



# UTCAR RV's MIS design – A value proposition for its members

## CATEGORY: TECHNOLOGICAL INNOVATION

### Objective of Good Practice:

UTCAR Regiunea Vest's development of the Management Information System (MIS) aims to help affiliated entities become more operationally efficient. Moreover, by adapting it to the clauses of the European Code of Good Conduct for Microcredit Provision (CoGC), it has become a powerful self-assessment instrument to encourage the improvement of internal

### Year of Inception of Good Practice:

2012

### Keywords:

MIS - Digitalisation - European Code of Good Conduct

## Institutional profile

Established 30 years ago, UTCAR REGIUNEA VEST is an association of Credit Unions from the Western part of Romania. The main role of the association is to offer various services to its member organisations, such as: market studies, legal counselling, training courses, advertising services, financial audit, representation in relation to governmental institutions, and services related to information technology. As an association, UTCAR RV gives loans to its affiliated Credit Unions or CARs mainly for liquidity issues and sometimes to further expand their loan portfolio.

## Overview of Good Practice

As a member-based association, one of UTCAR RV's value propositions was the creation of a Management Information System (MIS) which would be freely distributed to all the affiliated Credit Unions (CARs). The aim of this was to have a flexible and scalable MIS that could store and manage large volumes of data. This solution was particularly needed in the sector due to the foreseen increase in the number of members, branches and loan portfolio that the CARs were experiencing. Along with human resources, the MIS is the backbone of any activity related to finance. Its main purpose is to deliver precise data to the management team thus allowing them to make the correct decisions for sustainable development and, at the same time, to support the employees in their direct and indirect relations with the clients. The nucleus of UTCAR RV's MIS was therefore built in such a way as to be fast, secure and to allow the adding of an unlimited number of features, amongst others a Credit Risk Assessment tool, the European CoGC, Client Relation Management tools, and Financial Statement Reporting.

## Innovativeness

The MIS was built by working closely with the affiliated CARs, taking into account their specificities and needs. Each of the member organisations was involved during the implementation process by making propositions on the modules and features that should be included. An elected committee, made up of the members of UTCAR RV's Board of Directors, was responsible for the implementation of the MIS. One particular milestone of the MIS was the implementation of the financial and social indicators of the European CoGC. Further, UTCAR RV drew up a list of all the structural and operational recommendations received during the EaSI Technical Assistance training—including those suggested by MicroFinanza Rating during the institutional assessment—and tried to include them into the MIS.

## Outcomes

The MIS has improved dramatically over the last few years and has helped a number of member organisations comply with the European CoGC: one of the biggest achievements. Furthermore, all the financial and social indicators are automatically reported to UTCAR RV. After reviewing these indicators, UTCAR RV can make particular recommendations to certain organisations or to all entities. For instance, UTCAR RV can monitor the Portfolio at Risk quality (PAR) for any affiliated organisation and, based on this evaluation, it may recommend to strengthen the recovery procedures or the follow up. The interest rate is also monitored at UTCAR RV level via the MIS's automatic reporting tool. Thanks to this, UTCAR RV can therefore recommend that all affiliated organisations increase or lower the interest on certain loans, so as to follow the market trends.

## Efficiency and Sustainability

UTCAR RV's free MIS is an effective and sustainable service offered to its members and made possible thanks to their contributions to the association. The MIS is shaped according to the needs of the network: taking into account best practices and using a unique set of standards for all member organisations. All new features added to the system are available to the CARs no matter the size or their annual contribution to UTCAR RV: they all get access to a highly customised and tailor-made MIS.

## Type of Organisation

NGO

## Country

Romania

## Products & Services provided

Financial and funding services for affiliated CARs.

## Gross Loan Portfolio

€ 4,909,224  
(as of Dec 2018)

## Number of clients

25  
(as of Dec 2018)

## Target Audience

Affiliated Credit Unions (CARs)

## Organisation Website

<http://www.utcar.ro>





## Lessons Learnt

MIS plays an important role in all organisational layers. It is of great importance to client relations, credit risk assessment, portfolio quality measurement, social impact, employee performance monitoring and is also a strong component at managerial level. More than that, by adapting it to the clauses of the CoGC, it can become a powerful tool for assessing the institutional capacity, overall risk and areas to improve. Any MIS should be built on the following principles: simple and easy to understand, reliable, secure, scalable and ready to deliver reports according to the requirements of the organisation. UTCAR RV's MIS is specifically tailored to member organisations but it can be used by any other organisation that follows the same basic concepts: mutual aid, membership, savings, consumer loans and loans for income generating activities.

## In Practice

All of UTCAR RV's affiliated organisations have access to the MIS and the additional software tools and services, free of charge. As such, at present, the entire network of UTCAR RV members is actively using the MIS. The implementation of the clauses of the CoGC and the adoption of new financial and social analyses has created a different managerial approach and that has led to an increase in the number of members of the CARs to more than 50,000.