The MasterCard Foundation Symposium on FINANCIAL INCLUSION 2014 with the Boulder Institute of Microfinance

The MasterCard Foundation Symposium on Financial Inclusion: Clients at the Center

Day 3 ~ July 18, 2014

Moving from Intention to Action

Roger Morier ~ Emcee

This session is entitled, "Moving from Intention to Action." So we've been here for a couple of days. We've had workshops, we've had a lot of plenary sessions, heard a lot of interesting debates, discussions. What happens now?

There's going to be a lot of interaction with you based on what you've seen and heard for the last two or three days, and also your thoughts on where we might be taking the Symposium in the future. So Bob is here, so is Tilman. I don't think Tilman needs any introduction, but for any of you who don't know, he's the CEO of CGAP; and over the last ten years in that function and others he's worked with a large number of governments and microfinance networks and commercial players, and foundations, advising them all on a broad range of financial inclusion issues. So Bob and Tilman, over to you.

Robert Christen

So just to start us off, we've been talking in the hallways and talking among ourselves, and I think there's been a great amount of energy. When I look at sort of what I'm feeling anyway, three things kind of jump out at me.

The first thing is as we go forward in this sort of quest to now take these great institutional platforms that we have worked so hard to develop for the last 20-25 years, it's really evident from the energy in the room, from the kinds of things that are being put on the table, that client-centricity is something that returns us to the hands of financial service providers who are mostly in the global south, that the energy of getting client-centric is an energy that's profoundly from organizations, again, providing financial services that are located mostly in the markets that we most care to serve. That's a big and important shift.

The second thing is the world is different. I can't tell you how many times the word "partnership" was mentioned, but it's really clear that we're working together to get to

the next stage. This is not just sort of some phrase and sweet notion. It's fundamental. And I think that so many of the speakers have talked about the partnerships they're engaging in, of very different kinds of organizations that are coming together I think, in this financial ecosystem that you talk about so much, Tilman, at CGAP.

And I think what brings us all here, a little bit talked about by Stephen, is the shared purpose, a sense of purpose. This is a community within that broad framework of financial inclusion that still cares and is fundamentally driven by serving poorer clients. Great progress will be made by many of the kinds of institutions that we're hearing about—mobile money, by payment systems, by people whose fundamental purpose is not necessarily the bottom of the pyramid. Yet, we as a collective group really have a shared purpose. It is those clients, it is reaching down.

Tilman Ehrbeck

Roger promised you an interactive session. So here are the three things we are going to do. We want to hear from you your takeaways, and we will ask you two questions. The first one is going to be, what is the one insight that you're taking away from the last two or three days? And then we will ask you, what was the issue that was missing and should be addressed next time around? So those two questions, start preparing mentally. What we will then do is we will revisit some of the client-centricity questions that Gerhard asked via consensus at the very first morning. And we want to see how our sentiment might have moved, and then Bob and I will ask you why, and what was it that moved the sentiment. So that's the second piece.

And then we want to go a little bit the road ahead, and in particular, we will ask you to think through what are things that you might do differently Monday morning when you're back home? What's the one thing, the one conversation you might have with your senior management, what's the one follow up with a colleague whom you met here that you want to pursue? So those are the three things. Your takeaways, revisiting client-centricity, and a little bit of committing for future action.

As you think about the takeaways and the two questions, Wednesday morning seemed, and for many of us even Tuesday afternoon, seems already a long time ago. So let me quickly remind you what the agenda was. So we started with obviously Reeta's opening, and then the quest for customer-centricity. Leslie Witt from IDEO gave us five lessons. You remember those. And then we had a very lively practitioner's view, Pep

and the power of leadership, and Mark from MicroCred with the notion of how much it takes to invest to actually get going. And then we had the session on demand side research, big data, and the takeaway that you need to start with the business question to get energy out of that. Then we hit the workshops, high energy in the afternoon. On Thursday, we started with recognizing innovation showcase. We had the Econet experience, Strive with his wonderful lessons learned. "Guerilla marketing" sent two kids to drive on the Kombi and talk about the new service that's coming. Then we had workshops on products and services. Again, high energy. We had a great debate—high touch versus low touch after lunch, and high touch doesn't mean high cost, and low touch doesn't mean low engagement. And we had a session on use and regular usage where Dori reminded us that small actions can have big impact. And then of course, this morning, we first had to jump up and shout for our continent, and then we had a discussion on the business case. And Matt took us back, and the panel of experts, on the last ten years and a look ahead in the future.

So this is what we did collectively in this room, and then we had of course many, many, many conversations on the sidelines in the workshops. As you reflect on all of this, so the first question for you is, what is the one insight, there are more I know, but we want you to focus on the one thing for you, so collectively we will get a good list. What is the one insight that really stood out for you? What we will do is we will have the microphone go around the room clockwise. We very cleverly cordoned off the upper third there with little ropes and bushes, so that you come forward, but some of you are still hiding up there. So we will come to you with a microphone. So why don't we start here, and then go through the room. What is the one thing that stood out for you? One lesson learned? Do I see hands on this side of the room? And I will call on you David Ferrand, a few faces I know. So let's start here, here's the first hand is up.

Tilman Ehrbeck

And while we as a community are growing, we still do not know everybody. So quickly introduce yourself.

Harry West (Audience Participant)

My name is Harry West from a consulting firm called Prophet and the big takeaway for me is that the gold is in the details. It's when speakers talked about specific details, specific insights, specific decisions they made based on those insights that I could see the real value.

Tilman Ehrbeck

So David, since I did give you a fair warning.

David Ferrand (Audience Participant)

David Ferrand. I think the big thing that stood out for me was the critical need for leadership in institutions if you're going to move the needle at all on customer-centricity. And that seemed to be reiterated all the way through the last couple of days.

Tilman Ehrbeck

Leadership from the top. Anybody else on the lower left side?

Male (Audience Participant)

Firstly, a fantastic symposium. So thanks very much. One critique is that customer-centeredness or customer-centricity is a critical theme here. I don't think there's a universal understanding of exactly what customer-centricity is, and how to drive out and define the nature of customer-centricity. And I think that's a real issue for the next session.

Tilman Ehrbeck

I'm sure we will see that when we come back to the consensus questions. Can we see other hands on the left? Go ahead.

Male (Audience Participant)

Yeah, I think we all need somewhere to go. Finding a balance right now, very quickly, there is a very interesting critical mass of funders who are stepping forward. There are people talking about this. But the number of companies who are actually investing and implementing these ideas at a level that it can move to scale is still small. And I think we need to find that balance really quickly, otherwise, and I've heard this comment

around the cocktail hours particularly, that otherwise we're going to have vague and abstract conversations about customer-centricity. And next year, let's have five more examples of people who have really committed to it and are putting it on the ground.

Tilman Ehrbeck

That's a great aspiration. We need more demonstration cases. Let's continue.

David Cracknell (Audience Participant)

My name is David Cracknell from MicroSave. It's been a great experience to hear the words "customer-centric." I still think there's a lot to do to prove the business case, not just for the big players. We can prove the business case for bKash in Bangladesh. bKash in Bangladesh is not everybody in the room, fortunately or unfortunately. We need to prove the business case for our own organizations. I am convinced—I work on this from day-to-day. But we need to actually see how being customer-centric actually isn't a cost to our business; it is our business, and it is the future for our business, and it's how our business will grow. I think we've started to walk in that direction; we've started to prove it. I don't think the case is fully proved.

William Derban (Audience Participant)

I'm William Derban from Fidelity Bank Ghana. And one of the takeaways is that we need less bosses and more leaders. And also, we need more stakeholders in the room. We want to see more bankers, more of the regulators in a fora like this.

Tilman Ehrbeck

Anybody else on the left side?

Chris Locke (Audience Participant)

I'm Chris Locke from Caribou Digital. So I loved Leon from Pep's talk, but the one thing I really loved was his badge because usually badges are worn by people who are on the shop floor who are customer facing. And just the simple act of wearing that badge really showed that everyone in that company was customer facing from the boss down. So it was a very, very simple and elegant way of showing how important customers are in your organization.

Tilman Ehrbeck

We move over.

Raghu Kolli (Audience Participant)

Raghu Kolli from LiveLabs India. Thank you for putting together this fantastic event. What I find is the energy, the passion, and the commitment was absolutely inspiring. The key takeaway I have is that most of the organizations in the industry are fairly small and fragmented across many countries. While customer-centricity is a great journey to be on, many of them are maybe formidable to some because as we were talking about the business cases. One of the areas might be to look at platforms and tools which work between the players. So in other words to create an ecosystem. There's a need for an ecosystem and that's what I'm taking away from.

Tilman Ehrbeck

Go ahead next to you.

Mark Napier (Audience Participant)

This is Mark Napier from FSD Africa. I really liked Bindu's comment yesterday about, she said, the moments of truth is not in the sale of the products; it's in the servicing. I think that's really, really important to take away. But I think for me, I love the emphasis on customer-centricity and that's great, and that's the front end piece. I think next year we need to do the back end piece which we what does it really mean for organizations and their constraints and how do organizations face up to that challenge.

Female (Audience Participant)

I'm a member of the Boulder faculty and I'm teaching in the afternoon, so I'm here only in the mornings and then I will soon run a few blocks down the street to teach. And my big takeaway is actually troubling, because the conversations I'm having here and the things that are inspiring me here, I'm trying to take them back into my classroom in the afternoons, and I'm having a lot of trouble. The people that I'm with in the afternoon are still very product focused. And I'm having the darnedest time bringing the conversation about the clients into the room in a way that they will grab as their own. I mean, I can bring my own examples, and I've got lots of tricks about how to be a good facilitator, but

as soon as shift from a discussion and I let them actually tackle a real challenge, design a product, they leap right back into an institutional focus or a product focus. Somehow I'm missing something in my ability to communicate and facilitate their ability to shift their focus. So for me, that's my personal challenge for the next year is to be able to do a better job at facilitating that next year. But it's also an appeal to everybody here, to the extent that you can help me figure out how to make that connection and make that shift.

Tilman Ehrbeck

Can I probe a bit? What are the tools that are missing? Is it more videos from the front line? Is it more demonstration cases? What would help you?

Female (Audience Participant)

Definitely, real examples, and who was saying that? I think David was saying it, that the inspirational stories have passion in them, and another one of my takeaways is that if you have passion, you can do anything. So helping everybody understand what they're passionate about, and then make a change driven by that passion. That alone I think could make a difference. But then when it comes down to the class I teach, which starts getting into the operational implementational details, and making it work, then I need case studies that aren't the big picture case studies. I need normal institutions, normal people operating under lots of constraints, who make small changes every day and evolve to something better than they are.

So I need some case studies like that with real numbers—where's the money coming from, if it's self-financed how do they do it, how long did it take, who got involved, how was the partnership started, how did they do the screening? I could make a long list of things. But, so all of the … and some of you are doing a really good job at that, putting information into the public domain that the rest of us can then use to communicate, to suggest some options of what the paths forward might be, to ask the right big questions that get people started on a passionate path for the future. So that's definitely helpful. But there's something, there is a piece of a question that I can't yet answer for you. It's not just examples. There's something about the translation, the shift that … I think it's a cultural shift, moving from products to clients. It's something fundamental about the way practitioners are viewing our world, and I don't yet have an answer. But I want to start the conversation.

Tilman Ehrbeck

Thank you. I suspect it goes back to the notion of the tone as it's being set at the leadership level to achieve that mindset. Let's let the microphone move one row down.

Humaira Islam (Audience Participant)

I'm Humaira Islam from Bangladesh. What I'm going to take back home is the thinking that we need to understand our clients more. We don't call them clients; we call them members. And so we need to talk to them more and have more workshops with them, and not only to them, but also the management at the field level, at the operational level, and understand what is missing. Because the retention rate in my institution has recently dropped. So something is not working there. So what we have done before, we've been working in the urban areas for the last 25 years. So what had worked in the last two decades is not working anymore. So we have to rethink and rebuild, revisit. So in order to do that, I think we need to hear from them before we do anything.

Tilman Ehrbeck

Of the agenda, what's the one thing in particular that made you convinced that way? What was the one thing that stood out for you?

Humaira Islam (Audience Participant)

No, we have been aware that something had to be done, but now as I hear more and more, everybody has a similar concern, I think this is the right way to go forward.

Tilman Ehrbeck

The package is coming together. Let the microphone move, same row.

Sanjay Behuria (Audience Participant)

My name is Sanjay Behuria, I live in Ithaca, New York, but I work mostly in Africa and India. And in Ithaca, New York when I turn on the radio, there's an advertisement that comes "Cayuga Medical Center, the center is you." So customer-centricness is what I hear every half an hour on the radio in Ithaca. I joined the banking industry 36 years back and I didn't drop out of school like my South African friend at the age of 10. But the first day I entered, I was told the customer is king, and I'm hearing that now. And

today I'm struggling. I thought I had it figured out, but I am struggling that there is low touch, that there is individualized data which is going in and making generic solutions. I don't know whether we are going towards customer-centricness or if we are going away from the customer. So I hope I'll have some answers next year.

Tilman Ehrbeck

OK, good. Let the mic move down.

Tezera Bekele (Audience Participant)

Thank you very much. My name is Tezera. From customer-centricity and customer journey, this is the time for us exactly when we are doing our five year strategic business plan. And one thing I would like to take for Board of Directors, management and front line staff, in a very short and precise way of saying it, let us think like our customers. And that puts us in customer-centricity, not a one-time job, but in years to come in our customer journey. And it will continue in that way. And the biggest investment in the years to come that we will make is an investment in customer satisfaction. Thank you.

Emilio Hernandez (Audience Participant)

Good morning. I'm Emilio Hernandez from the FAO. I guess my takeaway is twofold. First, I sympathize with the previous comment from a colleague from BASIX. I feel like we are not recognizing the enormous progress that the microfinance movement made in learning about our clients. It's all about the clients. It has always been about that, but I think we really need to focus on new ways to deliver those client-centric services that microfinance is well known for to millions of people that are still out there.

And what I've liked about this event is that I get the hint that we need to start thinking about partnering with not obvious institutions and organizations. I mean, I love seeing Pep here talking about what they do. I really like the CEO of bKash saying, "I know nothing about microfinance and I really don't know why I'm here." But I think it should serve as inspiration for many of the microfinance institutions and financial institutions in general here who are well known and very famous, and a lot of documents have been written about them, to say, well, let's take what we know about our clients, which is a lot, but let's try to partner with the not-so-obvious networks that we've always worked with

before. Why don't we work a little bit more with input service providers, with clothes shops, with telephone companies and the sort.

Male (Audience Participant)

Yes, I completely agree. I loved the story on Pep. And I still remember their core values—respect, dignity, and growth—combining a sound business case with serving the lower ends of the market which is a great story, and it should be inspiring for us, and we should learn from that that we should look to other industries how they do it. And use its knowledge in the financial industry. Thank you.

Jessica Schicks (Audience Participant)

My name is Jessica Schicks I work for AB Bank Zambia. And a conference rarely answers any question conclusively, and I guess if it did, then the question was outdated already for a conference. So that's a good thing. I feel the two questions that we have least answered was the question of why are we needed, and the question of what is the business case for customer-centricity. So now, you can interpret that fact in a critical way, and you can say maybe that means that as an industry we are not able or willing to criticize and challenge ourselves. We just want to believe in a fuzzy picture of definitely somehow we must still be needed. And maybe we don't really have an answer to the question of the business case.

You can also look at that in a positive way, and I think the way that the discussions and the panels were going, we seem to have a very clear picture and vision of how much is left for us to do and to contribute. And there seems to be so much buy-in already into the concept of customer-centricity.

So I want to underline that call now really for more and more and more examples and ideas that we can carry back as practitioner into our institutions that we can go through and check what do we believe applies to our customers, what do we believe is feasible with the capacity of our organizations.

And on the slightly different note, about this question of defining customer-centricity, I think for a few of those concepts—customer-centricity, customer empowerment, customer protection—we've developed some positives in the industry of what we mean with that. Usage, affordability, data protection, respect—there's so many terms out there that are positive and that's good.

Now I am wondering if we could get also something like a negative list, a checklist of those five things. If you do this or this or this, then you are not yet fully there. And maybe that would help us get away from those 70% of institutions that already believe themselves to be customer-centric.

Tilman Ehrbeck

One quick follow-up, Jessica. When you say the question why we are needed has not been answered. What's your definition of "we" because some in the room would … is it the folks who benefit from subsidized capital? Or who is "we" in your definition?

Jessica (Audience Participant)

I asked myself that same question when we were looking at the panel, and I think that "we" is a perceived community of people working towards financial inclusion. It's everybody subjectively who can ask themselves and who has to decide if they feel part of that community.

Amraj Khadka (Audience Participant)

Thank you. My name is Amraj Khadka. I'm from Swabalamban Laghubitta Bikas Bank, Nepal. I carry with me that providing money only is not enough in order to make poor people's lives turn. Coordinated efforts in time of technical support, know-how, and the turnings are equally important. Thank you.

Tilman Ehrbeck

Thank you. We come to the front.

Dave Richardson (Audience Participant)

My name is Dave Richardson and I also teach at the Boulder Institute. What I have to say may be a little controversial, but that's always part of the program here. I think one of the takeaways for me is the more things change, the more they stay the same. And I say that because about 15 years ago, I attended a conference when somebody stood up and said, "It's not about products that we sell, it's about solutions to people's problems." This was 15 years ago, and Cheryl is going through her rebirth right now, and I can appreciate that because we all do that, but we're trying to solve people's problems. That's really what we're about, and we're trying to, you know, the customer-

centricity is a fancy way of saying the same thing, that we're trying to focus on what the people need as opposed to what we want to give them.

And I can remember many years ago, when we got into this microfinance thing, anybody that made a loan that wasn't micro-enterprise, that wasn't for productive purposes, was considered to be a heretic. You know, to make a housing loan, for example, or to make a consumer loan was something that, you know, that's not microfinance, you know. You guys are off in Never Neverland. And now as we've come full circle, we realize that people have these needs, and that we need to respond to those needs, and it's not just about one group of people, whether they're—you know, we talk about the poor and the rich and the middle class. We're trying to respond to what the market is telling us and trying to be innovative and trying to help people improve their lives. So that's kind of, as I look at this, and I hear our emphasis on customer-centricity, I think, you know, really, this has been around for a long time.

Tilman Ehrbeck

I challenge you on that one. I would love to hear reactions. It might be that we have talked about solving real problems for people. But there's one narrative at least that would say once there was an understanding that there's huge unmet demand on the credit side, and the industry focused solely on supply. It might have provided the wrong product. So school fees for poor family in the informal economy, that's a cash flow spike. Tough to manage. But it's not unanticipated. How come poor people borrow as a commitment device if you will, to pay school fees, and then pay back, rather than saving up? Maybe you offer the wrong product. So maybe the rhetoric was the same, but the reality wasn't. I would love to hear reactions. Jen, can I call on you? You reacted to *plus ça change*. Do you agree? Is this the same discourse or is there something qualitatively and quantitatively different?

Female (Audience Participant)

I think one element we need to take into account, say I with the white hair, is the entry of new talent into the field. So maybe something that is a reality for those of us who were active at that point has to be discovered again as people come along. I do think what I sense is different is a kind of tipping point critical mass of convergence around the importance of values centered. And value centered, it's part of what's coming through

in the conversation about customer centered. And I think we have to put those two together.

Tilman Ehrbeck

Next? Is the same or is it something different, and if so, what is it?

Female (Audience Participant)

Well, I think that some of the rhetoric is the same. As Cheryl was talking about, I think we're stuck with products. And I do hear a little bit about how do we get people to buy our products in the human-centered approach. So we built a product, it's not moving. How do we "facipulate" through the customer-centric approach to get people to buy that same product? Maybe the interface is different, maybe the marketing scheme is different. So I find that to be different than real true customer-centric approach. I think that we have created products—let's say it's a savings product, let's say it's a methodology, let's say it's a credit approach—that we get stuck with. We're contracted to fulfill that approach. We have performance indicators we have to achieve. We have donors we have to appease, and then our customer-centricity is lost.

Fouad Abdelmoumni (Audience Participant)

Thanks. Fouad Abdelmoumni. I also teach at Boulder. I think that the difference between what Dave just said about 15 years ago and now is that we feel that we are about a revolution in our environment. Today, we are not any more with any small institution that could go a few meters ahead next year, and would make a difference. Now, we feel that you have real big, new technologies, newcomers, new environment that will probably kill a lot of actors of this field. And this, for me to speak of the centricity of the clients is a euphemism to say, "We're at risk." To say, "If we continue like we are doing today, many of us will die."

Tilman Ehrbeck

And who's "we"? MFIs?

Fouad Abdelmoumni (Audience Participant)

Yes, MFIs. And I think that's definitely some of our reserved area is now attacked by others. So either we can do our own revolution and go beyond what we are doing, or this field will be taken by people who will be able to answer better the expectations of clients who will today have choice that they didn't have yesterday.

Nwoke Rogers (Audience Participant)

Thank you. My name is Rogers from Hasal in Nigeria. Bob, I had already mentioned to you how I appreciate what has been done at this Symposium. I think that a whole lot of work has been done very well. Like David said, we've always talked about customers at the center, even from business school. You want to categorize an organization on how they offer customer service, whether it is process focused, or product focused, or customer focused. Now, what's next and important for me is what do we after now? We've already been given index cards to say what we'd like to talk about next year. Now, when we all leave here today, what happens to customer-centricity? Are we going to come back next Symposium and begin to talk something else? I think that The MasterCard Foundation and Boulder Symposium can go a lot further to find a way of engaging people who are here, what are we all doing as we go back, how are we making impact from the lessons that have been learned? Whether it is from the point of view of focus groups? How do we keep this conversation continued after we leave Turin today and tomorrow, and to ensure that all the lessons learned, all the things that need to be done to ensure that customers really are at the center of what we do? So that when we come back next year possibly we could then begin to say what have we really achieved? How much have we advanced the cause of customer-centricity? And I think that is when we will probably have more converts practically. Thank you very much.

Tilman Ehrbeck

We need maybe one last voice on the insight, and then we'll do a quick round on what might have been missing, although some of you started touching on it already.

Female (Audience Participant)

Why don't I start when you talk about what's missing.

Tilman Ehrbeck

Okay, then go ahead. Then you segue us. So as somebody with a burning point around an insight takeaway?

Jennifer Riria (Audience Participant)

I'm Riria from Kenya Women Finance Trust. I speak for microfinance practitioners when I say we know what it means to put the client at the center. I think what bothers me is the language that we use, that we want to do it for them. You can't, nobody in this room and outside of this room can do it for them. Are we needed? Yes we are needed. What are we needed for? We are needed to help them transform themselves, not we transform them. And as much as we spend time eating each other's lunch, what we need to do is to make sure that we are working together. For me, what bothers me now as I go away is the individuality that is driving everybody. You are doing your own piece in your own corner. Going forward in the next ten years, what I think is going to work is us walking together, to be there, not to do it for them, because we have done it for them before and it has failed. To help them do it for themselves, and that is what we need to find out. Microfinance is already finding out, managing how to do that.

Lakshaman Bandaranayake (Audience Participant)

I'm Lakshaman Bandaranayake, SEED Sri Lanka.. What I liked most about it is how you nicely connected the customer-centricity with human-centered design, because you cannot implement your CC without HCD. So that link was realistic. Congratulations. I would like to direct the rest of my comments to the beautiful comments made by my friend sitting here, the wonderful comment. What I mean by customer-centricity and how you're going to achieve that, we discuss the last two and a half days tools, techniques, processes. But I think this conversation now needs to be taken to a wholly different level because you're moving away from product focus and being a customer-centric organization requires a fundamental and significant shift in the corporate strategy. Your corporate purpose, your mission, and more than anything, it requires a huge change in the organization culture. Because how am I going to measure the effectiveness of people, how I'm going to measure the performance of people? In the customer-centric organization, it's totally different than a product-driven organization. So we need to treat this as a transformative process, a change process, not just designing product, but how do you move your organization, and how do you reinvent the company to differentiate from your organization based on customer-centricity? We laid the foundation. Let's take it to the next level.

Tilman Ehrbeck

Good transition, thank you. The enormity of the challenge. Let's do a quick round on what's missing as feedback for the team for next year?

Robert Christen

In my mind, this is a work in progress. This is a series of symposia that each year we're hoping to get better and better at. And what is going to drive that is how much we learn from you about what works, what doesn't work, and there are lots of ways we're trying to gather that information. This is just one of them. Can you tell us things that you would have liked to see here? Something that was missing in your mind from the agenda? Not necessarily the whole program. There are other ways to talk about whether the coffee was good enough. But let's talk about the agenda and what we tried to accomplish here. Monique, would you kick us off?

Monique Cohen (Audience Participant)

Hi, I am Monique Cohen I used to teach the clients course at the Boulder Institute for about ten years, and I ran a client-focused organization. So what do I think? Greta Bull said something this morning. We need to think about our clients differently. And I think we're beginning to do that. Fifteen years ago we talked about clients as statistics and passive. Now we're thinking of them as an active part of what we do. But we need to go further. We don't just have to think about functionality. What the gentleman from Sri Lanka mentioned, we need to think not just about products, but also how people make financial decisions and what drives those decisions. And what we've learned I think most recently if you look at the digital services is that people figure out what to do with these services once they understand what they can do. But what stops them is the big issue: Why are dormancy rates so high? And I think that is a big issue that we need to talk about. And in talking about it, I think we have to remind ourselves what we're asking people to do. We're asking poor people to leapfrog into technology, leapfrog into banking, and to put it differently, leapfrog into the 21st century where they want to be. And that's going to require, I think from the industry to look at clients differently and to deal with them differently along the way. And there's going to have to be movement on the side of how you interface with clients, and what I've seen is build trust and confidence in using virtual money, because if you're poor, what drives you is to minimize risk. And virtual money is perceived as very risky. So I think these are

important topics and I think institutions will need to change in tandem so the two forces of change come together more rather than being far apart.

Robert Christen

So what are the other things that we might be missing? Let's come to the front and then we'll work our way around again.

Paul Musoke (Audience Participant)

Paul Musoke from FSD Africa. Previously I was working in a commercial bank in Africa for the last 20 years before that. I think what stood out for me was that if we are to be customer-centric, we actually have to invest in research. But discussing *The Financial Diaries*, it was mentioned that no financial institution has actually invested in financial diaries to date, which was quite telling in my opinion. And I think financial institutions either need to find ways of assisting them to take research more seriously and actually invest more in research. Because if they don't undertake this research, they will never really understand the customers and be able to come up with solutions that are customer-centric. I think going forward, we need to find ways of how do we assist them to do effective research and get an understanding of their clients.

Robert Christen

So maybe in the Symposium we could work harder to try and help organizations figure out how to translate research into actionable products or services or channels. Interesting. Let's go back up to the row there.

Ezekiel Esipisu (Audience Participant)

My name is Ezekiel Esipisu from Habitat for Humanity International. I think we've had a lot of great presentations here today and the previous two days. But I think what was missing for me, and I think the presenters were a little conservative with what really didn't work for them. We need to hear more of what didn't work, what were the reasons that made those things not work. I think I would be excited if we had a failure innovation presented here and people pick from that and go back home and know let's not do that again.

Tilman Ehrbeck

On the US West Coast they do fail fests. They celebrate failures from which to learn.

Robert Christen

Do the people who provide the money to go to the fail fest? It's always a sensitive issue in our community. Let's take one more on that same row.

Anne Hastings (Audience Participant)

My name is Anne Hastings, and I'm with the Microfinance CEO Working Group. First of all, I just want to say a couple of things about what was done right, and that is that sometimes in financial inclusion, microfinance institutions lose their identity. And I think that this conference has done a great job of keeping microfinance institutions at the center to figure out who we are in this new world, and I really do appreciate that. I also think the comments about segmentation and high-touch, low-touch are really, really important conversations. I come in as a very much of a high-touch person, and I actually moved a little. And so I was very happy about that. I can see ways to integrate the two, and that we definitely do need both, even when we're talking about the extremely poor.

But what was missing for me is in the audience. I think somebody else mentioned it. We do need to have some regulators here. I think that's a gap in the invitation list. I don't want it overwhelmed with regulators. But we need to hear from them and know for sure where they're going to go, whether they're going to follow us in this journey that we're taking to redefine our industry.

Robert Christen

Thank you very much. That's a great comment, and I know certainly CGAP has expended tremendous energy on the regulatory front on the agent banking and mobile money. But yeah, it's a really important comment as we think about other aspects of client-centricity to see to what extent we ought to be connecting with regulators. Anyone else up toward the back there?

Gail Warrander (Audience Participant)

This is Gail from DFID UK government. Picking up on your last piece just for the sake of flow, I agree that we need the regulatory piece there. We are struggling with this even in our home countries as donors. So yesterday the UK government announced a large inquiry into banks because we cannot get it right. They won't lend enough to businesses, they are slow, incumbent. Despite all the attempts to bring in the Tescos and the supermarkets and the Googles and everybody, it's still not working. For me, the regulatory piece that I'd like to discuss, and it would be great to bring in CGAP in next year's conference on this, is we see the telcos coming in. We also see utilities coming in because one of the things the poor need to do is pay their water bills, pay their electricity bills in small micropayment amounts. So we've talked about M-KOPA, there's others out there, [inaudible], Mesh Power, who are leapfrogging in many respects the MFIs because you can asset finance your solar home system by micropayments, pay-as-you-go electricity. But I see also the utilities wanting to move into the microfinance space, into this financing lending space. And I see the telco's. But the big questions will be, if I'm a telco like Telenor in Pakistan and I buy an MFI, how do we make sure that others get on to their network as well so that the utility networks and the telco networks are not excluded to other players? Otherwise, we will have the problems we've had in Kenya where the cost of the M-Pesa and other systems is quite high, whereas the cost in Tanzania is lower because we've had a better regulatory regime. So there's some really difficult regulatory issues to discuss.

I'd also like to see on a similar vein more talk about alliances. How can microfinance institutions ally themselves with utilities, with Google, do the cards where you can pay for the toilets, pay for the transport in micropayments in the slums in Nairobi? What about alliances with tax authorities? Maybe they're your way of getting a lot of customers in if they can pay their taxes with their bank accounts more easily, with fiscal cash registers, with the government social protection payments. So if the Ethiopian government is going to pay millions of people through this system, that's another opportunity.

And finally, I'm surprised nobody's raised the issue of peer-to-peer lending, which is very big in the UK as another way of getting around the banks being so slow and incumbent. What about crowdfunding, loans directly from one individual to another, loans from the Diaspora to microbusinesses? So I think those are some topics for next year. But it was a lovely conference. Thank you very much.

Robert Christen

That's very interesting. Kind of seconding the regulatory focus. But also I think this kind of interesting notion of utilities, infrastructure utility, is a payment of financial service or is it part of rails? And therefore, so having a broader conversation with broader sets of rails about products that may be savings, credit, insurance? I think there's a whole kind of conversation about how do we look at payments. Is that a service unto itself or is it just that that's the system everything will ride on? We have another one up here please.

Jennifer Riria (Audience Participant)

Thank you. I want to pick up from where Monique left. I think as a microfinance practitioner and putting clients at the center, what we have realized is that a gender perspective in everything is very important.

Robert Christen

Now that seemed like biased applause, but thank you.

Riria (Audience Participant)

And I really believe that any gender blind movement towards financial inclusion will fail. I think we really need to think about that as we go forward. That's a big omission as far as I was concerned.

Robert Christen

Perfect. Two or three more.

Ishmael Otchere (Audience Participant)

My name is Ishmael Otchere. Microfin Ghana. I think this work has been very, very helpful. Particularly the issue of how we have to move our way forward. And the solidarity group and group lending and trying to segment our client to understand them to give them the right product. I think one thing that probably we may have to consider this year is most of our clients I believe are now in the areas where Islam is predominant. What we do, I believe that next year you could have some of the practitioners who engage with the Islamic communities to see how we can design appropriate product for them. Thank you very much.

Robert Christen

Is there someone down here? Anton? Then we'll have one more.

Anton Simanowitz (Audience Participant)

I'm Anton Simanowitz. I just wanted to pick up on a couple of points and make a suggestion. The point about have we learned from the last 15 years, one point about sort of practically how do we do it. And my view of the world, I work with a lot of tier three MFIs. I see a lot of interest and a lot of willingness around these issues, but a real practical constraint in terms of how do we take this forward. What do we really have to do to take forward customer-centricity? So a practical suggestion. We've heard a lot about human-centered design and its effectiveness in terms of taking these questions about what is needed to take products out to understand clients, understand their needs, and really design based on that. Can we think about organizational centric design around these issues and really start to think about what are the practical constraints that are blocking the take up of these ideas? So that we close some of this reality gap between the knowledge that we have and practically what's happening on the ground. And maybe that's a project for the Symposium to undertake in the next year so that we come back next year with some real insights in terms of what's practically needed to take this forward.

Robert Christen

Perfect. Anyone down in this area? Okay, and then we'll close it up.

Female (Audience Participant)

Thank you. There have been a lot of references to the financial sector at large, and maybe this is a little bit of a controversial statement. But frankly, after what we've gone through in the financial downturn, I've really come to the conclusion that the financial sector overall is truly off-track. It's not only not serving the customers that we're really focusing on here, but it's not serving us all well. And I guess I would just put in a pitch for, I'm seeing a movement of alternatives and there is, for example, a network called the Global Alliance for Banking on Values, and this is a network that is south and north, institutions like Mibanco in Peru, and GLS in Germany, and Triodos in the Netherlands, and the largest credit union in Canada, and they are focused on sustainability-focused banking. And there's a convergence there. Some of them are microfinance, most of

them are small business lenders, or they're sector-focused on environment or green business. But the convergence is around values. And I'd like to see some of them here next year because I think if you can bring in networks, you overcome the problem that you can't bring in everybody, but to the extent that we can bring in people who take insights and relationships back into networks we can broaden our circle.

Robert Christen

Great, thank you very much. Tilman.

Tilman Ehrbeck

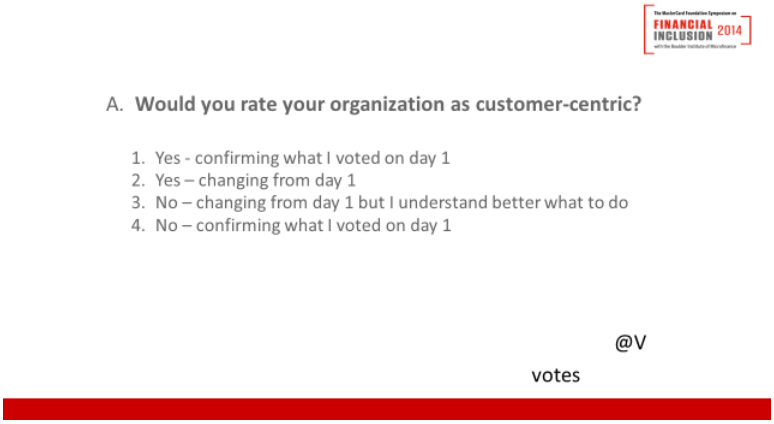
Yeah, we are sorry, people have to catch planes and things like that. So we are committed to stick to the time frame. So apologies for those of you who couldn't come in anymore at this juncture. I wanted to acknowledge two other sources. As many of you wrote down over the course of the last two days on the white cards additional ideas, many of which have already been mentioned, but there are others. So somebody said, "Now that we are focusing on customer-centricity, it would be good to honestly understand how to measure impact." That was another one. "Next year I would like to see more of the how-to." I think that was really a theme in many of the written comments. "More tangible examples, how-to lessons on how to translate the thinking." Another one was, "Broaden the conversation around what is financial inclusion and how it fits within the entire ecosystem—education, employment, quality for life." Many mentioned segments. "I would like to focus on the youth clients next time, youth segment, the youth journey to financial inclusion." "More focus on agricultural finance." So many, many more good ideas and feedback, and the team that's going to debrief and then start planning for next year will listen to that.

And then, of course, many of you asked questions that as Jessica put the conference has a hard time answering on the spot. And The MasterCard Foundation team kept track of these questions, some from the very early morning. You remember the customer delight point that was made and the question that was asked, "When is good good enough? And when do we stop pursuing delight? How do you even measure delight? How do you stay focused when growing rapidly? What partnerships to leverage?" That was really a theme that many of you just mentioned. "What does this all really cost? What's the business case?" So, between this conversation we just had,

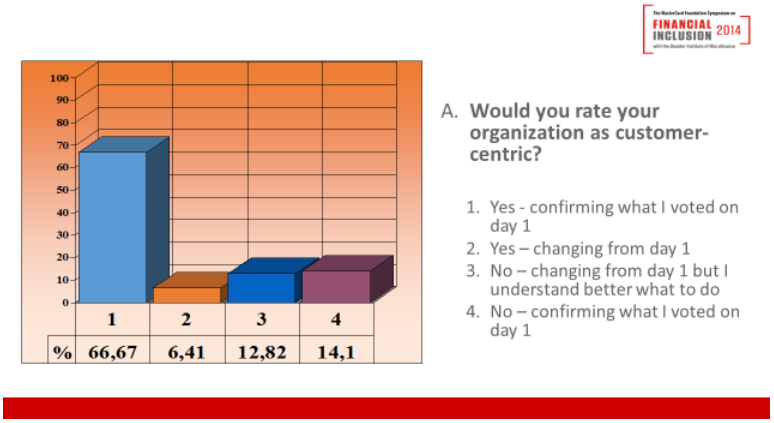
the other feedback, and the questions, a lot to think about as the team improves for next year and make it even better.

We want to do two more things and we do them quickly because this was the important conversation to have. Ten minutes each about. The first one is we want to go back to the consensus question that we asked at the very beginning around client-centricity. And so if we could get up the consensus questions please. And the first one is, yeah, you remember that.

So on Wednesday morning, Gerhard asked you simple yes/no question. Is your organization customer-centric or not? And now we give you four choices because you might have changed your mind. So the four choices are: 1) yes, confirming what I voted on day one; 2) yes, I changed, I thought no but I now think yes; 3) no, I said yes on day one, but now I understand better what it all is and realize we have more to do; and then 4) no, and that's what I voted for on day one as well. Can we open for the votes?



This is just to get a bit of a feel, and you might find this interesting. All right, last clicks. Why don't we close. Okay.



Robert Christen

How does that compare? Do we know?

Tilman Ehrbeck

Yeah, so we had yes/no on the first day, and we had an equal two-thirds yes and one-third no. So there's still a great affirmation, and then there are a few folks who changed their mind, and actually by and large people voted … one in four is we are the same as before. So nothing influenced you all that much. Maybe we hear from somebody. Anybody who has a comment on this?

I see a hand up there, Mark.

Male (Audience Participant)

My point is I'm not there yet. I don't have the capacity yet to say that I really am customer-centric on an operational level.

Tilman Ehrbeck

And you are reacting to the request that we heard earlier about honesty around uncertainty.

Male (Audience Participant)

I'm just saying it's a huge operational issue and it's a long ways to go before it's more than a wish.

Tilman Ehrbeck

Anybody else? Right behind Mark.

Female (Audience Participant)

I would agree with Mark. We are undertaking to become customer-centric. We're just at the beginning of that. And I've heard a lot this week about people are hearing their clients and designing products to meet their client's needs, but when you start really diving into how to operationalize customer-centricity, it's a mammoth task. And I'm also in four. I think had I not started this task, I might have been on one on day one, but just understanding the massive amount of work ahead of us, I'm still a number four.

Tilman Ehrbeck

Another honest voice. It's hard to see up there. Do you have the mic?

Male (Audience Participant)

I believe that we also need to understand that this is a journey. So maybe the question is your organization customer-centric, in terms of mindset, you may as a manager have the will. But are you there yet? And at what point can we decide that we are already customer-centric? Everybody needs to have some clear indicators, and clearly as the market also is changing, it's a journey, you may be customer-centric right now, but your market is becoming more sophisticated, more educated, and you may no longer be very relevant for them. So I think that is something we also need to understand and be aware of.

Tilman Ehrbeck

Is there anybody who thought in going yes and no, no because something clicked over the two days? I would love to hear. Anybody who thought yes in the beginning and something changed their mind because they took something away?

Male (Audience Participant)

Yes, Rogers again. From the vision statement of our bank, we have always thought that everything we do is around micro clients. And the first day I came in, yes, I voted yes because everything we do we say it's about a customer. But this week we've seen

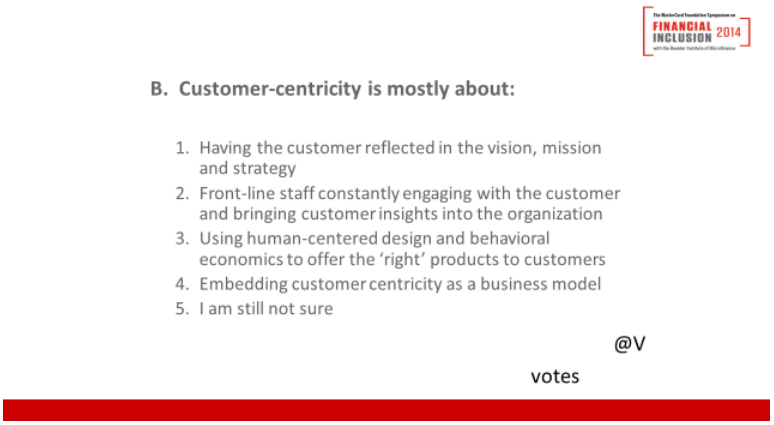
that there are things that need to be done, and until you do them, you can't be customer-centric. And that's why it's a no now.

Tilman Ehrbeck

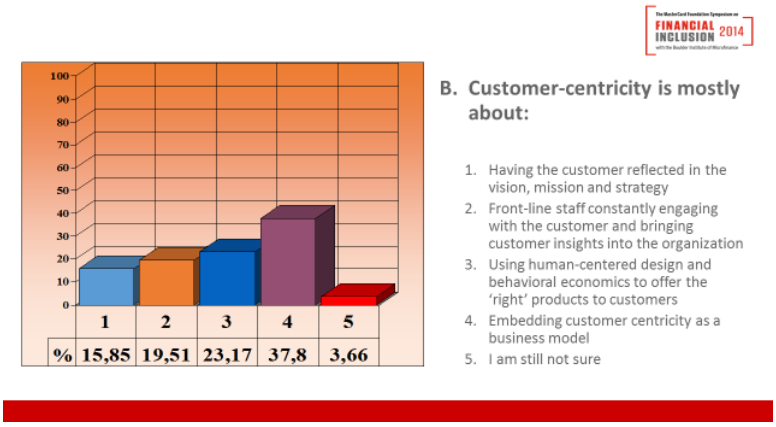
Let's quickly check the next question that was also asked on day one.

Robert Christen

Having the customer reflected in the vision. What is customer-centricity? Which has come up a bit in the conversation. Front line staff, is it about having front line staff constantly engaging, human-centric design. You can read it. Shall we vote? Let's vote.



Okay, interesting.



As I recall, day one was very even across the first four choices. So here clearly there's been an uptick in number four, in vetting customer-centricity as a business model. There's a clear winner. That definitely has gained maybe 15 percentage points.

Tilman Ehrbeck

As a matter of fact I'm comparing. We included that as a new choice based on the discussions that we had. So we did have … let me read out. We had having the customer reflected in the vision, mission, and strategy. That was 28% on day one. Number two, front line staff constantly engaging. That was 31%. Number three, using human-centered design to offer the right products was 33%. And this embedding customer-centricity as a business model is a new option that resonates with most of you. And I think we heard that in the comments already, maybe even just in your last comment around this is a bigger task than just one level. It's rethinking approach, business model, incentives, etc.

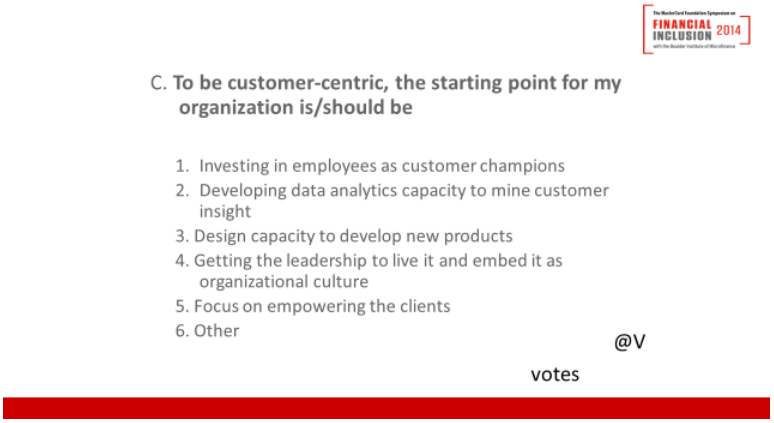
Robert Christen

So bit of a ringer there. That's good. Shall we go to the next one?

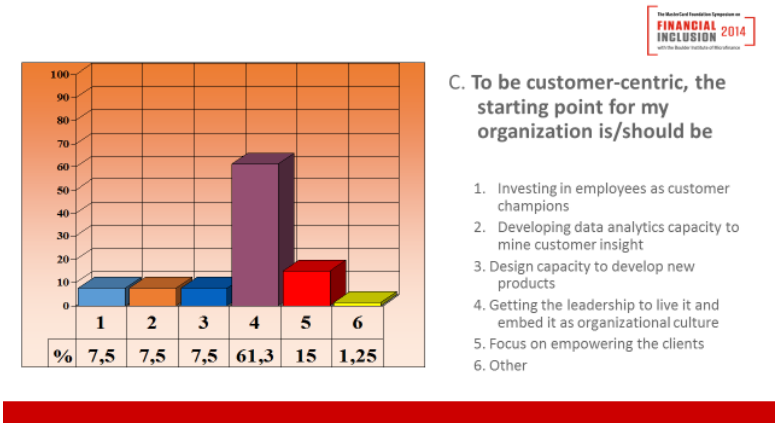
Tilman Ehrbeck

Of course, the reality, for many of these, the answer is all of the above, but if we give that option, then everybody would click it and it wouldn't force to make a statement. Let's do the last one. And I also have the results from before.

To be customer-centric, the starting point for my organization is or should be, and here are your choices. If you vote other, I will ask you what you have in mind.



We're almost there. In full transparency, we also include … the first three were the same, and again, in reaction to listening to you, we introduced four and five, and not surprisingly, given the conversation, the leadership point in particular is getting the big vote here.



So just comparing, but it's a bit apples to oranges, obviously. So the first one, investing in employees, we had a choice, had 40% on day one. The second one, developing data analytics, 34%. The third, design capacity to develop new products had 14%. Four and five are new, and six we had "I don't know where to begin" on the first day.

I promised to call on those who voted "other" because there's a thought there that I would love to hear. Jessica? Okay, Gerhardt was pointing to you. So I hope that you're game and share with us. What is your comment?

Female (Audience Participant)

I do have a comment, but I did not vote other. I voted leadership now, and maybe I would have done that if it had been an option the first time. But still my move from capacity to leadership is also a move throughout the time of the Symposium. I think that's because when I started on Tuesday morning, I came out of all those operational issues and challenges and I was much more stuck in my day-to-day limitations, and I do emerge from this Symposium with much more courage for vision and strategy and for thinking beyond my daily limitations. I think if you ask me next Wednesday, I may have a strong tendency to talk about capacity again. But still thanks a lot and congratulations for this Symposium.

Tilman Ehrbeck

So take some big decisions Monday and Tuesday. Any other thoughts?

Male (Audience Participant)

I voted other because I think any organization looking to transform to become more customer-centric has got to have a leadership team, and I take note that we've got leadership up there, but it's got to have a leadership team that clearly defines exactly what customer-centric means to that business and what they expect to be generating as a return from that business. Having a future vision is one area, but the other very important part is understanding current organizational capability in order to understand the scale of that transformation.

Tilman Ehrbeck

A tangible vision and a realistic understanding of the starting point. Any other comments? I see a hand up there.

Female (Audience Participant)

I actually voted five, but I think four and five go together because four must be committed to doing five.

Tilman Ehrbeck

Very good. Okay, thanks. That was very, very interesting. Apologies that we snuck in a few more options, but we got a richer discussion as a result. Bob, over to you for the …

Robert Christen

So in kind of bringing this session to a close, Jessica, I thought your comment was very, very appropriate. I think one of the things that has impressed me over the days of this Symposium that I'm not sure if I fully expected were the intervention of the CEOs or the founders/drivers from Pep, from Strive with Econet, Lorenzo Chan here with Pioneer. You can just sense that passion, that leadership. There isn't any question that those folks are driving organizations that live and breathe being about the customer experience. And so that sense that leadership is so vital has come through to me very clearly in the Symposium. I'm not sure that I fully expected that when we put it together. So that's kind of a neat outcome. It just really hit me in the face.

One of the things that we asked folks to do last year, and there's a page on, I guess it's on their chairs, that says…

Tilman Ehrbeck

You got it when you came in.

Robert Christen

Got it when they came in? And this is sort of a commitment to action. One of the things we believe is important is, do you leave here in a sense as Jessica just pointed out—you couldn't have done a nicer segue Jessica—you know, inspired to do something differently? Is there some way in which you will go home saying, "I'm going to do something different, have a different conversation, act on something in a way that I might not have done here." And what we're doing is allowing this to be somewhat more committed. And so we've given you this page to write something down. And this year, we have figured out how to send it back to you in four months.

So it's just a tool, a prop, for your own use, but we would love it if you would fill it out, and I don't know, is there anyone here who last year did something like this and acted

on something as a result of, partial result clearly, of coming to the Symposium? Let's go to Stephen here, and then Jessica. You know, does this matter? This exercise here, writing something down?

Jessica (Audience Participant)

Stephen doesn't want to talk. So. Ladies first. Yeah, I walked away and I do remember I wrote a couple of ideas that came out of behavioral research last year, and I wrote them down on that card. And I thought it was something that I was going to do in the two months following the Symposium. I've done half of it by now and I'm still busy with the rest. But we've created a series of the AB Bank monthly savings tip, and that has a lot of those ideas in terms of creating different savings accounts for different purposes so that people will link more to what they're putting money in there for, of SMS reminders, of telling clients the idea of continuing to pay your installments when you're finished paying your loan so you know you can actually put this many up on a regular basis. So do it for yourself so the next time you get to an emergency you won't need to borrow anymore. And there's a couple of other of those ideas.

Robert Christen

So if you would take a moment and fill out this form, it would be useful both for us to get a sense of whether you're inspired in any particular way, and then if you wish we can send it back to you to remind yourself of something you might have thought of. And Stephen, what worked for you?

Male (Audience Participant)

Actually, mine is sort of, I guess I'll segue into point two. I was, I think the phrase is "gently poked" by Katie Nienow over there about the Juntos thing. It's taken us a year, I think it will probably take a year and a day. We are literally on the point of signing to put the Juntos thing into Fedecredito in El Salvador, one of our projects where we've opened up agent networks. It hasn't worked how we thought. We're getting lots of payments business, but no savings, and so we're going to … you know, 100% based on last year's Symposium. Try the Juntos financieras thing.

Robert Christen

Excellent. Is there any other thing anyone would like to share that came out of last year's Symposium? A partnership, a new initiative? Yes, please, one more and then we'll …

Motaz Tabaa (Audience Participant)

My name is Motaz Tabaa from ABA Egypt. Actually, last year, I got from the Symposium that because of the regulatory situation in Egypt, that prevented us from doing anything more than just lending, and that I have to do through partnership. So actually during the last year, we sign partnership with post office to disperse loans and to open savings accounts for our clientele. We signed partnership with a company that do billing, and some other financial transactions for our clients. We are about to sign partnership with National Bank of Egypt for eWallet, and we did as well a partnership with insurance company to provide retirement plan insurance for our clients. So almost 80% of what I wrote last year is completed.

Robert Christen

Well, that's terrific. Thank you very much.

Tilman Ehrbeck

It's almost 1:00 sharp. One of the reasons why I'm sometimes asked to help with these is because I bring things to a German end, on time. So thank you very much. This was a great conversation, great input. I leave it for you and Ann I believe to close.

Robert Christen

Yes, Ann is going to join me on stage here to do a wrap. Thank you, Tilman. (Applause)

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