



## Symposium on Financial Inclusion

### ***Client-Centric Survey Results***

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

My friend and colleague Jim Rosenberg from Accion likes to say, "when people are young and kids and someone asks them what do you want to do? What do you want to have when you grow up?" They say, "I would like to have a good education. I'd like to have a good life. I'd like to have a house. I'd like to have a car, etcetera". Nobody ever says, "I'd like to have a bank account". Nobody ever says, "I'd like to have a mobile money account". The point being, obviously, as we just heard, that lifestyle, the life you aspire to, financial inclusion is a function leading to that. Client centricity is something that enables greater financial inclusion. So, this focus on client centricity, we've been doing it for four years now. This is the fifth, as we've said, as you've heard.

Every year before SoFI, we send out to all the people who are invited a little survey to ask you your views on the state of client centricity. How you think your particular organization is in terms of client centricity, whether you are a client-centric organization. And, we also ask you what you think of the sector, in general. Do you think others are client-centric? So, we tabulate those results. We're going to show you the results now and talk to you about the results. What I need from you is your participation.

I'm going to invite onto the stage two people who are going to walk through the results of the survey that I hope most of you filled out, if not all of you have filled out. And they will be looking for your reaction to what those results are, whether that rings true to you, whether you think there's something off, whether you think it's an accurate statement of where we are on client centricity.

So, please welcome Lindsay Wallace, who is the Director of Strategy and Learning at the Foundation and also Mikael Höök, who is the Director of our Rural and Agricultural Finance Learning Lab. Lindsay and Mikael will walk you through those results.

***Lindsay Wallace, Director of Strategy and Learning, Mastercard Foundation:***

What we want to do today is to walk through some of the findings on our Client Centricity Survey and just reflect a little bit. And, we want to hear from you, as well. How have we been doing so far?

We're going to start with the high-level messages. By way of background, as has been mentioned, this is our 5th Symposium. We have been asking *you* about client centricity for three years. It's a way of us trying to be a bit client-centric in making sure that we're actually listening to your needs, we're supporting your learning journeys as we start to develop and think about how we

want to design the Symposium and what you want to learn from us. And, it's also our way of doing a little bit of a pulse check on where the industry is.

So, just to start with a few of our key findings.

Overall, compared to previous years, you've gone a lot further on your journey. We're going to dive into the weeds of the survey in a little bit, but just from a high level, you feel as though you're on a positive journey.

We really want to probe a bit. Are we kind of stalking to each other? Are we all in a bubble? We're hoping to hear from some of the naysayers, as well.

One of the key data points that has come out, as well, is there's been a huge increase in the number of partnerships. Our current statistic is that at least 78% of you who responded to this survey before the event, indicated you were in partnerships. And, we're seeing that more and more and highlighted throughout all of the discussions that we'll be having over the next few days.

We also asked you about innovation. And so, some of the biggest innovations, not surprisingly, all relate to technology, digital channels. So, you called out mobile banking, digital financial services, and agency banking as the key innovations and that was 90% of the responses related to these three areas.

The gap between customer needs, organizations, and product and services is still one of the biggest challenges. It was touched on a little bit today. We're going to keep touching on it again.

I'm going to hand it over to Mikael to talk a little bit about some of the client information. We're going to go back and forth.

***Mikael Höök, Director of our Rural and Agricultural Finance Learning Lab:***

Thanks, Lindsay. So, if we look at the first client question that we asked, we asked all of you as an industry, do you believe we have a better understanding of our clients, their aspirations and their behaviours as compared to five years ago?

Now, 60% of you said, "we do have a better understanding of our clients, but we haven't cracked the nut yet and there's still a long way to go". And, actually, there's a small group of you that said, "we still haven't moved or changed from where we were five years ago". So, I think later in this session we're going to ask some of those people to stand up and say something about it.

***Lindsay Wallace:***

Ann did as ask us, "are we doing enough?" And, that's an important question.

So, we also asked whether or not we are providing clients with better choices touching on Daryl's point about how finances is so integrated into people's lives. Are we starting to solve some of

those challenges? Twenty-six percent of you said, "yes". Sixty-eight percent of you said, "somewhat". But, 6% of you still don't think that we're doing enough. We're not there.

Now, two years ago, 12% of you felt that way. So, we are getting better. But what we want to do now is to hear from some of you who think there's more we could do, just to probe a little bit as to what some of the challenges are, where we're missing the mark, what are our issues? Who wants to fess up to being part of the 6% or are more curious about the client journey?

***Natasha Jamal, Mastercard Center for Inclusive Growth:***

Well, I think so many things, right. Of course, we want to move forward and be more client-centric, but it has been my experience that we've had a really hard time even defining what is client centricity until this year. So, how can we check if we're more client-centric if we don't know what client centricity is?

Secondly, when I talk to people, I think it's been really difficult to assess who is actually client-centric because we can all self-profess that we are client-centric. How do we actually know somebody from the outside may also consider us client-centric?

Thirdly, what I think about is client centricity maybe a spectrum rather than black and white issue. So, maybe you can be a little client-centric, or a little more client-centric, or very client-centric rather than are you client-centric or not. So, this is how I think about the issue.

And, I think the other thing that I don't hear talked about enough is, if this was easy, everybody would be doing it. It wouldn't be hard. There are 10,000 microfinance institutions around the world. They would all be doing it. So, there is something that's hard. And, I don't hear enough of us talking about what is hard. Because I think the way we learn is when we talk about, honestly, what is really difficult.

***Lindsay Wallace:***

That's a very good point. I think part of what we do want to do at SoFI is try to surface those things that are hard and to share and to learn. I absolutely agree. If it was easy we'd all be doing it.

Anybody else want to reflect on some of the challenges?

***Sukhwinder Arora, Oxford Policy Management:***

Just building on the point Natasha was making. We know, for example, from the State of the Sector Report from GSMA that we have less than 14%. Thirty-five percent of the clients are only active. And, we are adding millions of clients. If you have to acquire four clients, you have one active client, how much cost are you incurring? And, how are we going to recover those costs on the unlucky customers who are still with us? So, I think Jon gave us a good framework in the previous session. And, I fully acknowledge and applaud that, which is 'attract', 'retain' and 'upgrade'. So, let's look out how many were attracted, how many will we retain, and how many we are upgrading.

In fact, many years ago, I wrote something called, 'Moving from Customer Acquisition to Customer Delight' for WSBI. There was a paper there. And, I think we need to look at that. Customer acquisition. Know your customer in terms of the life journey they're going through and how we can make it better for them. I think we got some excellent examples in the previous session.

***Lindsay Wallace:***

We definitely did. 'Customer Delight' that's such a great way of framing what we're trying to do here. Just to say, as well, and to give another plug to CGAP Guidebook that they put together. They really are starting to think about definitions. I agree with you, Natasha, as well. It is challenging.

***Mikael Höök:***

What about hearing an example of a success story? Something that has worked, something that you've implemented that has led to you becoming more customer-centric? Does anybody have any examples they want to share with us?

***Lerato Lehoko, Yellowwoods Ventures & Investments:***

I'm Lerato Lehoko from Yellowwoods in South Africa. Just a reflection on a process that yielded some successes, how you bring along everyone in the process. So, I think we've been really good in getting what I call, front-office people, developing customer empathy, but it's always a challenge when the actuaries have to do what they have to do.

So, what we did recently was to actually arrange an immersion for everyone who was involved in developing a product including the actuaries, compliance, and all the functions that often create challenges. So, I think if we can think about customer empathy and get everyone who's relevant over the line and not just the product development teams.

***Lindsay Wallace:***

Excellent. Customer empathy, building on customer delight.

***Sabine Mensah, United Nations Capital Development Fund:***

My name is Sabine Mensah working for the Mobile Money for the Poor Program with UNCDF. What we've done in Benin is looking at the motor taxi drivers called, SemiGen, work with human center design firm and doing emersion with the SemiGen to better understand their lives. What they do every day? What is important? What matters? So, we can work with MTN mobile money operator, to craft the solution that's really going to match their need for payments, for savings group. And, this is the work that we're doing in Benin. And, what came out really was that we're not selling a payment solution, we are selling a solution for the SemiGens to be safer in collecting their money, in servicing their client, and enabling them to save for the future growth and to save for protection against shock. So, it's all about living in the shoes of the consumer that you want to serve before crafting that solution that meets their needs.

***Lindsay Wallace:***

An excellent example.

Our next set of questions relate to the institution.

***Mikael Höök:***

So, moving on to the institution from the client. One of the questions we asked all of you is: what are some of the key efforts your organization has made towards becoming client-centric? The top three responses we got were:

1. Improve customer day-to-day management, feedback loops, and overall customer service,
2. Invested in new technologies, and
3. Expanded product design.

Some of the other responses that we got, not in the top three, were:

- Increased personnel focus on client centricity
- SMART certification
- Providing tools to facilitate market regulator client-focus, and
- Raising awareness among member banks of the importance of client centricity.

So, I want to open up to the audience again. I want to hear from you what are the things you have done that have led you to become more client-centric. Have they succeeded, or have they failed, or have they not worked as well as you expected them work?

***Female Audience Member:***

Actually, for us as at FINCA in DRC, or in general, in Africa, what helps us to really satisfy customers has been agent banking. With a full branch, it was difficult to serve customers in rural areas. So, for over a year now we've been opening up urgent banking in rural areas where there is no branch, there is no bank. It has been a very good experience. Even the network itself is so challenging to have a good network at certain timing. But it was a surprise to see customers in the village opening up saving accounts, not even loans, but saving accounts. As, they were opening, we were like, "you can open then be putting money on a daily basis up to when you reach a certain level". But, we were surprised to see someone coming with \$300 dollars to put in their account. This is deep in the village. Most of the customers there the average loan size, if you take the base of the pyramid in city centre, the average is like something like \$10 dollars. But, in that village, the average has gone to \$30 dollars. So, sometimes we are just trying to be comfortable at sustainability and leaving aside the base of the pyramids. If we go deep where they are, we can get the best out of those customers.

***Lindsay Wallace:***

Excellent example. Going deep, going rural. How to get there? And, FINCA has had a great success story in DRC in growing their customer base. Any other examples that people want to share?

***Mikael Höök:***

Leesa from Mercy Corps, I know you have been working a lot with your partners to use human center design to design client-centric products. Maybe you can just tell us a little bit about that experience. What has worked? What have been some of the challenges?

***Leesa Shrader, Mercy Corps:***

Thanks. So, our program, actually we've been very fortunate to be able to use Mastercard resources to help organizations use human centered design and rapid prototyping testing and user experience testing. One of the big ones that we worked on that finally kind of came through fruition this year was with Safaricom on how you could leverage M-Pesa to really help farmers. So, what do you need to bundle, to Daryl's point. M-Pesa loan they recognized wasn't really transformational for small holders. They had a hypothesis. They have to have credit. It has to be about credit. We said, "why don't we go out and listen to them" because none of us really know exactly what they want. And, we were very surprised to hear...I think every time we've done human centered design, we've always been really surprised by what comes back. But, what they said was, "we don't want more debt. What we want are great inputs at a discount. That's what we want. We want information".

We took the product to market about six months ago. We really worried about doing this completely client centered product, but they reached 90,000 farmers in the first month. Now, they're up to 180,000. We listened to the roadmap of what farmers wanted and we'll be layering in. But sometimes human center design can really, really surprise you.

Now, on the other side, we did use user experience testing after we designed it. And, we came back. We did user experience testing with farmers then we started realizing that some farmers could learn on SMS and lots of farmers couldn't. So, keeping on going in and looking at user experience is helping to refine the product and expand it as it moves forward.

***Mikael Höök:***

That's really interesting.

***Lindsay Wallace:***

Listening to customers, human centered design, customer empathy.

***Rosa Wang, Opportunity International:***

I'm Rosa Wang from Opportunity International. I want to talk about an exercise we did here in Ghana just very recently with our partner, OISL, on the ground. And, that was to conduct focus groups among the women clients, particularly who were not taking up the service. As we introduced Opportunity Mobile, really wanting to focus on what the concerns were and really listening to some of the challenges and understanding that.

I'll give one example just to give an indication of how deep some of this goes and how we might inadvertently design something that is not client-centric. The training for the PIN. We're telling people this is your secret pin code. This is your Personal Identification Number. This is important. So, many of the women thought, 'oh, no. I can't use this because if I forget my pin, all my money will be gone'. So, instead of doing that, we're now saying, "your pin can be reset. There are features around it". Something as simple as this, even in the context of that, means that the women were very afraid. And, I think this reaches into the area that we are getting better at understanding, that many of the things have to do with fear, with risk aversion, and with things such as stigma. Many of the women said they were afraid to ask for help from the loan officer. "He's so busy. I can't ask a question". I'm in full agreement with the previous comment, that this is actually quite hard. And, as we peel back the onion and we're finding out it's even harder underneath. So, I don't think I answered the survey in saying, that we're further away, but I think we do need to recognize that there are many, many layers.

***Lindsay Wallace:***

And, the more we know, the more we probably realize we don't know as we go further. That was a great example.

***Richard Leftley, MicroEnsure:***

Richard Leftley from MicroEnsure. About a year ago, coming out of I think it was Turin, two-three years ago, we were starting to do some work with CGAP on bringing in external consultants to help us look at human centered design.

One of the things that we learned from that process was we were working with a lot of mobile phone companies to help us reach out to the client that we were serving. And, we started to track where in the process of signing up for insurance, people stopped the process. So, we were looking at the basic questions we were asking. So, we were asking:

- What's your name?
- What's your age?
- Who's your dependents? Who's your next of kin? If something bad happens to you, who should we give the money to?

And, we were losing something like 80% of potential clients during that sign-up process. So, by using the USSD menu we were able to find out where in the process people stopped. What were the questions that were causing them to not complete the process and not go through this very simple three questions they needed to complete in order to get insurance? And, what we learned was that about 20% of people gave up the process when we asked them their name, 30% when we asked them their age. And, we were losing so many clients in the process.

So, we went back to the insurance companies, we went back to the regulators. And, we asked the question, which was, what would happen if we could just insure people by just simply using

their mobile phone number? If we didn't ask any of these questions, would that be okay? There was a huge amount of resistance to doing it.

The first product we launched, which allowed us to get onboard people using their mobile phone number, we signed up 20 million clients in the first 150 days. So, there's this kind of sense that insurance is a really hard sell, it really is. If you make the customer journey simple enough, you can overcome some of those barriers.

***Lindsay Wallace:***

Thank you, a great example of really understanding the customer journey and making it simple.

We asked a question about what has been the biggest challenge for your organization in terms of implementing client centricity? It's interesting. The discussions this morning, I think gave us some good insights. So, certainly almost 25% of you said, 'internal challenges'. Denis talked about the critical importance of internal buy-in. Twenty-two percent said, 'it was much more of an external issue. It has to do with policy and regulation'. But the biggest number and the biggest issue for most of you is the business case. Does this actually make sense for us as an organization? What's interesting is when we asked this question two years ago, that number was 16%. So, either we're further along in our journey and we are starting to try to understand the challenges of, at least, measuring this from a financial perspective, or maybe that reflects internal resistance.

But I'm going to ask if any one has an issue related to the business case, or if you think the business case is indeed the biggest challenge that we need to overcome and maybe just share any reflections. Who might be willing to share their comments on this? Because, this is a big pain point. At the Foundation, as many of you know because you're our partners, we've been working on this issue across a number of different organizations. So, I know the RAF Learning Lab is certainly looking at this from the smallholder finance perspective. We discussed this yesterday in a side event on rolling out alternative delivery channels. We've done a lot of modeling. We've been working with the MIX. We're trying to understand how we actually 'start cracking this nut', as Gerhard said that this was an issue.

***Mikael Höök:***

About 47% of you should stand up.

***Tillman Bruett, United Nations Capital Development Fund:***

I can share a few examples. So, we work with providers. We also work with users of digital financial services. We also work with governments who want to digitize. With all of them, we face a challenge that they just don't see the business case. They're not convinced. And so, we've had to dig deeper. What I mean by that is first, we try to keep the client in mind. And, the truth is for a lot of digitization projects, there's not a good business case for the customer. It's really not solving any problems for them. Their life is perfectly fine in cash. And, there's nothing about what we're offering in and of itself that makes their life better. So, that was lesson #1.



Now, when we go in, we don't just think of digitizing a payment. We think of what else does a customer need to do with that payment that would actually make it worthwhile. And, if it's not, then we shouldn't punish the customer and make them take digital payments.

The other one is, we work upstream. With CGAP, we did some research recently looking at this and just seeing there's not a great business case for customers to receive payments. And, we discovered that what makes a business case are a couple of things.

If the payment is at a distance, if they get some kind of discount as a result of getting the payment digitally, or if they're high value and there's a security risk in them carrying around cash. So, trying to focus on those three things. We can start with digitalization. How do we address those three things where we know that clients do see value in digitization?

Another thing we've tried is working our way up the food chain. So, the fact is that if you tell clients you have to take a digital payment, which isn't necessarily in their best interest, and then you tell them they have to pay for it, it makes no sense.

We were discussing yesterday, we shouldn't be charging clients, low-income clients for this. We should be bribing them. We should be paying them.

So, the other thing we've been doing for the business case is trying to work our way up the food chain and see who is benefiting from this, and how do we solve their problem so they're willing to subsidize all the way down? And so, it's leading us to some interesting places. For instance, we're working with a tea plantation in Uganda. What they really want is a customer loyalty program. With that customer loyalty program, they need data and payment data would help that. So, we're working our way up to design a customer loyalty program because that's what they want. They want buyers to sell to them.

So, I think we just have to start thinking creatively about where is the business case because it may not be where you think it is, but there is one there. I think we all know that there's one there. So, just take a step back. Don't look too close to the magnifying glass because those numbers will never work in most cases because (1) the models don't fit what we're trying to do and (2) the models can't take into consideration everything else that might come out of it. So, yeah. Take a step back.

***Mikael Höök:***

Can I ask Mary Pat to say a few words from OI? I would be interested in hearing her response on this, as well.

***Mary Pat McVay, Opportunity International:***

First of all, ditto. I agree with everything you just said. I think I'm with a few people that's willing to stand up in conferences like this and say, "I'm not necessarily for 100% financial inclusion" exactly because of this demand issue. We've been paying a lot of attention in our digital finance strategy development to the client experience. And, those are often talks about these gateway

experiences that when a person gets a phone what does that open up for them? And then, they start to take advantage of different things and they develop a demand for the next step. They might start to use mobile money, which is another kind of gateway experience. But, we're trying to understand things more from the client perspective.

One thing I don't think I've heard people talk about is large surveys. We did a large gender analysis of our ag finance in Mozambique and Ghana. Really what we were trying to get at is the business case for serving women. I think the biggest lesson there was about market segmentation and that women are not one market and that other drivers, their business status, their sector, their education level of customers, comes first in terms of segmentation. And then, once you have those kind of viable customer groups, then you can start to disaggregate gender and understand women's experience.

When you start to talk to banks about the experience of women and financial inclusion, and 80% are illiterate and this many don't make that much money, the business case doesn't resonate. When we look at the ag sector in Ghana we see that a large portion of SMEs that are involved in trading and processing and wholesaling are women-owned SMEs. Then, all of a sudden, we've got a much more characteristic market segment to look at and examine in more detail. So, that kind of segmentation is starting to feed into making the business case from the financial institution point of view.

And then, working with BFA just to get the data about which digital channels and which products and services are actually earning a profit for the financial institution and building that into the analysis. Because we really don't often have the tools to know what's profitable and what isn't for the banks.

***Female Audience Member:***

I am working in a different sector. It's one of the boom sectors here in Ghana. It's the construction sector. And, the challenge we are having is with encouraging the youth between the ages of 17 to 24 to open accounts. We're looking at getting them to open accounts that are not just transactional. So, thanks to the Mastercard Foundation that's actually our biggest partner.

The issue with the business case is this. The bank we're dealing with also has targets, profit targets, to make in a year. This group of young people who aren't the regular formal sector young people, they are not actually earning the kind of income that the banks will find attractive. Yet we have the large numbers. But still, the issue is this: the regulatory environment that we are in prevents them from opening accounts because you must have proof of residence, you must have utility bills that you pay.

Now how do we deal with attitude and then use that to align with a business case that the bank has its targets to meet at the end of the year? The attitude of the young people is (1) "I don't think I want to open an account. I don't want to go through that kind of headache of getting into a bank and being asked to produce all these documents that I don't have". We might think that

technology is making their case. But, for us, these young people earn less than \$2 dollars. And so, how can that person afford a phone? Most of them will tell you they have a cell phone, but it's just the SIM card. They use that only when they have some money to top-up that SIM card to get access to make a call. So now, how do we make that balance and show that the business also is profitable and the young people, who are the clients, the major clients that we're looking at, are the focus of these business products that are being developed? And so, that's our experience. So, we've had to work with telcos to see how we can use the mobile wallets to work alongside. But, it's still a challenge for us.

***Lindsay Wallace:***

Absolutely. I just want to say that this is an area where the Foundation has done some research. We fully recognize it's a significant challenge for those particularly under 18 and young people, in general.

I'm going to call out my colleague, Ruth, as she is the guru on youth financial services and can provide lots of insight. Generally, greater competition and more of digital channels.

***Ann Marie van Swinderen, L-IFT:***

I think this room is the elite of the financial sectors of various countries. And so, maybe the level of customer centricity is considerably higher than a lot of organizations that are not here and, particularly, very small ones. In the past, probably the SACCOs were the most in touch with their real customers, particularly in the rural areas. I think the new movement of using human centered design and various sophisticated approaches, only the large organizations can afford to invest in the skills necessary. For much smaller organizations, it's not possible to get that type of skill in-house. And, the business case is, it's already impossible for actually starting on the process. Even here, I think a lot of the human centered design processes has been subsidized. The subsidies are going mostly to the better proposals, more attractive organizations that have far larger clients. So, I think there's an inequality arising where the smaller organizations are more and more left behind and cannot access this.

***Lindsay Wallace:***

We're in a bit of a bubble is what you're saying, or we need to expand who we invite and move things forward to a wider audience perhaps, including some of the banks you were mentioning, as well.

***Ruth Dueck-Mbeba, Mastercard Foundation:***

One of the biggest takeaways from the Foundation's work in youth financial services is that it's a difficult sell because the business case and break-even proposition is long-term. It requires a different type of thinking for a commercial provider who tends to have extremely, extremely short-term sights around profitability, particularly because markets are not saturated in much of Africa. The temptation for the commercial provider is to go after the short-term gains. So, it requires long-term thinking. It requires a very different strategy and approach from the provider.

***Mikael Höök:***

We're going to look at the ecosystem on these next two questions.

The first question we asked is: Which of the enabling environment features below are most necessary to achieve greater client centricity?

Obviously, you can't see all the choices that were on the survey, but the top three responses were these:

1. 70% technology and innovation
2. 53% partnerships
3. 42% consumer protection measures

Linking these things to the ecosystem is interesting. I was fortunate to spend some time with Musoni a couple of weeks ago. The COO, Stanley, kept telling me that "technology is the most important thing for them to scale, but also to be client-centric" and partnerships is number two. So, I can see how that is a big part of the ecosystem.

How do you invest in technology when there isn't a mobile network in place, for instance? How do you build partnerships? And, how can we help organizations figure out how to do that better? So that really resonates with what we've seen in the field, as well.

***Lindsay Wallace:***

We also asked you to what extent do you believe that the financial services ecosystem in your key markets of work is client-centric? Here, we're pretty much a 50/50 split. So, there is no middle ground. Half of you think that we're getting there, and then half of you think we have a long way to go.

I would be curious to hear from those who think we have a long way to go. Is there a particular area? Is it a regulatory issue? Does it have to do with the client protection measures that we mentioned before? Or, is there something else that we need to do or we all need to think about when we engage with others in the ecosystem?

***Lesley Denyes, IFC:***

I just wanted to make a comment about I don't think we're there yet because there's not enough competition. A lot of the time we're focused on amazing innovations that are happening but they're typically happening in very few countries in Africa. IFC takes a particular approach trying to focus on fragile and conflict-afflicted countries, particularly in West Africa, French-speaking countries. A lot of these countries end up very under-served, I think, by our community. And, in these ecosystems where we're trying to work, I think we have a long way to go.

We need a lot more providers. We need a lot more specialists in the sector, we need a lot more development on human resources, we need better regulation. And, when all of these things happen we'll see services flourish. And, I think that when we have competition in these markets,

we'll be able to then focus more on customer centricity. There will be motivation to get there, but there's still a long way to go.

***Lindsay Wallace:***

So, in some markets more customers, more competition.

***Sabrina Lamb, World of Money:***

Our organization focuses on financial education for children ages 7 to 18. Even though we provide 120 hours of classroom financial education, the only way that we could reach additional children, not only in America but typically here on the continent, was to provide a mobile app. So, we have partners now in Ghana, Senegal, Rwanda, and South Africa.

One earlier point that I had regarding the earlier question was we were focused only on classroom education. And, one of our students, his name is Mikai, who has been diagnosed as slightly autistic, he never would perform well when we would teach in the standard classroom model. But, when we integrated technology, he was the top 4th person on the 77-question final exam. So, we had to change in terms of not what we thought was correct, but how our students could properly learn. In terms of the challenges with our mobile app and so forth that were distributed all over the globe, is for countries and communities that do not have access to data. Some do and some don't. It's my determination and vision to, somehow, have an equal playing field so that all children will have access to data.

***Lindsay Wallace:***

So, access to data is critical and listening to clients and understanding what they need.

***Hermann Messan, United Nations Capital Development Fund:***

I work with UNCDF, the MicroLead Program. I just wanted to share that the reason why, as Lesley pointed out, we do not necessarily have the client centricity attitude or behaviour for all the stakeholders of the ecosystem is precisely because I don't see there is a business case for that, partly due to lack of competition. But if they're able to understand that moving towards customer-centric practices will improve our bottom line, that would happen. We've had some good experiences in Burkina Faso with our partners SOFIPE and the Grameen Foundation.

Where trying to build an integration between the savings account and the mobile wallet was difficult. We've done the same thing here with Fidelity Bank and other partners in Ghana because the market is more competitive, but in Burkina, where you have like one MNO having 80% of the market, it was very, very difficult. Through dialogue, through discussion, not only was the financial institution now completely convinced about the model that we tested, but we've seen the government also coming in and trying to enforce regulation, not from the central bank perspective, but from the telco regulation which is more nationally-owned so that they can open up even the USSD and ensure that the integration between wallet and other value-added services can be done.

So, I think we really need to continue supporting and also make sure that the innovations are tested, that the business case are proven for every player of the value chain. Then, I think, there will be more and more openness toward technologies and partnerships.

**Lindsay Wallace:**

Any other comments on the ecosystem or on regulation?

**Isabel Barres, CFI @ ACCION:**

Isabel Barres from the Smart Campaign at CFI. I just want to maybe play devil's advocate and say we've been talking about the business cases. It's very important and, of course, if you want this to be sustainable, there needs to be a business case. But I think we're making the assumption that in every case there is a business case and that we need to do a better job at maybe sharing the positive experiences.

I'd like to just also have us think about what about the cases where there isn't a business case? And, if we really care about the customer experience and we are, I think, all of this crowd is definitely sold on the importance of that, then how do we still focus on the consumers in those cases, and what can we do? Maybe it goes back to the patient capital that was mentioned also before. How can we bridge the gap until we get there, until there is a business case?

**Lindsay Wallace:**

That's a very good point, particularly since customer protection is such an important component of this.

**Bennett Grassano, Kiva:**

I'm Bennett Grassano at Kiva. I'd like to follow up on that point just quickly. So, at Kiva, we work with over 400 financial service providers in 80+ countries. We're constantly negotiating with them when they renew their credit line with Kiva to try something new and innovative. What we find is that there are some folks who very much get this social mission and will jump right onboard. Many of them come at it from the perspective of improving the welfare of their clients. Many others see it as a growth opportunity. But I think in Silicon Valley, Kiva's in San Francisco, there's a mantra: "innovate or die". In a lot of markets where we work, you cannot innovate and do just fine. And, I think it will really come down to when they're actually feeling market pressure that they're losing clients, where the business case isn't obviously there, that's probably what it's going to take. Other than that, it's really going to be focusing on those organizations that have put the social mission first.

**Lindsay Wallace:**

So, building on Lesley's point, competition but also imbedding in consumer protection.

**Emilio Hernandez, CGAP:**

I work at the Smallholder Finance Innovation Initiative within CGAP. I just wanted to comment that this comment about getting the ecosystem right is at the heart of responding to client needs. In our research work, we find how smallholder livelihoods, which is a segment that pops up more

and more in the financial inclusion agenda. These livelihoods are very diverse and they have many needs. They are related to agriculture and non-agriculture. I think the discussions that we've been having with providers, especially the keynote speaker today, helps you realize how it takes ... the business case forward depends for the provider on the business model you use. So, sometimes we see our partners confronted with this challenge saying, "I don't see a business case". But that is really subject to the business model that you're using. If you change your business model, there might be a business case, right? These partnerships among different commercial actors are key in coming to that business model that is feasible, that allows you to provide service in a sustainable manner to this mass market. So, being able to respond to client needs with non-financial services, non-agricultural financial services, as well as general financial services, is probably key to coming up with a challenge of a customer being able to value and willing to take your product.

***Lindsay Wallace:***

Understanding customers and the importance of the business model, very good points.

***Waringa Kibe, Access to Finance Rwanda:***

I'm Waringa Kibe. I work with Access to Finance Rwanda. I just want to give a simple thing that I saw in one of our products where we are partnering with two MFIs. The moment we moved the discussion from the management and senior management, we wanted to partner on how we can increase agricultural lending within the MFI, and move it to the Board level. We said, "unless this project is approved at the Board, and discussed with the Board, we won't move forward". And, when that discussion moved there, there was greater commitment to do product research, to provide resources for the units we were trying to set up. So, I think moving the discussion and approval of partnership to Board level allows being client-centric, it makes a difference.

***Lindsay Wallace:***

It's a great point. Institutional buy-in at all levels.

***Schandorf Adu Bright, Farmerline:***

My name is Schandorf Adu Bright and I work with Farmerline. We use technology to promote financial services for smallholder farmers and also providing them information.

I think one key thing that we saw when we did a pilot with our product called PayTime was enforcement issue. Mobile money has some transactional charges, which is really unknown in the cities. But, in the rural communities, the agents do not follow these policies and they charge higher than what is charged in the cities. And so, working with these farmers in those communities makes their costs very high, and you don't do that.

Again, for the past two years in Ghana, there have been some financial institutions ... they are fooling people. So, when you go and talk about savings and talk about opening an account, they think it's the same thing. It's going to be the same cycle. And so, farmers have that kind of doubt. They don't even try. I think if government and other institutions try to enforce these kinds of

policies, then we're able to eliminate this kind of doubt that would prevent people from trying to open an account with other providers.

***Lindsay Wallace:***

Client trust.

***Stanley Munyao, Musoni Kenya Limited:***

We are one of the organizations that have been able to digitize customer on-boarding, and this has contributed heavily towards improving our customer centricity. One of the things we've been able to achieve: (1) is the minimum cost of client on-boarding and removing the barriers of getting customers into Musoni and, therefore, improving our reach deep in the rural areas. The benefits that we have been able to achieve besides that are the multiple communication channels that we've open to our customers. So, that way, we've been able to infiltrate the customer and make it more than just a relationship. So, our customer knows that I do not need to talk to loan officer 'x' to get my issues sorted out. And, I have a choice to make of the product that I need from a Musoni product suite, not what has been forced to me that doesn't suit my needs. So, from a decision point of view I'd say, for us, we've been able to see increased customer centricity through use of digital platforms. That will be a subject of discussion at a later time.

***Lindsay Wallace:***

Digitization, reducing the cost of customer acquisition.

***Kwame Owuso-Boateng, Opportunity International Savings & Loans Limited:***

My name is Kwame and I work with Opportunity International here in Ghana. One of the issues that we also need to be aware of is the regulators' point of view. For us, as financial service providers who are regulated by the central banks in various countries, what appetites do they have for technology? Because these are practices have been there for ages and you have new trends coming in. To what extent would a central bank agree that a digital address can be used? So, you have issues from that perspective in helping a financial institution to discipline and have clients in locations where they don't even have an address. They live in the streets literally, but there are clients you can serve to increase assets to financial services. But, you can't capture that data into your core banking system because it will not be accepted by the regulator.

We found on KYC regulatory issues. That aspect also prevents us as financial services providers to really increase the assets we really wanted to. So, our ability of regulators in our industry play to the new trends and whether they are there with us, as financial service providers, is key.

***Lindsay Wallace:***

I think that's a very good point to end on. We're going to talk a bit more on the ecosystem this afternoon. Certainly, we need to bring regulators into the room. We also need to make sure that we're not just speaking to the friends and family that are here but to a wider variety of organizations.



A few key themes: really understanding customers. Understanding their needs from their perspective. Thinking about delight. Thinking about empathy. Integrating the need for customer centricity throughout the organization, from the Board all the way down to the frontline staff.

The business case, we do have more to do. Stay tuned. Visit our website. There will be more reports coming out. The Learning Lab is putting out some reports, specifically related to the business case for serving smallholder farmers. But we know there's a lot more to do. And, it will be a continuing journey and a continuing pathway.

Is there anything that I missed in the summation?

***Mikael Höök:***

I think that, just going back to what Stanley was saying, is that technology is really key in reaching out and touching customers. I think digital is a key way to improve customer centricity, but also partnerships. How do you deliver more than just the loans? Other values along the lending value changes. I think digital and partnerships are key.

***Lindsay Wallace:***

Great. Thank you. [*Applause*]