



EMN

**Covid-19**

*Technical  
Assistance*

# How Digital Credit Improved Credisol's Operations

The Covid-19 pandemic has impacted MFIs and their clients in many ways. True to its mission as the voice of the sector, EMN launched in June 2020 a tailored assistance programme, with the support of J.P. Morgan. The purpose of this project was to deliver Technical Assistance (TA) to a selection of MFIs to build their capacity to ensure continuous, efficient, and adapted support to entrepreneurs in the Covid era. Project beneficiaries are a selection of six MFIs operating on three continents: Adie (France), Credisol (Brazil), Fundación Oportunitas (Spain), PerMicro (Italy), Pro Mujer (Argentina), and SEF (South Africa).

In this paper series, you will discover some highlights of what the six beneficiaries developed and implemented through the consultancies of this project.





## Organisational and programme overview

Credisol is a Civil Society Organization of Public Interest (OSCI) founded in 1999. It is a nonprofit institution which provides financial resources for self-employed workers and small businesses.

Our mission is to contribute to the economic and social development of microentrepreneurs and their families through microfinance and entrepreneurship education.

Currently, our geographical area of operations reaches seven Brazilian States: Santa Catarina (where our HQ is located), Rio Grande do Sul, Paraná, Minas Gerais, Distrito Federal, Mato Grosso, and Mato Grosso do Sul.

## The Covid-19 pandemic

The Covid-19 pandemic was a critical moment for our clients and us. At the beginning of the pandemic, our services were performed in person. Suddenly, we could not carry them out this way anymore.

The pandemic raised challenges to the sustainability of our operations. First and foremost, we realized how urgent the improvement of our digital platforms is.

In this context, EMN and J.P. Morgan's assistance program enabled us to create two crucial and interconnected programs: the Credit Decision Engine and the Digital Credit.





## The Credit Decision Engine

This project is an automatic analysis platform integrated with our ERP system that automated several important processes concerning credit granting: the anti-fraud system, the financial data queries, and other workflows. The Credit Decision Engine made the adoption of the home office regime by all employees easier: the Credit Decision Engine allowed us to keep our operations to support small businesses alive without major productivity losses in such a difficult moment.

So far, more than 2,000 clients got their credit approved faster and safer thanks to this program.



## Digital Credit

Digital Credit is a digital environment inside our website. Here, our clients can start their credit application, answer a few questions, upload documents, submit the complete application, and receive the answer. Before Digital Credit, our operations were all face-to-face and our clients had to come to the office or meet a loan agent to hand in documents and forms.

This is a complex program and is in its beta version, but it has already changed our daily operations: Currently, many clients are benefiting from advanced digital services like the digital signature.

We estimate that 30% of all operations will take place through this platform in the short term and 50% in the medium term, demonstrating how relevant it is to us.



## A New Level of Professionalisation

The EMN and J.P. Morgan's technical assistance program has contributed enormously to the professionalization of our Institution and is enabling us to align our processes to the current reality we live in, so that we can keep serving formal and informal small businesses fostering entrepreneurship even in difficult moments.