The MasterCard Foundation Symposium on FINANCIAL INCLUSION 2016

Day 1, Session 5 - The True Value in Customer Lifetime Value

Hala Kosyura, Principal, The Boston Consulting Group

We are thrilled to be here. And are very, very thrilled about the topic of the conversation. So, very briefly. I'm Hala Kosyura. I'm a principal at Boston Consulting Group. I do a lot of work around customer-centric strategies in financial services across different markets.

I'm thrilled to introduce my panelists. So, we've got Chandula Abeywickrema. And, he is a very accomplished banker with how many, 30 years of experience? Working for, in multiple roles, in institutions such as Hatton National Bank, which is very, very famous for many of you for a variety of reasons. He also now serves as a Strategy Advisor for the National Savings Bank in Sri Lanka. He also chairs Banking with the Poor, which is the largest microfinance network in Asia.

We also have Kwame Oppong, who we're just thrilled to have. He brings in a wealth of experience from different sectors. So, he's right now with DFS, but until very recently, he was the General Manager of TIGO Cash in Ghana. He also worked across retail banking. He also worked in telco. So I think that when we were putting this together, we were quite intentional about the diversity of perspectives and viewpoints to bring in.

Let me kick off the discussion with doing a little bit of framing. Customer lifetime value is right now a topic that's relevant not only in developing markets, it's a topic that's trending really globally. There are lots of things to learn for the financial services sector. This approach has probably been a lot more advanced in telecom sector, in retail. The way we think about it, it ties very, very closely to the topic, kind of the key theme of the Symposium. Customer lifetime value puts an emphasis on customer. It puts that focus on a very dynamic longer-term approach and thinks about the holistic needs and the total portfolio of solutions that our customers need.

So, to link what Ann was saying in the opening remarks, there is a big shift that's happening from a very product-centric view into a much more holistic view in finding a way of tapping into the value of that relationship. On that note, I'll pass it on to the panel with the first question.

How do you think about the customer lifetime value? Is it a metric? Is it a lens? Is it a way of thinking? So, Kwame, why don't you kick us off.

Kwame Oppong, DFS Consultant:

Sure. Thank you very much, Hala.

So, in discussing customer lifetime value, I think how you need to look at it is an approach to quantifying the future revenue streams of your customers. Typically, for purposes of decision-making, when you're doing these customer lifetime value we're sometimes trapped into looking at the immediate revenue stream. So we're more short-term, more product-focused. What that does is the outcome of such an evaluation does not really give you the full holistic picture, as you mentioned, and might have a certain impact on the decisions you make.

As you're going, as you're looking at customer lifetime value, the things to understand and evaluate include, for instance, a deeper understanding of who your customers are. Where they are. What they are doing, right? How you are acquiring them. Their needs. And all these help you better understand how to engage them. And as you are engaging them better, it ultimately results in being able to improve loyalty, improve retention, reduce costs. And, the ultimate objective for a business, which would be to make some profits, right, through revenue. So, that's pretty much how I look at it. And, I'll give you an example in relation to that.

If I were evaluating a mobile financial service customer, let's say an agricultural customer somewhere in rural Ghana, and I was looking at only the revenue stream that they were bringing to me as a mobile financial service customer, I might be missing out on the potential benefit that would also be bringing to the business overall. So, we have an example where we ran a small pilot. And, in the end, 83% of customers that we on-boarded also were brought on board to use a GSM service. This is airtime transaction. This is SMS and everything else. So, as you're thinking of it, it's incumbent on you to really re-focus and look at things more holistically to be able to push customer lifetime value better.

Hala Kosyura:

I think that's a terrific example. Another example that we heard from Orange was along a similar line that if you look at the mobile, for example, financial services very narrowly, the business case and the time to being positive, bottom line, was quite long. But, once they started looking at the holistic needs of the customer, including their telco usage, the picture changed quite dramatically making a compelling business case. So, I think it equals your observation.

But, to push on this a little bit. Customer lifetime value at the end of the day is a "number". It's a dollar number of the relationship that takes into account the acquisition cost and kind of present value of the revenue streams. If I look at the usage of that it could lead you to think well, maybe I'll just focus on the top quartile of my customers where I make most of my money, and not as much on the actual lower-income consumers, which is highly relevant in this audience. Chandula, what's your reaction to that? You have a very interesting perspective there.

Chandula Abeywickrema, Chairman, Board of Governors, Banking with the Poor:

I think the customer value in terms of economic value as the customers evolve economically and that kind of economic value, the impact on an organization or, in particular, in financial institutions or a bank or financial institution, essentially banks and financial institutions grow with economic growth. So the economic value of each of the customers and the evolution of that customer as he engages with the banks or financial institutions, how impactful that value into the organization's growth and development. And, that's where the customer lifetime value will begin to make absolute sense as the economy grows, the banking and the finances grow, as well as institutions grow. So, that's where the customer starting from a certain point in value will evolve into a greater point. And, that's where his engagement with the banks or financial institutions will create growth opportunity for the institutions.

Hala Kosyura:

So, when we were preparing, Chandula used the example of saying, "well, if you want to reap the benefit, you have to invest upfront". You had a very good metaphor for this one.

Chandula Abeywickrema:

What I said was if you really want to have a good cow to milk, you need to look at investing in the calf. And, you have to look after the calf until it becomes a cow. And then, you can milk it. And, that time of period is an investment to make sure that the life is enhanced and value is enhanced. As you enhance the value of the calf to become a cow, so is the case with the customer’s life value is enhanced and his growth opportunity has a direct impact on the organization.

Hala Kosyrua:

But, on this one, right, so what Chandula is framing, this is an interesting emphasis. When you talk about customer lifetime value, the 'lifetime', in many ways, is the operative word because you chose Hatton National Bank to take a much longer term perspective. Can you tell the story?

Chandula Abeywickrema:

The story relating to the background of the country. Because the country has faced a pretty significant uprising mainly with the youth uprising where we had in this age significant modernization of the youth, the rural development, gender equality, women inclusion and all that. We started with significant economic drawbacks.

As financial institutions, what we felt was that it's important to bring development across to the rural areas, the regional areas, to the youth, and to the women. And, that's where we began to look at how do we bring economic value into each of the individuals, as each individual segment is important to a financial institution's economic development. And, as economic development is restricted to certain pockets, then the growth option paid for the financial institutions are also restricted. So, if you really want to have a significant growth lined up for future, then you need to make sure that development is taken across to those segments.

That's why we start at the very, very micro level into small and medium, and then began the development. And, we began to go beyond our one-year balance sheet mentality into a five-year balance sheet mentality so that the KPI was really changed based on that. That began to make sense to us because we had the cushion of 80% of your profits coming from the 20% of your customers. But, when we looked at the 80%, which represents the marginalized sector, we need to invest in that sector to ensure that 20% becomes 30% and 40% and to make a value for the institution.

Hala Kosyura:

So, you're bringing in a very important point here around shifting a bit of a focus from that immediate return. I'm assuming many of your organizations here and the room start driving to essentially financial outcomes that you need to show. Here you have an example of a very strategic decision that was put in place to really think longer-term. So, tell us more about how these decisions have been made. And, Kwame a question for you. In this time, Sri Lanka is a quite competitive market. So, there is a fight to lay the pipeline for the new clients coming in and that's part of the focus on building that pipeline, going ahead. You're in a very different market, Kwame.

Kwame Oppong:

Yes. And, I'll talk a bit about - for the purpose of this - a bit about what happened in Ghana. And, I think it's always important as earlier speakers said today on the different panel, the role of data in all of this. Because, in our case, we looked at a data-driven customer journey. You have to understand your customers better, and you can only do that by really harnessing the data that is available to you to be able to get the understanding that you need. And so, digging a bit deeper into who our money customers were, who our telco customers were, we began to get a sense of what we're really dealing with, right? And to sort of begin to question some decisions and presumptions you would have. And that, eventually, led us to make some changes in some decisions we were making around marketing, around acquisition, which is very, very costly for mobile financial services, especially trying to push into deeper territories. And, it had a very big impact on us. But, as we began to pursue that role we began to see impact, as well.

I'll give you an example.

After about a year, when we decided to refocus, 70%…well, an active mobile money customer we learned, was actually consuming 70% more services from the other side of the business. And this is an active mobile money customer. It meant something to the broader picture. The second thing is, as we looked at making some of these changes, we began to understand how to better acquire the high-value customers. And, anyone who is in a telco space knows that the 20% you described that brings in 80% of the revenue. It's a very delicate, no tread of caution sort of thing. But, in a matter of a year, we were able to bring on board about 65% of them and the person responsible for actually implementing that, even post my absence, is actually in the audience. So, it's very fascinating what we actually learned out of it.

But, this began to actually tell us the role of what data could do in terms of changing our mindset, making different decisions, and the ultimate results that it gave us. So, from my perspective, I think that is something for others to look at. And, that fundamental thing is what was discussed earlier, is the need for institutions to rethink and change our orientation as to how we approach customer lifetime value.

Hala Kosyura:

So, thank you. I think that it's exactly this kind of example that resonates and sparks attention. One, from my client experience, where…and in a financial institution that was fairly product focused. Stepping back, pulling up and understanding how does the customer journey and across the lifetime events, evolve? What are the true customer needs at each of the points? And, what is the way to anticipate it?

It was quite a big unlock to a very practical thing that everybody strives to do, which is cross-sell. So, that customer lifetime mind-shift helps you unlock customer value on the one hand, essentially driving more cross-sell and margin, which was, in that case, quite significant. But also, it addresses customer needs. An example of that was mining credit card analytics. So, credit card transaction data. Understanding what are purchase behaviours on a credit card and figuring out if somebody shops in a baby store, chances are they're expecting. And that creates a whole door for the new set of needs that are coming up. There was life insurance as one, because that's the moment of truth for most families when they actually stop and think, 'we do truly need this product' which makes the actual acquisition much easier, and creates an unlock. There's also a very high potential of upsizing the house where there is more space. And, I understand that this is a different kind of global example. The needs of the customer in each of the markets would be very specific. But, just highlights the point, Kwame, that you were making around analytics being a very interesting unlock to thinking a lot more holistically.

Small other point. We surveyed you before SoFi and asked you how many of you are actually pro-actively driving cross-sell as a part of your business agenda. Not surprisingly, the number of a percentage of people who said "very much," or "somewhat," or "actively," was around 30%. And 70% of this audience said either "not at all" or "we're starting to dabble into it." Which, to me signals a huge opportunity both in terms of the customer lens and a demand, but also opportunity to provide better services to the clients.

Kwame, you mentioned a number of decisions and choices that you made differently. Can you kind of riff off that a little bit, Chandula, and also talk about what is the value of taking that plan, and where did it lead you differently? So, you mentioned a focus on some different customer segments, which you normally would not have thought about. Any other examples?

***Chandula Abeywickrema*:**

I think we began to look at the entire spectrum of the customer segment starting from the children to the youth, the women and to the various marginalized sectors. What we really look is, when you look at the lifetime value of a customer, it has to go all around the affordability and accessibility of each of the customers. At any given point, the base of the financial institution's framework and the mechanism, the affordability of the various products and services could mean different things. And, sometimes if you are able to come up with the financial solutions, the more affordable to more people in more places, and that creates greater accessibility. And, that's where the customer value becomes very significant to each of the institutions based on the various segments.

So, you need to really have the tailor-made products and services to target the various segments by making sure that your products are made affordable and accessible with the framework where you make the transaction cost very affordable to both sides of the dialogue, but from the customer's, as well as from the institution's. And, that's where…because the customer lifetime value depends on each of the customer's value, economic value to himself, to the society and to, by and large, towards the economy. So, based on that you can go from micro to small and medium and come up with various solutions that can bring inclusion to all the segments. And, that's what we have done.

Hala Kosyura:

So, Chandula, to your point, when you take that approach, you figured out a way to serve segments that very often considered are just fundamentally unprofitable. So, the Foundation has done some very interesting experimentation with the youth financial services, whether that question of return on investment was a big one. So, it's interesting you highlighting how taking on that holistic view of the total value over the long-term timeline, actually drives inclusion. But, it's challenging, right? Your institution has exhibited a fair amount of patience in thinking about that long-term. You mentioned the view of 'it's not a quarterly result, it's a much more long-term view.' Like, that's a challenge. What other big thing…so, first of all, how did you make that happen at the board level and at the senior leadership team level?

***Chandula Abeywickrema*:**

As I said, from a macro point of view, if you look at great economic development across the country, that would have an impact on the institution as well. We also felt that it is important that each segment be made profitable and that each segment would have the opportunity to have a linkage with the institution. And, also what we did was that…when it comes to youth, when it comes to the children, when it comes to women, we ensured that there is a hand-holding for graduation of them.

As I said, that we change our strategic thinking to move from…while we have a dual kind of engagement, we have a one-year balance sheet, one-year KPI, we have five-year balance sheet, five-year KPIs. And, that began to really work on strategically once we look at 20% of the customers will bring 80% of the profit, and we look at 80% of the customers will bring 20%. How we have these two different, the balance sheets engagement, and based on that we began to work towards creating affordability and accessibility of various products and services that would have significant meaning and economic impact, and multi-generational impact on the short, medium and long-term. And, that's what we really invested in; hand-holding. Like, I said, during the period of the calf, to become a cow, you need to hand-hold, you need to nurture. And, that's where we began to really see results year by year.

Hala Kosyura:

But, on this one, right, in terms of the challenges, that kind of alignment of strategy and governance and metrics is certainly one. You spoke beautifully to it. Kwame, what are other big challenges that you are seeing? Because, I would not be afraid to say that that approach, customer lifetime value, has not been broadly adopted within the financial inclusion space.

Kwame Oppong:

Yeah, you're right. It really hasn't, I mean, you've got to look at, sometimes even, the tenure of leadership, right? And that, somehow informs the extent of commitment into certain things that are a bit more long-term in view. But, then again, it comes back to the need to take, to re-orient yourself and make a decision that's actually sufficient. As much as there is this issue and a problem of how it's viewed, there is also evidence supporting the fact that taking a longer-term approach to customers actually happens to be more valuable. But, the problem is, I think, many times we're in that sort of cone of confusion of change in dynamics in the markets, regulatory changes, competitive changes and all kinds of KPIs within a very short term basis. So, we find it hard to, sort of, take a step back and respond to what should be a better approach to it.

What I have always recommended has been, look deeper to your customers. The reason is, the better you understand your customers, however you're harnessing data. And, frankly, to your point to the survey results, how many of us are truly mining that data to optimize the value out of it. If you could really do that sufficiently, it means you understand your customers better, you understand their needs, you're addressing it better. It's a full cycle back to the revenues that you're targeting, in any case. And so, it's very important that you take that step back and look at it from the abstract.

Hala Kosyura:

So, Kwame, couldn't agree more. But to push a little bit on that saying 'well, it's hard, it's long-term.' Telcos also operate under pretty strong pressure to deliver quick results. But, if you contrast the telecom industry versus financial inclusion but also banking more broadly, telecom…like, this is one of the key metrics that's being used throughout. This is what is being, kind of, lived and breathed. Why do you think that difference is?

Kwame Oppong:

I think there's a natural fit between the competitive dynamics within the telco space in just this perspective: you don't have a choice. Just in a quarter, your value could quickly evaporate if you're not careful. I'll give you an example. Since you got here, switched on your phones, I'm sure you got some kind of SMS telling you something about a network you could use here, probably the rates you could be getting. The question is if you ever made a transaction, a financial transaction, how many of your banks or how many have these banks actually said anything to you, SMS, phone call or whatever it is, introduce you to a potential service that might make your financial transactions here a bit better? I don't know. Right? So, I think, these are some of the things that as we look at re-orienting ourselves, we really need to push on a bit more. Because the reason why it's working for telcos is because in their space, it's a must. Customer value management is a must. But, sometimes maybe the dynamics in other industries do not necessarily compel that sort of mindset.

Hala Kosyura:

I wonder if that is really related to the competitive nature of the markets. Rose, in an earlier panel, was saying, well, there's such a strong demand for credit that there is a lot of ability and willingness from the customers to jump through the hoops to get it. There is a lot of untapped demand where, even though you probably would argue that the markets are competitive, but in financial inclusion, there is still a lot of white space. Whether there are probably easier things to go for and go after, rather than choosing a much harder, longer-term approach. So, I don't have an answer, I'm just posing a consideration but would love to engage in the conversations offline.

But, talking about challenges, I wanted to throw one that I've seen quite a bit. It's around the logic that organization and structure and operating models, truly influence strategy in the other way around. So, an example that we brought in yesterday in our alternative delivery channels workshop, was, if your centre of gravity is a product P&L, and product P&L is where the decisions are truly made, that drives a lot of behaviour that optimizes within each of the product silos. There is a lower likelihood of really looking across, taking a customer segment plan and figuring out what their needs are.

So, another one that you started on, Kwame, was data. We talked about data. How hard is it to good quality data to think about customer lifetime value?

***Chandula Abeywickrema*:**

I think that the data is absolutely critical. That constitutes your dashboard for your journey. And, I think, at each turn and twist you need to really make critical decisions. And, that's where the importance of data with regard to in every aspect. And, particularly, here in the customer lifetime, it's a journey. That's where you need to make sure this customer…you begin to make economic value at each turn and twist of the institution's journey as well as the customer's journey. I think that more and more banks and financial institutions are working very much on creating that framework and the mechanism to obtain credit data. And then, assess it and create data, that's the dashboard for our vision making.

Hala Kosyura:

Yeah, which also probably pushes you down that very specific segmentation route in terms of both the income bands but also other characteristics.

So, we have about 15 minutes left. And, I would love to budget a little bit of time for Q&A. We hope that would be helpful. But, before we go there, I wanted to elevate this and say, any advice to the practitioners in the room? If they were to start going down that route of thinking about applying customer lifetime value lens, what would you say?

Kwame Oppong:

So, my first thing will be to sincerely recommend that your current reality is that the markets will not evolve to your models. You're going to have to figure out how to evolve your models to the markets. That's very important. And, you need to make it a point to invest yourself as a business or, if you're an organization, to understand data. It's the only way you can understand who you're dealing with, what you're working with and, ultimately, be able to reach your objectives. So, that's the big take-away that I hope the audience takes.

***Chandula Abeywickrema*:**

I mean, one has to look at that any financial institution or bank is a small entity in the larger canvass, which is the society and the economy. You need to make sure that if your society and economies enrich and grow, then you also can survive. And, I think, in that context you need to really make sure that you really look at the society and the customer, and begin to make an investment on that on the long-term. That's where the value of the customer to himself economically, the society economically, and to the economy itself. Because the banks and the financial institutions are so interwoven with the economy, it's very important to look at that way, as the customer value. And, I think, if you really hand-hold and graduate the customer, definitely you are also enriched along with the customer.

Hala Kosyura:

I think it's very inspiring and you quoted a McKinsey report in the morning that basically says how much value can be unlocked by financial including. From a BCG perspective, our sustainable economic development work, basically, also shows how financial inclusion overall translates into well-being. So, I think, that's one of the one big reasons why we're here, bringing in the customer viewpoint and how it benefits the customer. Bringing in the financial inclusion viewpoint and what's good for the society. But, also, you know, I serve, among others, large banks. There's also that other component of economic value for the financial service provider, if you do it right.

So, on that note, I thought we could open it up to the room. There's a question right there if you can pass on the mic.

Gerhard Coetzee:

Thank you. Interesting discussion. Gerhard Coetzee from CGAP. I've heard about customer lifetime value now and I think it's great that we've put it on the stage and on the podium, and discuss it. But, that means value for the firm, and then you also mentioned value for society. But, the one thing I haven't heard is, what value is there for the customer and how do you link value for the customer to value for the firm?

Hala Kosyura:

So, if you don't mind, I'll get started on this one. I firmly believe in the ability to break compromises. Right? But, just let's be clear, customer lifetime value, strictly speaking, is a lance and a tool. You can use it for good or you can use for not so good. I've seen it used by saying, 'okay, these are our most profitable customers. We are only going to use this and we are going to decrease the amount of services for the lower-income segments.' It's a choice that an organization can potentially make but it's up to the Board and the management on which way to go.

But, I'm a believer and I've seen that play out quite a bit, that taking that approach. And, Kwame was very eloquent about providing examples of really, truly understanding customers, and anticipating their needs that benefits them. An example of providing…let's say, everybody wants to mobilize savings. If you believe that savings is a great product for the customer…and we all know, and we spent an entire morning saying all our customers should be saving more. That becomes a true value unlock and you start getting very specific and creating from the FSP perspective, to put it crudely, cross-selling more savings products. From the customer building a savings cushion that everybody in this room and in this country, and this world, truly requires.

So, my push on this one, you can make it just for the benefit of FSP but if you do it right and you do it with the customer needs in mind, I think we've seen it play out many times of how great for the customer it is as well.

***Chandula Abeywickrema*:**

I think the actual itemization, also for each customer there is economic value for each of the customers. And as you grow that, then he will determine the value that he makes to the institution as well as to society and economy. It is very important in this regard that the institutions, kind of, tailor-made, affordability and accessibility to the customers.

Now, for instance, a corporate lender, micro-entrepreneur may not be of value. But, where there is an institution which has a spectrum of services from micro to small and medium, that each of those segments is value. So, that's where based on an organization's diversity of products and services the determination of the customer value is made. So, that even a micro-entrepreneur has value at a different level to that institution. So, for instance, it depends on the story or the engagement…economic engagement of financial institution that a value is determined. And also, each customer has significant value in determining the denomination, the measure that you make.

Kwame Oppong:

Okay. I'll just add a little bit to what Hala said earlier. The whole point about investing in understanding new customers is to be able to understand their needs better, and to be able to serve them better. And, the outcome of that that you expect should be satisfaction which also ultimately leads to loyalty and retention, etcetera. Now, that is a way to actually meet both the customer's value expectations as well as a business value expectation. So, I would suggest that as a way to also look at it.

Hala Kosyura:

I love the point that you are making, Kwame, because even…very pragmatically, you look at the formula of what customer lifetime value is. And, there is a huge component of retention or the opposite of attrition. Customers leave when they're unhappy. Customers switch when the quality of services provided are not great. If you think about some of the gold standard customer-focused organization MFIs, this is the metric that they live and breathe every day at all levels, from the branch teller all the way to the CEO, which translates and, kind of, plugs in very neatly into this point of view.

Gloria Adutwumwaa-Frempong:

Gloria, Millicom, Ghana, Operators of TIGO. My question goes to, let me say, the three of you, including you, the moderator. At what stage of the customer's journey do you have to revisit their lifetime value process? Because, you know, it's a journey and they might fall off at some point. So, at what stage of the customer's journey do you have to revisit their lifetime value process, especially in the mobile financial service space?

Hala Kosyura:

I'll put you in the hot seat.

Kwame Oppong:

I think, generally, it's at every stage there's some form of evaluation of the customer's value to you. Competitive dynamics change, the opportunities to cross-sell change, introduction of new products change. All of these have one or more impacts on the customer's lifetime value. So, I think, it's a continual process. But, nonetheless, I also think at any point in time, some strategic decision needs to be made around what to do, where to go, how much to invest or whether to invest at all. And, looking at whatever the lifetime value assessments of what that value is at that point in time, at least can help you make that decision. But, it's very important that you continue to focus on this as an ongoing process. It really changes your perspective of even the need to re-inject investment or whether to pull back a bit, it's all very…it's an ongoing process.

Hala Kosyura:

I will get a little technical on this one for a second because there are a bunch of assumptions as in any type of metric. Because it looks into the future, it projects the value of the relationship going forward. So, I would say, when should you really, dramatically re-consider it? If your margins on your products shift quite dramatically, that would certainly change the answer. If your competitive environment shifts quite a bit, that really changes the value. So, you always need to be mindful and kind of back-tested. Keep in mind saying, well, are the assumptions that we made upfront—and, you always have to—have they changed fundamentally? So, it's not a solid thing that's set in stone. But, I think this is something that we're striking.

***Chandula Abeywickrema*:**

I think it is important now when you have this dashboard at each point that when you are creating value to the customers, that value creation is as is. And there is no, kind of…you can do that at each point of the journey. You don't have to restrict it. As long as you have access to data and the dashboard, you can really assist the customer's value at each turn and at each twist. And, thereby, you could really bring new innovations, new ideas, to further that value and graduate him.

Hala Kosyura:

And we have, I believe, time for one more question.

Natasa Goronja:

I want to ask a question. My name is Natasa Goronja. And, it's a question that the last time we met in Sri Lanka, we talked about the specific target population and it's just remained very close to my heart. And, I wonder if, over the years, as you've gotten the data and started to understand the market better, whether you have started to go down market. We talked about the financial inclusion of the tea estate workers, that they're about a million of them in Sri Lanka who are woefully excluded and really underpaid. And, I know it's a question I should have probably saved for coffee break but I'm going to misuse the microphone. [*Audience laughs*]

***Chandula Abeywickrema*:**

I think that's an important issue that you brought in. I think this particular segment, the estate workers, what is significantly important is the financial education that need to be put across to them. And, that's exactly most of the financial institutions are bringing because this is one of the marginalized communities, and leave alone the financial education, they have a significant challenges with regard to the normal literacy. And, that's why a lot of insurers and other institutions are working on various areas of social development side. And, from that point, that we could see number of banks and financial institutions moving towards the financial education before they really bring the engagement through the financial inclusion.

Mike Malan:

Hi. It's Mike Malan from Compuscan. Just in context, we run the credit bureau in Uganda and a lot of what we get involved with is analytics on customer retention, trying to help the banks in terms of maximizing the relationship and ongoing sale and their customer value. I've really enjoyed this particular presentation but equally, some of the previous discussions around data analytics.

I really just wanted to contribute to what you're talking about. is that it's one thing to make the statements but if you don't have the skills internal to analyze the data, or you don't have your data properly structured and laid down, it's very difficult to understand how to cross-sell to their customer. A lot of what we are finding in the credit bureau environment in context is that the banks are, there's a lot of switching within the market. We're having to come up with products and solutions to try and help banks to say, how do I know who is a good customer of mine? And, I just thought that it is perhaps a relevant contribution to make.

Hala Kosyura:

I think this is absolutely a terrific comment. It's, kind of, a bit of a plug…and, when we talk about what are the big hurdles, the capability and what you are describing about the ability to really run data analytics. Not just availability of data, it's about capability to make good use of that. It's a terrific plug for partnership. Love it.

Kwame Oppong:

Let me just add something to that a bit. You're right. The internal capacity is always a challenge, especially depending on the size of the operation. But, at least in the past, we've been fortunate to have partners who are willing to support us. But, I think what we're also beginning to see, and I've seen a couple of members in the audience who provide such services, there are actually organizations you can partner with to help you overcome that technical capacity limitation you may have internally, as well as your speaking and meeting people. I think seek some of these individuals out and get a sense of how you can partner. But, it's very important that if you don't have the internal capacity, you look to partner with someone who can.

Hala Kosyura:

I think on this note, Kwame, hats off, you're basically got us right on time so I just wanted to thank the esteemed panel, and for your questions. They were all very, very terrific. Thank you. [*Applause*]