COVID: from a distance, virtual = difficult to maintain the energy, physical meetings of the change champions are a key for success
- Change in staff: several people own the topic so assure continuation when one staff member is leaving

Overall Success Factors to Keep the Momentum of Change

- The special committees/change champion teams need to be able to meet frequently and make decisions in a real time manner.
- Team composition - need to ensure that they comprise staff from all levels - senior/mid-level/frontline to include everyone's perspectives in the discussions and changes that are being promoted
- Regional level teams are key and they need to have open access to central teams

Feedback from Session 2: Solving agent network challenges



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Project Manager

Advans – Côte d'Ivoire



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Group 1

What are the questions you need to ask when selecting the best suited agent network model

1. Regulatory issues

Does the regulation allow the FI to launch an agency banking network ? What are the specific constraints ?

Example of FINCA and Centenary : does the Bank allow to develop a shared banking network ?

Exemple of Advans : there is no regulation about the agency banking network

2. Technology issues

What are the constraints which can orient the choice on technology ?

Example of FINCA and Centenary : need of an integration between two systems. That was a challenge because of changes in the timeline of the project, an important need of communication between teams

3. Value Propositions issues

Possibility to add more than the traditional services –deposit & withdrawal- to the network like loans ; this can be done through the analysis of the data collected through the network

What motivates customer utilisation of the agent network?

1. Bring value added services to the network

- For instance, launching small amount loans at the network to attract more clients
- This would enable to acquire clients and then, the branches can take the lead to follow up with clients for more important amount loans

2. Being closer to the client to gain trust and show the presence :

- the agent is part of the community and plays a key role in attracting clients

3. Following up on the 2nd point, it is important to make the agent feel like a staff :

- Education of the agents (LAPO) and commitment of change management with the agents so that they feel closer to the FI
- Provide the agents staff like benefits (rewards, insurance...)

To what extent does agent banking influence financial inclusion and particularly savings mobilisation?

1. The agent is trusted and accessible

- The clients' community around the agent trusts him/her and during crisis, it will enable clients to still save because they trust, they can access the agent, they same time and they don't have to pay for transportation cost

2. Make the product sale (opening) process simple,

- limited paperwork

3. Strong value proposition

- (for the agent, but even more important for the client!!) : knowing the clients / not only the commission to the agent is important but also the product offered to the client: the agent has to be convinced about the value of the product for the client

4. Link commission to savings mobilized - on the long run (ie, interest agents to the quality of customers they bring in)

Group 2

A shared Agent infrastructure is feasible though feared by FIs because of the unknowns including;

- Regulatory compliance
- Data protection protocols
- Reconciliation and settlements
- Complaints management
- Agent supervision
- Perceived cannibalism
- Marketing & Communication
- Required technology & Integrations
- Third party risks
- Differences in processes

Choice of an Agent monitoring model is guided by;

- Hubs and their distribution
- Personnel structure to support the channel
- Agent network layering
- Maturity of the network

Possible solutions:

- Detailed BRD
- Clarity on commercial terms
- Details SLAs
- Third party Due diligence
- Strong support structure
- Clear Reconciliation processes & procedures
- Willingness to start

Impacts of COVID-19 on ANM are; Business Case, Supervision and support to Agents.

The post COVID-19 ANM will be more digitized and a hybrid between Agent, Payments and Merchant Services

Feedback from Session 3: Making better use of internal customer data



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Session 3: Making better Use of Internal Customer Data

Challenges in data processing:

- Collection
- Processing
- Storage/Security
- Costs
- Human investments
- Regulatory Requirements

Session 3: Making better Use of Internal Customer Data

Addressing these challenges:

- Organization data ownership
- Cultural aspect to take into account
- Clear definition of data needs (internally and from donors) AND how much needed
- Continuous skills upgrade and use of BI tools through the whole customer journey
- Invest in centralized tool to integrate data from various systems
- Ensure data driven decisions aligned with business objectives

“Well captured customer data can contribute to 80% of an organizations business prospects and otherwise unexplored opportunities. The end would even-out the costs for a business case.”

Feedback from Session 4: Digital customer journey



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First City Monument Bank



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Programme Consultant
BRAC Uganda Bank Limited



Mbinya Mutiso

Consultant
Savings at the Frontier



Weselina Angelow

Programme Director
Scale2Save

Roundtable with examples from the digital customer journey at S2S partner banks

Ease of customer journey during COVID

Barid Cash

- Multichannel: Mobile APPs, for non-digital customers ATMs and payment cards
- Provided internet access: so that customers can download APP in branches
- Central Banks allows to circumvent some KYC processes / paperwork - hopes that this remains post COVID

Advans CI

- Enable people to withdraw to their mobile wallet from their own account
- Continued to educate farmers on how to use their mobile for conducting a transaction

Engagement with 3rd party service providers - staff and customer challenges

Barid Cash

- Very first to offer payment cards, some customers are not at ease to use these cards, hopes that central banks can support to educate
- People may face difficulties downloading the mobile app/costs/ lack of trust

BRAC

- National payments act involved all stakeholders in UG (telco, fintech, banks) to generate trust amongst stakeholders

How to handle customer feedback?

Barid Cash

- Through digital means, e.g. WhatsApp

Advans

- Digital is not always an option: surveys/polls dedicated to special customer segments conducted by roving staff in the field

How do we tackle security, trust, fraud monitoring

Advans

- Currently uses text messages to communicate with farmers
- Want to test voice messaging to see whether it changes the way farmers build trust

Barid Cash

- Deep transformation to safely engaging the customer, working on all levels: marketing, compliance, AML/ATF
- Important to keep physical contact with clients who want to come to the branch/ multi-channel customer management

Roundtable with examples from the digital customer journey at S2S partner banks

Has interoperability improved digital transformation journey?

BRAC

- Government pushes for shared agency infrastructure rather than going full mobile
- Not all FSPs are engaging because of costs

Advans

- communication of all stakeholders is a key point of concern for customers, here: comms between Advans and Telco Partner and towards customer:
- Bank to wallet service had to be stopped because of cybersecurity issues: customers lost trust



Digital Journey: Overall Success Factors and Drivers

- Constant customer engagement: motivate customers and connect to their non-financial needs
- Full digital outreach yes but multichannel approach key: some customers need physical contact, it also helps to build scale
- Use data to obtain a 360° picture of the customer: Account opening vs sustained use
- Leverage 3rd party: to share data, reduce costs, communicate better: customers want a service to be simple, affordable, transparent, at speed, innovative
- Multichannel approach helps build scale

Always ask yourself:

- What are the real drivers of a sticky relationship?
- Is the relationship driven by ongoing value for the customer?
- “What drives a customer relationship to last longer than a marriage?”

Scale2Save Partner Key Take-aways from this Event

AFFORDABLE SIMPLE ACCOUNT

Data be owned by everyon

Covid is reason 4 savings Agency banking network
IVR best option nowadays

Covid enables savings SAVINGS IN COVID

Regulator involvement Saving key of resilience

Collaboration Value proposition

adaptive management Protection

Shared infrastructure stockage Transformation

Customer feedbacks

Synergies

Relevant

Digitize

Agility

Permission,Power,Protecti
TeamworkEnabler

Digitalization,

 Covid-19

Change

Acceleration

 Digital

ROLE OF DATA shared agency risks Data

Embed Data 4 decisions hybrid agency model

data: what to store Reinvent

Market trends

TRANSPARENT

Opportunity Saving challenges

IT infrastructure issues COVID as an enabler

ENGAGEMENT WITH CLIENTS

CLEAR CUSTOMER JOURNEY

Key Highlights & S2S Outlook 2021



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Outlook 2021/2022

Drive active inclusion at projects

- Account activity booster for customers and agents
- Digital channels operate smoothly and customers are empowered to use them
- Finding a sustainable solution to driving change, playbook & toolkit

Research the learning gaps

- Case studies on the state of the sector, COVID impact on innovative financial inclusion models with FinMark Trust
- Customer research to understand S2S's contribution to building financial resilience Q3 2021 – Q2 2022

Assess Impact

- Improve quality of data collection
- In-depth analytics of the business case drivers
- End – term evaluation Q4 2021- Q3 2022

Share Learning & Best Practice

- Dissemination activities with case studies, blogs, panel discussion at international and at country level
- Make new website & Foleon research page a meaningful source for project partners
- More thematic mini-workshops in 2021
- Closing Event 2022

Side Events with Scale2Save contribution: SEEP Annual Conference 2020



26 October 2020, 9 AM CET&WAT / 11 AM EAT / 8 AM GMT

MasterCard Foundation Savings Learning Lab Peer Learning Session, Chaired by Itad

Supporting “Scalable and Sustainable Digital Solutions for Savings Groups”

Contribution from Scale2Save Partner KPOSB & SatF

Technical Stream 3: Savings Groups at the Frontlines of COVID-19

This stream will explore how best to support Savings Groups and their members during this crisis, and how to effectively engage them in community-level response efforts. We will also explore the emerging plans of sector stakeholders to build back better.

Speakers: Diana Dezso, *Itad Ltd.* | Edwin Ocharo, *Postbank Kenya* | Marvin Chibuye, *VisionFund International*

Thank you & good bye !