

[John Ilhan](#) said: “This may seem simple, but you need to give customers what they want, not what you think they want. And, if you do this, people will keep coming back.”

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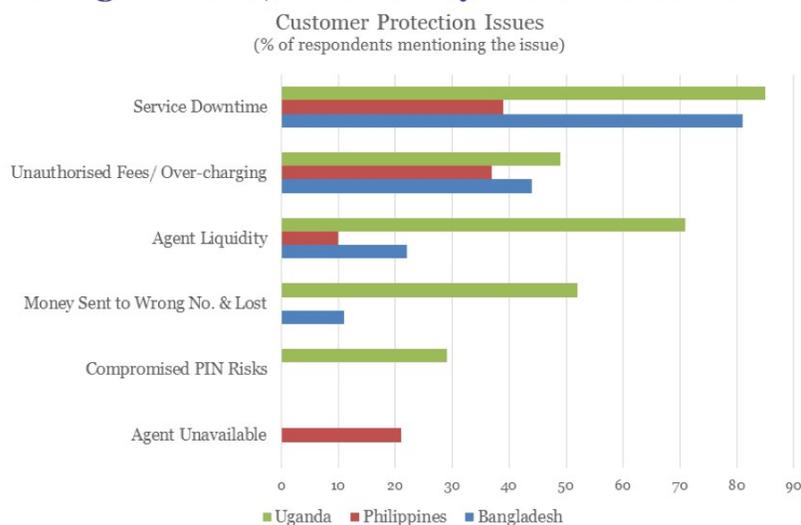
## Engaging in the Delivering of DFS for MFIs

The Beninese and Burkinabe financial markets offer consumers different types of financial services, including formal and informal options. Twenty-five percent of Beninese adults have used a formal financial product with a digital account whereas 7% of Burkinabe’s that are formally financially included, only 3% have used a digital account. Digital channels offer microfinance institutions many benefits but there is a learning curve to take advantage of these new alternative channels and to for clients to better understand and [trust in DFS](#).

Digital financial services depend on customers’ trust in the systems and agents used to deliver the service even more than traditional financial services. Protecting the customer and minimizing the risks as s/he uses the service is essential to build and maintain that trust. At a recent training hosted by UNCDF/MICROLEAD

program organized, in Benin from 06 to 10 June 2017 and in Burkina Faso from 12 to 16 June delivered by MicroSave’s Helix Institute focusing on the theme of [agent network management for MFIs](#) and [model structures](#) to successfully engage in digital financial services.

### Moving Forward, Trust is Key: Core Issues Remain



Digital finance is incredibly complex and the operational challenges can quickly overwhelm MFIs. Participants spent time in and out of the classroom to put knowledge into practice and to share learnings with their peers and to engage in discussions with potential partners. The main questions asked were around three key themes as participants worked on their [strategies to successfully engage in Digital Financial](#)



[Services](#): what are the key risks involved in partnerships, emerging risks and how to drive a sustainable approach.

Partnerships provide opportunities not only for the partnering entities but also for clients but are often complex to structure. Participants raised many questions on the operational and client risks involved in partnering and learned about best practice

around structuring service level agreements, win-win relationships and managing communications and had the opportunity to talk with a mobile network operator.

As agents are often the sole form of interaction with clients, participants learned how to design incentive structures and train and monitor agents to ensure clients are well served. During visits to existing agents in Burkina Faso, Mr Tassambedo, Director of Orange Money as Guest Speaker, shared his experience in managing agent networks with the various participants and Mr Kitihou, Partnership Manager at Moov Benin shared his experiences in Benin.

[Emerging risks in digital financial services](#) are often strategic and reputational in nature. These then play out in the operational realities for agents and their customers. [Fraud risks](#) will continue to evolve and expand as the DFS rollout matures, so risk frameworks will constantly evolve--both internally and client facing.

Lastly, one of the intimidating implications of going digital is the amount of time and money required to do it successfully, meaning once you have embarked on the journey

there may well be no turning back. Many of the issues highlighted above as well as in the course demonstrate the need for greater investment in platforms, opportunities to leverage shared systems following the example of [Umoja Switch in Tanzania](#), and agent networks in order to build a comprehensive and thus [profitable digital ecosystem](#). The fundamental design of the UmojaSwitch agency banking is the sharing, such that the Agent can provide branchless banking services to any member bank.

With low awareness of digital financial services and low literacy rates, microfinance institutions who want to leverage digital channels can best build on their investment by understanding client needs and developing relevant products and services to leverage digital channels. We look forward to seeing how the participants successfully deliver on their digital financial services strategy.



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