



World-class training course

Cutting-edge operational insights

Insights from Agent Network Accelerator Surveys and Opportunities for MM4P's countries





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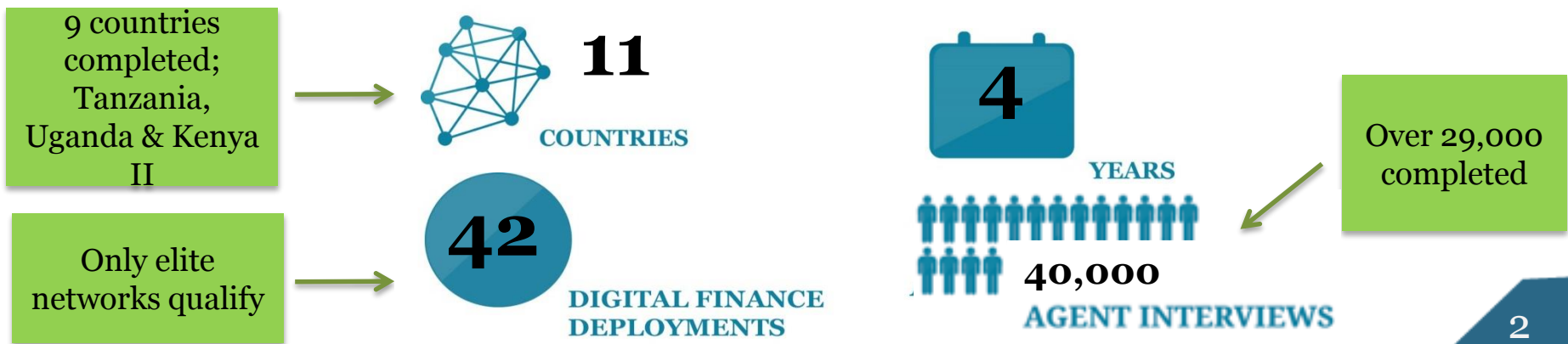
The Helix Institute & ‘The Agent Network Accelerator’ (ANA) Project

The Helix Institute of Digital Finance

- Founded in November 2013 as a partnership between  Expansion funded by the UNCDF. 
- Provides world-class training & cutting-edge data for digital financial service providers.  

Agent Network Accelerator (ANA) Project

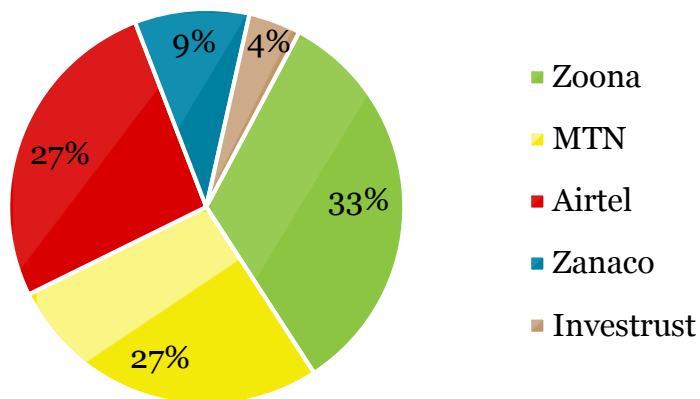
- Four year research project in eleven major markets – **Kenya, Tanzania, Uganda, Nigeria, India, Indonesia, Bangladesh and Pakistan**. Expanded to **Zambia, Senegal and Benin**
- Designed to help the world’s leading providers **overcome the cost and complexity of building sustainable cash-in/cash-out (CICO) networks** across a broad geography



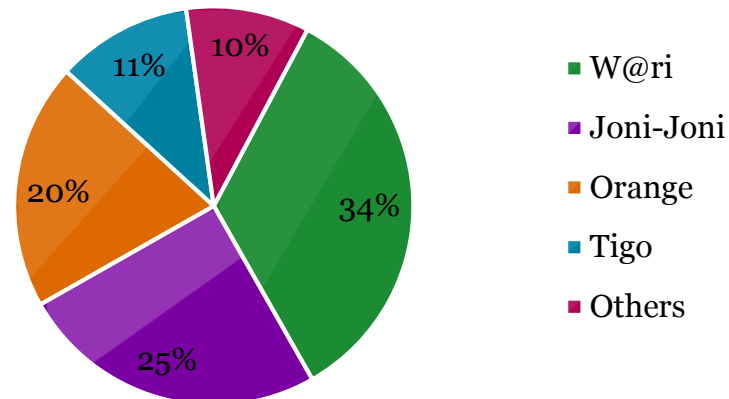
Agent Network Landscape

Zambia & Senegal Exhibit Competition And A Great Diversity of Players

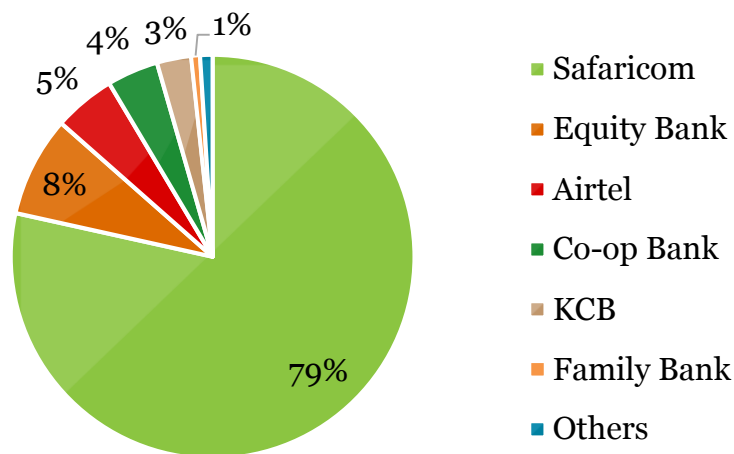
Market Presence in Zambia*



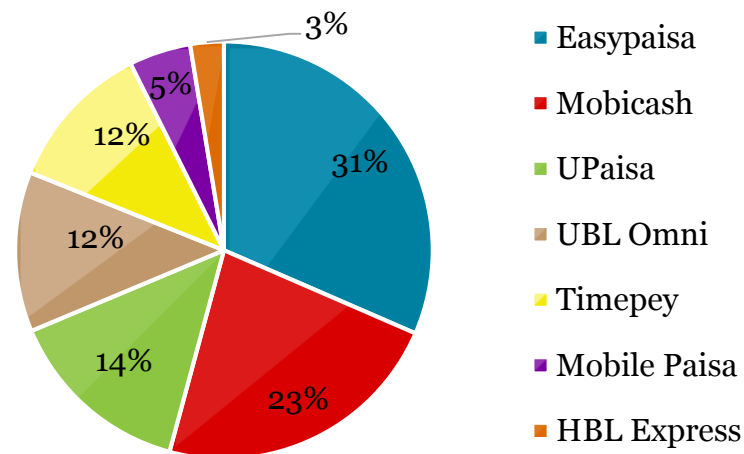
Market Presence in Senegal*



Market Presence in Kenya*



Market Presence in Pakistan*

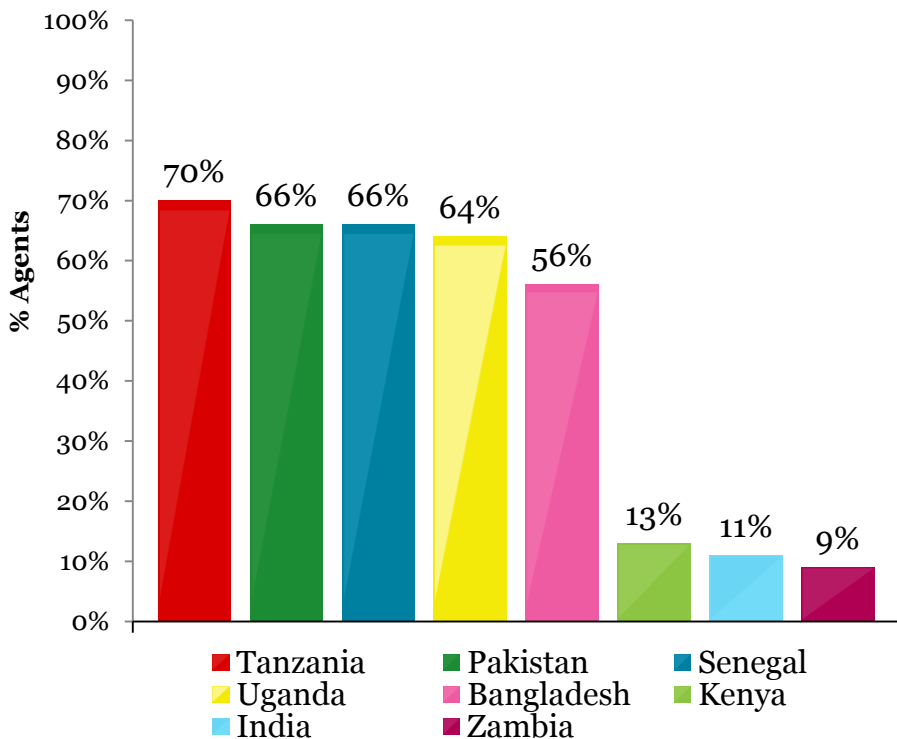


*Agent market presence is defined as the proportion of cash-in/cash-out agents by provider. Numbers here are provided on a till basis, therefore if an agent serves three providers it is counted three times.

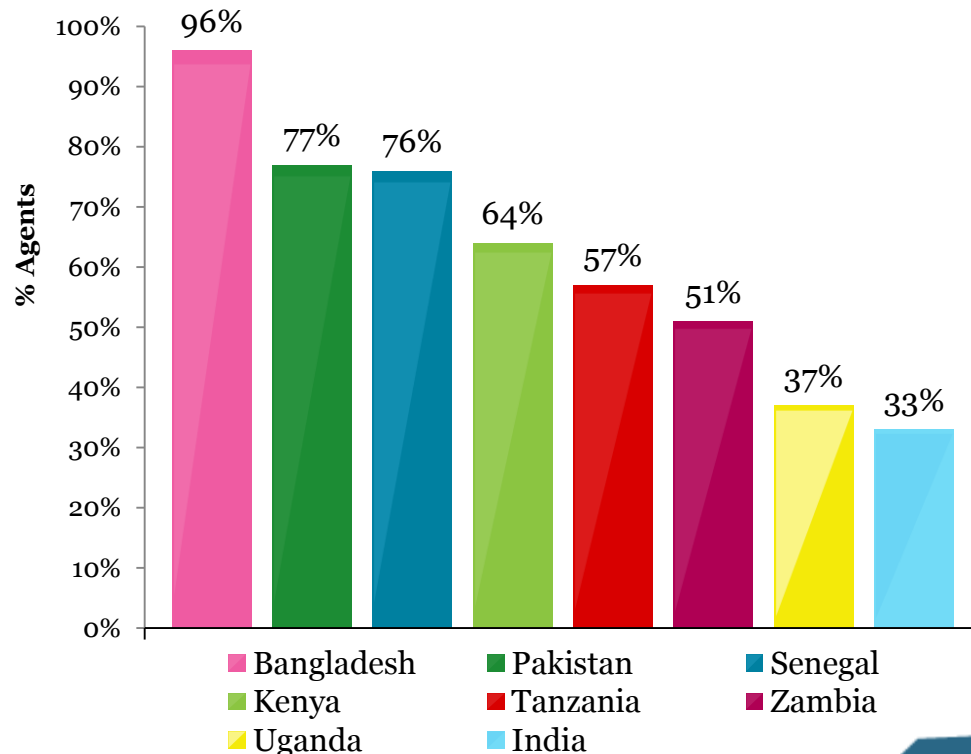
Non-Exclusivity And Non-Dedication Levels Are Increasing

What are the implications of non-exclusivity and non-dedication on agent networks' sustainability ?

Non-Exclusivity: ANA Research Countries*



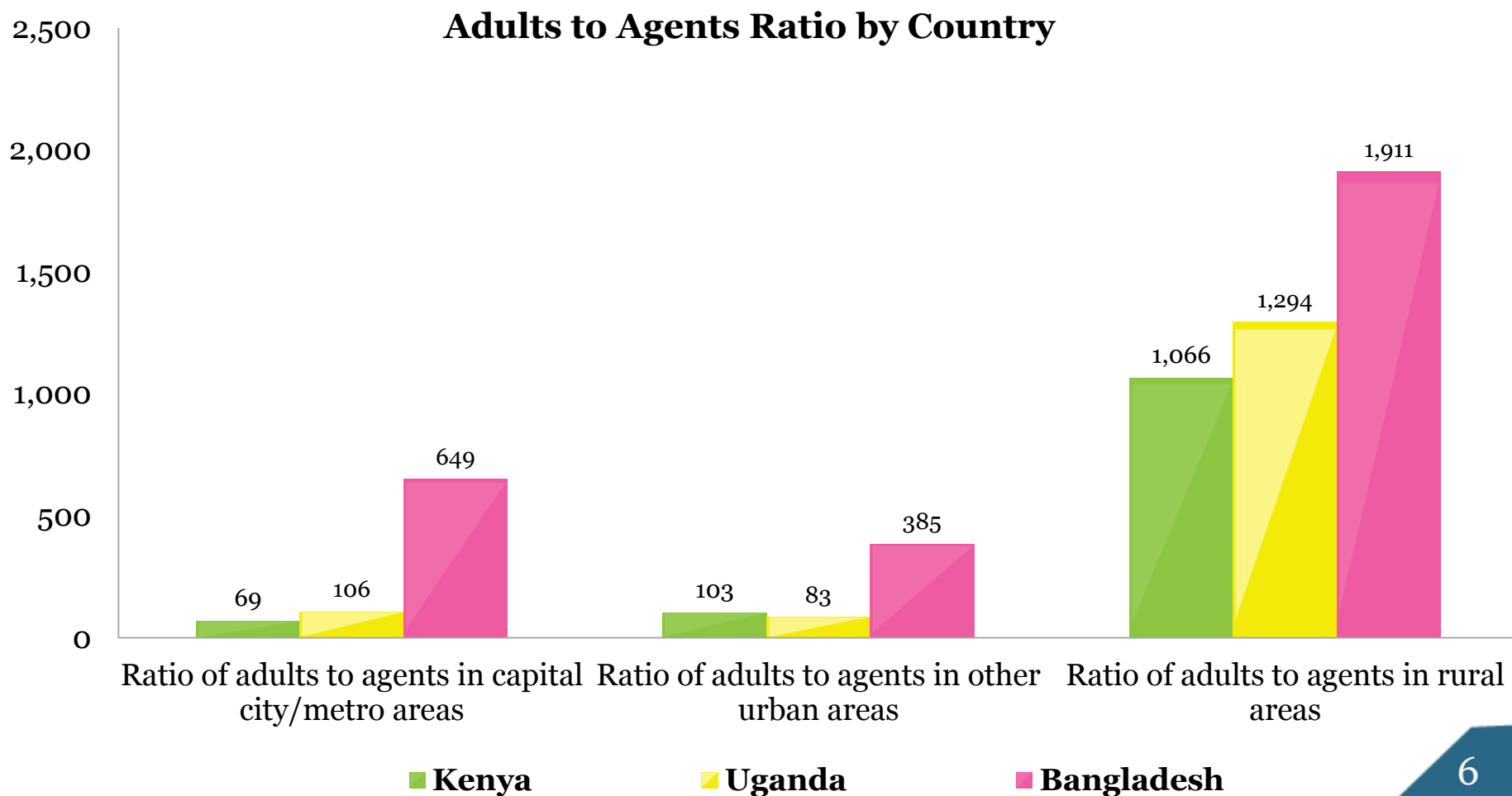
Non-Dedication: ANA Research Countries*



*ANA surveys were conducted in 2013 in [Uganda](#), [Kenya](#) and [Tanzania](#); in 2014 in [Bangladesh](#), [Kenya](#), [Pakistan](#), and [India](#); and in 2015 in [Zambia](#), [Tanzania](#), [Uganda](#), and [Senegal](#). Country comparison graphs contain most recent data available.

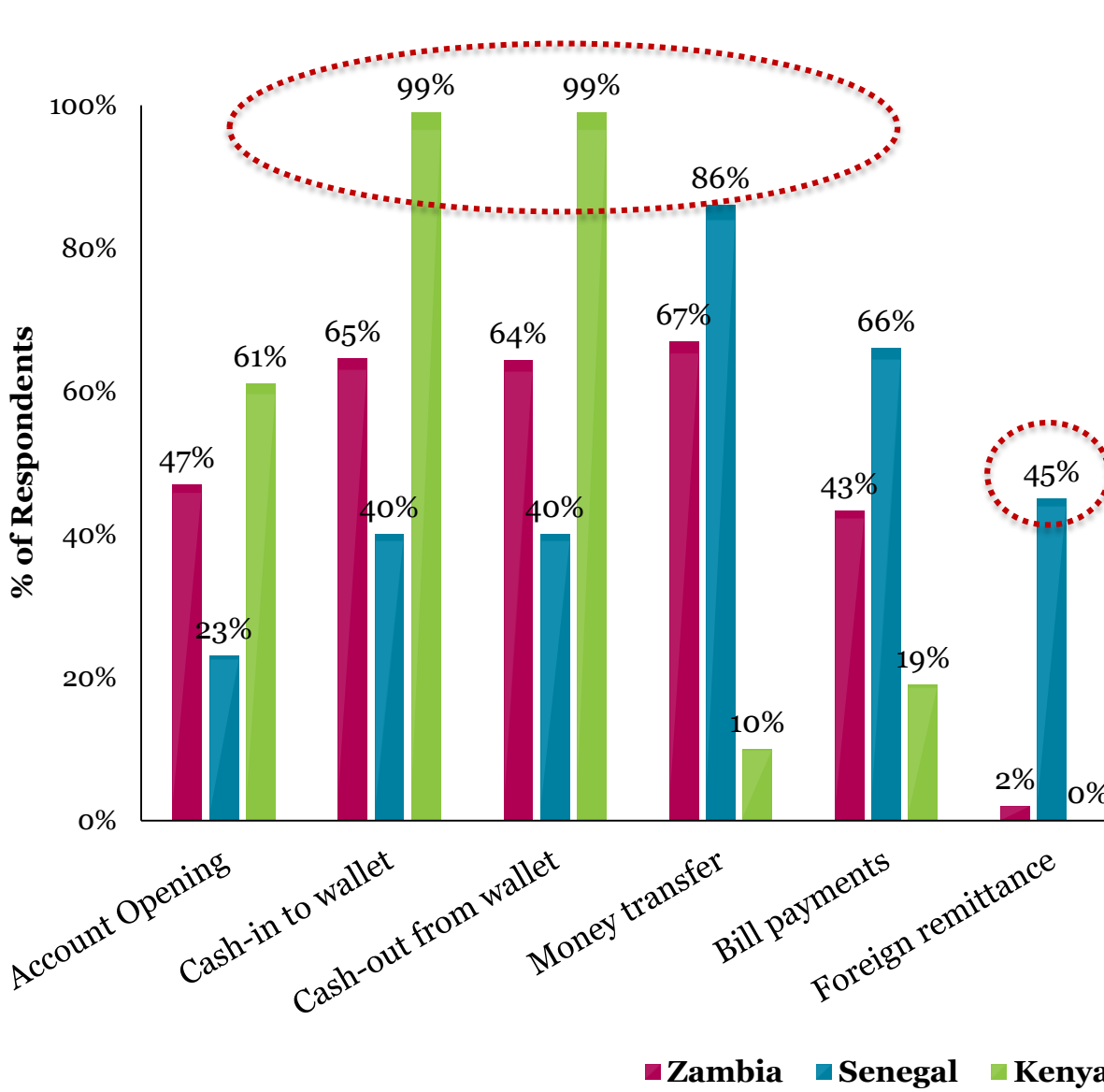
There Is Low Penetration Of DFS Products In Rural Areas

The rural market across all ANA research countries remains largely untapped. What does it take to expand DFS in rural areas?



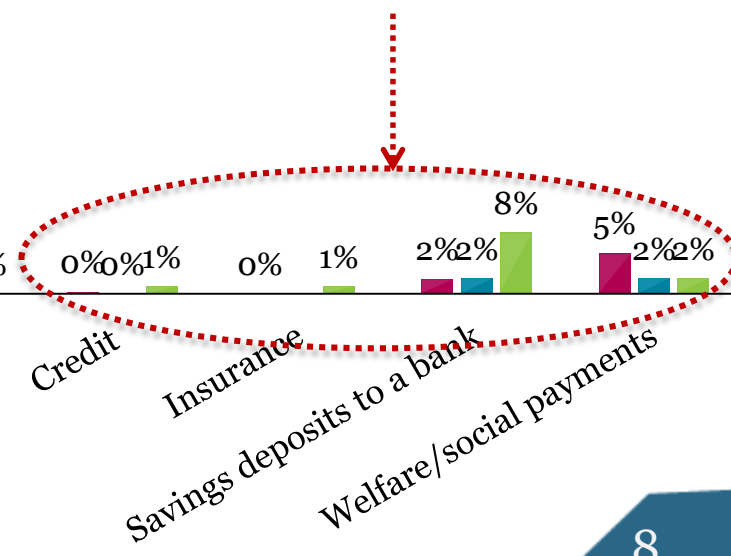
Market-Led Product Development

Diversity In Products And Services Is Lacking In Most DFS Markets



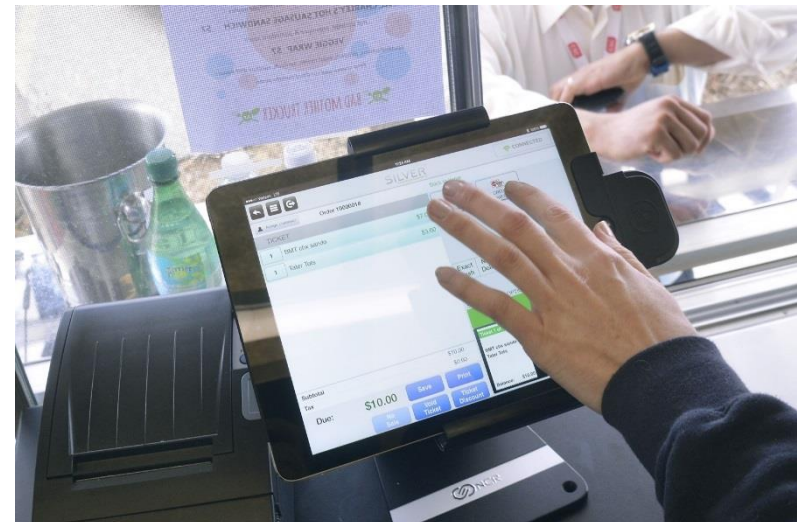
| Median Time Taken To Reach An Agent Serving The Same Provider | |
|---|---|
| Zambia | 5 |
| Kenya | 1 |
| Pakistan | 5 |
| Bangladesh | 2 |

Banking services is where the lion's share of the opportunity lies.



Transition To Customer Centric Products: Focus On Delivery and Development

- Segment the customer base**, understand users' preferences and build use cases that make wallets valuable to them.
- Transition to appropriate products** that are alluring and meet poor people' financial needs.
- Deliver services to users in the way most prefer:** offer agent-assisted transactions for those users that may not be ready to adopt the mobile wallet.
- Enhance partnerships with financial institutions** to design sophisticated products: recent financial product deployments to the mass market such as KCB M-Pesa in Kenya, M-Pawa in Tanzania.



Service vs. Sales

Segment the agent network such that sales agents teach customers about products and help them navigate interface and service agents focus on transactions.



A sales channel which includes communicating and teaching customers about products, and enrolling/onboarding customers

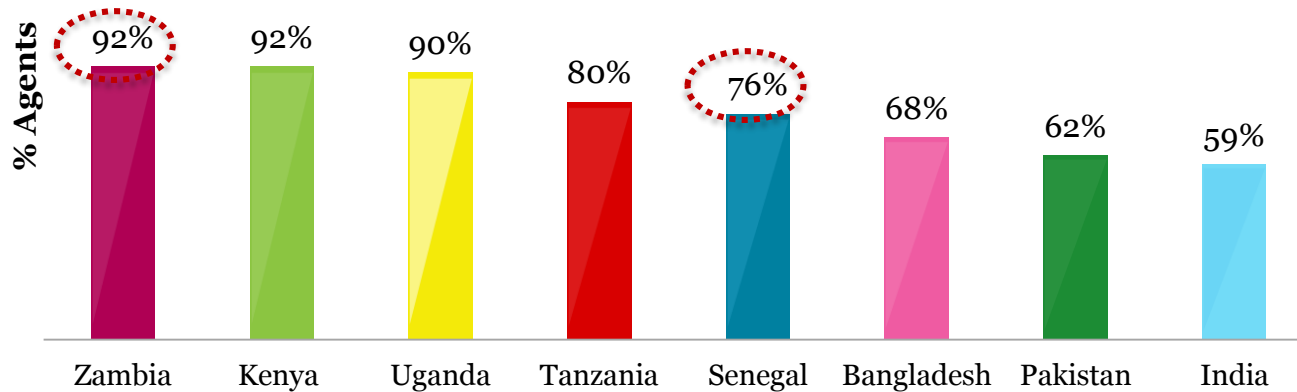
Service channel that focuses on changing mediums of value



Collaborate on Support Services

Improving The Quality Of Agent Support Presents A Large Opportunity For Providers

Trained Agents: ANA Research Countries



The proportion of trained agents is high across ANA research countries. However, **53%** and **64%** of agents have **never** undergone **refresher training** in Zambia and Senegal respectively. This is comparable to other ANA countries: 71% in Kenya, 79% in Pakistan.

Operational Support

In Senegal, **32%** of agents **never** receive **support visits** as compared as compared to **39%** in Zambia and **31%** in Kenya.

Of those who receive support visits, 34% and 29% report they are with **no fixed frequency** in Zambia and Senegal respectively (36% in Kenya).

In Zambia, **79%** of agents experience **service downtime** at least once a week. In Senegal, agents report service downtime as the **biggest barrier to expanding their business**.



Collaborate on Support Services and Focus Competition On Products

Most market players are offering the **same products** in the **same outlets**, yet they have individual systems for training, monitoring, and liquidity management. The **redundancy must be reduced**.

Consolidation and partnerships need to become more prominent.

a) Begin in the rural areas—with non-exclusive and exclusive agents—where it is most difficult and expensive to provide the support agents need.

b) Third Party Agent Network Manager: Entirely manage the network and is potentially the backbone of the agent network that incoming banks can build on. Eko India ?

Transition to sophisticated products will likely involve **better trained agents** to sell more complex products and help serve customers.



Innovative Liquidity Management

Agents Could Have Access To A Greater Diversity Of Rebalancing Options

| | % of Agents Who Travel to Rebalance | % of Agents Who Use Banks Most Frequently To Rebalance |
|------------|-------------------------------------|--|
| Kenya | 77% | 88% |
| Uganda | 75% | 37% |
| Tanzania | 65% | 48% |
| Senegal | 62% | 75% |
| Zambia | 45% | 64% |
| Pakistan | 24% | 14% |
| Bangladesh | 4% | - |

- ▶ The majority of agents in Bangladesh and Pakistan have float delivered to them. Most of the agents in these countries are not denying transactions because of liquidity issues.
- ▶ Most agents who travel use bank branches. In Senegal and Zambia, agents report time taken at the rebalancing point as one of the top impediments to liquidity management.

Innovative Liquidity Management

Lessons from ANA research countries on innovative liquidity practices:

- ❖ use of master agents;
- ❖ agent to agent rebalancing;
- ❖ informal agreements with neighboring retailers;
- ❖ doorstep liquidity services;
- ❖ on-demand facility;
- ❖ e-float line of credit; and
- ❖ third party float aggregators.



Develop a system for monitoring float and cash levels to calculate predictable fluctuations in client demand.



Thank You

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