

MicroLead Webinar #6

Partners Sharing Experiences

**Building a Foundation for Growth:
Practical Tools for Managing Agents**

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Webinar Participants



Jennifer McDonald
Manager, Savings and Alternative
Channels
Women's World Banking



Mercus Chigoga
Head of Personal
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NBS Bank, Malawi

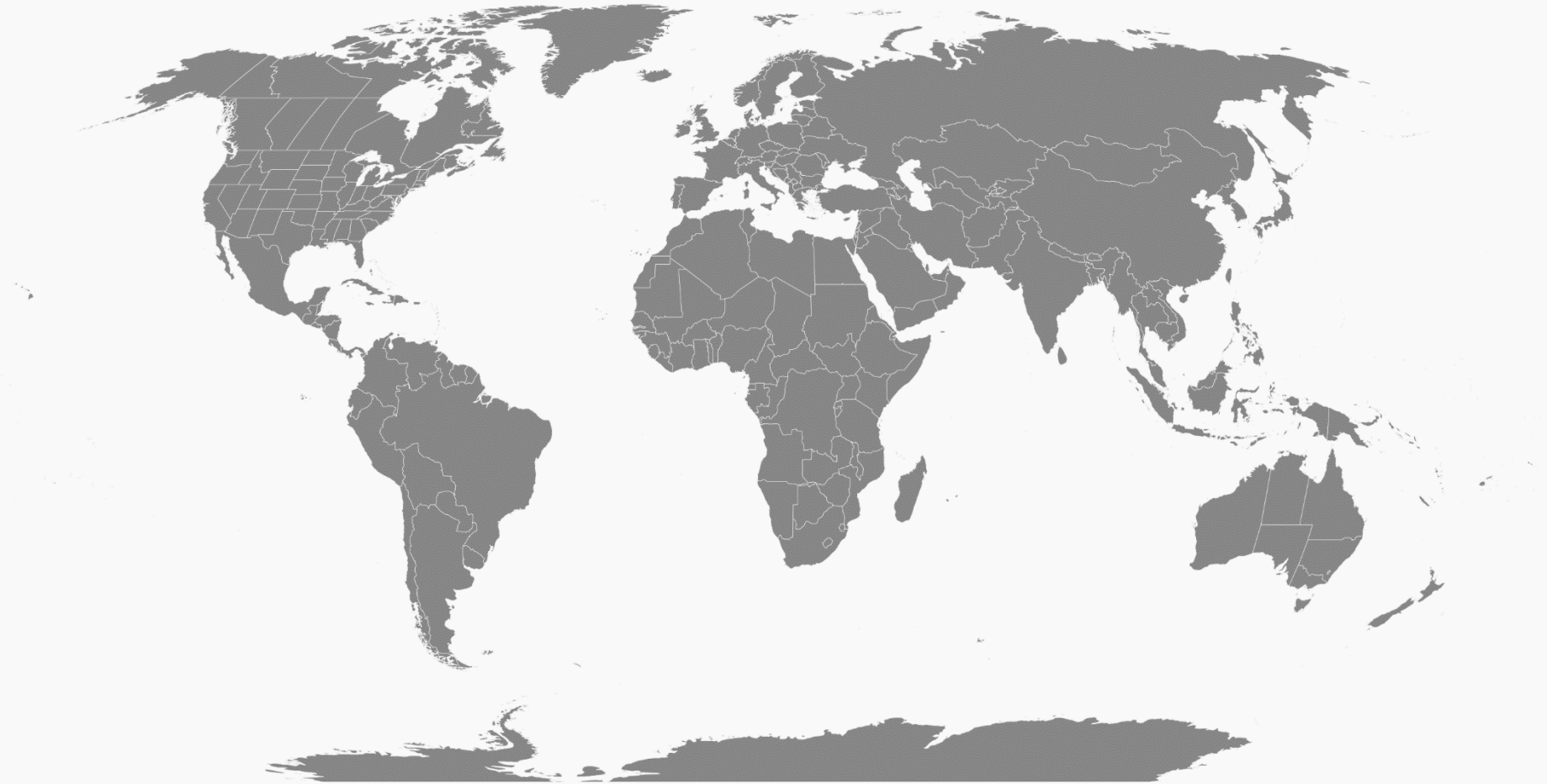


Veena Krishnamoorthy
Resident Advisor in Malawi
Women's World Banking

Where are you on this map?



Place yourself on the map with a dot or a circle



Introduction to NBS Bank and “Pafupi”



Jennifer McDonald
Manager, Savings and Alternative Channels
Women's World Banking

Building a Foundation for Growth: Practical Tools for Managing Agents

February 5, 2015



Agenda



- Introduction to NBS Bank & “Pafupi”
- Tools for Managing Agents
- NBS Bank’s Experiences
- Questions & Answers



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Women's World Banking's Global Footprint

35+ years focused on women's access to finance

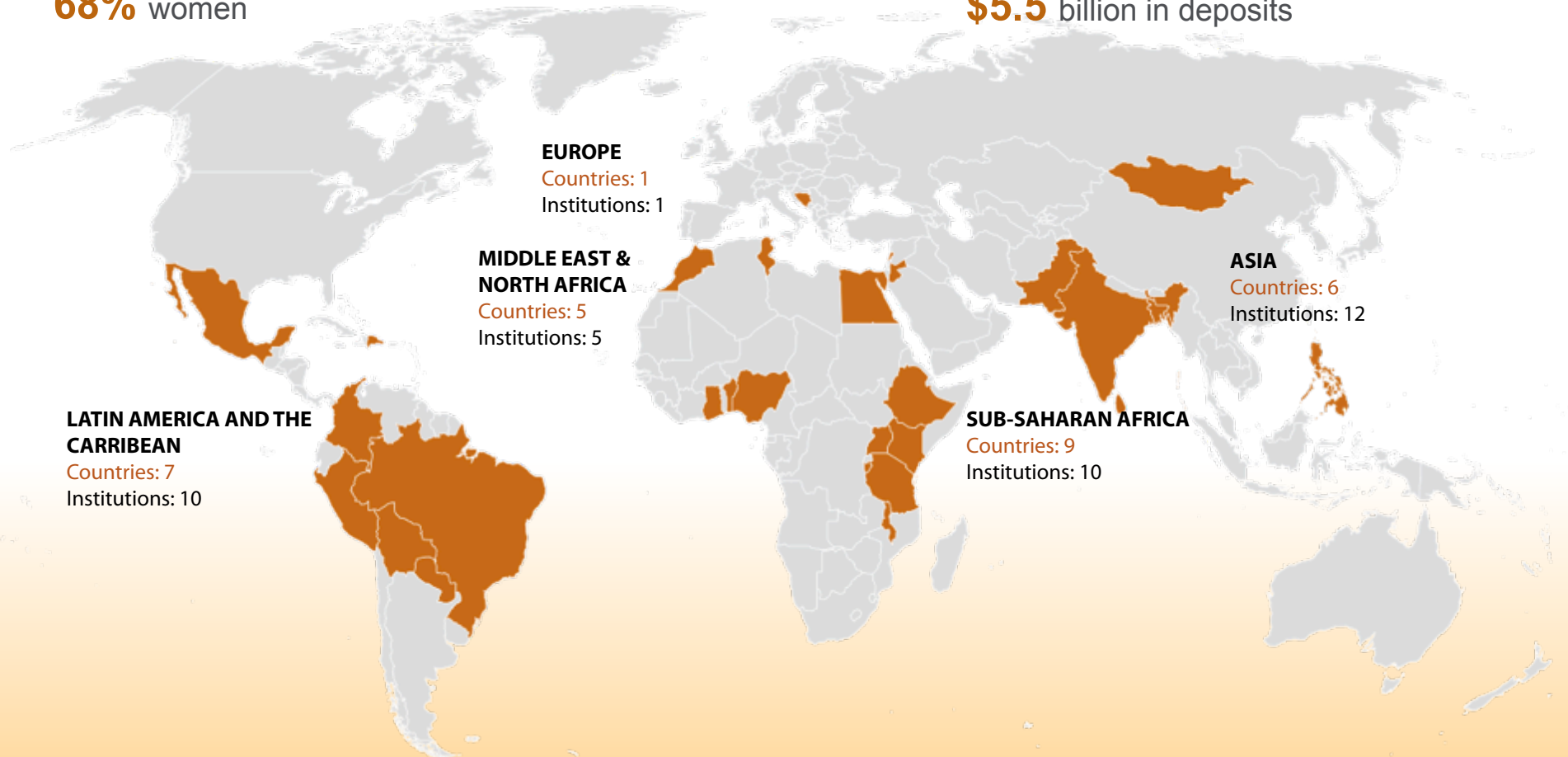
21 million active clients

68% women

38 institutions

\$8.5 billion in outstanding loan portfolio

\$5.5 billion in deposits



NBS Bank, Malawi



MALAWI

- Adult population 7.6m – 86% rural
- Financially excluded are rural areas, especially women

NBS BANK

- Founded as a building society in 1964, became a bank in 2004.
 - 401,946 Customers – 30% Women*
 - USD 137m total assets*
 - 32 Service Centers; 73 Active ATMs; 63 Agents

PROJECT DESCRIPTION

- Increase access to savings with a focus on women and rural areas
- Targets doubling NBS Bank's customer base during 4 year project
- Collaboration with Women's World Banking on Pafupi Savings and Agent Network

Pafupi (meaning “close by”) removes barriers to banking in rural areas, especially for women

PAFUPI ACCOUNT

Mobile Sales Team



Account opened in ten minutes, from anywhere.

Sales team captures client info through mobile app.

Client data transmitted instantly and account is activated.

Starter Pack

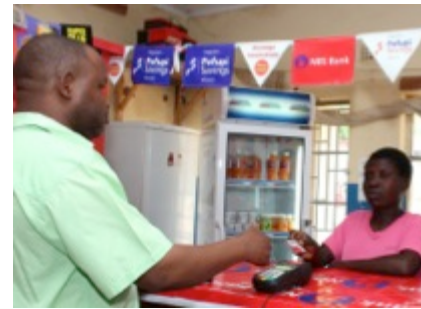


Client receives starter pack with account number, debit card and PIN.

Simplified ID requirements, with limits on account turnover.

BANK PAFUPI AGENTS

Agents



Agent offers deposits & withdrawals.

Mobile-only in rural areas, mobile + POS where connectivity available.

ATM



Branch



Tools for Managing Agents



Veena Krishnamoorthy
Resident Advisor, Malawi
Women's World Banking

Building capacity to grow its agent network, NBS Bank focused on three key pillars



Agent Value Proposition

Agent Selection

Monitoring Agents

To attract the best agents, offer a “win-win-win” for customer, agent and bank



Agent Value Proposition

Challenges:

- Few potential agents met the bank’s tight requirements
- Agent network managers did not understand the benefits to agents
- Agents were dissatisfied by the value proposition

Agent value proposition includes financial returns and non-financial benefits



FINANCIAL RETURNS

Monthly commission earned			
Investment	Number of txn per day	Number of days	Commission earned
MWK 50,000	20	22	MWK 16,500
MWK 50,000	20	22	MWK 16,500
MWK 50,000	20	22	MWK 16,500
MWK 50,000	20	22	MWK 16,500
Grand Total			MWK 66,000
Return on investment for four months			
Profit			MWK 16,000
Investment			MWK 50,000
ROI			32%

Investment required too high; reduced from 200,000MWK to 50,000 (rural) / 75,000 (urban)

NON-FINANCIAL BENEFITS

Staff trained to communicate benefits such as **association with bank brand**, **differentiation**, increased **visibility** and **foot traffic**.

Standardize the selection process for consistent quality



Agent Selection

Challenges:

- Use of corporate partners without clear communication of value proposition (to management)
- Lack of uniform approach to selecting agents
- Agent network managers not assigned to territories, with result of overlap in same market areas

Workflow is key to recruit better agents with streamlined processes



- Score card was introduced to the recruitment workflow
- Outcome is a bigger pool of prospects to select from

Quiz - Which would make a better agent?



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Scorecard at scoping stage makes it easy for field staff to rank prospective agents



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Agent Scoring Card							
	Name of agent	Chisipu fashions					
	Parameters	1	2	3	4	5	Score
1	Location of shop	Any other location	Close to bank branch	Near 4 or 5	Highway/ main road	Trading area/ market place	5
2	Type of business	Any other store	Boutiques or similar high value	Second hand clothes store, plastic sales shops	Pharmacy, cell phone sales	Grocery store, Super markets, stationery store or any similar store	2
3	Interior of the shop and Stock	interior is poorly maintained with poor stock	interior is poorly maintained, but average stock	Average stock	Interior well maintained, but poor stock	Interior Well maintained and well stocked	5
4	Cash value of each transaction	<MWK 100 or >MWK 1000	MWK100- MWK 200	t least MWK200	MWK 200- MWK 500	MWK 500-MWK 800	5
Total							17
Visited by	Veena						
Time of visit	10:30						
Date	30th January						
Location	Limbe Market						

Effective monitoring of agents is key for customer service



Monitoring Agents

Challenges:

- Poor understanding of liquidity management among agents and staff – transactions refused due to lack of cash or float
- Connectivity challenges frustrate customers and agents
- Change of staff at agent location without ongoing training
- Reputation risk to NBS Bank due to poor customer service

Monitoring relies both on on-site visits and off-site tools



On-Site



Weekly Field Visits

Off-Site



Daily Transaction Reports

Liquidity / Float Balance Reports

Sample daily transaction report for monitoring agents



DAILY BANK PAFUPI TRANSACTION SUMMARY		From:	29-Jan-2015	To:	29-Jan-2015
Agent Account	Agent Name	Deposit Amount	Withdrawal Amount	Dep txn	Wdl Txn
00XXXXX0017	Big Tafa	0.00	60,225.00	0	12
00XXXXX0015	Chipoka	0.00	17,000.00	0	2
00XXXXX0005	Dauda	1,000.00	30,000.00	1	3
00XXXXX0020	E-Kwacha	37.50	37.50	1	1
00XXXXX0011	E-Kwacha Chilomoni	7,000.00	3,000.00	1	1

Results to Date – Bank Pafupi agent network



RESULTS 2014

- Increase from 15 to 63 Bank Pafupi agents
- Hub-and-spoke model in 7 branches
- Increase from 1.3 to 9 transactions per day
- Launch of anchor product Pafupi Savings
- Staff trained for national roll-out

NEXT STEPS

- Market activation - January 2015
- National roll-out of Bank Pafupi

NBS Bank's Experience



Mercus Chigoga
Head, Personal and Business Banking
NBS Bank, Malawi

NBS Bank's Experience



● EXPOSURE VISIT TO KENYA

- Agency banking works and is scalable
- Importance of a reliable technology platform for agency banking
- Importance of strategic partnership for expansion
- Use of mobile solutions for transactions at agent outlets
- Good value proposition for Bank Pafupi agents
- Marketing of channel to attract and instill trust in customers on the channel



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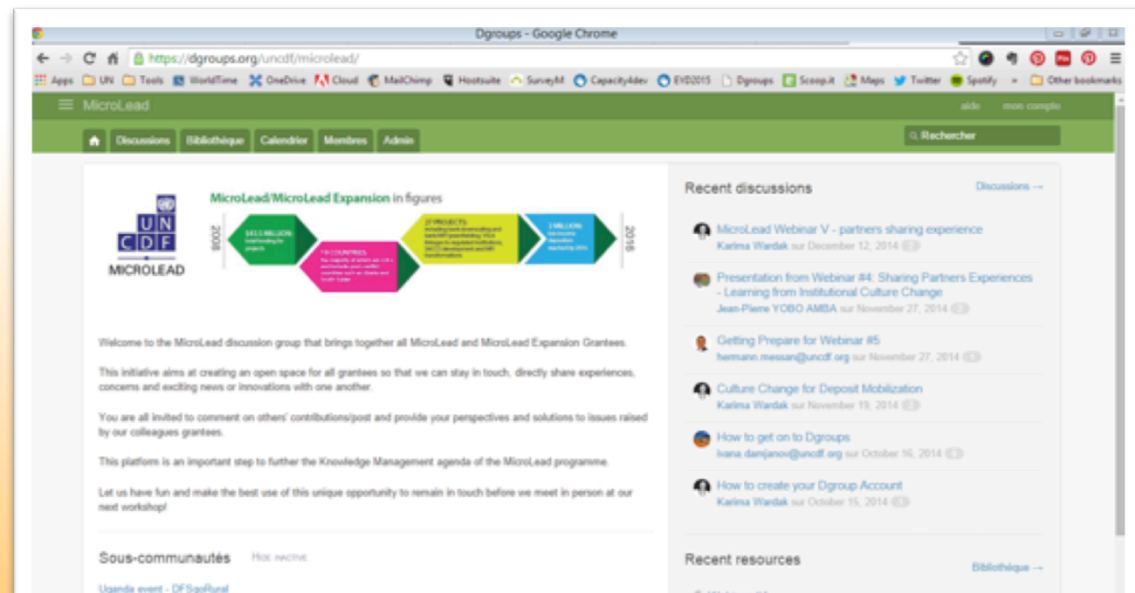
Q&A

A large, horizontal orange gradient bar spans the bottom third of the page, transitioning from a lighter shade on the left to a darker shade on the right.

About our upcoming event



1. Remember to register online and tell us your arrival and departure time
2. Reading list has been sent around
3. Official letters will be sent out to those who need it
4. Questions on logistics to karima.Wardak@uncdf.org
5. Go to Dgroups



Please take 5 min to update your profile. Thank You 😊



The screenshot displays a web browser window with the URL <https://dgroups.org/uncdf/microlead/members>. The page title is 'MicroLead' and the navigation bar includes links for 'Discussions', 'Bibliothèque', 'Calendrier', 'Membres', and 'Admin'. A search bar labeled 'Rechercher' is present. The main content area shows a list of members under the 'Membres' tab. A search bar at the top of the list shows '81' results. The first member profile is expanded, showing the email address 'acotelus2001@yahoo.fr' and a profile picture of a yellow leaf. Below the profile picture, the email address 'acotelus2001@yahoo.fr' is listed again. The list of members includes:

- acotelus2001@yahoo.fr
- afrobon@gmail.com
- aouedraogo@freedomfromhunger.org
- chrisbsoh@yahoo.fr
- collins.mmukangu@equitybank.co.tz
- cpecbenin@yahoo.fr
- Dafir, Nadia
UNCDF - MM4P, Belgium
- darlose.kubwindavy@crdbbank.com

THANK YOU

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