

Musoni Services

Next Generation Microfinance Technology

Sander van der Heyden

Mifos X Summit 2013

Next Generation MicroFinance

musoni

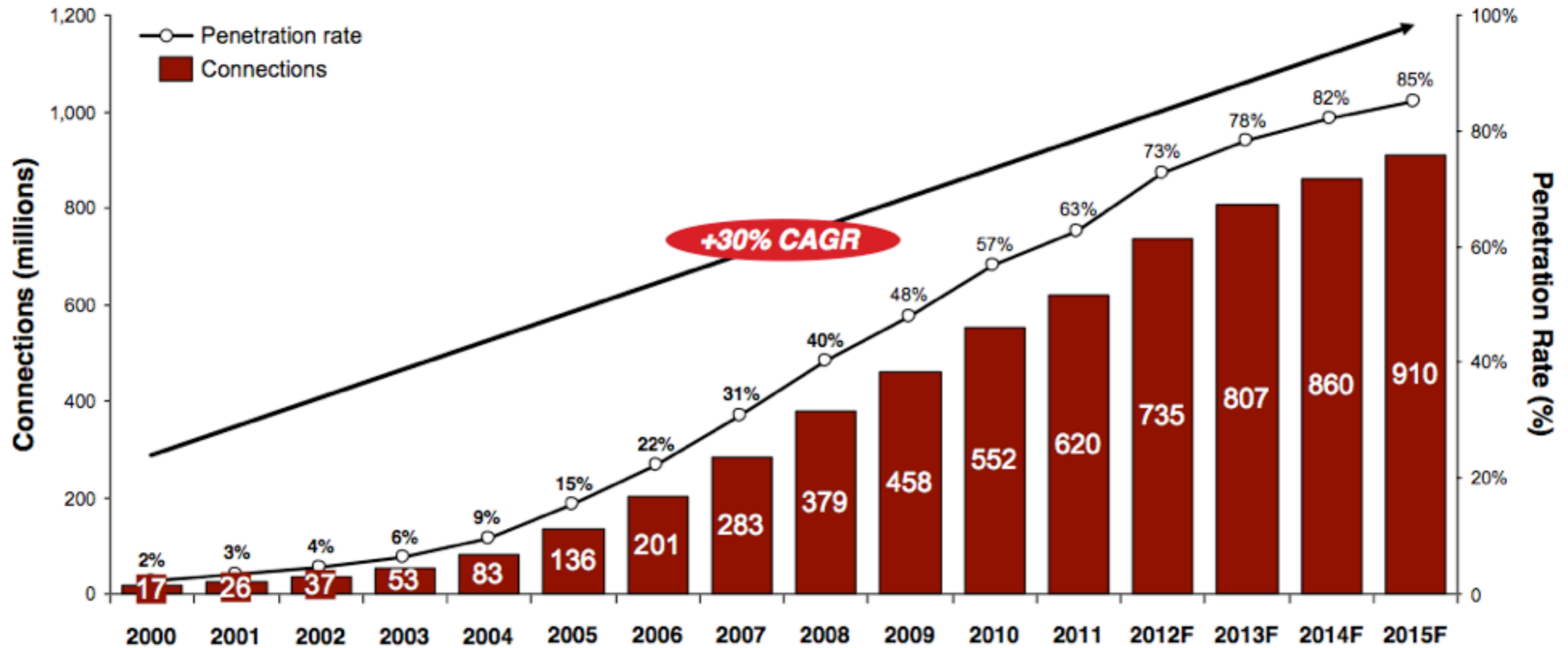
- Inefficient
- Time-consuming
- Bureaucratic

 Traditional Microfinance



m Most MFIs struggle to manage their technology

Total African mobile connections and penetration rate (million, % penetration)

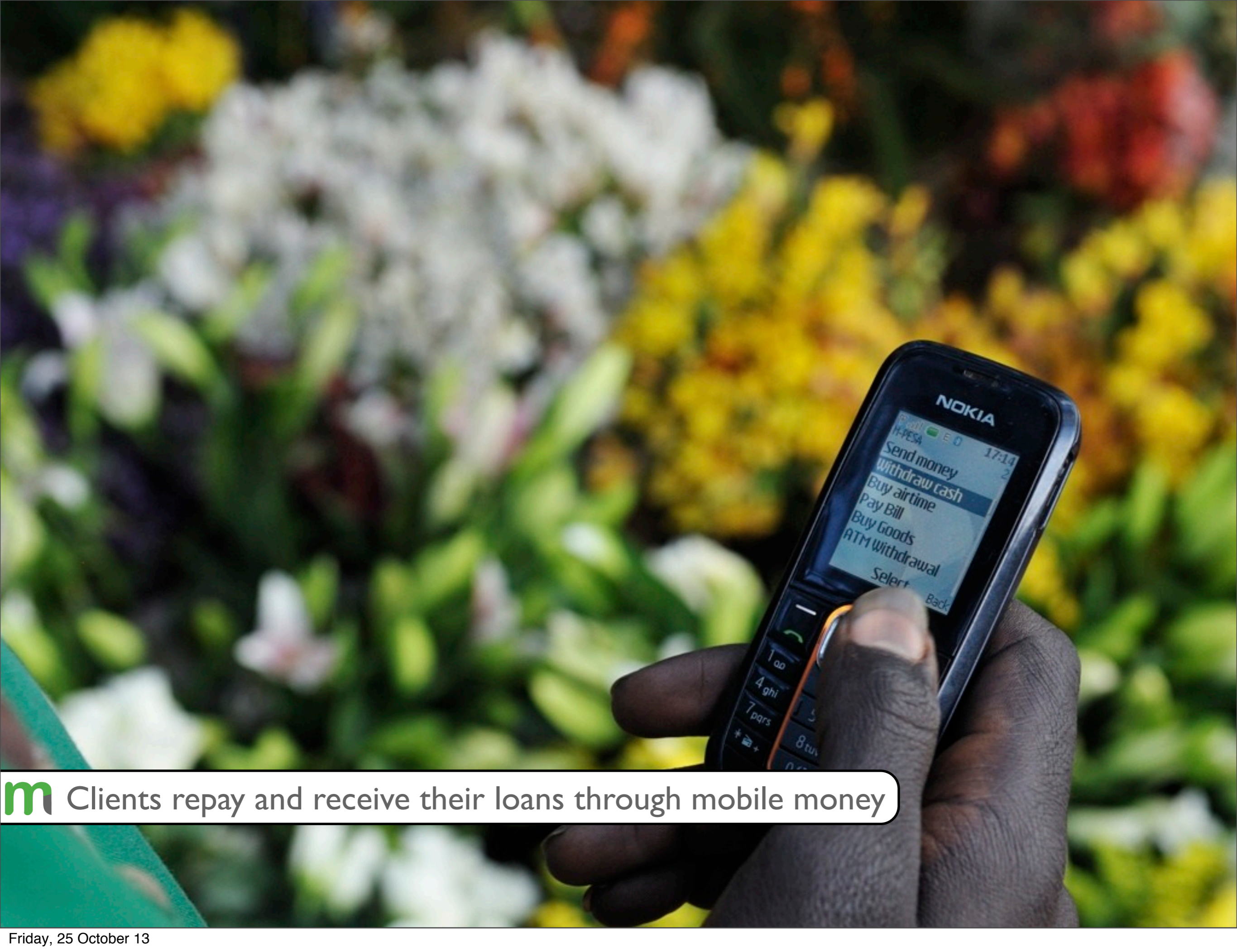


Source: African Mobile Observatory, GSMA & AT Kearney, 2011, http://www.mobileactive.org/files/file_uploads/African_Mobile_Observatory_Full_Report_2011.pdf

m Mobile technology advancing



m First 100% mobile microfinance in the world



m Clients repay and receive their loans through mobile money

Traction

- m** Sept 2009 Established the first **100% mobile microfinance** institution in the world, Musoni Kenya
- m** July 2011 Won the **award** for 'most innovative use of technology' at the Global Microfinance Awards
- m** April 2012 Awarded '**excellent practice**' by the SMART campaign for the client protection principal 'Appropriate Product Design and Delivery'
- m** Dec 2012 Over 35,000 loans and **\$10m** disbursed through the Musoni IT Platform since launch
- m** Sep 2013 **850,000 M-PESA** transactions seamlessly processed with 99% automatic allocation



Musoni Services Team



CEO

Cameron Goldie-Scot



Director

Bart van Eyk



CFO

Andrew Taylor



System Architect

Sander van der Heyden



Senior Account Manager

Maurice Francke



Developer

Andy Dzakpasu



Developer

Raoul Cieyou



Developer

Emmanuel Nnaa

- m** Over 40 years banking and microfinance experience
- m** Over 25 years East Africa experience
- m** Over 15 years IT & Mobile Money experience
- m** Experience running the first mobile microfinance projects in the world



NOKIA

Dear Mr. Maina. Your loan instalment of Ksh. 1,001 is due tomorrow. Asante Musoni

m Automated SMS reminders

SMS Module

m Over 500,000 text messages sent:

220,000 repayment reminders

50,000 arrears messages

250,000 marketing messages

m Significant effects on PAR

m Increased client retention

m Positive client responses



“Musoni’s PAR increased significantly during the period when clients were not receiving the loan repayment reminders SMSs. This is an indication that the reminders greatly influence clients to repay their loans promptly thereby helping reduce loan defaulting.”

2013 Research performed by Mastercard Foundation / Grameen Foundation

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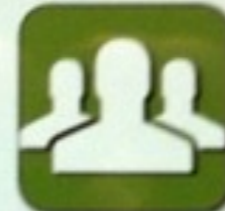
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Settings

Logout



Client Registration



Group Registration



Site Visit



Loan Application

Please select which feature you would like to access.

Pending Forms

Sync

Go Offline

m Continuous innovation

Field and branch efficiency project

m Increased operational efficiency

m Enabler for rural expansion

m Data quality improvements

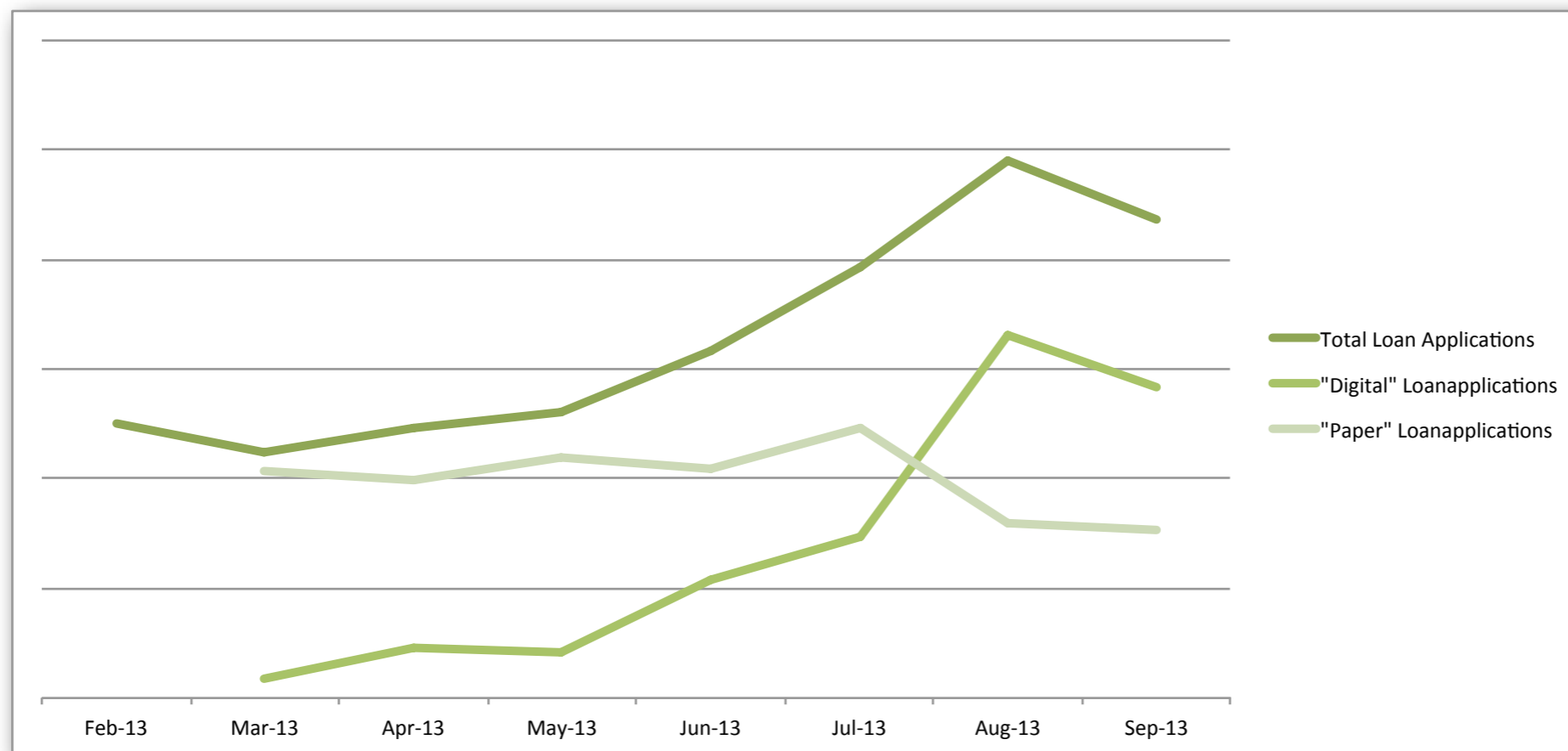
m Social Performance Management based on Process out of Poverty (PPI) by Grameen

m 3,400 Clients registered

m 6,000 Loans processed

m 9,000 Combined Home/Business visits

m 900 Paperless credit committees





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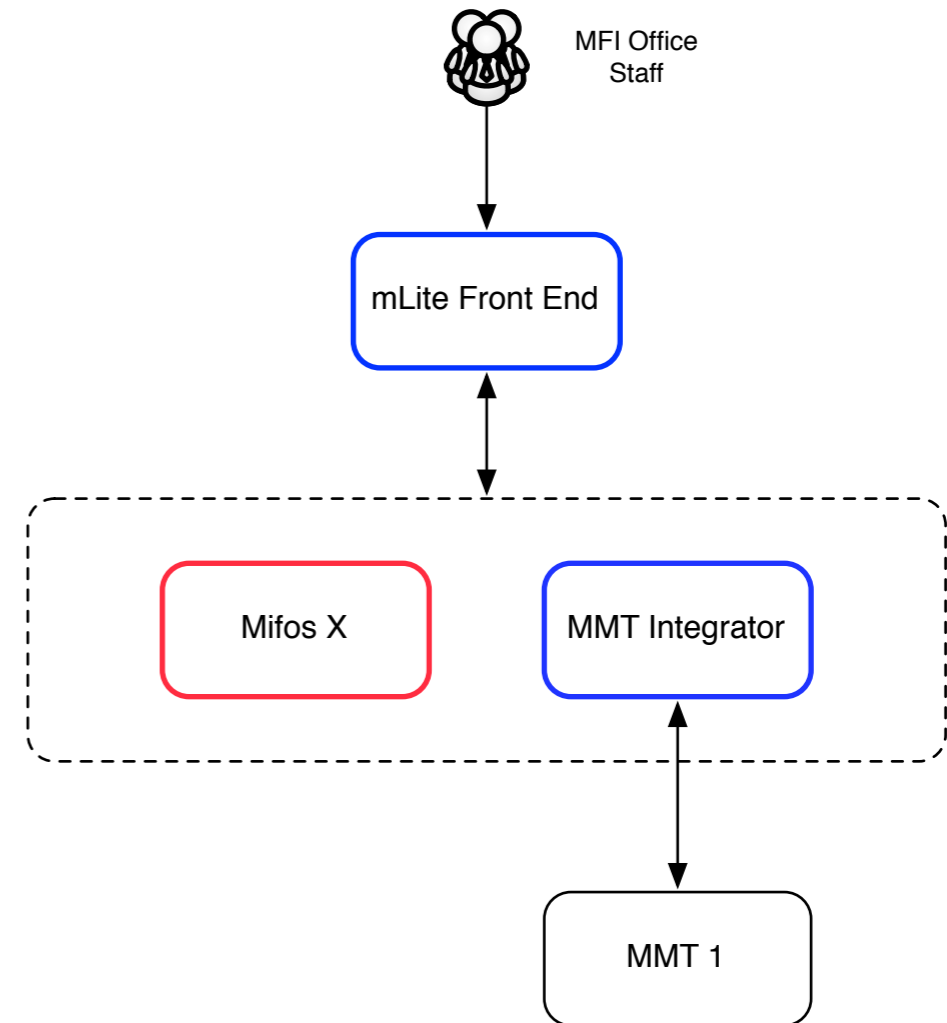


Challenges

- m** Managing a complex IT environment integrating multiple third party applications
- m** Tailor made for Musoni so inflexible for others
- m** Hosting and licensing costs
- m** Simple developments turn into long projects with many stakeholders
- m** Scaling the platform
- m** Meeting regulatory requirements

Why Mifos X?

- m** Active continuous development
- m** Supported by a professional team and community
- m** Open Source
- m** Multi-tenanted scalable architecture
- m** Tailor-made UI / Workflows possible
- m** Easy integration



Introduction to mLite



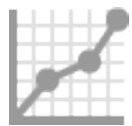
Microfinance best practice



Client and group management



Loan and savings functionality



Integrated accounting



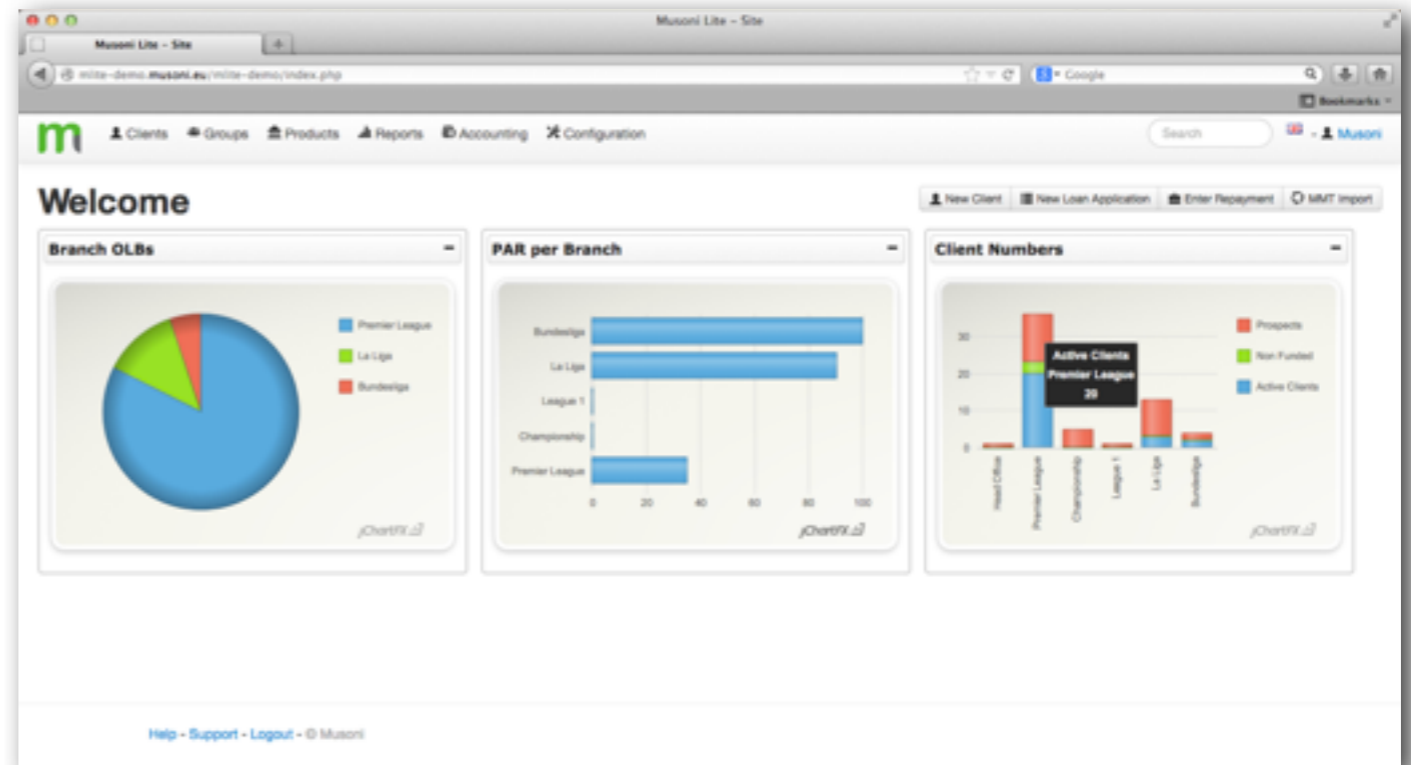
Integration with M-PESA



High quality reports



Extensive user customisation



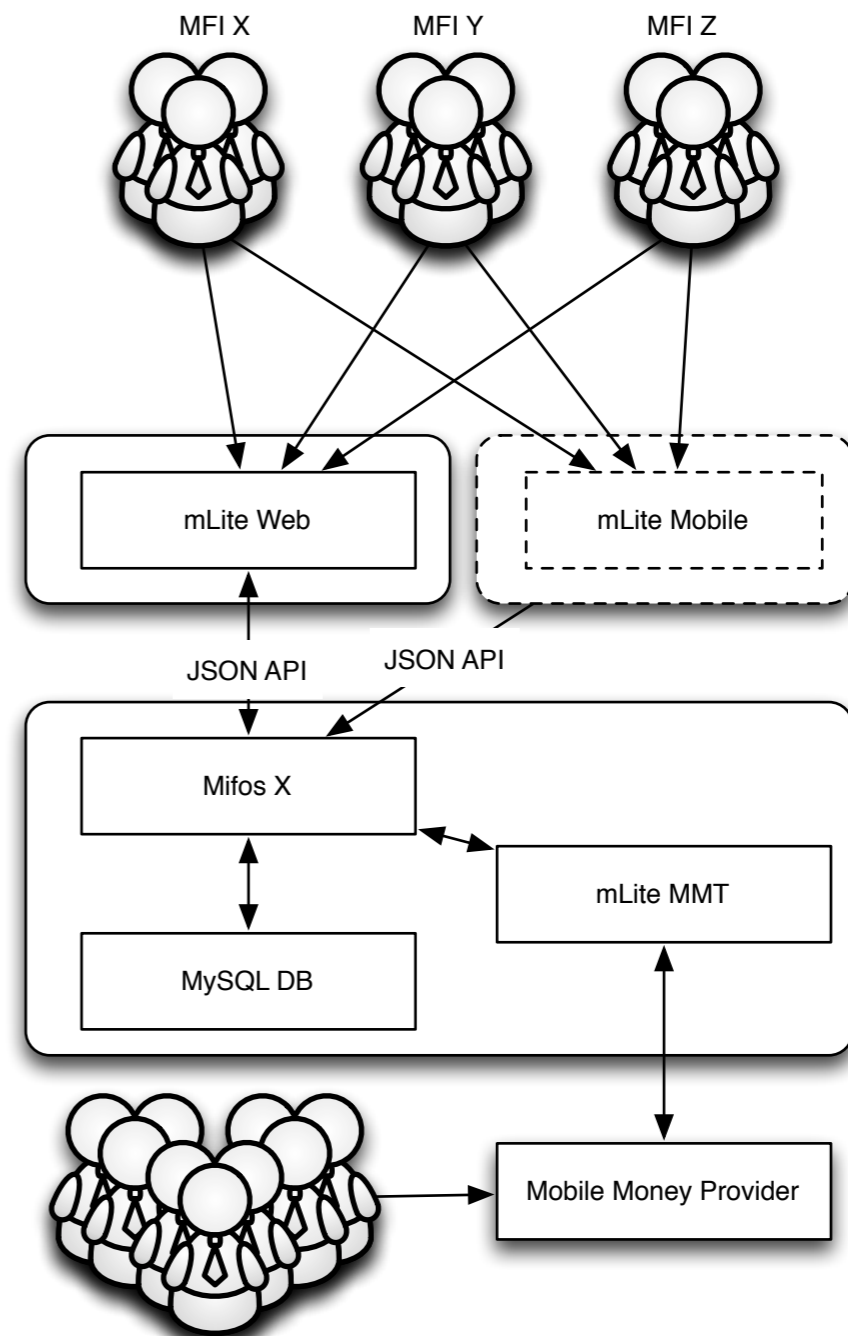
The screenshot shows the mLite Client Details page for a client with ID 50. The form includes fields for Account Number, First Name, Middle Name, Last Name, Branch, Status, Phone Number, Address, Date Of Birth, and Gender. The client is identified as Ryan Giggs from Manchester United. The page also displays a table of accounts:

Loan Product			
Account No	Product	Balance	Status
00000020	Navill Loan	17715	Active View

Savings Product			
Account No	Product	Balance	Status
00000005	CS001	4350	Active View

mLite Architecture

- m PHP Application following MVC patterns
- m Customized workflows
- m User/roles management handled by MifosX
- m Front-end caching implemented
- m Currently hosted on EC2



Proof of Concept Achieved

- m** mLite launched May 2013
- m** 4 mLite microfinance partners
- m** 5 MFIs (inc. Musoni Kenya) served by Musoni Services

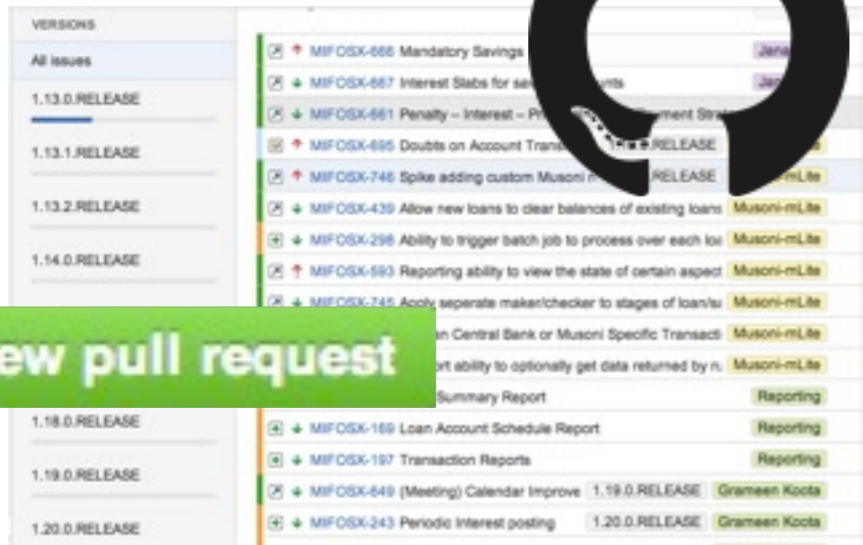


'The Musoni system is safer, more accurate and reduces the need for paperwork'

(John, Credit Officer, MBF)

Next stages

- m** Roll out **mLite** to many more MFI's in East Africa and beyond
- m** Keep improving **mLite** and Mifos X using the lessons learned from our **mLite** clients and Musoni Kenya



- m** Continue contributing to the platform with our development team
- m** Continue contributing our microfinance experience to Mifos X

Training

Arrears
Management

Transparency

Customer
Service

HR

Well
designed products

Pricing

Simple
processes

Client Selection

 Technology is just a tool

Find out more?

m Get in touch

m Or enjoy a live demo during the speedgeek sessions tomorrow

Thank you

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