

Interview with Digamber Finance, Jaipur

April 5, 2013 @ 9am

Interviewee: Amit Jain

Conducted by: Deanna McCusker, UX Designer

Summary

Amit Jain is executive director of Digamer Finance. Originally he installed Mifos on his own, but now they have outsourced to Conflux in the cloud.

Digamer has field officers (loan officers) who go into field to interact with customers and collect payments. They are having a problem, though, where the field officers take more from the client than they report, and because the clients are often illiterate, they don't recognize the fraud. Digamer would like all data entry to happen on mobile devices, so the amount on digital receipt must match up with amount of money collected to reduce fraud. 99.99% of Digamer members have mobile devices. Use "maker and checker" concept. They would prefer the field officers not use any paper at all, not necessary.

Digamer is an MFI and cannot offer savings. Mostly do individual loans to groups.

What he likes:

- Mobile connectivity, freely available, future prospective
- Good workflow, step-by-step process, easy to find next step
- Easy to pull out info into generated reports

Desired improvements:

- Ability to see all "system users" (not customers, but internal login access to Mifos) and whether they have current access. People are hired and leave Digamer and we can't tell if they still have access or not.
- Maker/checker concept added
- As digital as possible – no need for paper, less fraud
- Dashboard for immediate and continuous analysis
- It's good to make it "pretty" but don't mess with "clean" workflow

Interview Notes:

Introductory questions

1. *What is your role at MFI?*
 - a. Executive director in finance, since 1995
 - b. Finally got into microfinance in 2009
2. *Who else uses Mifos at your company? Roles?*

- a. 16-17 branches
- b. centralized loan processing hub where all applications reach
- c. hub role - check with credit agencies, when approved, then make disbursement
- d. branch office role – generates a sale, collects the documents, sends to hub,
- e. administrator of accounts
- f. branch – 2 roles
 - i. field office – collects money, enters collection sheet
 - ii. branch manager – look after all the collections has been done properly, looks after all groups and field officers, make sure data is entered correctly, tallies totals, mail all details regarding collection, then sends to head office
 - iii. generally 2-4 field officers
 - iv. field officers manage about 600 loans per month
 - v. field officer collects money from center and posts to Mifos itself
 - vi. field officer is the same as loan officer in Digamer
- g. CGT – compulsory group training – hub (?)
- h. GRT – group recognition? Test – hub (?)
- i. Pilot basis to do collections from mobile, have not started yet, as early as Sept. 2013, “maker and checker” concept. Some branches pull out the data sheets, but some use Excel, take a printout. Is better that data will be on mobile devices, data validated by “checker” (somebody else)
- j. Typically don’t generate collection report within Mifos – (Comment from Ed: should address this) – smart phones are very cheap and easily available. As soon as meetings are decided, put collection data into mobile
- k. Amit’s idea – smart phone is attached to facility, my loan officer collects money, puts into mobile in field, temporary database, and then reaches to the branch manager, hands over \$5000, if branch manager finds it’s okay, the BM verifies its genuine, posts the transaction.
- l. Should get a message that so much is due, he collects, then it into
- m. Now, LOs are very clever, they collect for the whole month. Then they just submit for one week at a time. They (members) aren’t very literate. LOs just put the money into their pocket,
- n. Message should generate the amount handed over, not the amount due. Direct connection with member so there is less fraud
- o. 2 text message receipts – one from client, one after posting, should be sent to member’s mobile number
- p. Don’t want paper receipt, that’s useless
- q. (Ed – not better for security purposes? Do they want a message saying that it was posted)
- r. LO collected \$1000 from branch, main receipt is with customer,

- s. These are practices that have been started in India
 - t. Help numbers for members to call if the LO is trying to scam them
 - u. If the member gives 500R but gets a receipt for 200R, then they know something is wrong
 - v. Entry should be in the member passbook
 - w. Members should make the payment through their own mobile devices
 - x. 99.99% members have India mobile devices
 - y. Member would give money physically to LO, LO would enter into a mobile device, it would go into a database, the checker would make sure the money that the LO gives to branch, checks to make sure they are the same, then a SMS is sent to the member's mobile device for the amount the LO gave to the branch
 - z. Don't print out the collection sheet, what does LO take to meeting? Advocate diary? Carries forward details to each Monday. This is done in Excel? Wed. 10 meetings, Thus. 15 meetings – if there are any changes, can delete from Wed and add to Thu. Their own record keeping
 - aa. Report shows how many centers they have that day and how much total money they need to collect, summary amount for center
 - bb. Easily traceable that that member isn't paying today – for one group, we have 5 IDs, one receipt per group, we mention that one member doesn't pay, then instead of \$1000 rupees, then only \$800, but mention member who doesn't pay
3. *Ed asked – why don't you use collection sheets, should automatically do those carry-forwards for you?*
- a. No specific reason, requires lots of paper, not providing printers to the branches right now, don't want to take a printout, they are very handy with their diaries, very bulky to take a printer with them? Print out daily diary, which is a summary of collection for each center, for each person, that is done through a receipt
 - b. How can we make the collection sheet less bulky? Vishwas is working a report that can generate these daily diaries.
 - c. Amit – of all our MFIs, has the most streamlined and documented processes
4. *How long have you been using Mifos? 2009*
5. *Why did your MFI choose Mifos?*
- a. Only for Ed ☺
 - b. What I like most, it's interface, it's web connectivity, freely available, future prospective, team behind Mifos is very laborious, pushing its efforts to make wonderful software, for helping the poor, so many bulky softwares out there that don't have good workflows
 - c. Gave a demo to a non-technical person, to bankers and all, it is very easy, just like a workflow
6. *What were the alternatives? (XL, build custom, one other open-source, commercial)*

- a. Banker's Realm, Octopus, Microfinance Plus – Mifos only app that provides web interface experience, want to go with future, Mifos is the future, unfortunately it was dropped by Grameen
- 7. *What is your lending methodology (group or individual)?*
 - a. We do individual lending with guarantee of group
 - b. Each person has a separate account with the bank, lending money to a group, but paying to an individual
- 8. *What products do you offer? (Loans and savings, or just microcredit?)*
 - a. No, in India, or regulator is RPA, do not permit us to do savings, banned with MFIs. But if you cap the savings, then lend the money, it is self-help lending.

Installation and configuration

- 9. *How long did it take to get Mifos installed and configured the first time?*
 - a. 60 days reading how to install, and configure, successful to install Mifos on my local machine, get the concept, was done by me
- 10. *What process did you follow? (done by a specialist?)*
 - a. Followed recommended Mifos process, simple installation help file
 - b. Then Ed and Grameen put me into cloud, then Conflux took over cloud hosting
- 11. *How long did it take to train staff, to get fully accustomed to using software?*
 - a. Training is not very lengthy, UI is very easy, click to reach group, click to reach members
 - b. I am very good with the figures after 19 years in finance
 - c. Use Mifos videos to train
 - d. Hardly 7-10 days
- 12. *When new releases come out, do you upgrade right away? Why or why not?*
 - a. Yes, upgrade from 1.1 to 1.3, we are now on the cloud, will be looked after the upgrades
- 13. *How long does it take to do an upgrade? - Conflux*
- 14. *How much time does your MFI spend maintaining Mifos? (full-time admin? It basically runs by itself until we need to upgrade again, specialist) - Conflux*
- 15. *How well does Mifos perform with your network bandwidth? (is it acceptable, too slow? Tasks take too many clicks, exacerbating network sluggishness)*
 - a. Its good – we have broadband, wifi dongles
- 16. *What concerns or challenges do you face with configuration? (Conflux handles)*

Tasks

- 17. *What are the primary tasks you use Mifos for?*
 - a. Putting data into database
 - b. Day to day work can query about the loan accounts
 - c. Centers they have to collect from today
 - d. Free to call the reports? (view reports?)
- 18. *What tasks do you want to be able to do that Mifos doesn't currently do?*

19. Task A – (already covered)

Features of Mifos

20. *What are the primary features you use?*

- a. Branch level – use is very limited, putting the data, the only use the branch is doing
- b. Comes to accts. Dept. – we export to accounting dept. Principal and interest collection – pullout data on daily basis from export from Mifos, manual report sent from branch manager, match with data entered into Mifos
- c. Cross-checking done with Mifos on daily basis
- d. How much for the incentives (RO) – field officer?
 - i. Incentives for sale – fresh, new loan accts
 - ii. Collection – if loan is collected from center properly
 - iii. Max loan cycle incentive – once we have a member, after first cycle, she re-ups for another loan, RO gets an incentive
 - iv. Incentive for branch managers, area, unit managers
 - v. Due vs collection –
 - vi. Dormant clients – area managers have responsibility requires to inquire about dormant accounts, why haven't they been funded

21. *Are you able to access all the information you need with Mifos?*

- a. We are able to get all this info with Mifos
- b. Provides us with facility to pull-out this data
- c. Reports it is giving is useful, or we just pull out data to excel
- d. One that is missing – entire branch collection process
- e. Manually generated, automatic generated?
- f. If manual and automatic reconciles, then it is good, 3-way to consider or cross-check, possible on daily basis but not weekly?
- g. What information would you want to see:
 - i. Want to analyze my work – a dashboard will help with this

22. *If not, what do you need to see that is not there (or buried)?*

23. *How do you use the navigation of Mifos – search primarily, or drill-down through hierarchy primarily?*

- a. In last summit, I told guys there is very poor interface in Mifos – if I inquire – so many people joined today or left today, just stop login for that person. If I have a screen where Mifos will show me the active and inactive, make it easier to make active or inactive. Mr. X leave my company, need to be able to inactivate it quickly. On a single screen, I don't have any idea which users have which roles. How many users are locked or unlocked today.
- b. Better interface for manage system users –
- c. Need a way for executive managers to see who all the system users are and what they can do

24. *Does the navigation work well for you? If not, what would you change? (did not ask)*

25. *Which reports do you use?* (did not ask)
26. *Is there a report you want that doesn't exist?* (did not ask)
27. *Do you want to be able to create your own custom reports?* (did not ask)

Organization

28. *Does everyone in your organization that needs to (field office/data entry staff, branch staff, IT/general ops staff) use Mifos? Why or why not?* (already discussed)
29. *With mobile app – what tasks do you want to do in the field?* (already discussed)
30. *Are there any offline processes that you would like to see automated?* (did not ask)

Thoughts on New Design

31. *If we added a dashboard as the entry point for each user, what information would you want to see on it (as a loan officer?)*
 - a. (already discussed)
32. *What information would you want to see on a default UI home page or dashboard?*
 - a. Will email me a list

Closing questions

33. *What 3 features/areas would you like to see changed?*
 - a. Security – maker and checker, more person involved in process, should be less? Wants stuff to be entered immediately so nobody has to check? Mifos X will probably provide the maker and checker process
 - b. Concept maker and checker
 - c. Reporting section – instead of should have a dashboard
 - d. Interact with mobile devices, data collected in easy way, doesn't require laptop
34. *When Mifos X comes out, are you planning to create your own custom interface or do you want to use the default UI? Why?*
35. *Any other comments?*
 - a. Ed - UI – maker/checker concept – is only available in certain parts of the process, should be within every transaction in Mifos, but can be turned on or off, but we need to know if an org is using it extensively. Strong internal control and integrity
 - b. Amit – UI – should be very practical according to the workflow. That is all we require. After A you have to reach B... UI should work like this. Prefer if UI is same as existing, follow steps. Modifications and beautification is good, but keep workflow.

Amit Jain

ED of Digamber Finance, financing for 19 years then moved into microfinance

Hobby/passion is software and has fun using it.

Staff/Roles that Use Mifos at Digamber

- 16/17 branches
- Fundamental workflow
 - Centralized loan processing hub - all applications come here and credit approval is done.
 - Hub Rule
 - Branch Office Role
 - Field Office Role
 - Administrator/Accounts Role
 - Branch creates sales, sends documents to hub for verification, do deduping/credit check
 - Approve loans and disbursing loans done at hub
 - Generating business, getting new customers, collecting of documents, collecting payments after I
 - Pre-Microfinance
 - Collection of Docs, Field Investigation, CGT (Compulsory Group Training) - done by branch itself
 - GRT (group recognition test) and approval of loans and then disbursement – hub
 - After disbursement - collections is done by branch.
- Branch
 - 2 separate roles
 - Field Officer - collects money and enters data into collection sheet and posts it per branch but varies - average of 600 loans/month that field officer is managing
 - Goes out to meeting, comes back and enters collection sheet data himself
 - Enter data at the branch or at a cyber-café
 - Starting on a pilot basis - collections via mobile - want to start as early as possible - september 2013 - want collections done via mobile.
 - Some print out Excel sheet or database
 - advocate diary - 4 cases on 16 will add to 20 - maintain personal diaries where on a particular day have center details - 10 center for monday - and how much collect for centers - carry forward these to next monday
 - Just summaries of total meetings at centers
 - Receipts are done groupwise - five members of a group - name or ID that member is not paying today.
 - Broken down by each ID
 - Doing this in Excel - changes in meeting, delete from wed and right into Thurs
 - Vishwas - require a report - any loan office will report name and day - center list comes out in a summarized way - ten centers and amounts due.
 - Why dont use Mifos Collection Sheet Report
 - Waste paper - why do need full amount for each member.

- No printers to branch
- Field Officers don't want printout of collection sheets - diaries are easily traceable
- Printout of all collection sheets - very useless
 - informative way - not a record –
 - very bulky - lots of field - pros/cons
- Summary of center would be better
 - which member is not paying just mention today
 - 99.999% recovery.
- Vishwas will generate these reports in Mifos now.
- Maker/Checker concept - branch manager verifies fi
 - Tab/mobile - center meeting put in data
 - Idea for mobile is
 - Smartphone is attached with SMS facility
 - Collects money into temporary database and then hands over 5000 bucks to branch manager - branch manager does checker processes.
 - Branch manager posts entry into Mifos
 - Generates an SMS receipt - will get message
 - Your EMI is due.
 - Problems with loan officers who are clever - collecting money for entire month and then submits payments for a week.
 - Amit wants to block this - collect \$100 - message will be generated for \$100, \$200
 - Direct connection with member - reduce possibility with fraud
 - Right now uses carbon copy receipts
 - But fraud with changing the main copy receipts
 - With SMS, helpline if any fraud.
 - If you paid 500 rupees, should get SMS of 500
 - proof is the entry into their passbook.
 - Gap between member and head office
 - Members are illiterate and might be recording receipt for less money
 - Branch manager - ensures collection has been done properly and posted into the system.
 - then submit branch cash confirmation report to match with collection sheet and go to head office via mail (daily process)
 - Both manual and automated should match
 - Look after all the groups and field officers, field officer just want to see centers and all.
 - Accounts dept verifies everything.
- Why Mifos?
 - For Ed: what like most - its interface, its web connectivity, its freely available, its future prospective, team behind making of Mifos is very laborious and pushing efforts for making software to help the poor
 - So many bulky softwares that didn't give their workflow
 - Easiest workflow and easiest user interface
 - Gave a demo to a non-technical person, bankers/investors - find that it's very easy to use - UI right now is very good - just like the workflow
 - You dig, you'll get. You dig, you'll get.
 - Other Alternatives
 - Bankers Realm, Jayams Solution, Octopus, Microfinance + - all were

offline or desktop applications at that time - Mifos was only web interface at that time.

- Amit wants to go with the future –
- Lending Methodology
 - Doing individual lending with guarantee of group (essentially JLG)
 - Pay the loan to the individuals but the cross-guarantee/joint liability is against the group
 - Difference between forms of group lending
 - If you pay money to a group where there is a secretary, treasurer and have bank account (SHG)
 - If JLG with social guarantee where you lend money to a group but pay money to an individual (JLG) - this is what Digamber does
 - Don't do savings (can't because not licensed by RBI)
 - But if you cap the loan to the amount of the savings - that is SHG
 - JLG - peer pressure from group - group will pay if member defaults.
- Installation
 - Installed Mifos all on its own - 60 days spent how to install –
 - Learned the concept of installing web server and database server.
- Training of Staff using Mifos
 - Not very lengthy - because UI is pretty easy –
 - Easy to click through go to members - account – details
 - Users not familiar with web interface - used some videos from GF for training
 - Easy for amateur who has interest in learning/reading –
 - Made notes on how to teach team - hardly seven to ten days to learn.
- Upgrades
 - On own did them immediately
 - Now wait for the upgrades from the Conflux team.
- Mifos performance on network bandwidth
 - broadband connections and wi-fi dongles - do fine day to day work with dongles - remote locations easy to put database into dongles - speed is sufficient.
- Primary functions of field officer
 - Day to day work inquire about loan accounts
 - Input collection sheet repayments data
 - Don't get reports but are able to perform their own summary reports.
 - Open Mifos, put the data and they close it - all data put in day to day.
- Features of Mifos that Digamber uses
 - Branch level - very limited - putting the data and putting the collection
 - Accounts Dept - extract Mifos accounting export on daily basis - bifurcated into principal and interest
 - Manual reports sent in by branch manager - match sum of branch with data entered into Mifos
 - Manual collections should match export in Mifos.
 - ED: need for better reconciliation tool
 - Only catch mistakes
 - Pull data from Mifos for incentives
 - How many clients have been made for RO - enter collection been done by field officer - these are for incentive purpose
 - 4 types of incentives
 - 1 incentive is for sale (fresh new loan accounts)
 - 1 incentives is for collection (collection initially on new loans)
 - Max loan cycle incentive - if she graduates to n level of loan cycle, loan officer gets incentive
 - Incentive for field officer, branch manager, unit manager, area manager - all data pulled out for mifos

- Due vs. collection incentive - daily basis
- Dormant clients - Area manager - inquire why they've not been funded, problem in center why not taking loan.
 - 4 or 5 roles that analyze the data
 - for these roles - broadly using Mifos
- Deanna: does this information get pulled from Mifos
 - Mifos allows us to pull this report from Mifos - pull data into Excel and manipulate themselves
 - Enter branch loan disbursement progress - missing report from Mifos - pivot table in excel - 4 loan officers and show disbursements product-wise
 - Manual channel and automatic channel
 - Manual channel - entries confirmed by staff itself - both channels should match on daily basis.
 - If they match, close the books.
 - Close books for previous day by 1pm the next day
 - 3 ways to cross-check these books
 - all 3 ways should be the same.
- Amit - want to do analysis on screen that doesn't need report or Excel
 - Want data to slice and dice more to get results - more important than a results as a report
 - Better to take a preview of what you require
- Deanna
 - More robust dashboard for each user
 - Branch manager - see top RO performing, loans most delinquent, accounts that are most dormant
 - Would it be useful to have these information for each user update?
 - If associated with any concern, duty to analyze work - better to provide a tool like a dashboard to help them analyze their work.
 - People want to be able to see their progress
 - Dilemma of how to pull out their data and see where they are
 - If can't evaluate self on daily basis will be pushing back.
- Navigation/Search in Mifos
 - Search - drilldown/hierarchy
 - At last summit, Poor interface for
 - Poor interface for administration of system users, who is active/in-active - not sure from single screen which user has what role, which is active, which users activities are suspected. How many users are locked out - some for 6 months have used their branch manager passwords.
 - One example came to know that an end user upre-application for clients that have left organization.
- Security
- Maker-Checker
- Improvements

Be practical of the workflow - A to B then to C - UI should be like this so user can get idea of where they want to reach

Loan accounts - generate and then take 15 to 20 minutes to find out where it's going.