



EUROPEAN
MICROFINANCE
NETWORK

From Strategy to Digital Roadmap 1

From overall strategy to a digital vision

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2. Importance of a digital strategy
3. Double diamond approach
4. Different techniques
 1. Theory of change
 2. Brainstorm
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 4. Digital KPIs
5. Q&A



Introduction

Jente Minne

- Consultant digital strategy
- 9 Years experience microfinance sector
- 6 years experience in IT at microStart
- Singlify consultant



Sam Paulus - Microlux

- General Manager of Microlux
- Small MFI operating in Luxembourg
- 3 FTE's & 20 volunteers
- 200 active customers (1,8M€ OLB)
- Mainly business loans

2 Webinars

1. From overall strategy to a digital vision

- Find the right problems & opportunities
- Strategical levers

2. From digital strategy to a product roadmap

- Find the right solutions
- Projects



Importance digital strategy

Digital Transformation?

- Value for stakeholders
- To increase your impact
- Not merely focused on digital technology
 - Improving business models
 - Discovering new business models
 - improve way of working

Mere urgency bias

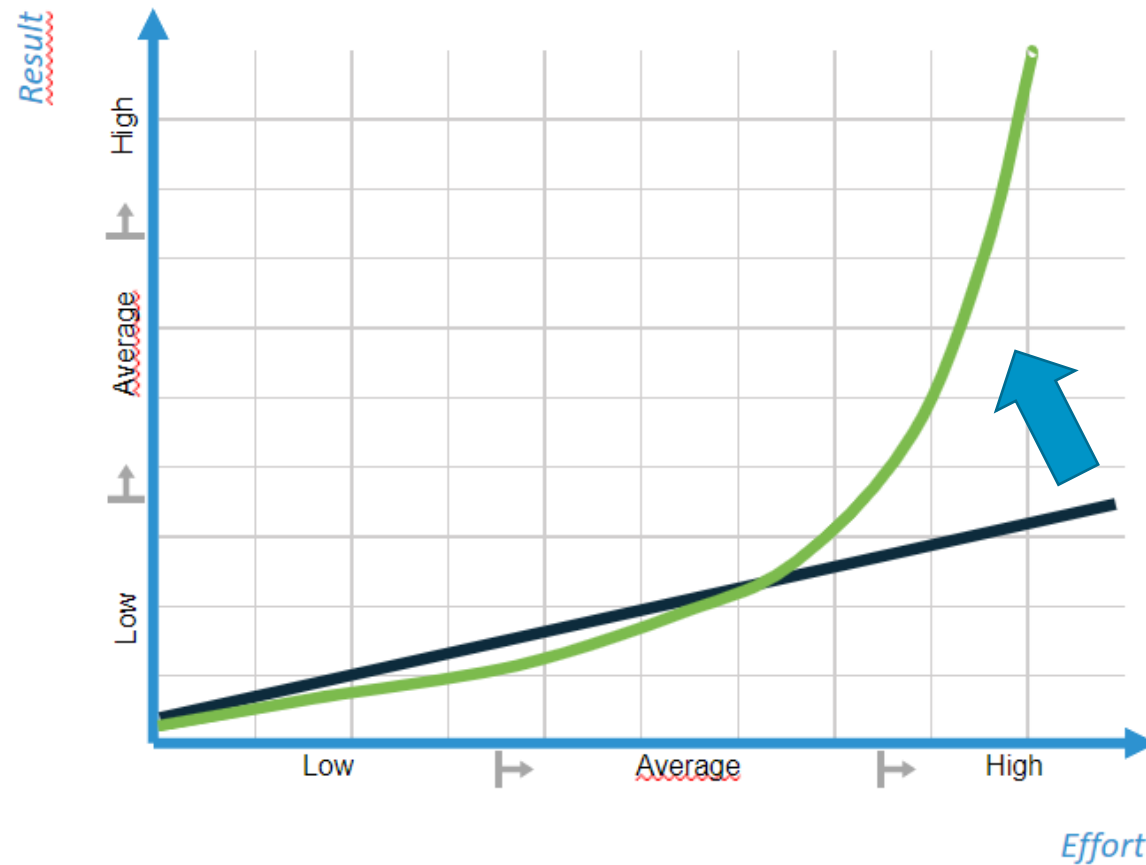
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THE EFFECT IS EVEN STRONGER WHEN WE PERCEIVE OURSELVES AS GENERALLY BUSY.



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Mere urgency bias <> Green curve



Avoid locked in scenarios



Attracting investors

- Good fundraising project
- To be prepared when the opportunity appears (pro-active)
- Need of consistent strategy
- Indication of investments needed



Approach

Double diamond approach

**FIND THE RIGHT
PROBLEM**

**FIND THE RIGHT
SOLUTION**



<https://asana.com/resources/convergent-vs-divergent>

Double diamond approach

- Theory of change
- Brainstorm on main challenges
- Map IT architecture
- Digital strategy KPIs
- (Digital Vision)

FIND THE RIGHT PROBLEM



General Guidelines workshops

- Heterogeneous group
- Learn from peer MFIs
- Follow standard brainstorm guidelines
 - No bad ideas
 - Provide an adequate location
 - Welcome wild ideas
 - Take care of group dynamics & location

Case microlux: Initial challenges

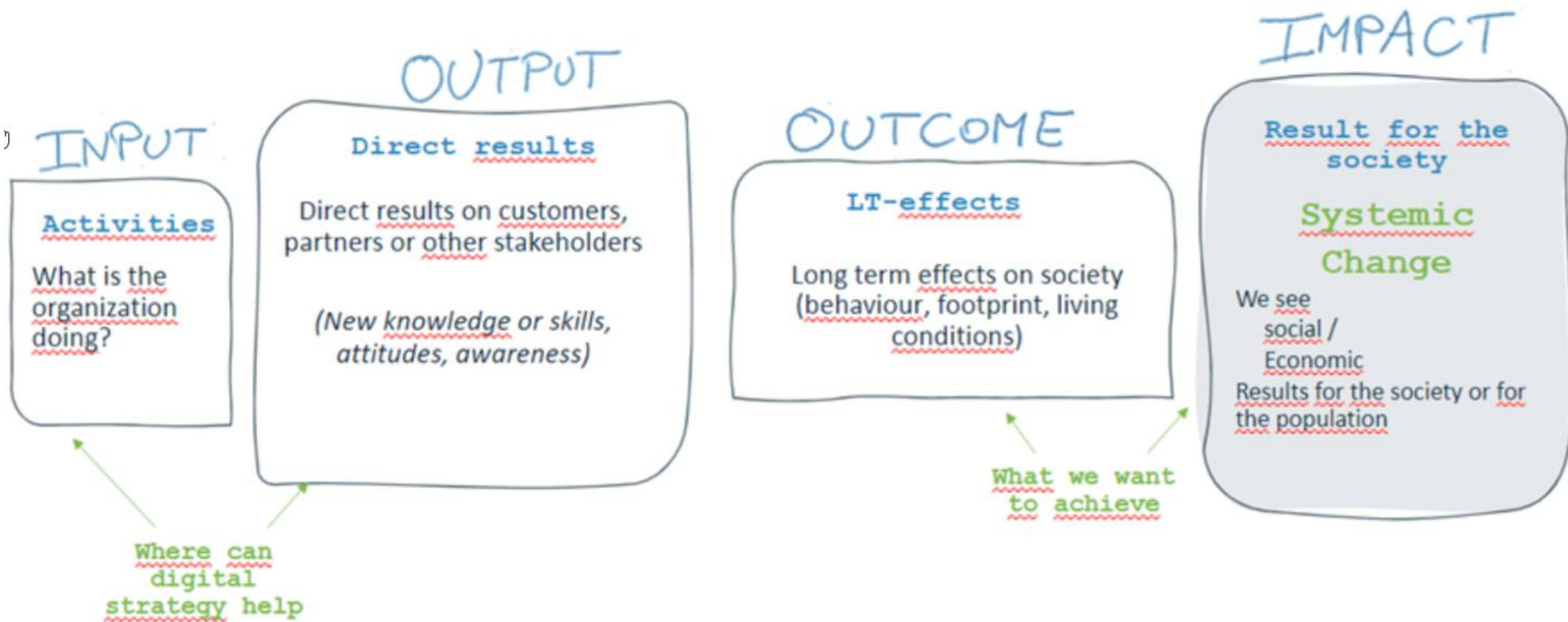
- Change of IT Systems => Leverage more of the functionalities
- Increase brand awareness
- Needs to be more visible and efficient

IV

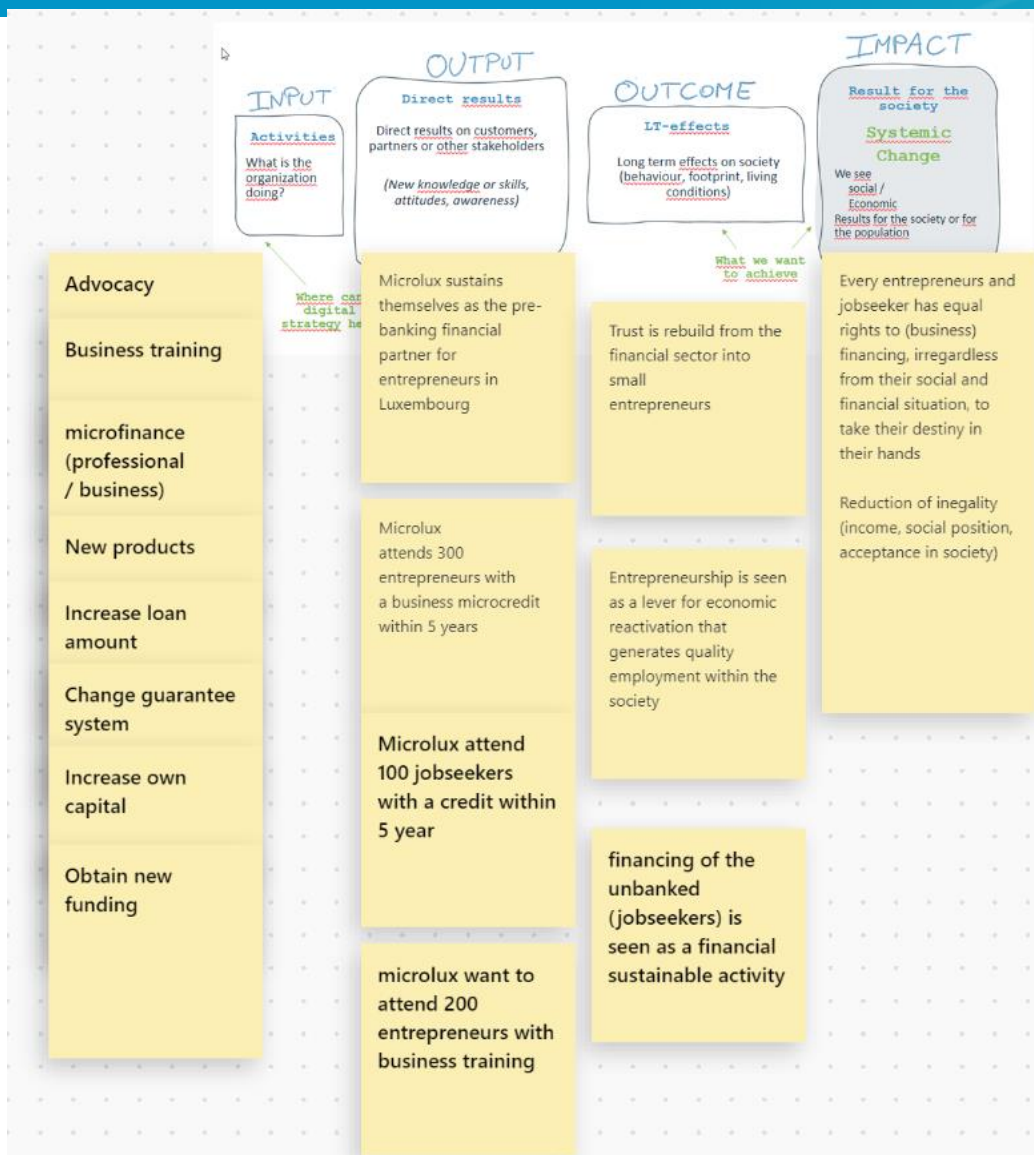
Techniques

Theory of change

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Theory of change: Case microlux



Brainstorm: Challenges & opportunities

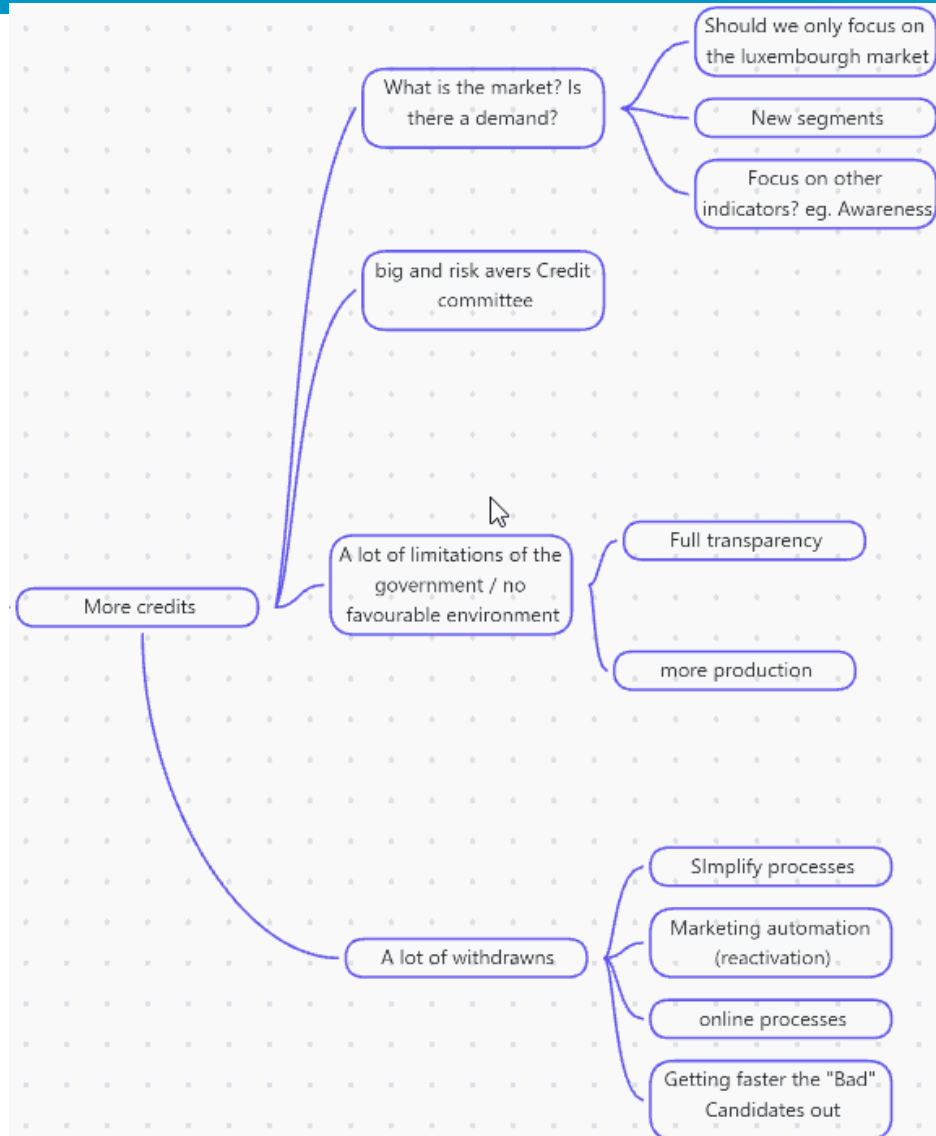
Power of one

- Chose the main challenge (1)
- Go in depth
- Root cause analysis
 - 5 whys

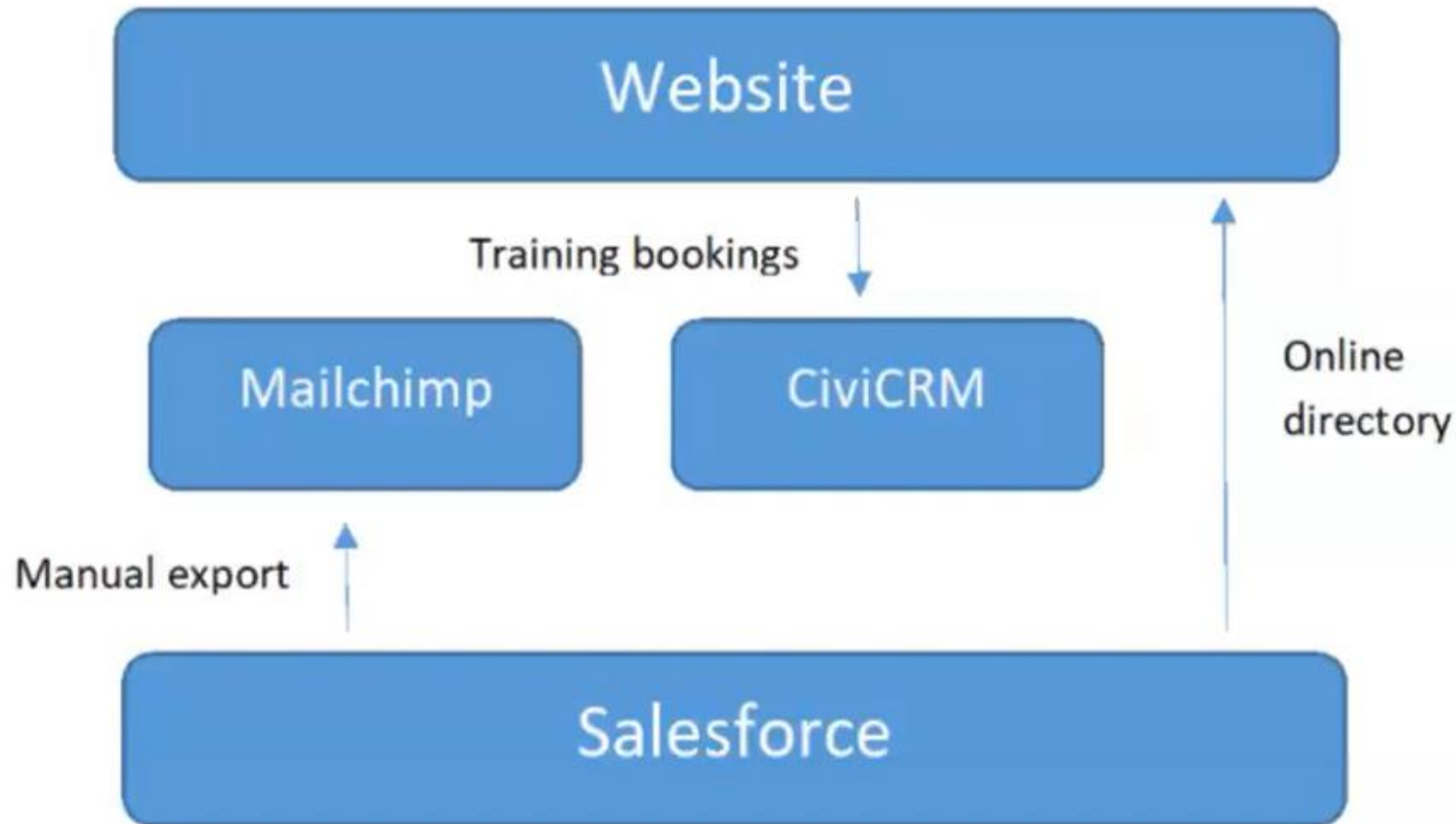
Brainstorm based on output / business KPIs

- Search challenges
- Input from theory of change (output)
- Color code (Digital)
- Open questions

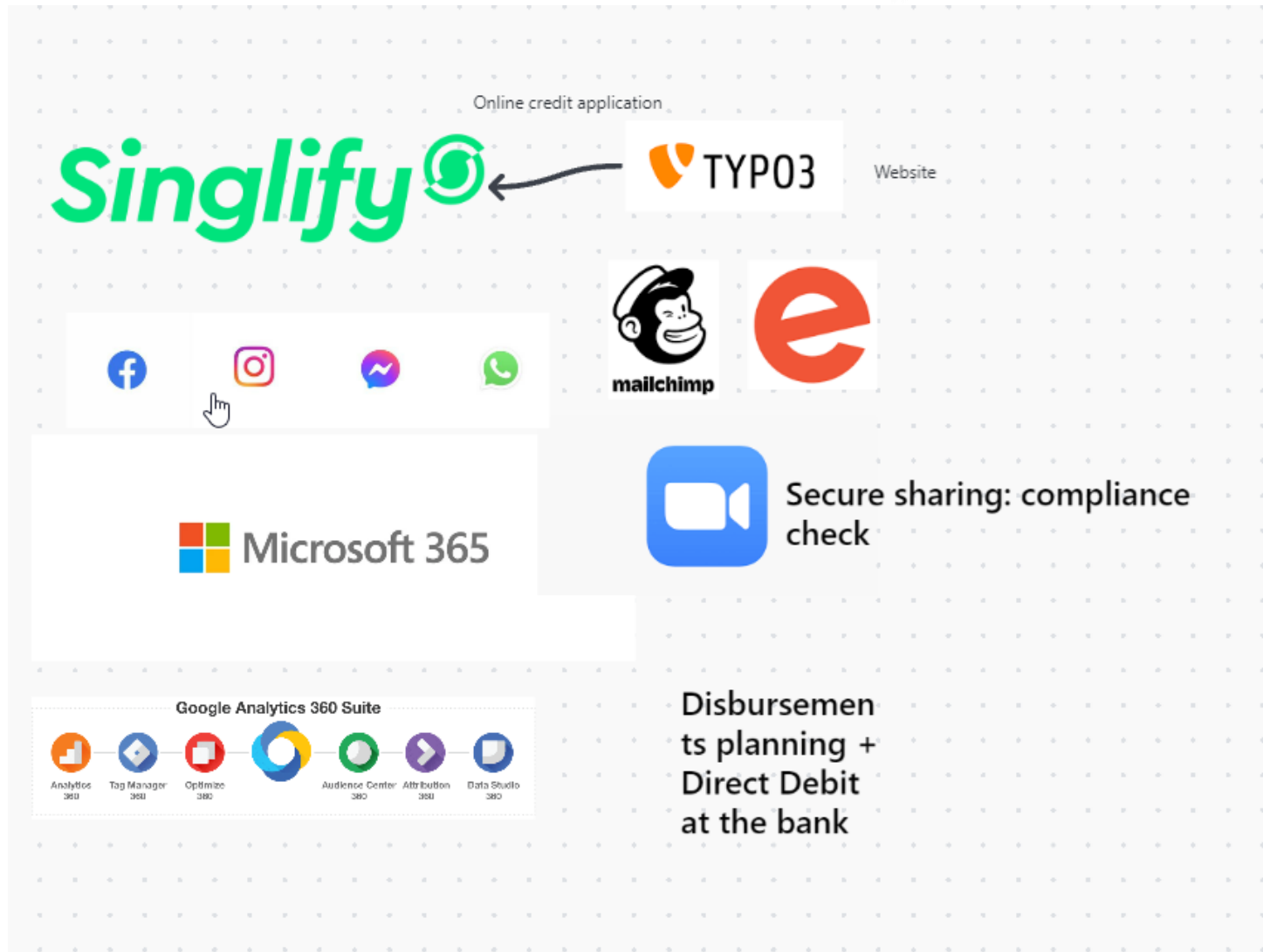
Brainstorm: Case microlux



Map IT architecture



Map IT architecture: microlux



Prioritization of challenges

Outcome	Problem / opportunity	Priority	KPI
More reach	The strategical plan will require some needs for new products, such as SIS loans, higher loan amount, etc.	8	A new loan products with an amount up to 50K€, with an adapted loan origination process
Reduce risk & efficiency	Redesign loan management and risk process	6	PAR 90 < 25% 2h/week of time saved for the credit advisors on arrears tasks
Reduce risk	Allow new payment methods	7	The client can also disburse with payment applications such as payconiq and actual payment methods are further automated.
Reduce risk & efficiency	Optimize loan origination & training so that the process is more clear for the customer, risk is better evaluated and less time is lost on drop outs	3	Increased transformation rate (instruction meeting to presented to committee) with 30% An approval rate of 90% (Credit committee)

Digital Strategy KPIs

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Increase reach through digital channels

- The amount of eligible digital leads is doubled
- A new loan product with an amount up to 50k€, with an adapted loan origination process

More efficient loan origination

- The transformation indicator Lead to instruction has increased with 50%
- Increased transformation rate (instruction meeting to presented to committee with 30%)
- An approval rate of 90%

Reduce Risk

- Par 90 < 25%
- Better recovery rate (20%)

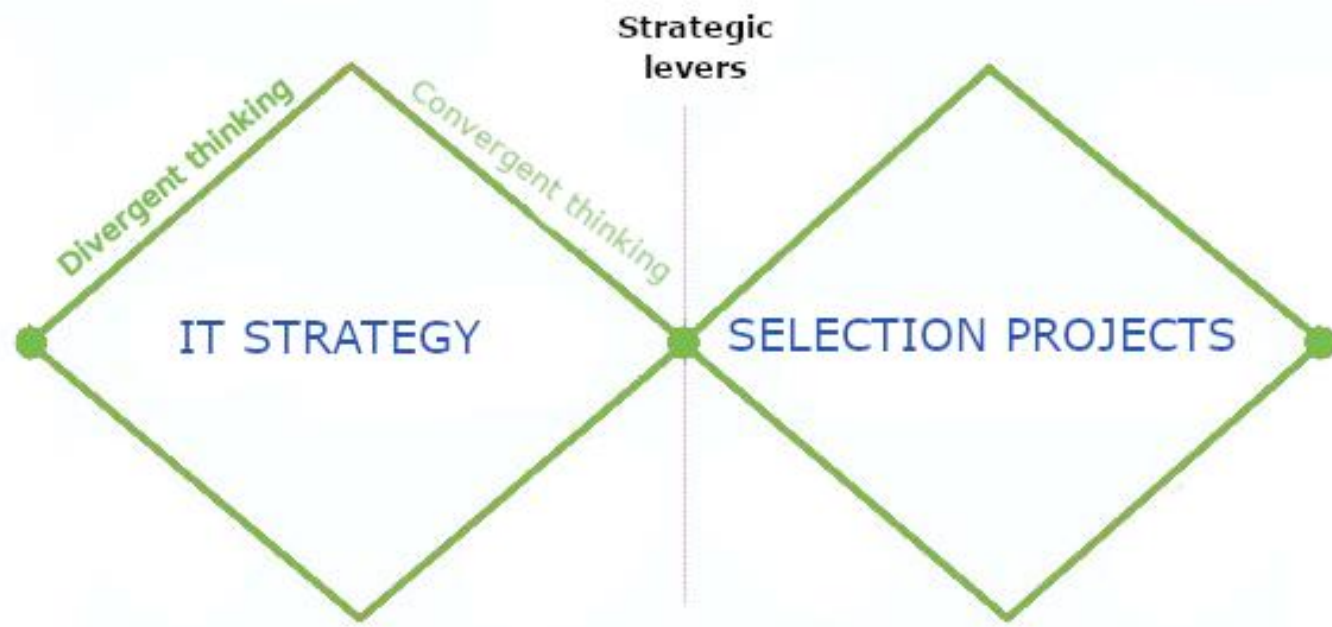
More transparency

- The board members and staff have a monthly overview on production, risk and social impact
- All data on training, credits and risk and impact are available in the CRM system Singlify

Double diamond approach

FIND THE RIGHT PROBLEM

FIND THE RIGHT SOLUTION



<https://asana.com/resources/convergent-vs-divergent>



Q&A



EUROPEAN
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Technical Assistance

For more information

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