

## Sharing best practices in Africa and Asia

Excellent strategic planning, clear customer orientation, and ongoing staff training summarize the best practices observed at top Financial Institutions (FIs) evaluated by MicroRate in Africa and Asia.

### Strategic planning

Optimal and timely planning begins with the identification of financial and / or social indicators that objectify the mission. By incorporating and following up on periodic reports, senior management is given a better tool for meeting objectives. Better yet if each area of the organization is involved and assigned the corresponding goals.

Although it is comparatively costly in terms of financial planning, the benefits vastly outweigh the expense of assigning, for example, a finance officer at each branch as a control as well as persons in charge of risk and auditing. In fact, for the FI, this investment in an apparently greater number of staff members has permitted a proper application of lending methodology and, as a result, outstanding results in the quality of its loan placements. The likelihood of fraudulent events has also decreased.



### Customer orientation



Leading financial institutions commonly have a well-defined and consistent customer orientation. Recurrent market studies and satisfaction surveys strengthen the offering of financial and non-financial services. Typically, the marketing area leads this effort, which achieves multiple benefits, not only for the customer but for the financial entity itself.

Continuous monitoring of product development through market studies and satisfaction surveys, together with field visits to customers, were crucial for the collection of objective, first-hand experiences. The results of these studies are carefully analyzed in order to detect new needs and weaknesses in the FI's service offerings.

Adapting to market needs has become an advantage that differentiates these top FIs from their competitors. Borrowers from rural area and from the young and senior segments, for whom they adapt their services and channels, has been extremely productive. So has the incorporation of non-financial services, which has promoted a strong sense of loyalty.

The additional risk implied by vulnerable population groups is offset by strategic alliances and guarantee funds.

Building trust in the customer has been fundamental. Fostering a relationship of mutual well-being has been key to ensuring, for example, that the loan portfolio maintains excellent levels of quality.

### **Personnel training**

In the top-rated FIs, there was an unusually solid and well-established commitment to the mission by their personnel, fostered by a significant sense of belonging to the organization. A system of continuous training at all levels, in addition to periodic personnel evaluation that combines quantitative and qualitative aspects aligned to the mission, has effectively ensured the achievement of objectives.

A fluent system of communication between senior management and the rest of the staff permitted close monitoring of the FI's activities and gaining a complete understanding of the problems in the field, including issues related to risk and auditing, as well as customer complaints and issues related to human resource management.

This proper understanding of the operational performance also strengthened decision-making and good corporate governance.



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