Breakout Session 3: Improving Customer Engagement by Meeting Customers Where They Are

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"Improving Customer Engagement by Meeting Clients Where They Are"

BUUSAA GONOFAA MFI
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Outline

- Overview of Financial sector of Ethiopia;
- BG’s Background;
- Outreach growth;
- Voluntary saving mobilization;
- Challenges of saving mobilization;
- Where are big opportunities?
- Serving clients where they are;
- Benefit of serving clients where they are;
An overview the Ethiopian Financial sector

**Pros**
- Recent Initiative of National financial inclusion;
- Supportive regulation (MFI’s allowed to mobilize saving from their inception);
- Huge potential market for expansion;

**Cons**
- Financial market is dominated by state banks & MFIs;
- The financial sector is restricted to domestic investors;
- State owned Telecom (limited MNO);
- DFS – at infant stage;
Background of Buusaa Gonofaa MFI

- Transformed from local NGO, HUNDEE;
- Established & Licensed by NBE in 1999;
- Mission- livelihood of the poor & sustainability;
- Market segment-low income, women, small holder
- Credit driven organization;
- Group lending methodology;
Last 3 years trend in Outreach

- No. of borrowers:
  - Dec. 2012: 67,561
  - Dec. 2015: 81,802

- No. of vs accounts:
  - Dec. 2012: 4,921
  - Dec. 2015: 67,687
Why saving mobilization?

BG’s saving initiative (2013)

Social & Commercial objective

- Assist poor to build financial asset
- Stable & cheap funding
Challenges of saving mobilization

External
- Market segmentation;
- Competition;

Internal.
- Credit culture;
- Dormant account;
Opportunity- focus on low market segment
Opportunity- serving clients where they are
Opportunity - Staff capability
Opportunity-Change Management (SFT)
Customer value – No opportunity cost
POS-Efficiency
New market-Shoe shiner savers
Key output of serving client where they are

- Fill intention-action gap;
- Promote goal based saving;
- No financial & opportunity cost for savers;
- Improve account usage;
- Reduce share of dormant accounts;
Summary

- Serving clients where they are improve account usage;
- Assist the poor to fulfill their ambitions;
- Reached more many excluded group of the community;
- Mobilize stable funding source;
• Questions?

• Thank you.
THANK YOU