



## ***Reflections on SoFI2017***

### ***(Emcee) Roger Morier:***

We come now to the final session of our symposium every year. And, every year, we use this final session to look back on the previous two days.

This year because we're in Year 5 of a five-year cycle, we're also going to look back a little bit on what we've achieved and where we've come and the road we've travelled since 2013.

One person is in the room who is in a perfect position to do that because she is the person who has overseen the organization of all five of these symposia. So, welcome back to the podium, Ann Miles, Director of Financial Inclusion at the Mastercard Foundation. *[Applause]*

### ***Ann Miles, Director of Financial Inclusion, Mastercard Foundation:***

What a great debate. So, Khalil thank you for your incredible energy and humour and also the people who were up here on the stage. It's really brave to do that. And, also the people who stood up and spoke. So, thank you. It was great.

This is always a hard thing to do at the end, sort of bring us all together and wrap it up. Actually, I'm not the only one who's been working on this Symposium for the last five years. But, I'll get to them later.

What I want to do first is start off by saying, you know, we've focused on this theme of 'client centricity' now for five years. And, as Roger said, we committed to doing this for five years. And so, one of the neat things we've done I think every year for the last four years is we've captured many of you on video. So, you know, this could be good or bad. You get a chance to look at yourself four years ago and say, "how have I been doing?" But, it was a great way for a quick minute, or even less, getting your own thoughts on client centricity. So, why don't we start by showing that video.

### ***[Video presentation]***

A reminder of what we've done over the last few years.

So, what I wanted to do was to share with you some of my own reflections of the past four years. And, this was not the easiest thing to do. I had to go back and read...thankfully, as you all know, we keep transcripts and we've written and recorded everything that's been discussed. So, I had

to go back and I had a nice little pile of paper to read, to go through and sort of distill and talk with my colleagues about some of the key things that we covered over these past four years.

And, not surprisingly, I think there have been a lot of consistent themes. And, for me, interestingly enough, sort of what goes around comes around a little bit.

Some of you may have been with us in 2013 when we met Kamal Quadir. He really started our story around client centricity. Some of you may remember him talking about CellBazaar and bKash.

CellBazaar, as we know at that time, was a technology-enabled solution to help clients obtain bargaining power...does that sound slightly familiar to maybe a conversation we had yesterday? And, in this case, it started by giving fishermen a way to sell their fish on an e-Bay-type system. As he described it, "a virtual marketplace where people could participate in different ways". So, he started off by telling us, and that's what led us to invite Kamal at first you know to describe CellBazaar, but also bKash.

bKash was created to address a different problem, and that was that most people in Bangladesh didn't have access to banks, but that over 64 billion dollars in cash was changing hands. Kamal reminded us, and this comes right back to our debate today, that while technology can be great we don't need to be enslaved by it. And, I think he started for foreshadow, even in that conversation, some of the subsequent conversations that we've had and debated over these last few symposia.

So, what's interesting to me today is I went and looked up bKash. bKash is now the largest mobile financial services provider in Bangladesh serving 22% of the population and processing 4½ million transactions a day. CellBazaar, on the other hand, no longer exists. I was rather dismayed to read that. But, actually, the business closed this year in the spring because they couldn't make the business case.

So, in that same symposium, we did talk about innovation, but we were reminded by Claudio Gonzalez-Vega that innovation may not include all. So, again, does that sound familiar?

We also talked about developing a deeper understanding of clients, designing effective delivery systems and making the business case. And, we introduced the idea that client centricity was a journey and we talked more about how to effectively use data.

So, a lot of the base talking points we started at that Symposium. We also had to walk a lot of stairs to get to the top of that floor down to the bottom, to get to the stage.

In 2014, we went deeper into understanding the client journey. As you saw in the film, we had a good discussion on trust. And, Strive Masiyiwa from Econet shared his story about how they built Econet Wireless by putting their agents in *matatus* to understand their clients' needs.

Daryl reminded us that we needed to develop a better sense, a clearer sense of the business problem we were trying to solve.

We also talked a lot about leadership and new business models for those living in poverty. How could we serve them better?

So, again, some consistent themes come back to us year-in and year-out.

So, in 2015, we left the beautiful world of Turin and we went to Cape Town. We focused in that Symposium on three themes: leaders motivate employee behaviour and internal culture. We need to understand where the client's dropping out along their client journey. And interestingly enough, I think we touched on that yesterday a little bit in Denis' Microcred discussion. And, again, let's come back to the business case. This seems to perpetually haunt us, this topic.

Cellulant, you remember, our two co-founders from Cellulant came up and described their e-wallet system in Nigeria to deliver subsidized electronic vouchers to smallholder farmers on their mobile phones. And, the farmers, in turn, used these vouchers to purchase inputs directly from agro dealers.

Ignacio Mas challenged us on some of the assumptions about digital finance. The core problem, he said, "is that accounts are empty. The question is not why are they empty, but why did we think they were going to be full in the first place?" "Digital money," he said, "doesn't solve the key issue for clients, which is how to save".

I think also you saw the wonderful comments made by, many of us remember, Claire Burns who stood up and talked eloquently about MetLife and how she helped that organization, really. She sat in the service centre of that life insurance company to talk with customers when they were trying to file their insurance claims. And, what a torturous process that was for the client. She really walked us through that process to help us understand how MetLife started to change their own perspective on how to handle clients and how to work with clients and respond to their needs. And, that had a subsequent obvious positive effect on their business.

We did revisit, again, 'how does leadership promote client centricity?' And, we came back to this notion of empathy and really understanding and working with clients. In that year, we awarded our first Clients at the Centre Prize to BIMA, a company located here in Ghana. I don't know if they're here in the room. Is a hand slightly going up? No. Doing insurance here in Ghana.

So, we then moved to 2016 which was our next stop, Rwanda. And, if you remember, Eldar Shafir sat on this stage with us and explored scarcity of time or sustenance, and how this undermines core clients' ability to make decisions and solve problems in a way that is in the best interest of their financial lives. He said, "Behavioural nudges can help". And, we just saw, I think, this year one of his colleagues in this world, behavioural sciences, Richard Thaler, got awarded a Nobel Peace Prize.

We did talk about client protection. We were challenged, as you saw, by Dr. Jennifer Riria from Kenya Women's Trust. Are we ensuring that women are financially included? We had good debates about what's the trade off between gathering data from clients, analyzing it, applying insights versus the need for consumer protection and privacy? Again, themes that resonated with our discussion and debate yesterday on the super-platforms.

Coming up was the scalable model is about trust in the customer, but also their trust in us, especially low-income people who only have a small amount of money that's disposable to them. You've got to build trust and data underpins that trust as well as contact, regular boots on the ground contact with a customer. That's from our friend Nick Hughes at M-Kopa.

We also talked about the challenges of change management, the great power of partnerships. We brought on board our first regulatory panel because many of you in the room said that we need more regulators here as part of this discussion. And, that was again continued this morning. Then, we awarded our second Clients at the Centre Prize to Hello Paisa.

So, it's been, I think, quite a lot to cover around this theme over the past four years. Some very consistent topics, some consistent debates, some consistent challenges. I do, I would say that we've landed on what we understand client centricity to be despite of what was said yesterday. Do we still need to define it? I don't think it needs to be defined precisely. I think many of us will apply how we think about client centricity in our own way as it relates to our own institutions and organizations.

So, what I'd like to do is share a few thoughts on the last two days. I'd like to call on three people, they know who they are, they have been with us along this journey and just share with us in a quick minute or so, your own reflections on the last four and now five years. So, Daryl, can I start with you.

***Daryl Collins, Managing Director, BFA:***

Reflecting on what I think we've been hearing over the past few days, I have a sense that there's a crisper sense of both opportunity and caution. I think Graham summed it up well when he said, "I think that there's a very real risk of creating a digital divide". And, combining two thoughts, sort of two call-outs, if you will. Chris Locke of Caribou said yesterday or coined a phrase which I've been hearing tossed around quite a bit, and apparently, he did attribute that phrase to his discussions with the Mastercard Foundation about meaningful financial inclusion. And, I'd like to tack on to that what Nadeem said about "it must have physical, digital, and emotional needs attached to it". So, I think this meaningful financial inclusion that suits physical, digital, and emotional needs. I think we're starting to get a crisper definition of how the direction that we really want to go with our clients.

I think we've talked a lot about innovation. And, I'd like to call upon yesterday's discussion about super-platforms. And, I think Amolo N'gweno, my colleague, summed it up very nicely when she said, "we have to think very hard about both the noise and the signals coming from super-platforms and what we think about them".

So, a certain amount of this is caution. But, yet I don't know about everybody else, but I certainly felt very excited about Juliet saying yesterday, "well, we have to embrace the digital revolution". We weren't part of all these other revolutions. It makes sense that we're going to really embrace and maybe even lead, in some ways, the digital revolution now.

So, it seems to me that in this fifth year, there has been sort of a sense of both this revolution, this innovation, this digital innovation. It's coming. There is an inevitability, yet with what I think are some of the right cautionary notes. Just in case we forget about some of those cautionary notes or client centricity as a whole, I will always have Gerhard's voice echoing in my ears, as maybe you all will. "As long as it serves us, we can go on with this game like the Ghost of Christmas Future". Thank you. *[Applause]*

***Ann Miles:***

Thanks, Daryl. Another person who has been with us, and he saw himself, I'm sure, in the video, is Steve Peachey, who is now with Savings at the Frontier and Oxford Policy Management.

***Steve Peachey:***

Hi. Well, first you know it was fun. *[Laughs]* It was five years. I'd rather look back over the five years.

I think the key thing is the language has grown with us, as you say. You've actually given us a language as to what client centricity means. We don't always use the same words. It doesn't matter. It's the fact that we are trying to put clients at the centre and that has moved on.

I always come out of SoFI with one or two things that I'm going to try and do over the next year. Never mind, eh.

I am worried though still about the thing when I was on stage in 2013. I said, "it's time to hit the price button". We can't charge 50-60 cents per transaction to people who are living literally on a 1 dollar a day. A typical adult in Ghana has to earn 3 dollars a day to pay for themselves and their family. And, we had a good session on the alternative delivery channels on Tuesday. And, it's really worrying. The average cost per transaction through agent networks is a 1 dollar ... 1 dollar per transaction. We can't be relevant to the poor if we're going to cost a \$1 per transaction for people whom that dollar is, in effect, one meal for themselves and one meal for the young adult or child who's in the family. We've still got to hit the price button. We've got to have the guts to say, 'there's so many unserved out there, we'll probably end up with more revenue if we cut the prices'. And, this is still the next step for me.

There's too much still to do to squabble between traditional and digital. You know, we all have space in the market to grow. But thank you, Ann. Yeah, it's been a real good five years. *[Applause]*

***Ann Miles:***

Thank you, Steve. And, one last person in the back. Til Bruett at UNCDF.

***Tillman Bruett, UNCDF:***

Thank you. And, I do want to say thank you to the Mastercard Foundation. The fact that I have been here for five years, I really appreciate that.

I think what's noticeable to me is you, the demographics and the backgrounds of the people in this room compared to five years ago, are extraordinarily different.

You might remember in Turin, we were doing this at the same time as the Boulder microfinance training. So, we were surrounded by microfinance people. And now, I would wager that less than half of you, or maybe less than 25% of you, work in a microfinance institution. So, that's been a big change.

So, I think it's only appropriate that we end it with this great debate which had echoes of 'make microfinance great again'. [Laughter] That being said, I think I really appreciate the fact that the Foundation has tried to keep clients at the centre. And, I think my observations over the last five years is that's really hard. It's really hard to do and the reason is there's always something else to centre around.

We forget we started with credit at the centre and then we discovered savings which, for a while was at the centre, and that led us into commercialization, which was at the centre. And then, that led us to concerns so we went to social performance at the centre. And then, we had digitization, which moved to the centre, which led to payments, which has been at the centre. And, there was a real risk of going to commerce at the centre with this year. And, it's just hard to keep clients at the centre.

And, I think one of the things that we're discovering, and I was looking at Bob Christian, talking about data and behavioural science. Those are two great tools, but what we've learned about those over the last five years is it is very hard to make a mass market product that has a business case and a customer value. It's just really hard, and it may not be possible for a while. We're getting there with technology but we're not there yet.

So, what I mean is, while I agree with Graham, we've got an increasingly bifurcated industry, but that's not unique to us. That is a product of our economies. We have an increasingly small percent of people who are having personalized customized everything and then we're having a large mass market that is getting standardized very low human intervention products.

So, I think the challenge to us is that is the world that we live in. Yes, we do want to work towards changing it. But, how do we make the most out of that increasingly widespread standardized low intervention product? Let's not give up on it because if we really want to put low-income clients at the centre, what we need to do is figure out how to crowd in as many as those low-cost standardized products. And then, our challenge is to bundle them in a meaningful way for that target audience and provide them the range of things that they need in a very low-cost way.

And, I do want to echo Daryl, and also Tamara, who spoke up here which is, "that bundling may not be just financial services". Because the fact is most people just can't pay for financial services, maybe other than credit and even that's questionable. So, how do we bundle it not with just financial services but with the other things that people really need? And, maybe by bringing that altogether, we can make the most of standardization, loan intervention, and low cost. *[Applause]*

**Ann Miles:**

Thank you, Til.

So, let me leave you with three thoughts as we wrap up SoFI 2017. Because, I think thanks to Steve, Til, and Daryl, they've already touched on some of the comments I was going to make so no need to repeat them.

But, I think Til you touched on how the room has changed. First, there are more of us. You know there are 400, I think, in the room and you're all mostly still here, which is another thing. Either it's because we located where you can't go anywhere else or you just remain engaged, which is wonderful. But, the group has changed too.

When I go back and look at who was in the room in 2013, we had a lot more microfinance institutions. We had one MNO. And, you were all clamoring, "we need more MNOs in the room". And, we had other range of players. We had banks and we had consultants and we had other funders. But, what's interesting about today is just the diversification of who we have in the room. So, in 2013, we may have had a fintech, but we may not have known who that fintech was. Today, we have 34 fintech players in this room. So, go find them. But, that has changed. We have fewer microfinance institutions. We have seven mobile network operators. We've had a few more regulators engage with us. But, that's what has been interesting, is just the change in who's in the room. And, I think that really points to the fact that the conversations that we're having need to happen with a broader stakeholder group. And, I think even bringing someone like Jumia into the room and showing us different ways to solve what customers need, I think, is really interesting for us.

I told Denis at Microcred, I loved his thinking around the 'un-design' notion, which is take away those friction points for clients. Don't always overbuild your product and service. But, actually, work backwards, what we call you know 'reverse engineering' to get to what your client might be looking for.

What's also interesting is how we're being covered, this group. So, just to give you an update. There have been 10 million views of the content of SoFI 2017. *[Applause]*. This is on Twitter. We are trending in the top spot in four countries. Of course, Ghana, where we are right now, Kenya, South Africa, and Canada. *[Applause]* So, that's really exciting too. I don't think we even tweeted, did we tweet in 2013? I'm sure we did, but in a very small way. But anyway, I thought those were interesting ways of thinking about where we're moving.

Just a final point. As I said yesterday in the opening remarks, "we really do need to anticipate the future". It is hard for me to think about it, but even when we were talking about disruptive financial services, I was thinking, 'how come no one's raising their hand about, like, the old-fashioned ATM?' That was pretty disruptive. How about Certificates of Deposit? Those were disruptive. Now, they didn't serve poor people, I know that. So, that's a big caveat. But, I do think financial service providers do have the capability and the creativity in partnering with others to anticipate the future. And, I just say that, as a really old long-term banker who's been at this for 30+ years. And, I've seen all the changes and they can be positive.

So, I think we need to continue to anticipate the future.

In our perspective, for us, and I remember Samuel Mambo talking about this in SoFI 1. And, I think someone else mentioned it over the course of the last day and a half. In Africa, it is a very young demographic, so it will be a world for those of working here, of young clients. They have bigger and higher expectations. They'll demand new solutions. So, we will need, at least those of us working in this continent and these countries, we will need to anticipate what their needs are.

One colleague, I think Sumaiya, offered the suggestion, "you may want to hire a futurist in each of your organizations, if you can, either that or higher a really young person who's thinking ahead for you".

So, with that, those are my final comments on SoFI.

I do want to thank now a couple of people who always helped us make this happen every year, year-in and year-out. First of all, I would like to thank the Financial Inclusion team who've done a lot of work working with many of you on the panels, the side events, helping us develop the content. So, thank you. *[Applause]*

I want to thank our Communications team. *[Applause]* They always put together a tremendous event.

Our speakers have been fabulous. So, thank you. *[Applause]*

And, all of you incredible participants, thank you. *[Applause]* I know, there's more clapping to be done.

Fidelity Bank who really helped us. *[Applause]* There's William.

We had a tremendous Advisory Committee who we consulted on the content and the structure of the Symposium. So, thank you all very much for your time and dedication. *[Applause]*

We had prize judges, so those great three finalists. And then, JUMO, we had a group of wonderful prize judges who committed their time and dedication to that effort. *[Applause]*



This wonderful group of people walking around in the white shirts with Symposium. These are Millennium who have really orchestrate so much of the coming and going and all of our logistics. Thank you. *[Applause]*

Finally Cue AV, who gets all of this done; all the lighting, sets up our stages, our microphones. They're amazing too. *[Applause]*

So, thank you all. So, with that, goodbye and back to Roger. *[Applause]*

***Roger Morier:***

The survey is on your table. Please fill in the survey. There are two pieces of paper. We will certainly use all of that information as we plan future events.

...Ann had mentioned traditionally at the end of every SoFI we play a little video. And, we've done it again this time. We've stopped a number of you in the corridors outside. We've asked you a question. We asked you to complete a sentence. And, before I say my final goodbye, I just want our friends in the audio/visual to play the video of the people that we talked to at this symposium.

*[Video Presentation]*

Alright. *[Applause]* So, as you complete your surveys and go to the cocktail, you will know what you have to talk about, as well, some other ideas for you about what we need to do in financial inclusion.

Finally, one word. As you return home and as you go back to your offices, I would ask you to keep these cards, the badges that you've been given, and to look at them from time-to-time and think of the client, think of the personality, the story that you heard, the story you heard about their life and think about her and him from time-to-time and the dreams and the hopes that that person has and how that applies to the work that you are doing.

So, you've been a fantastic audience. Thank you, travel safely, and we hope to see you on another occasion.

Thank you very much. Good night. *[Applause]*