Interview with Intrasoft, Mombasa

Date: April 12, 2013
Interviewee: Zayyad Said, developer
Conducted by: Deanna McCusker, UX Designer

Summary

Zayyed runs a company that provides Mifos support to MFIs. Currently has 3 MFI clients, 2 new deals coming up. He has installed Mifos himself and his company provides support for Mifos, but he says they don't need to do much support (maybe 1 issue per week), partly because Mifos is easy and partly because they are careful on the installation.

He outlined 4 users:
- Field officer – this person sells and manages the loans (may or may not do their own data entry). If not, MIS officer is the data entry person. These people have full permissions on Mifos.
- Accountant – transaction balancing on a daily basis. May approve loans if manager is not available. (Also full permissions in Mifos?)
- Manager – only permission on Mifos is to approve loans. Otherwise, they can print reports, but cannot alter any other data in Mifos.
- Auditor – investigates transaction details reports. No permissions except viewing.

What he liked:
- Reports – but needs financial reports(?)
- Easy to use, likes workflow in2.6
- Installation and configuration pretty clear (but must be careful to configure properly before starting)
- Consistent view at each level

Desired Improvements:
- More banking services, ability to deal with regulated banks (beyond MFIs), would like to provide savings accounts
- Would like a performance history dashboard for a client – at a glance – how many loans, do they have savings? What is their repayment record? How much has been loaned? Etc.
- Shorter account numbers (or configurable)

Interview Notes: (Ed's notes at end)
Introductory questions

1. *What is your role at MFI*? Managing director and founder Interest of Technologies Limited, IT services company. Can confirm Nairobi after 20th. Only deals with software solutions. Team of implementation engineers (2), 1 sales person, 1 finance director (partner) who handles accounts. Myself, technical person – and business development. Partnered with other companies in India and Malaysia – Hugo Technologies for their billing system. Will market in Kenya. Former company Internet Now in Malaysia, mail solution and proxy solution. Done 3 Mifos implemtations. (2 deals following up very closely for Mifos 2.6, upgrade to Mifos X.)
2. *Who else uses Mifos at your company? Roles*? Who do you support?
   a. 2 MFIs in Mumbasa, 1 in Nairobi (Missions of Hope)
3. *How long have you been using Mifos*?
   a. Came to learn about Mifos in 2011 (April) – 2 years experience?
4. *Why did you choose Mifos (for your customers)*?
   a. Looking for system for MFI startup, very low budget. Looked at Bankers Realm (developed in Kenya), local IT company, also looked at other systems like Octopus, visited one MFI in Bangalore, they recommended Mifos, don't need to invest in any license
5. *What is your lending methodology* (group or individual)?
   a. All of them do group, joint liability groups, Missions of Hope does group lending, Jaimea(?) Ltd – does individual lending
6. *What products do you offer*? (Loans and savings, or just microcredit?)
   a. MFI that I'm supporting are not deposit taking
   b. Before you apply for a loan, there is a security deposit (Cash collateral), 20%, on weekly basis when they meet, there is amount that they are supposed to save as part of the cash collateral
   c. Cash collateral comes in as savings, some have insurance product, insurance is also given as a loan, to give microinsurance to them, also treat as a loan.
   d. Treated as a loan – If Cable (Ed) is an insurancer, I'm MFI, he's client. I partner with Cable to give insurance to me, since I don't have premium ready, MFI will pay coverage for year, I will pay monthly installments. MFI pays premium, then I pay installments.

Installation and configuration
7. *How long did it take to get Mifos installed and configured the first time*?
   a. About a week to learn on my own, 2.1.3 was first release I learned, 1 week to study the system, another week to implement at first MFI.
   b. for financial system that was short time,
   c. I've implemented Oracle FlexCube – took more than 6 months.
      i. Other systems are all banking systems (Bankers Realm). Mifos is much simpler, banks have more products to offer than MFIs, Mifos was built on original MFI perspective. Those complicated features are not currently available. When we scale up Mifos to work with banks, it will get more complicated

      d. Ed - With Mifos X we will want to add more banking services, but we want to make sure we don't increase complexity

      e. Zayyed - Impressed with Mifox 2.x, Mifos X is not yet completed, but Mifos 2.x is better.

8. *What process did you follow*? (done by a specialist?)

      a. Followed each and every step outlined on the Mifos website, that was very easy for me to set up

      b. Must say it was pretty clear, never had any challenges, started with default configuration

      c. After a few days we had to look into the custom configuration – studied line by line – there are things that you cannot change once you configure (starting up DB installation)

      d. Ed – trying to avoid as many of run-time configurations in Mifos X

9. *How long did it take to train staff, to get fully accustomed to using software*?

      a. Training is a bit cumbersome, I would say

      b. What happens in Kenya most people are not computer literate, they understand the financial sector. What we've done, and it has proved to be best, assign one person from finance dept, one IT person- we train these two people on each and every module of the system, then they train their end users one by one. We don't train everyone at MFI. Once we are satisfied that "champions" are conversant enough, our work is normally complete

      c. 3 days for "champion" training, then we give them about a week for UAT? (practice) Hands on the system. After a week, go back to see if they have any final issues. At most 2 weeks.

      d. Only thing missing in 2.6 is financial reports. Requested financial reports in 2.6.1. A requirement for 3 MFIs. Missions of Hope doesn't want to upgrade to 2.6 unless they get the reports? Will try to convince them to upgrade.

10. *When new releases come out, do you upgrade right away? Why or why not*?

      a. Experience with 2.6 we don't have much issues. When I upgraded to 2.4, my clients were complaining with a number of issues, had to downgrade to 2.3. We've tested 2.6 on our side, haven't experienced major issues. Will be ready to upgrade to 2.6.1 immediately if it has financial reports.

11. *How long does it take to do an upgrade*?

      a. 2-4 weeks testing before rolling out to customers

12. *How much time does your MFI spend maintaining Mifos*? (full-time admin? It basically runs by itself until we need to upgrade again, specialist)

      a. Yes – after we've implemented for our clients and they've done all the user acceptance testing, we sign off the project. We assure them of free email and telephone support. We do not charge. When they need us to go visit their premises, we charge for this – 2 types of packages. Charge/ hour or annual package (includes free upgrades). Support for us is all the time (always support).

b. 1 issue per week or so. Before implementing we make sure we've mastered our clients needs. Once we've implemented, we get very few issues. Sometimes bugs. Resolve within 24-48 hrs.   Very happy with current release.

13. *How well does Mifos perform with your network bandwidth*? (is it acceptable, too slow? Tasks take too many clicks, exacerbating network sluggishness)
   a. (N/A – he's not end user of systems)

14. *What concerns or challenges do you face with configuration*?
   a. When we first implemented, it was running on TomCat, challenges were mostly upgrade challenges, database issues. First time implementations never had much issues. I think it was because we were very careful from the word go

Tasks

15. *What are the primary tasks you use Mifos for*?
   a. Our customers mostly do group lending – creating of centers, creation of loans and clients
   b. Fill out a collection sheet, that is used to update customers account in the system
   c. Use the bulk mode to deal with Mifos to enter collection sheet data, posting accounting entries
   d. Admin creation of user roles is one time thing
   e. On a daily basis, those things are not even touched
   f. Other sections looked at are reporting – Pentaho reports
      i. Day to day basis – collection sheet, printed on daily basis, second report is collected report (daiy), monitor collections of each officer, aging analysis (daily), active loan portfolio position (some MFIs use on weekly or monthly), active loan portfolio per loan officer (weekly basis), loan appraisals, Mifos transaction details (daily) which entries have been posted in Mifos to avoid having a backlog of entries to confirm
      ii. monthly reports – MFI progress, loan officer progress,

16. What are the main roles (4 types)
   a. Field officer – some MFIs use field officer to key in data when they come back, some only let them do field work, they have MIS officer to do data entry
   b. Accountant – transaction reports, balancing everything on daily basis approving customers (in case manager is not in),
   c. Manager – authorization, does not have data entry rights, if you give manager data entry rights – anything can happen. Managers do approve loans – easy to setup with Mifos
   d. Auditor – only viewing rights, cannot enter data or authorize, view reports, goes through transaction details report? (yes)
   e. Ed – are these transaction details checked each and every one, or just for discrepancies?

     f. Well, some field officers figured out they could post fictitious accounts, now they make sure the accountant confirms each and every entry posted, also confirm totals, what was actually entered into the bank accounts. If difference, then they normally scrutinize the difference (daily basis this is done by an accountant, auditors do yearly)

Features of Mifos

17. *What are the primary features you use*?
    a. Did not ask
18. *Are you able to access all the information you need with Mifos*?
    a. (Deanna) – You would like financial reports, anything else?
    b. My clients are used to current workflow in 2.6, want something similar to current flow
    c. Demonstrating to Jemedia Ltd(?)
    d. Would like a performance history dashboard, can give more than one loan to a client, just by opening that client, show total number of active loans, total amounts, if savings how much, before opening the accounts, some sort of summary, showed summary in current Mifos and they were ok with that
    e. Consistent view at each level, for each client you can see all loans, performance history on right side
19. *If not, what do you need to see that is not there (or buried)*?
    a. Did not ask
20. *How do you use the navigation of Mifos – search primarily, or drill-down through hierarchy primarily*?
    a. Most of the time they search using group names
    b. Seach for Intrasoft, then open that group, then get down to client,
    c. Sometimes search using national IDs
    d. Should also be in Mifos X
    e. For doing individual lending, should be easy to search on national ID, use national ID instead of account number
    f. Mifos account numbers are awfully long – is very necessary, maybe if we can shorten to 6-8 digits would probably be sufficient
    g. Ed – want to add in some configurability so org can specify what the account number is and how it is generated
    h. First numbers are branch code, like that, can tell from a glance
21. *Does the navigation work well for you? If not, what would you change*?
    a. If you are using centers in current Mifos, and you open officer, you get a list of that officer's clients
    b. Ed - Mifos X the group lending is not complete yet – group lending, show a number of centers, for an officer show a list of client
22. *Which reports do you use*?
    a. Already reviewed
23. *Is there a report you want that doesn't exist*?
    a. Already reviewed

24. *Do you want to be able to create your own custom reports*?
    a. Did not ask

Organization
25. *With mobile app – what tasks do you want to do in the field*?
    a. Thinking about and will send email later.
26. A*re there any offline processes that you would like to see automated*?
    a. Did not ask

Thoughts on New Design
27. *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. Did not ask (he had to get off the phone), but discussed a bit earlier
28. *What information would you want to see on a default UI home page or dashboard*?
    a. Did not ask

Closing questions
29. *What 3 features/areas would you like to see changed*?
    a. Would like to have financial reports
    b. Have some deposit products (savings), Shiva (?) was trying to do that in Mifos X, book fixed deposits
    c. Tackle bigger clients, better reporting for more regulated clients
30. *When Mifos X comes out, are you planning to create your own custom interface or do you want to use the default UI? Why*? (N/A)
31. *Any other comments*?
    a. Ask later about mobile in field

Ed's Notes:
Who Zayyad Is
- MD & Founder of Intrasoft
- IT services solutions company - based in Mombasa, Kenya
    o Only deals with software solutions
    o Team of implementation engineers - 2 implementation engineers and one sales person and one finance director who is the partner
    o IEs do support as well including himself as well.
    o Partnered with other companies in India and Malaysia for development for their billing system
        ▪ Malaysia - icollege management information system
        ▪ Former company internet now international - partner with them to resell mail solution and proxy solution in Zayyad.
        ▪ Payroll system developed by local developer who decided to work as freelance developer but not part of intrasoft
            • 3 Mifos Implementations - 3 more this year
            • 2 deals on Mifos 2.6 and upgrade to Mifos X once have stable version.

More about Deanna

- Been working in this field for 20 some years
- Goal is to look at workflow and make sure it's suitable for tasks and people can find commands/tasks trying to do and then try to make it look nice and be easy to use
- Most of her experience has been enterprise - really finds this new area of finance and really like it.

His Implementations
- 2 in Mombasa and one in Nairobi - Missions of Hope
- Came to learn about Mifos in 2011 - close to 2 years experience now.

Why Mifos?
- Looking for a system for microfinance startup in Mombasa - had a very low budget - looked at a number of systems - some very costly
  - One looked at was Bankers Realm - developed by local IT company, Craft Silicon
  - Octopus
  - Loan Performer
  - Not as user-friendly, went to India to look for a system
  - When visited one MFI in Bangalore - they were using Bankers Realm - in India using a system developed in Kenya was very surprised
  - IT manager there recommended Mifos - seen it working at other MFIs - also is OS, don't have to invest in license.
    - Presented it to MFI and they were satisfied with features.
- What is methodology supported
  - All do joint-liability group lending including Missions of Hope
  - Jamebee Limited in Nairobi - targeting - doing individual lending - one of the meetings targeting for EOM
  - Other Products
    - Loans
    - Cash Collateral comes in as savings product that need for loans
    - Some have insurance product though insurance is also given as a loan
      - Give this insurance in form of a loan.
      - Example - cable is insurance company, deanna is mfi, zayyad is company
        - Deanna partners with me to give the insurance coverage
        - MFI will pay coverage for whole year and zayyad pays monthly installments for the policy
          - Essentially a loan agreement with pass through of premium
          - Premium financing scheme.
- Maintaining MIfos Installs
  - How long to get it installed/configured first time - took a week to learn on it on his own
    - 2.1.3 - study and implement on his own.
      - Another week to implement at the org
      - Was relatively quick compared to implementations like FlexCube or Bankers Realm
        - These are all banking systems - designed based on banking regulations from Central Bank of Kenya
      - Mifos is much simpler –
        - Banks have more products to offer MFIs
        - Mifos built on original MFI perspective.
        - Complicated features are currently not available.
      - Need to keep the balance of simplicity even with adding
      - Mifos 2.x is much more friendly than MIfos X - really like that UI.

- - - o Workflow is good - can improve readability and ease of finding things without messing with workflow too much
- What was Install Process?
    - o First time followed all the steps and it was very clear - was easy to set up
    - o For future had to do custom configuration part, studying line by line
        - Some entries that are run-time and can't change in the future if you don't get set up right.
- How long does training take typically?
    - o Training is a bit cumbersome -- most of them in Kenya are not computer-literate
    - o Take them through slowly until they grasp the whole thing.
    - o Appoint one person in the MFI from operations depte and sys admin (IT person) - train these 2 people in each and every module of the system - they then train end users one by one.
        - Once satisfied champions are conversant enough, then work is complete because know they will train others
        - Time for Training champions - 3 days for training and then give them a week for UAT - get hands-on with system, after a week follow up if there are any issues.
        - So at most 2 weeks in total
        - Haven't had challenges that Mifos can't be meet - except on accounting part - with mifos 2.6 have accounting functionalities - missing financial reports.
            - Need these in 2.6.1
            - Action: ensure these get included in 2.6.1
        - Missions of Hope don't want to migrate to 2.6 and have to maintain 2 systems - will still convince them to upgrade 2.6
            - Once they do have the fin reports in 2.6.1
        - Hazima - already in 2.6 - doing quite fine.
    - o 2.4 upgrade
        - Number of issues - some accounting exports, some accounts not appearing - had to downgrade to 2.3 - 2.6 with testing on their side - no major issues.
        - Also upgraded for Hazina - no major issues
        - Once have fin reports - others will be ready to upgrade immediately.
        - How much time is spent testing internally before releasing to customers (2-4 weeks, usually 2 weeks is enough)
    - o Maintenance - time spent
        - Free telephone and email support - whenever have any issue - ready to assist
        - no charge for online support at all
        - when client has a need for on-site visit - 2 types of packages
            - One package - charge every visit per hour
                - o Upgrade handled as separate project
                - o Action : Need to address time of releases (cloud vs. on-site)
                - o Transport/time on-site, etc.
            - Annual package - free upgrades
                - o Support is all the time
    - o What is average time each week?
        - In a week might have one issue.
        - Once done with implementations, have few issues - usually only bugs which need to be raised with developers
        - Issues resolved within 24-48 hours - not a lot of time spent on support
            - Very happy with current Mifos - not many issues.
            - Action: make sure the product is rock-solid before we have

people upgrade
- Configuration
  - What challenges?
    - First-time implementations
    - Ususally challenges with upgrades, sometimes around DB
    - Very careful from the get-go always.
- Primary Tasks
  - Creation of centers, creation of groups, creation of clients
  - Posting of collecdtion sheet data - use what is generated from MIfos
    - Use bulk collection module to enter collection sheet data
  - Posting of accounting vouchers
  - Admin - user roles, one type of thing
  - Reporting part - go through Pentaho reports - these are now embedded direcdtly in core system
    - Day to day - collection sheet - maintained on a daily basis - given to field officers to go field
    - Due vs. Collected Report - used on daily basis - monitor collections of each officer.
    - Mifos Transaction Details Report - daily - check what entires have been posted in MIfos
      - If do it weekly, will have backlog of entries to confirm
      - Initially fursa leo was not using to check entries - some officers decided to post fictitious entries and defrauded company
        - No proper controls had been put in place.
        - When learned about that - recommended to use this report on a daily basis
        - Confirm each and every collection sheet
        - Once entries have been posted, accountant confirms each and entry posted with the report
        - Confirm the totals what in system with what is paid into bank accounts and m-pesa accounts
        - If difference scrutinize and get to know the difference
        - This used daily to identify any fraud incidents that have occurred.
        - Accountant does this regularly
        - Auditor does it periodically
    - Aging analysis report
    - Active loan portfolio position - weekly/monthly basis
      - Per officer or per center
        - For doing loan appraisals which is done on weekly basis
    - Monthly reports
      - MFI Progress
      - Loan Officer Performance Cumulative
- Roles
  - 4 types of roles (depends on MFI)
    - Field Officer: some use them to key in data when they come back from field.
      - These are given role of entering collection sheet.
      - Some only let them do field operations and when come back, they have MIS officer do data processing
        - Field officer don't have data entry rights
    - Accountant:
      - Role for accounting integration
      - Viewing reports
      - Approving customers in case manager isn't in.

- Manager
  - Authorization for report-viewing roles
  - NO data entry rights - normally given to MIS or field officer
  - Approve the loans
    - Disburse done by accounts dept.
    - No other entry
    - Easy to configure this in Mifos - easy to define what can and can't do.
- Auditor
  - Only viewing rights - can't enter data or authorize in system
  - or view reports
  - First look at reports, if not satisfied, go into system.
- Sever
  - What are the tasks pr
- What are other gaps?
  - Financial Reports
  - Clients are used to workflow of current Mifos - want something similar in terms of the flow of the processes - will be fantastic
  - Jamebee limited –
    - Performance history dashboard for every client
    - Can give more than one loan to client
      - Total active loans
      - Total amount of loans
      - Savings
      - all this at client level - Before opening accounts
    - How it is in current Mifos is good
- How is navigation typically done?
  - Most they search by group name
  - Group - intrasoft as group in MFI
    - User would search for intrasoft - open that particular group and go down to client if client is under intrasoft group
  - Sometimes also search using national IDs
    - National ID search is very useful - should have this in Mifos X
    - Deanna: how do they get this ID?
    - For MFIs doing individual lending - will be very much easy to search
      - When register must give national ID copy –
      - Refer to account, look at national ID more than account #
    - Length of account # in current Mifos is too long - easier to search by national ID
      - Awfully long - shorten to six or 8 digits, currently is 12
      - In current Mifos - system ID - first pick the branch code,
        - System ID follows good numbering logic
        - System ID - just by look at that - can tell which branch taht client is form
        - Action: ed to make sure that is in Mifos X because it's very valuable.
  - For groups, easier to search by group name.
- Any other ways to find what looking for –
  - Would a screen for manager just to see loan officers that they manage
  - or a loan officer with a certain set of groups of specific to them
  - With current Mifos, if using centers, open officer, a list of centers for that officer are listed down, when you open the centers, can see the groups - not in Mifos X yet.
    - If dealing with individual lending, when open an officer, have a list of clients.

- What 3 things to change in Mifos?
  - 1st - have financial reports
  - Deposit products - fixed deposit products, book fixed deposits
  - More reports for regulated banks/MFI
    - Specialists could develop these -