



MFC-EMN
ANNUAL CONFERENCE
Bilbao, 3rd - 5th October 2018



PEOPLE AND THE DIGITAL REVOLUTION:
Advancing our social mission through technology

Workshop 13: Technological Innovation for MFIs

#microfinanceAC2018

Facilitator **Paul Kalinauckas**
Chief Executive BCRS Business Loans

Speakers **Paul Breen**
Director of Business Finance,
Growth Company

Matthieu Barrier
Deputy Chief Operating Officer, Adie

Technological Innovation for MFIs

Paul Breen

Director of Business Finance
Growth Company



GC Business Finance

www.growthco.uk

GCBF....a UK MFI

- ✓ Enable Growth
- ✓ Create jobs
- ✓ Improve lives



Start Up Loans
£500-£25k



Business Loans
£25k-£250k



Export Loans
£50k-£500k



Innovation Loans
£100k-£1m



Angel Equity Fund
£50k-£2m



UK Back Office
for 20 MFIs

£80m lent per year
30,000 customers

The Vision

Bank Grade
Technology

Fully automated
& compliant
processing

World class UX

Configurable API
infrastructure



Wider product
capability

Technology for
the future



24/7 digital
self service

White label
solution for
Partners



Opportunities
For sector
development



Improved risk
management and
cost efficiency

Greater speed to
market

Maximise
sustainability

The Approach

A Different
View

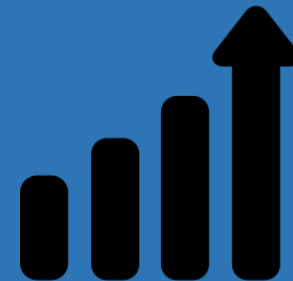


Public/Private
Partnerships in
Microfinance

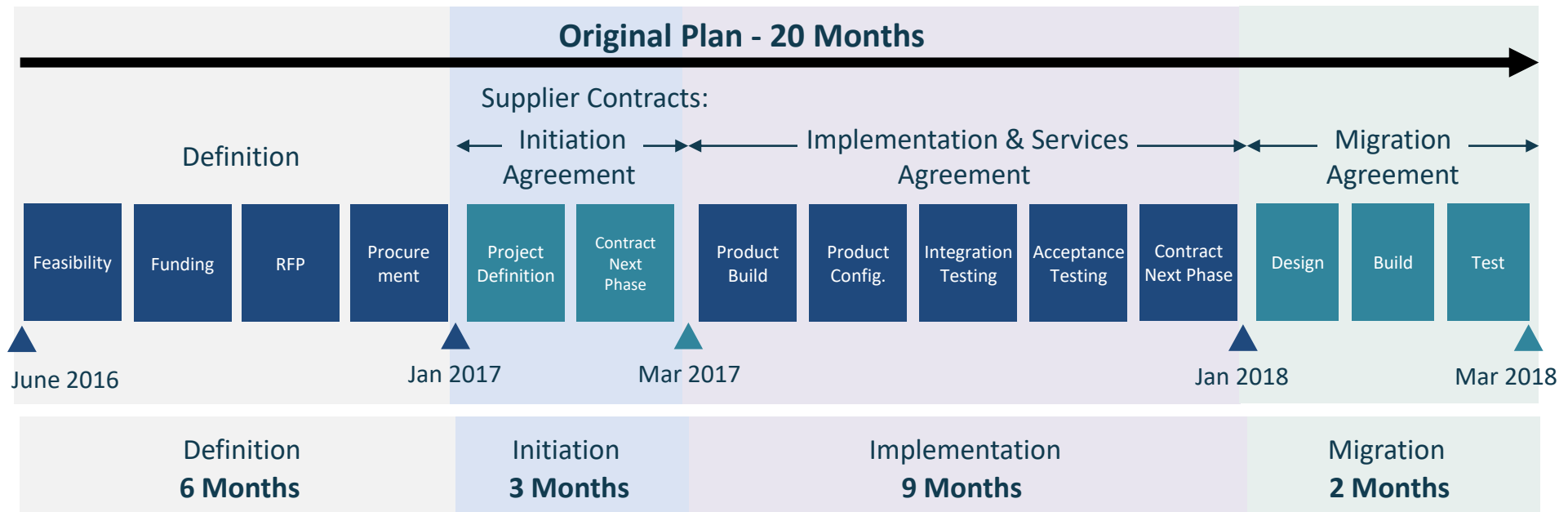
Latest
Technology
£1.8m spend



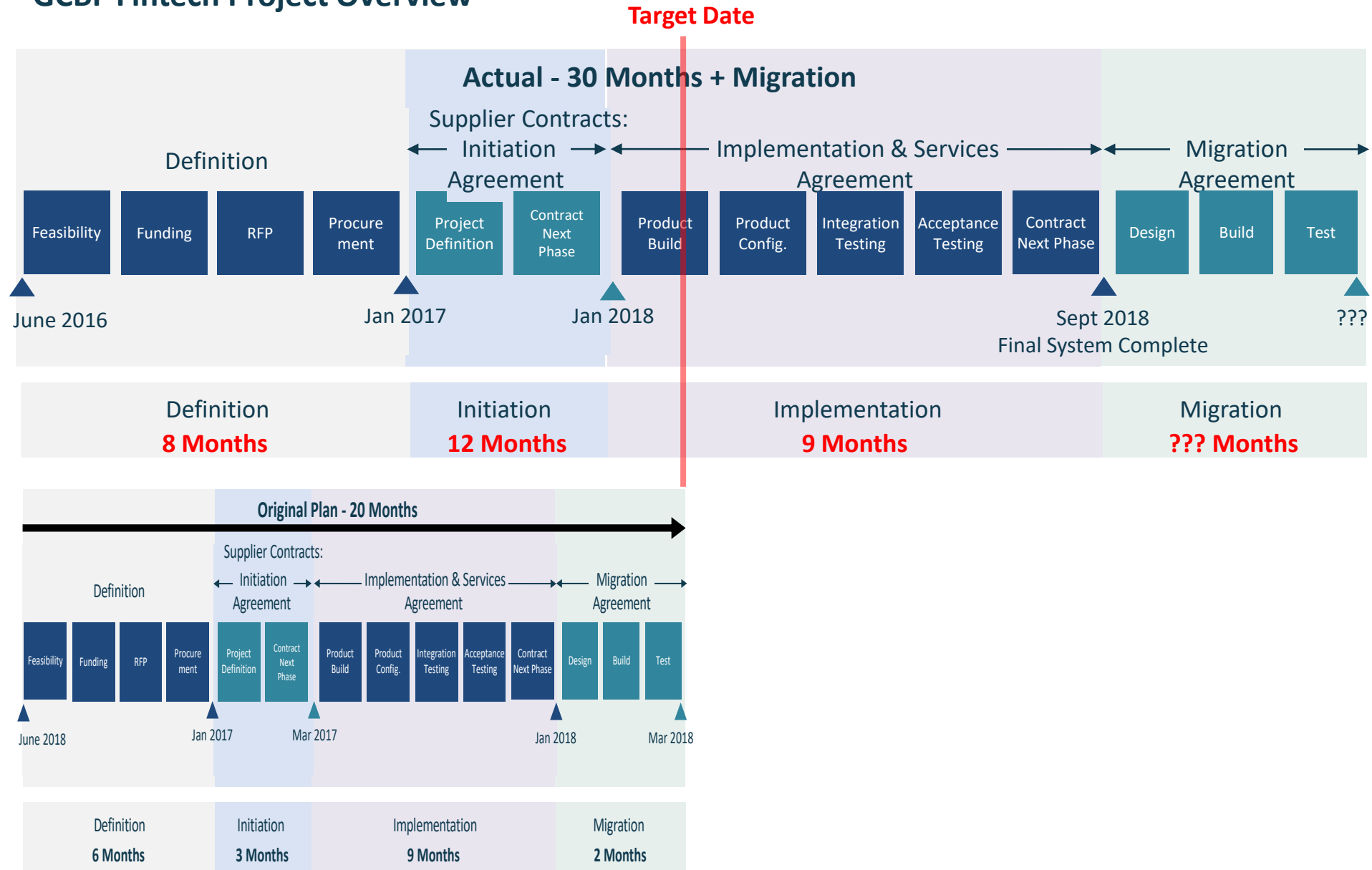
7-year
Strategic
Plan



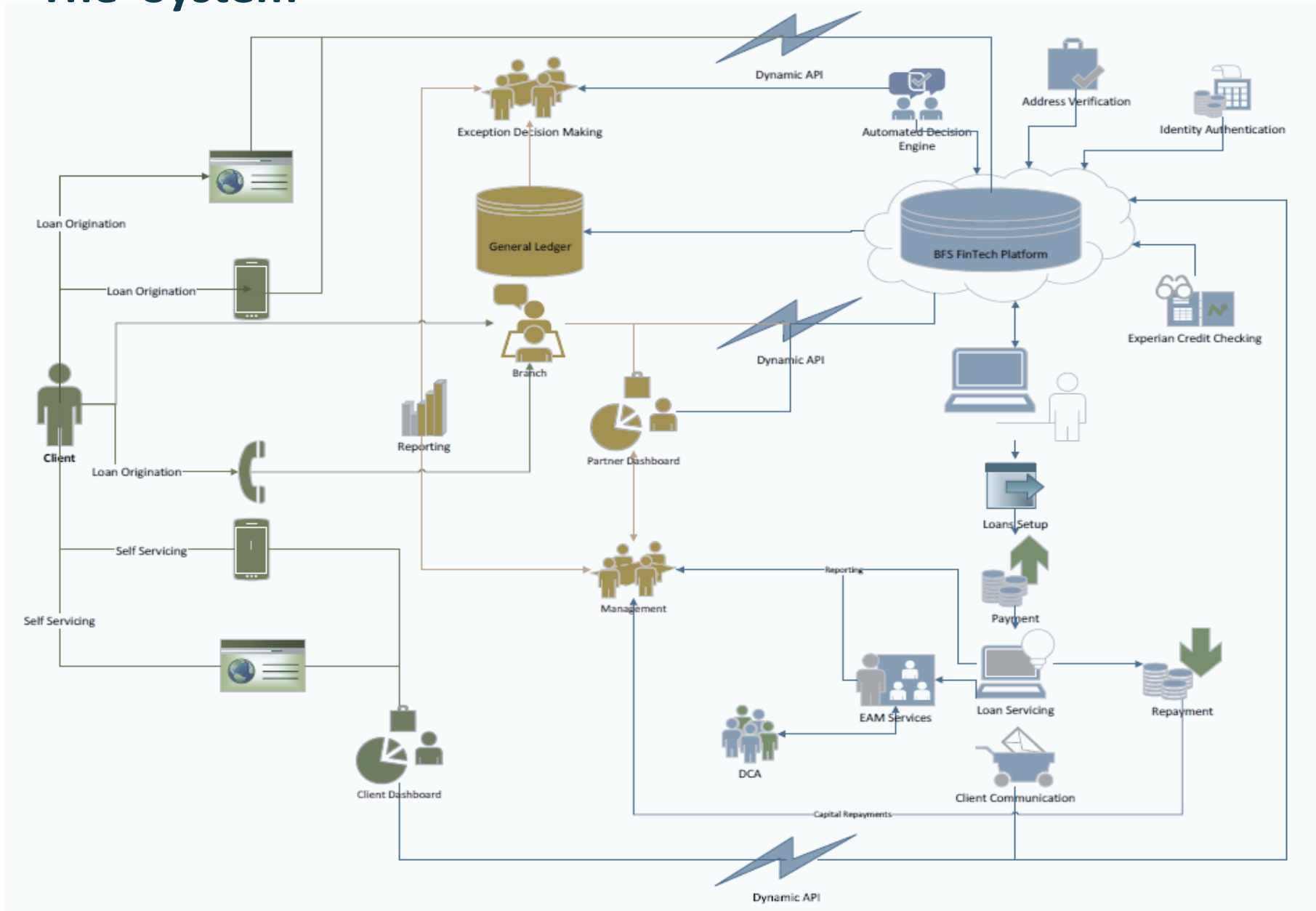
Project Overview



GCBF Fintech Project Overview



The System



The Challenges



People Commitment



Need for Specialist Advice



Technical Management



MFI Configuration



Cost and Return



Slippage and Overrun

The Top Ten Tips

1. Seek a specialist Project Manager

Having the scars from other similar projects will help plan realistically and help drive the correct commercials and the outcomes with the supplier.

2. Get the best quality legal advice

Complex commercials - ensure payment structures, service descriptions and associated SLAs protect you properly. GDPR/Compliance and Fintech experience with large software suppliers is vital.

3. Commit structured executive time

Ensure and plan significant non-exec and exec commitment. Far more time than expected, stakeholder Project structure also important when road gets bumpy.

4. Plan detailed change management

Expect significant staff impact during design, testing and implementation, so plan for it in advance. Positive engagement on benefits is key. Disruption regular.

5. Build in 3rd Party Audit Assurance

Develop a robust risk and assurance framework not just focused on project risk, and build in 3rd party Assurance from the outset. GDPR/Compliance and Audit.

6. Understand what you are buying

Be clear on IP ownership and SAAS. Get clear on precise requirements, test them, drive them, and config. Structure volume and change costs. Development v configuration.

7. Establish your data quality early

Understand your own data early before contract commitment to ensure scale of migration is clear. Understand exit requirements and costs from existing supplier. GDPR can help. Fix cost if able.

8. Expect time overrun

Drive for a locked down, integrated plan through the lifecycle, with clear governance that controls progress. Slippage brings additional resource costs and key strategic risk

9. Budget for cost overrun

Projects rarely run to plan and need additional financial support at various points. Cashflow management and independent verification of deliverables at payment gates important. Migration cost will not be predefined.

10 Plan for a 10-year relationship

Fostering a co-operative, balanced supplier relationship throughout will help through tough project and operational times

Technological Innovation for MFIs

Matthieu Barrier

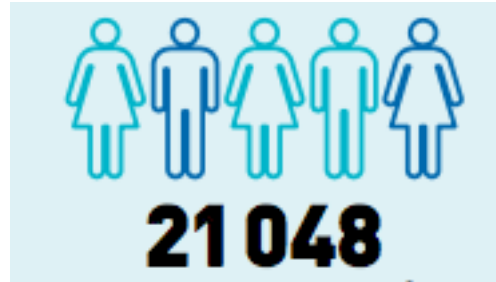
Deputy Chief Operating Officer, Adie

Using technology to best effects

Adie digital transformation



Adie



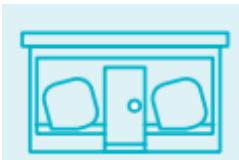
21 000 clients in 2017 in France and French
oversea territories,



Almost 1 out of 2 client of Adie is below poverty line.

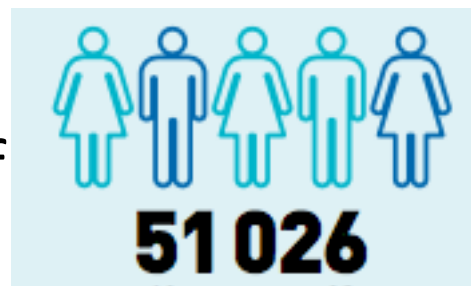
Services :

- **Microcredit (5 000 € on average)**
- **Business Development services**
- **Microinsurance**



132 branches in France

Outstanding portfolio of



customers (140 M€)

An ongoing process

Home-made innovation

From a step by step process



Credit process - Customer experience

Call Center



Branches



Back Office



New Customer experience

Call Center



Branches

Appraisal

Decision

Signing

Back Office

Disbursement

Client





An ongoing process

Lessons learned :

- Change management : 300 loan officers had to change their practices.
- Changes in IT development organisation : switch to Agile
- Time needed (approx 2 years)

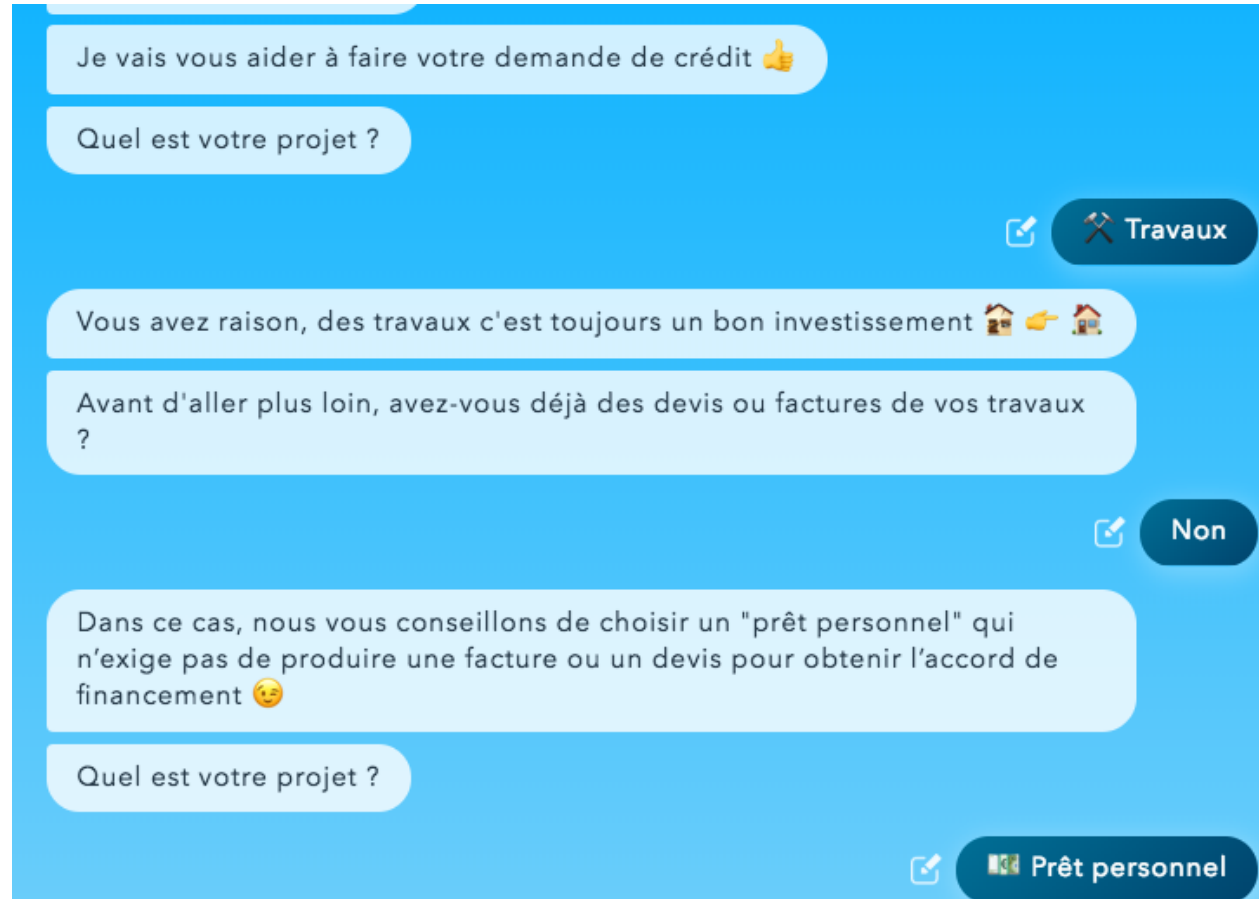
Focus on Online Application

From a “classical” step-by-step form



To a brand new Chatbot :

Focus on Online Application



Je vais vous aider à faire votre demande de crédit 👍

Quel est votre projet ?

✍ Travaux

Vous avez raison, des travaux c'est toujours un bon investissement 🏠👉🏠

Avant d'aller plus loin, avez-vous déjà des devis ou factures de vos travaux ?

✍ Non

Dans ce cas, nous vous conseillons de choisir un "prêt personnel" qui n'exige pas de produire une facture ou un devis pour obtenir l'accord de financement 😊

Quel est votre projet ?

🏠 Prêt personnel

AI Chatbot asking questions depending on previous answers : less loss and better conversion rate !

Focus on Online Application

Main advantages/upside :

- **More contacts**, a technological solution that can easily be incorporated in partners' websites
- **Improved conversion rate** : less contacts lost because the discussion form of the chatbot is more user friendly and more adapted to prospects' needs
- **An agile and adaptive tool** : easy to adapt if changes are necessary.

Technological Innovation for MFIs

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In your Groups please discuss

What FinTech are you currently using in your MFI?

What would you like to use technology for in the future?

Technological Innovation for MFIs

THANK YOU

To our Speakers

To all Workshop participants

Speakers Slides will be available on line shortly



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