



# Leading and managing change to reach low-income savers in Nigeria

A case study of LAPO MFB

June 2022



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## Glossary

- CM Change Management
- Exco Executive Committee
- FSP Financial Service Provider
- KPIs Key Performance Indicators
- KBI Key Behavioural Indicator
- LIMED LAPO Institute for Management and Enterprise Development, also called LAPO Institute
- MFB Microfinance Bank
- MFI Microfinance Institution
- MPI My Pikin & I, LAPO's savings product
- S2S Scale2Save
- WSBI World Savings Bank Institute

# 1. Executive summary

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In August 2018, LAPO Microfinance Bank partnered with the World Savings Bank Institute (WSBI) to develop and implement a change management programme to underpin its launch of the savings product, My Pikin & I (MPI). The five-year programme overcame numerous obstacles. Among the main findings were:

- Increases in the number of MPI savings accounts and the value of deposits were correlated with key steps in the change management programme.
- Focusing on its role as deposit taker requires a profound shift in the values and behaviour of the organisation and its staff. The bank, and its people, must focus more closely on the needs of customers in order to build their confidence in the institution, and persuade them it can be trusted with their savings.
- Training trainers, in both hard and soft skills, who then equip and motivate staff to change their behaviour resulted in increased account openings and deposits.
- The most effective and durable change, however, happened when the bank's in-house training institution developed its own materials, drawing on those provided by the WSBI, and rolled out an induction training for LAPO's new staff and developed a training manual for LAPO to conduct the change management bank-wide trainings. Over 5,000 employees were trained.
- The commitment of the bank's senior executives to the change management programme was vital to convince staff of its importance and to underpin implementation.
- To ensure bank staff remain focused on customer needs, it is important to develop ongoing initiatives that regularly remind staff of the importance of staying focused on customer needs.

## 2. Introduction

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The Scale2Save (S2S) programme, managed by the WSBI, promotes financial inclusion. Its aim is to aid financial institutions to target those who are financially excluded, and to encourage the unbanked to open accounts and build a savings record, giving them access to transaction banking and other financial services such as credit or insurance. When this succeeds, it helps increase self-esteem, self-confidence and entrepreneurship.

LAPO Microfinance Bank, a Scale2Save partner, is a Nigerian lender with over 7,000 staff and more than 500 branches throughout Nigeria, serving over five million clients. In 2018, as part of its collaboration with the Scale2Save programme, it introduced a savings product backed by health insurance and scholarship grants for those maintaining sustained balances.

This was a major mission extension for LAPO. When LAPO lends money as a microfinance institution, a customer arrives at the branch with empty pockets and walks out with cash, leaving the risks at LAPO. But in a savings rationale, the situation is reversed: the customer arrives at the institution with cash and walks out with empty pockets, assuming the risk that his/her funds will be safeguarded.

To succeed as a deposit-taker requires that the customer has much more faith in a financial institution, to trust it with her or his hard-earned savings. To assume this new role, the institution's customer advisors must gain understanding of the customer, deploy empathy, and work harder to build the trust of the customer in the institution. Communication must be clear, transparent and consistent.

To this end, the WSBI works with financial service providers (FSPs) to help them understand exactly who the unbanked are, their needs, what deters them from saving, and how much they can afford to pay to have their banking needs met. WSBI then helps financial service providers work out how to stretch their offer and develop sustainable business models for small-scale savings.

Addressing these challenges involves profound change within an FSP, including in its leadership and culture. Employees need to be empowered and trained to provide a positive customer experience; the FSP's organization, operations and processes must reinforce their focus on the customer and customer experience.

To this end, Scale2Save seeks to determine how the institutional model affects its ability to offer low balance savings services to the financially excluded, and what institutional change is necessary to underpin the introduction of savings products targeting low-income people. To drive change, the structures, applicable legal framework, norms and culture of an organisation must be reviewed.

To ensure a big, lasting impact, the S2S programme has therefore included a change management programme, systematically addressing human aspects of the organisation from top to bottom, starting with the FSP's leadership, and promoting changes in institutional culture and the behaviour of staff. The ultimate beneficiaries from this process are both the low-income unbanked customers and the institution.

Savings become the cornerstone for building-up a customer's financial autonomy, providing collateral for future borrowing, and an insurance against life shocks. For the institution, savings provide access to new funds for lending, so that it has less need to borrow on financial markets at higher interest rates.

The purpose of the paper is to show the importance and effectiveness of a change management programme to underpin the launch of savings products for unbanked low-income customers, and to draw lessons from the experience of a particular institution.

# 3. Staff soft skills are critical to mobilizing small-scale savings

The soft skills of employees are critical to mobilizing small scale savings. Having decided to introduce a new savings product, and developed a project to do so, LAPO recognised that the project would need to be accompanied by a change management programme. The strategy chosen to increase savings was to improve LAPO’s customer-centricity. This would not only create the conditions for a customer relationship based upon trust, which is indispensable for deposit collection, but would also have a positive impact on other products and services offered by LAPO.

In essence, the change management programme would focus upon understanding the importance of attitudes and behaviour to the success of the project, and upon bringing about any changes necessary.

From the outset, LAPO identified the need for training to improve the focus of its staff upon the needs of the customer (customer-centric behaviour) and hence the need to also develop an internal training programme to deliver this behavioural change.

Training was based upon a model that summarises the factors that need to be taken into account in order for LAPO to initiate future change management programmes on a wide range of issues. This was driven by the recognition that a savings institution relies far more heavily upon consumer confidence for its success than a lender. Though technical skills would remain important, LAPO staff would need to enhance soft skills such as empathy and confidence-building if the savings programme was to succeed. This would require major behavioural change for many staff members. They would need to adopt a learning attitude, acquire the necessary skills, and learn to build a new kind of relationship with their customers.

Acquiring the necessary change management tools was recognised as a priority. The management team saw that this would also require a change in the bank’s culture, and a new flexibility to adapt to its changing role and environment.

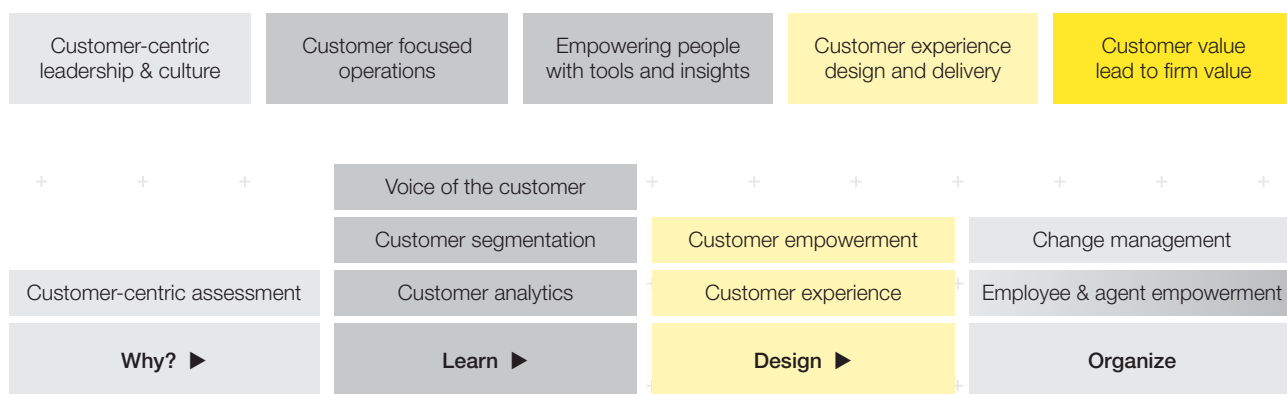
The switch to a customer-centric approach was soon to be followed by other crucial challenges.

## Training the trainers

The first step of the change management programme involved training 20 trainers. These trainers have a double role. Firstly, they train other staff. But they also initiate change more widely, motivating staff and overcoming their resistance and maintaining the internal dynamics of change with appropriate communication.

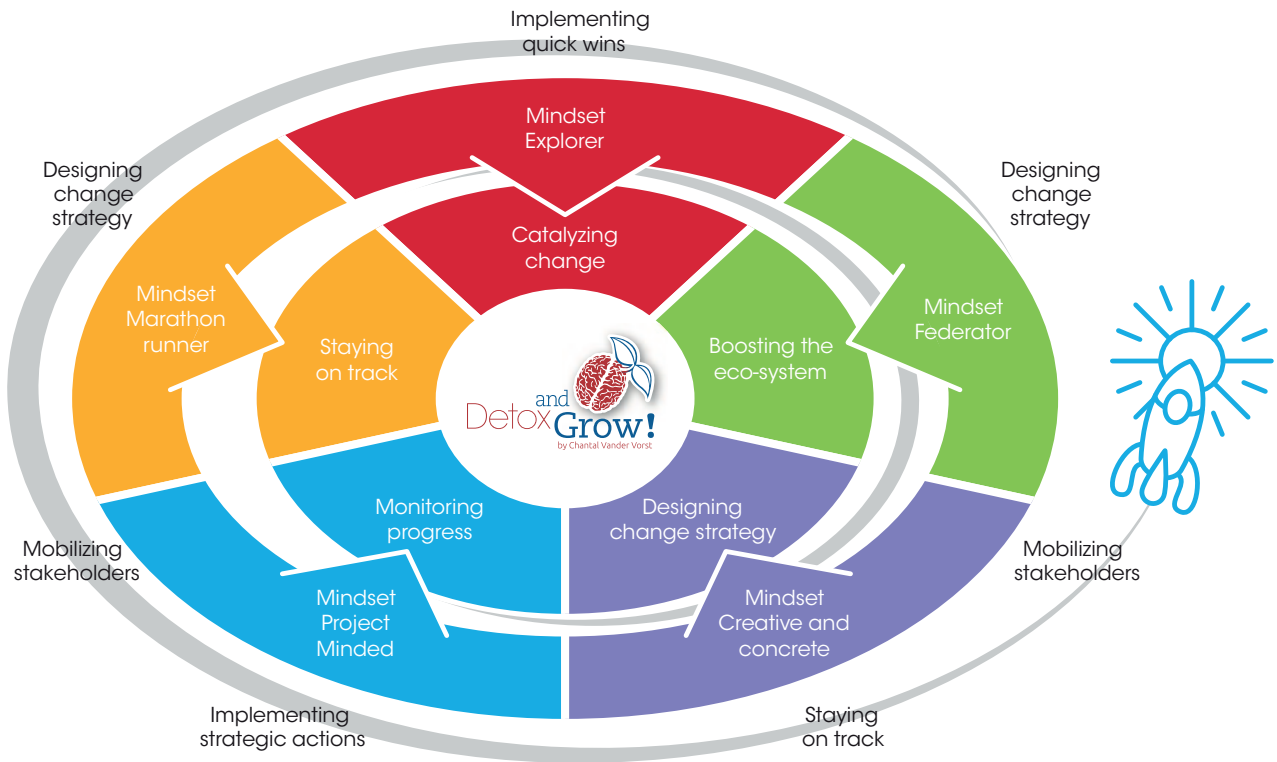
The training of trainers role was taken over at the beginning of 2021 by LAPO’s internal training Academy, called the LAPO Institute for Management and Enterprise Development (LIMED). The customer-centricity model was based on a reference model developed by CGAP.<sup>1</sup> It is summarised in figure 1.

Figure 1. Customer-centric Business Model Pillars and the logical flow of the Guide



1 <https://www.cgap.org/>

During this initial phase, trainers were also taught a change management model developed by Chantal Vander Vorst, founder of the company Humanix sprl (based in Belgium) and of the Detox & Grow approach.<sup>2</sup> The model is conceptualised thus:



Both models were taught with a focus on practical tools that participants could readily implement. They combined both hard skills (understanding and adapting the models to their needs) and soft skills (focusing upon appropriate mindsets, animation tools borrowed from applied neuroscience, coaching, and collective intelligence techniques).

The second phase of the accompanying process consisted of coaching. In the training phase the trainer (WSBI) plays a leading role in teaching the materials and convincing participants of their value. During the coaching phase, the MFI is in the driving seat. The coaching process is based on several principles:

- 1) The person being coached asks questions or submits a problem encountered with which she or he is struggling.
- 2) The coach manages the process but does not intervene in the content nor in the decision.
- 3) The coach mainly asks questions or reframes issues, thereby inviting the person being coached to see the problem differently or identify alternative strategies.
- 4) Implementation thus becomes the responsibility of the person being coached.

<sup>2</sup> <https://www.detoxandgrow.com/en/what-we-do/>, CHANGE AND NEUROSCIENCE CURRICULUM

# 4. Account openings and deposits took off after training initiatives

LAPO launched its savings accounts in August 2018. Figures 2 and 3 show the monthly evolution of new clients and savings deposits, together with a timeline of some relevant factors.

Figure 2. Evolution of Monthly New Clients over Time (August 2018 - June 2021)

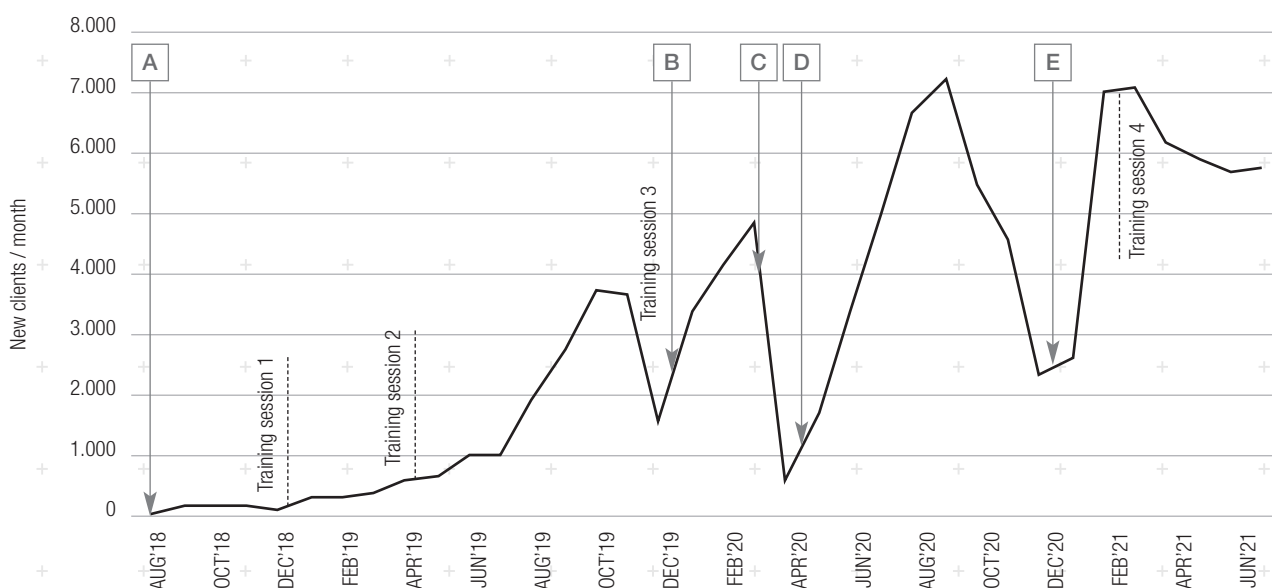
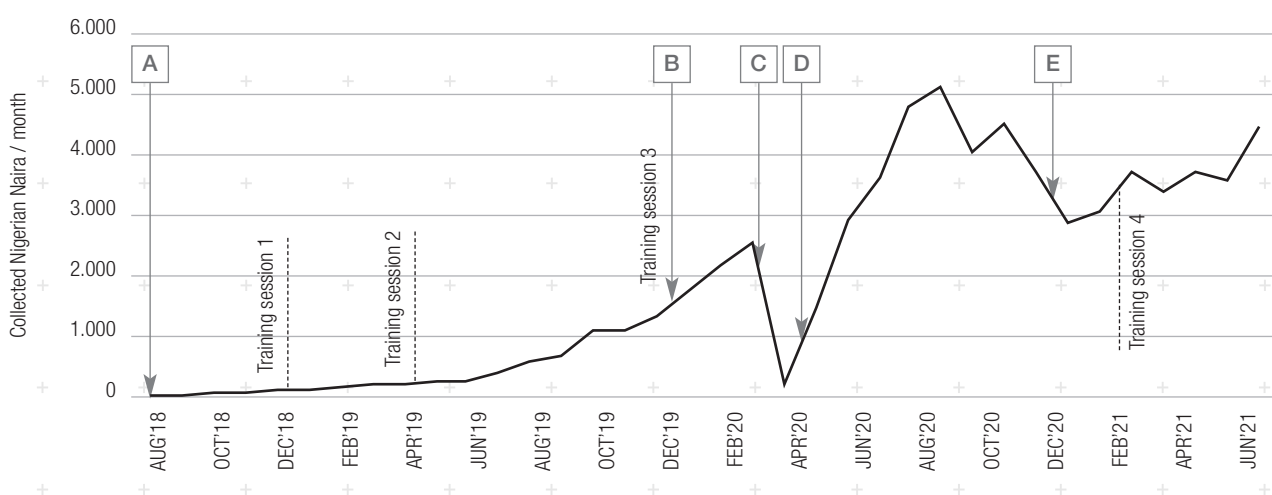


Figure 3. Evolution of Monthly Deposit Mobilised over Time (August 2018 - June 2021)



N.B. Exchange rate of 1 US Dollar : ± 416 naira<sup>3</sup>

- A: Initial contact for Change Management Support
- B: Consultancy to Executive Committee
- C: COVID pandemic 1st lockdown in Nigeria
- D: In-house training on Change Management
- E: Updated framing note + second COVID wave

<sup>3</sup> <https://www.xe.com/currencyconverter/convert/?Amount=1&From=USD&To=NGN> on 15 February 2022

## Legend

### **Key-moment A (June 2018): Initial contact for Change Management Support**

The need for a change management programme to help create a more customer-centric culture was defined during discussions between LAPO's Chief Executive Officer and the change management consultant.

### **Training session 1 (December 2018)**

A two and a half-day training session was delivered by WSBI coaches. The content was articulated around the customer-centric and the change management models. It also discussed some basic principles of applied neuroscience, distinguishing the automatic mental mode with its ready-made answers drawn from education or experience, from the adaptive mental mode, which is a creative and innovative mindset that enables human beings to address unknown situations. The rest of the training comprised teaching of individual behavioural tools (e.g. active listening, the art of asking questions, personal and relational stress management) and collective behavioural tools (world café and structured brainstorming). The pedagogy was participatory and interactive, consisting of 25% theory and 75% exercises based on real cases from participants, and on promoting peer-to-peer learning.

Training played a big part in getting more sales and supervisory staff aware of the product, its benefits and how to sell effectively. Other actions with direct impact on sales were increased marketing activities, mainly market storms, and increase in staff productivity/performance due to introduced incentives.

### **Training session 2 (April 2019)**

In preparation for a forum, gathering 300 customers, WSBI coaches trained the change facilitators, reactivating what they learned from the first training session three months earlier, and then helped them implement the skills acquired by co-animating the forum. LAPO staff ran a second forum unaided two months later.

### **Period A – B (August 2018 to December 2019): Disappointing deposit collection Growth**

During this period the rate of deposits being mobilised was slower than LAPO hoped and expected. There was a clear discrepancy between the number of savings accounts opened and the collected deposits. Internal change was slow too. The trainers who had been trained did not go into the field or mobilise branch staff.

### **Key-moment B (December 2019): Consultancy to the Executive Committee**

Managers commissioned a study of LAPO's organisational performance by the same consultant, with clearly defined terms of reference. The conclusions were presented to the Executive Committee at a workshop on key strategic issues. The impact of this consultancy was critical in raising awareness of the Exco members and accelerated their endorsement of their role as sponsors of the change project.

### **Training session 3 (December 2019)**

This was a teaching of teachers session: supported by the WSBI coaches. Trainers trained by LAPO put together a training session designed to be delivered to the staff of two pilot-branches. This was an opportunity to practice, and to bring changes as closely as possible to the field and front desk actors, and thus influence the business.

### **Period B – C (January – March 2020): Growth in activity is achieved**

During this period the uptake of the new savings account and the rate of deposits being mobilised increased significantly thanks to the trainings and marketing activities.

### **Period C - D (April – June 2020): COVID pandemic 1st wave in Nigeria**

On March 30, 2020, an immediate lockdown was announced in three states of the Nigerian federation: Lagos, Ogun, and Abuja.<sup>4</sup> This restricted LAPO savings operations.

<sup>4</sup> <https://www.sciencedirect.com/science/article/pii/S2590198220301287>



**Key-moment D (May 2020): LAPO produces an original in-house training programme on Change Management**

Taking advantage of the activity slowdown, LAPO Institute (The institution's internal training department) developed and ran an on-line seminar on change management for all LAPO staff. This was a clear signal that LAPO had 'taken ownership' of the material taught.

**Period D – E (July – September 2020): A boom in savings accounts opened and deposits received**

As Nigeria recovered from the lockdown, the number of savings accounts opened and deposits collected boomed, supported by the in-house-developed training sessions that were open to those in charge of collecting deposits.

On the market, the cyclical reason for withdrawals is explained by festive period spendings and school resumption expenditures. On top of this, a new trend arose, borrowers would save to be able to repay their loans when due to guarantee their access to bigger loans in the future.

**Key-moment E (October -December 2020): Updated framing note**

The momentum of the savings programme slowed during a change of management at LAPO. The new leadership team and WSBI then together reframed their collaboration to reflect the progress made. Henceforth, LAPO would steer change within its organisation alone, while WSBI would assume the role of a coach, providing advice to enhance performance only when requested.

This period also coincided with an *EndSARs* protest uproar and festive period spending.

**Training session 4 (February 2021)**

To increase savings mobilization, it was necessary to spread lessons learned from the pilot branches to other groups of staff. To this end, change management training was conducted for the management team in December 2020. In January 2021, the lead LAPO staff in zones and states were trained. The training of trainers was facilitated by the animators.

Many factors influence the trends shown in this data. However, based on some evidence from the graphics and the state of the internal LAPO change dynamic, the author believes that the training and subsequent actions by management are the principal causes of the rise in accounts and deposits.

## 5. Role changes

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By December 2019, the training phase delivered by WSBI was coming to an end. Hence, a change in leadership of the change management process was needed in order to go into the coaching process: LAPO needed now to jump into the driving seat. This is a difficult transition since it requires efforts from both partners, and it evolves into a confidence relationship.

WSBI trainers were leaving their comfort zone that consisted in sharing their knowledge. Conversion to a coaching function requires to leave the decision-making of how and when to drive the next steps to the partner. The partner will do so at its own pace, taking into account its own internal constraints and designing the steps in their own way.

A pre-requisite for LAPO to take over that role is that ownership of the change management (CM) process needs to be secured from the very start and throughout the entire hierarchy of the organization to secure management directions and planning and to mobilise the staff talent and experience for its implementation.

## 6. Driving change through in-house training

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The LAPO Institute, the institution's internal training department, developed an on-line programme designed to change the behaviour of staff. This was considered a pre-requisite to any customer-centricity approach and was expected to boost deposit collection when applied. Taking advantage of a slow-down in business caused by a COVID-19 lockdown, the programme was delivered online, to all staff, in two sessions, each of three hours, including an extended Q&A.

The content was designed by LAPO, drawing upon both WSBI training content and in-house examples.

The development and delivery of an in-house programme shows that LAPO management had taken ownership of the content of the training session and the strategy to boost savings. This is exactly what a coaching approach was meant to achieve.

The in-house training was followed by a strong recovery in new account openings as pandemic sanitary measures came to an end.

## 7. The updated framing note: accelerating ownership by LAPO

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In December 2020, less than 2 years after the launch of the change management programme, a progress review was held to integrate lessons learned and maximise the effectiveness for the remaining time of the programme.

The review concluded that training and the management relationship should be the cornerstones of further progress. The LAPO Institute successfully took over the task of spreading the soft and hard skills initially shared by WSBI more widely. This LAPO Institute leadership is reflected in multiple ways: the initial content was customised by LAPO teams and enriched with in-house developed methodology and LAPO trainers organised and delivered the training sessions on their own initiative.

Since the consultancy to the Executive Committee, senior managers have shown a much more proactive attitude in designing further necessary steps of the change programme and in building a relationship of confidence with WSBI.

The main challenge remaining was to accelerate the speed of implementation. Several areas for further improvement were identified:

## Ending start-and-stop with new internal initiatives

Although senior management developed a clear vision, the execution of the change programme was characterised by alternating periods of intense work with periods at a standstill. This is contrary to human behaviour, which rests upon growth and a progressive increase in impact. Four concrete initiatives were taken to address this issue.

### 1. Communication:

The team mobilised internal communication to support the campaign to improve customer-centricity. It acted in two ways:

- It focused on explaining why the change programme is important to the future of LAPO: change happens when people understand why it is necessary.
- Peer-to-peer influence among staff was also prioritised: learning from peers who were changing their behaviour helped others understand that it was less difficult than they imagined, and that it benefited both the individual and the organisation. This reassured doubters and encouraged them to adopt the desired behaviour. This message was shared through storytelling and by staff sharing their success stories with each other through internally broadcasted videos.

### 2. Technology:

LAPO has been working hard on introducing a new core banking system and providing customers alternative channels of access to savings. The savings account's digitalisation has increased the transparency: the balance is available at any moment with great accuracy, thus enhancing the trust. Moreover, the specific target of the savings product towards families and children renders it even more attractive: the account is associated with a children's scholarship and an insurance policy. This provides customers with a sense of care and strengthens the confidence relationship.

### 3. Partnerships:

One of the building blocks of the change management model is to find allies for change: change is not a lonely path but a collective one. The natural reflex at LAPO was to look for internal stakeholders, colleagues, within the department or at other departments, or existing institutional partners. On a local level, the change management process stimulated the search for new external stakeholders: organisations that could serve their constituency with the benefits of providing a reliable savings account and its services. Concretely, LAPO staff have approached schools which were willing to promote financial inclusion to both students and their parents. It also canvassed market associations, which were willing to raise awareness about savings to their members and provide concrete reliable solutions.

### 4. Monitoring:

Monitoring KPIs is a way to verify that acquisition of skills is enhancing business results. The KPIs to collect include the number of savings accounts opened, and the amounts deposited in these accounts.

This feedback, showing that changing some behaviours has improved performance, helps motivate staff to sustain the new behaviour, and helps convince doubters. Updating KPI graphs regularly and communicating them to staff became a standard procedure.

The growth in account numbers, which had slowed, then took off again, and has remained at a high level. Deposits also resumed their growth. The change management programme appears to have enabled the bank to raise and maintain a higher pace of account and deposit growth. Staff across the bank appear to have learned to focus on customer needs. Follow-on training, like training session 4, was designed to maintain this focus.

## 8. Learning the lessons

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The timeline shows that it took about two years to anchor the desired change within the company.

The speed with which change impacts results depends upon how long it takes to organise training for staff, and to train them. At branch level, change can take effect within a couple of months, especially if pilot-branches are used to spearhead the change. Scaling-up always takes more time, since it includes converting the resistant: one year appears a reasonable timeframe in which to achieve real, profound change in a financial services provider the size of LAPO (7,000 staff).

It is vital to invest sufficient time in the first step of the change management cycle: establishing the objectives of the programme and how they are to be achieved. A shared understanding of these factors is critical to success. One way to verify that this has been achieved is to examine whether the partners are using the same language to describe what the partnership is seeking to achieve, and how that will be done. This phase takes time: partners may be in a hurry to act but should nonetheless patiently exchange ideas to establish and formalise a common goal.

During the change management process, it is also necessary to revisit the common goal (as was done to update the framing note), so that the partnership can evolve if results fall below expectations.

LAPO managers were able to use a simple though powerful theoretical tool to approach this problem. Switching from the Automatic Mental Mode, suitable for known or routine situations, they adopted the Adaptive Mental Mode. Though a bit slower, this is especially suitable to address unknown situations. It is like a processor analysing and crunching the information to come up with a custom-made, creative and innovative solution. This mental mode is helpful for managing change.

Training needs to be applied immediately: training transfers the methodologies and tools, and the soft skills, needed to manage change. But training is most effective when it brings a solution to a specific and urgent issue. The participant is motivated to quit their comfort zone and start learning. The connection with operational questions increases insight and is the beginning of behavioural change. Ideally, early implementation efforts by participants should be supported by a helpdesk which can answer questions, assist them in overcoming unexpected obstacles and provide reassurance.

Increasing financial inclusion by changing attitudes is relatively cheap. Training is cheaper than hiring new staff, but it does require a commitment to achieve the goal of enhancing financial inclusion.

Successfully managing a change programme assumes that its implementation relies on customer knowledge possessed by field staff, customer relationship experience, and creativity combined with talent to imagine the most appropriate solutions. This implies that front-desk staff need to be empowered. It also implies that there is no change without behavioural change. It is, therefore, vital to overcome initial inertia and support successful experiences.

To enhance this empowerment and the adoption of new, desired behaviours, the organisation needs to mandate a motivational body whose task is to make sure that all motivational conditions are met, i.e., that staff member will be encouraged to adopt new behaviours, i.e. leaving their comfort zone, instead of remaining in their old habits.

To maximise the success of a change programme:

- Make the change make sense (both institutionally and personally);
- Mobilise staff by asking them to identify the best strategy and solution;
- Set a framework that gives them authority to use their initiative;
- Communicate internally to build peer-to-peer and informal influence and thus promote viral change;
- Monitor KPIs to ensure the change programme impacts business targets.

# 9. The way forward

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Our experience suggests a financial service provider must maintain the momentum.

What does LAPO need to do to develop a culture of continuous change that will equip it to continue to develop as the economic environment and the needs of its customers evolve, and to assure its capacity to develop its products and move into new markets?

LAPO found that its old way of working needed an update. It needed to find and adopt new ways of working, based upon human dynamics. This takes a lot of time and energy. LAPO drew upon the concept of the Holding Environment. This is an idea drawn from psychologists' theories about child development. In a holding environment, parents simultaneously provide a reassuring level of security, and challenge the child to develop its capacities. We set out to create a holding environment with these dual qualities at LAPO.

Critical factors contributing to the change dynamics are:

- Sponsors. Endorsing the process of change, they are key to the holding environment. Traditionally, the CEO is the head sponsor of the entire change programme. The head sponsor should also ensure that change is relayed from middle management to branch management. The main difference from a pure hierarchal role is that the sponsor has both a functional and an inspirational role, governing the programme and motivating staff, especially in difficult times.
- A team is set up to lead change management. They run the change management process.
- Change Ambassadors promote change and help motivate staff to change their behaviour.
- Change Champions are role models who understand naturally the right behaviour and can inspire their peers.
- Pacesetters. These are people who monitor the change management process and can intervene if the pace slackens, or if it is too demanding for staff.
- An understanding of the learning process. Change management is results-oriented and requires staff to leave their comfort zone. As people try to behave differently, they make more mistakes. Supervisors must be willing to accept these mistakes, provided lessons are drawn, made explicit, and not repeated.

To maintain the momentum, financial service providers must also:

- Overcome silos. When departments focus on narrow departmental goals, rather than over-arching objectives of the organisation, agility declines and organisational progress may stall. To overcome this, staff can be mobilised around a common, if temporary, transversal issue. Change issues can be a subject of focus.
- Integrate Key Behavioural Indicators (KBIs) alongside operational KPIs during the period when staff are being expected to change their behaviour. A few simple measures will suffice. For example, after a discussion with a customer, staff members must be able to write down what the customer needs.
- A change management process comes to an end when the desired changes are embedded within the company's practices or values. Once sufficient change has been achieved, executives can redirect the change agents and effort onto a new change issue.

What could go wrong, and how can errors be avoided?

- Efforts must not be stopped too early. It takes time for people to adopt new patterns of behaviour. Organisations need to adopt practices that will ensure the changes are maintained. Actions that reinforce and embed new behaviour can include management reminders about the importance of the new behaviour, continuing training for staff, designed to reactivate buried knowledge or unused tools, award ceremonies to acknowledge role-models, and adopting desired behaviours in a corporate value charter, and so on. It is important not to withdraw the staff accompanying change before the formal end of the change process, because that can harm the way people function collectively – known as human dynamics – or the holding environment.
- Organisations should resist the temptation to resort to command-and-control management styles in times of stress. When the external environment becomes difficult, management should rely on the skills, talents and experience of their staff to help the organisation adapt.

# 10. Conclusion

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For a microlender, offering (micro-) savings is a natural next step to developing financial inclusion. Microcredit offers customers access to immediate funds to launch a new activity or invest. Savings introduces anticipation – the ability to set aside today's financial surplus to meet tomorrow's unexpected costs – and the development of the self-esteem that comes from saving to fund a better future.

For microcredit banks, however, adding a micro savings product can be quite a challenge. Though there are technical challenges, the biggest obstacles are cultural, because working with would-be savers requires a different mentality. To persuade customers to trust the bank with their money, the bank staff must build the confidence of the customer. This is especially true because saving is seldom a natural process among customers at the bottom of the pyramid, who are often short of money.

Financial services institutions must teach new knowledge and new attitudes to their customers: savers have to acquire a new relationship to time and learn to smooth their income, saving in times of plenty and drawing down their savings when times are tough. And they must learn to leverage their savings so that they can borrow more to start a business or build a home. Customers will only overcome their doubts if they see their bank as a partner and guide on this unfamiliar path.

Building trust in an institution begins with an intense focus on the customer. It involves designing the way the organisation works and its products to serve the customer's interest. To become truly customer-centric, institutions must overhaul attitudes on both the front-desk (changing the employee behaviour at branch level among those serving customers) and in their back-office functions (by systematically organising and maintaining levels of motivation and monitoring the results achieved).

This case study of LAPO and the cultural change process deployed shows how challenging this can be, and how long it takes to achieve such a cultural shift. But it also shows what is possible, and provides valuable lessons about how best to succeed and what pitfalls to avoid. We hope this will benefit other institutions pursuing their own cultural transformation.

# 11. About the report partners

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## About WSBI and Scale2Save

The World Savings and Retail Banking Institute (WSBI) created in 2016 a new programme in partnership with the Mastercard Foundation “to establish the viability of low-balance savings accounts and use of customer-centric approaches to address barriers faced in access, usage and affordability of savings services”.

Called Scale2Save, the programme is set against a backdrop of problems such as high poverty rates and financial exclusion in sub-Saharan Africa, as well as low formal savings rates. FSPs have a poor understanding of the market savings potential of people in various low-income segments. The needs of existing and potential customers – and how much customers can afford to pay to meet those needs – are not well reflected in FSPs’ business models, customer interfaces and interactions. The resulting poor customer experience gives rise to extremely high rates of bank account dormancy and inactivity. This is a significant cost for FSPs and undermines potentially sustainable business cases to deliver accessible financial services to people in these segments.

The Scale2Save programme’s core activities are to:

- Provide financial service providers with technical assistance to develop savings services valued by low-income customers. WSBI works with eleven financial service providers to develop and deliver savings products that not only broaden access to financial services but also drive ongoing use of those services. The banks are located in Cote d’Ivoire, Kenya, Morocco, Nigeria, Senegal and Uganda. A bank in Tanzania acts as a knowledge partner.
- Conduct research and share lessons between partner banks. WSBI publishes the annual Savings and Retail Banking in Africa report series to facilitate peer learning and the spread of knowledge. The institute also researches new pricing models to help establish a business case for low-balance savings and conducts household research to contribute to knowledge of cash flows in households.
- Communicate lessons learned to the wider sector. WSBI has developed and carried out a targeted communications strategy to share the knowledge generated by the project with key stakeholders.
- Monitor and evaluate the programme. WSBI monitors project progress at partner banks and oversees mid-term and final project evaluations. The programme started in September 2016 and will continue until August 2022.

For more information about WSBI please visit: [www.wsbi-esbg.org](http://www.wsbi-esbg.org)

For more information about Scale2Save, please visit:

[www.wsbi-esbg.org/KnowledgeSharing/Scale2Save/Pages/EmptyHomepage.aspx](http://www.wsbi-esbg.org/KnowledgeSharing/Scale2Save/Pages/EmptyHomepage.aspx)

## About the Mastercard Foundation

The Mastercard Foundation works with visionary organizations to enable young people in Africa and in Indigenous communities in Canada to access dignified and fulfilling work. It is one of the largest private foundations in the world with a mission to advance learning and promote financial inclusion to create an inclusive and equitable world. The Foundation was created by Mastercard in 2006 as an independent organization with its own Board of Directors and management.

For more information on the Foundation, please visit: [www.mastercardfdn.org](http://www.mastercardfdn.org)



Learn more about Scale2Save at  
[www.wsbi-esbg.org/KnowledgeSharing/scale2save](http://www.wsbi-esbg.org/KnowledgeSharing/scale2save)



WSBI