

Mobile Money
Laying the path to scale



“The delivery mechanism of the technology is as important as the technology innovation itself in this part of the world. Unless you think through the entire solution, it has little chance of adoptability. Whether it’s high tech or low tech, we do that with everything at BRAC. We test, learn, modify and then scale. Whatever success we have can be attributed to that rigor and discipline.”

—Asif Saleh, Senior Director, BRAC and BRAC International

BRAC: Impact through innovation

For over 45 years, the Bangladeshi organisation BRAC has pushed the boundaries in development. Whether in education, health or microfinance, BRAC believes in bringing services to the doorsteps of those living in poverty, relentlessly focusing on providing platforms for women to become change-makers and never stops learning. BRAC is the world’s largest NGO, reaching more than 138 million people around the world.

Mobile Money: The new frontier of financial inclusion

BRAC sees mobile money as a promising way to improve financial inclusion for the people living in poverty. Mobile money provides them with a more secure way to transfer, receive, and save money. It can also be a bridge to financial services like credit and insurance. Through its use, people can eventually develop a digital profile, which will make it easier to provide them with better, more customised services.

Cash poses challenges to organisations as well. Moving and storing cash is expensive. It isn’t safe for staff to carry large amounts of cash when traveling.

The process of collecting, counting, and tracking cash is time-intensive. Manual record-keeping is susceptible to error. BRAC believes that mobile money can deliver services at a lower cost, and more efficiently, which means we’ll be able to deliver better services to more clients, quicker.

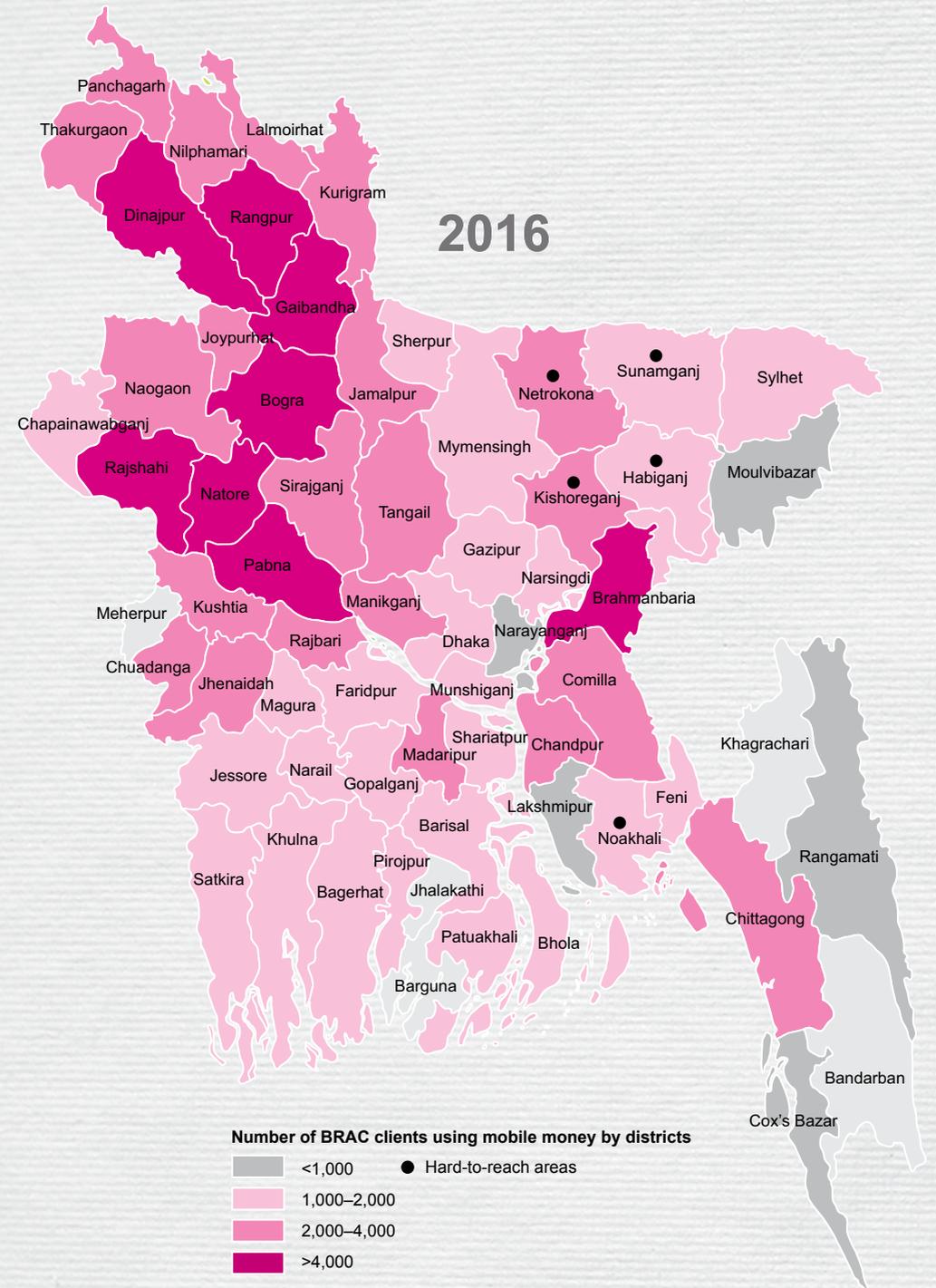
BRAC has supported one of the largest mobile money providers in the world, bKash, a subsidiary of BRAC Bank Limited, since its inception in 2010. In 2013, the BRAC Social Innovation Lab and the Bill & Melinda Gates Foundation launched the Innovation Fund for Mobile Money. The goal of the fund was to experiment with new mobile money products and services to identify ways that improve clients’ lives and organisational efficiency, and to share our lessons so that other organisations might advance their use of mobile money.

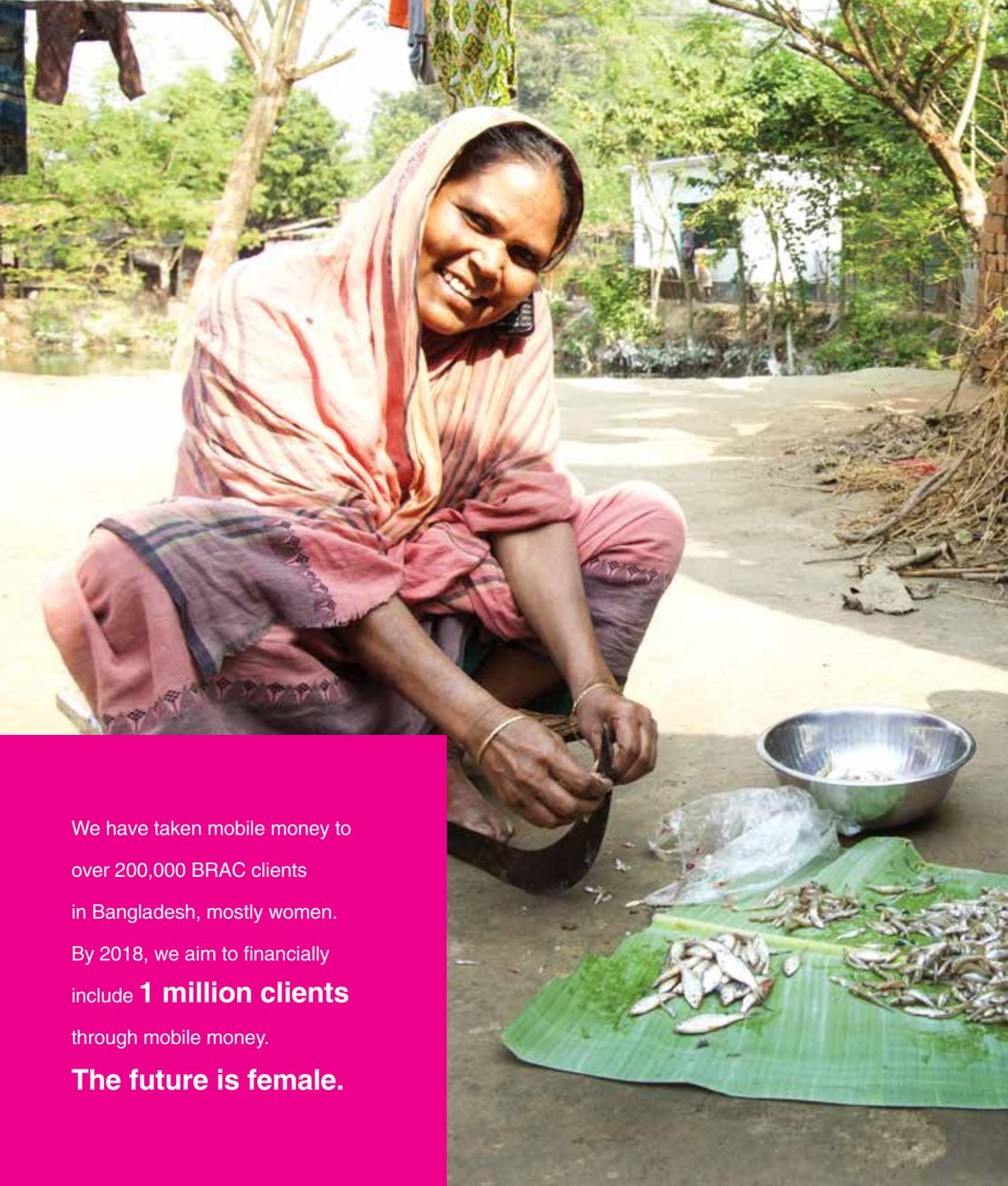
In this booklet, you will find advice on how to prepare your organisation to scale impactful mobile money initiatives. It also captures how we identified the obstacles women faced in using mobile money and how we overcame them, the challenges we encountered in rural areas, and how we fostered the organisational enthusiasm and support that will ultimately lead to transformative change.



Mobile Money at BRAC: Then and now

In 2013, approximately 1000 BRAC clients in 11 districts of Bangladesh were using mobile money in their financial transactions with the microfinance programme. By late 2016, the total number of BRAC clients using mobile money had grown to over 200,000 across all 64 districts of Bangladesh.





We have taken mobile money to over 200,000 BRAC clients in Bangladesh, mostly women. By 2018, we aim to financially include **1 million clients** through mobile money.

The future is female.

Who are our clients?

Maloti is one of our five million microfinance clients in Bangladesh. She is a housewife and lives in the suburbs of Manikganj with her husband, two children and in-laws. Like many other rural Bangladeshi women, Maloti could not further studies after completing her primary education. Her husband is a carpenter who earns approximately USD 100 (BDT 8,000) in a month. Maloti does not have her own phone but she often uses her husband's phone when needed. Most of our clients are like Maloti.

“The reality is that as someone who relies on mobile technology every day, mobile money seems like an easy add-on to me. But that's not how most of our clients perceive it at all. They don't have the same trust and familiarity with their phones, and they don't use passwords or PINs regularly, so making the leap from cash to digital can be terrifyingly big. We've had to slow down and spend a lot more time understanding their needs and concerns. But when we get it right, it's amazing to see how much satisfaction they can get from the service, and how confidently they can navigate its functions!”

—Maria May, Programme Head, BRAC



Preparing for scale: Lessons learnt

We don't have all the answers, but we are learning everyday. We have addressed a number of challenges and are still working on scaling down obstacles in other areas. After three years, 13 pilots and many transformative change initiatives, here are a few of our key learnings:

Lesson	Challenge	Solution
Better understanding of clients' problems can turn clients into long-term mobile money users	<ul style="list-style-type: none"> The mindset that women cannot handle technology Women need a lot of handholding in using mobile money, and sometimes having to work with male staff makes women cautious and uncomfortable 	Developing women-led registration and customer service models for mobile money services, and incorporating human-centred design principles
Pilots show pain points for clients and the organisation, which must be addressed prior to scaling up	<ul style="list-style-type: none"> Motivating clients is not always easy, and the same approach doesn't always work The organisational burden of collecting cash and maintaining manual records remain high in areas where mobile money cannot solve real problems for clients 	<ul style="list-style-type: none"> Incentivising clients to use mobile money helps in early adoption, but it must be tailored according to the location and needs of people Developing centralised web systems to monitor transactions and resolve financial errors centrally (improvements are in progress)
Effective organisational change requires a hybrid militaristic and marketing approach	Convincing resistant staff to use mobile money, otherwise how could they convince clients to use it and accept broader organisational challenges?	<ul style="list-style-type: none"> Building a movement: increased enthusiasm and understanding about mobile money among staff members Institutionalising change: clear roles and responsibilities delineated, more policy changes will follow



Women taking the lead for women

CHALLENGE #1

Opening a mobile wallet

In Bangladesh, many women do not feel comfortable being on the streets unaccompanied. In most cases, they delegate tasks like going to the market to add mobile credit to the men in the household. Mobile wallets are usually opened with agents, who are predominantly men, operating in crowded markets or street corners. For many women, this presents a significant barrier to getting their own wallets.

CHALLENGE #2

Skill deficit

Many of our clients are not literate or numerate. They need extra training in basic numeracy and literacy to use their phones and complete transactions, and this can take three to six months.

CHALLENGE #3

Becoming independent super users

Many women tried using mobile money, but still felt that it was easier for their sons or other family members to complete the transactions. This fear led to infrequent use of their own wallets and caused drop-outs.

We wanted women to be able to use it regularly and independently, and feel confident. We employed human-centred design principles to better understand the women's issues and to design a solution.

We discovered that it was an identity issue. Women didn't envision themselves as mobile money users. Also, many clients stopped using mobile money after encountering common problems, like being locked out of their account after entering the wrong PIN number.

SOLUTION:

Women-led customised service and training through storytelling

We soon realised that most clients need more support than the average mobile money agent is able to provide. Initially, we hired contractual project staff to train clients on how to use mobile money. Women were the most resistant to adopting new practices and dropped out in the highest numbers. We identified a few obstacles. Our staff were not sure how to deliver information about mobile money in a way that made sense to clients. We also realised that one of the biggest pain points for female clients was opening a mobile wallet. They did not feel comfortable taking help from male agents in local markets.

To address these two issues, we first designed flip charts with pictures and process maps that were better learning tools for clients. Using the flip charts, our staff were able to train the clients through storytelling, helping them resonate better. We trained our microfinance customer service assistants to offer additional support to help our female clients feel comfortable registering their mobile wallets.



Customer service assistants are women who represent the communities our clients belong to and therefore can relate to. They are hired as permanent staff to support microfinance clients on everyday issues. As agents, they are designated to provide two types of services, additional to their regular responsibilities as customer service assistants—wallet registration and troubleshooting.

They receive additional money to provide mobile money support, especially wallet registration, at a designated, publicised time. When we realised many of the customer service assistants were struggling with how to respond to the variety of challenges clients encountered, we developed an android mobile application with step-by-step instructions in Bangla that addressed issues frequently faced. Client services are now available in more than 100 offices throughout the country. As a result, women are not just adopting, but are also becoming regular independent users of mobile money in greater numbers. Over 2,00,000 female BRAC clients currently own a wallet, and over 120,000 women send their monthly savings deposits to BRAC using their own wallet.

A closer look at client service



Merina, a customer service assistant with the BRAC microfinance programme helps clients fill out forms to register their mobile money accounts. She had never used mobile money before she was hired. She deals with a variety of questions from clients regarding mobile money. Common issues include unlocking barred accounts and calling the mobile hotline. She uses

the BRAC app to help her address their questions. She has registered 178 new client accounts with a smile in only four months. Her presence sends a strong message that women can become independent mobile money users. Merina and the more than 100 customer service agents like her are on the frontlines to ensure digital financial access for all.

Contextual differences demand customised solution

We have learned that using mobile money in rural areas has its own set of challenges and opportunities. In the two cases below, we at first share how there was a latent

demand for digital financial services. Next, we explain why a pilot from an urban area did not translate seamlessly—but still requires a digital solution.



CASE STUDY: Last Mile Mobile Money

Many parts of Bangladesh remain difficult to reach and are cut off from the economic activity of the cities. Seasonal migrants spend part of the year working in Dhaka or regional capitals because of a lack of jobs. During monsoons, boats become the main mode of transport in some areas. In the char (riverine islands) area of Saddam Bazar, it can take up to two hours to reach the nearest bank. In areas like these, mobile money offers a big advantage—remittances are received securely and immediately without significant risks or costs.

Mohammed Salahuddin has run a small mobile top-up shop since 2012. In 2014, the local BRAC manager suggested that he become a bKash agent. There was limited use of mobile money at the time. Becoming an agent was a risky endeavour. Nonetheless, Salahuddin decided to give it a try.

He encountered many obstacles. The area was so remote that even bKash

did not see a market opportunity there, and so was not distributing cash in the area. This meant he had to travel 10 kilometres in an area with broken roads and transport infrastructure to the nearest town and carry the cash back, making himself vulnerable to theft and life risks. His efforts eventually triggered a market demand that was sufficient for bKash to begin full-fledged agent service in the area.

Within a year, Salahuddin managed to register a record number of clients for bKash. He was nominated for bKash's annual awards for agents all over the country, and ended up winning it. bKash provided the financial support to upgrade his shop as his reward. His profits ranged from USD 50-80 per month. There are now four other agents operating in Saddam Bazar alone—a sign of an ecosystem in the making.

If mobile money can work here, it can work anywhere.

Adaptation brings surprises

One of our most successful early pilots was enabling parents to pay school fees via mobile money. The initial pilot was in Dhaka's densely populated slums. This pilot solved a real problem for both parents and staff. Many parents worked in garment factories and markets, and coming to school to pay fees meant taking time off work. For teachers, it meant they had to assume an accounting role, which was time-consuming and a distraction.

In the second round of pilots, we rolled out the mobile payment option in rural primary schools. However, there were unforeseen obstacles. The inconvenience factor of using mobile money was high but the incentives were not as clear.

There weren't many mobile money agents available. Parents were less familiar with the concept of mobile money. Since the school children were younger than in the urban pilot, we did not train them, and instead focused on the parents. Adapting the pilot for rural areas has required additional time and resources to encourage and support our rural clients to adopt mobile money.

CHALLENGE #1

Collecting school fees in rural areas is very time-intensive, and therefore expensive and inefficient for BRAC.

CHALLENGE #2

Unlike in our urban pilot, parents did not have a problem with the status quo. A BRAC staff member visited their house to collect money when they could not pay.

SOLUTION

Make mobile money relevant

Because parents in rural areas did not see a strong need to use mobile money, they were unable to understand the potential of it in their daily lives. An initial push is needed to catalyse the demand. We are trying out a number of these initiatives right now, from offering discounts to parents if they pay school tuition via bKash to introducing instalment-based payments to allow flexibility. With addition of other services and products, demand may increase with time as well.



Organisational changes: Gearing up for scale

Staff buy-in is critical to the success of any organisational change effort—from those working at the frontlines of service delivery to the senior leadership. Implementing mobile money would fundamentally change the way staff worked, but with many challenges along the way. Frontline staff would need to encourage and train clients. Middle managers would have to support frontline staff and help re-design programmes. Ultimately, senior staff would need to advocate for and enforce policy changes.

We knew we had to rely on a combination of movement building that would gain momentum and eventually increase enthusiasm organically. We also knew we would eventually need to pivot, mainstreaming the changes throughout the organisation, and reinforcing them with policy changes. At this point, it would no longer be about opting in to incorporating mobile money, but rather accepting it as the new reality. At that point, we would need a critical mass of highly visible champions.

Building a movement

In the beginning, we focused primarily on getting BRAC staff excited about mobile money. We launched an innovation fund challenge, encouraging all staff to submit their ideas about how mobile money could improve clients' lives or improve an organisational process, or ideally both. But we did not just ask—we performed BRAC's first flash mob, launched a website, played a video in the lobby, released posters and met with staff in person.

Institutionalising change

Mobile money began as something optional, but is gradually becoming the new reality. A critical step was mobile wallets becoming mandatory for all staff, and a portion of salaries being directly deposited in the wallet. Another huge step was that mobile money was incorporated into BRAC's five-year strategy.

In order to reap full efficiency rewards and deliver the best possible results to clients, we needed an integrated platform. It has been a long road designing it, but we now have a much better understanding of where pain points exist for BRAC and our clients. This will fundamentally change the way we work and the types of services we can deliver.

“The Gates Foundation is honoured to be a partner to BRAC as it develops the new global blueprint for digitizing financial services that reach a country's most vulnerable people. BRAC's size and reach, coupled with its agility and appetite for innovation, make it the ideal organization to create lasting impact in the nascent mobile money space.”

—Lynn Eisenhart, Senior Programme Officer,
Bill & Melinda Gates Foundation

CASE STUDY: A winning idea: digital lunch tokens

As part of the Innovation Fund Challenge, the Social Innovation Lab released an open call for ideas on how mobile money could solve problems for clients and BRAC. The idea was simple—we wanted to get our staff excited about solving real problems with mobile money.

BRAC staff in headquarters had a problem—lunch order tokens had to be reserved a day in advance. Every floor in our headquarters has two assistants who are in charge of pantry and floor supplies respectively. They had to collect money from around 50–60 staff on each floor. It required time and meant dealing with a lot of small bills. Misunderstandings were a frequent occurrence. One of the winning ideas from the challenge came from a floor assistant—to manage lunch tokens using mobile money.

Forcing change is never feasible, whether your approach is soft or hard. Facing internal resistance is part of the process and can be better dealt with celebrating change. In the pilot phase, staff members had a choice to use mobile money to order lunch tokens. Our early adopters certainly enjoyed it, but many were not convinced of the clear advantage.

We organised fun contests and took the support of BRAC's behavioural insights team to design the official launch. For the first time in BRAC, using mobile money was a cause to be festive.

PRO TIP: Be creative to increase staff excitement about mobile money. We held competitions, orchestrated a group dance scene and made a mobile money song that went viral inside BRAC.



Is your organisation prepared for scale?

VISION

- What does impact at scale mean for your organisation? Are you committed to investing the time and resources to achieve it?

CLIENTS

- Could more people possibly benefit from this solution?
- Who are your early adopters?
- Are you observing dropouts in your existing clients or what are the common obstacles they face?
- How can you sustain the client adoption at scale?
- How about including the population where the problem with cash is not *actively felt*?

PARTNERS

- Does scale offer unique benefits to your existing partner(s)?
- Can cash-out fees be reduced/eliminated at scale?
- If not, who is responsible for which costs? Can you afford it at scale?
- Can there be new incentives/support systems for agents?
- What other organisations/parties share similar interests? What additional problems can they solve at scale?
- How can you co-design solutions that uniquely serve your clients?
- What are the government policies in favour/against?

STAFF

- Does your staff believe in the potential of mobile money? Do they use it themselves?
- Does your leadership have a vision for achieving scale?

Continued on next page

STAFF, *continued*

- Have you made a clear distribution of roles and responsibilities?
- Does your staff have enough incentives to achieve ambitious results?
- Do you have a culture that encourages ideas and feedback?

LEARNING

- How will you identify and address problems that staff or clients encounter?
- Do you have a strategy or toolkit to document and iterate your learning?
- Have you kept a sufficient contingency space or mindset to absorb quick changes?
- What is your plan to build a knowledge liaison with other practitioners?
- Do you have indicators (quantitative or qualitative) that capture results?
- How do you plan to communicate the lessons learned?

BUDGETS

- Do you have sufficient funds?
- What are your priority areas for scale?
- Are you planning to share resources internally or externally? What are you offering?

TECHNOLOGY

- How do you simplify complicated data management structures within the organisation?
- Does the cost of technology make sense for scale?
- Are you introducing a new technology? Do you have a back-up plan?
- Who are your partners from the public or private sector?



The Vision for Scale

Now you have moved past the scepticisms and learnt from mistakes. You know what problems mobile money can solve for your clients, and what it can commit to solve. You are making an informed step ahead.

Scale demands audacious vision. We believe that mobile money has the potential to transform the lives of millions of people living in poverty. However, it is important to stay relevant while catering to a wider population. As you go bigger and aim higher, your clients start becoming

your partners. Set realistic targets, keep adapting your solutions to your clients' needs and co-create when needed.

The path to scale is rarely linear—and more often than not, fraught with unexpected twists and dead ends. We cannot achieve our vision of poverty alleviation alone. We invite others at all stages of their journey to learn with us and to be inspired to think beyond what is currently possible.

For additional information

innovation.brac.net

Keep up to date with BRAC's latest mobile money developments, and learn what else the social innovation lab is doing.

blog.brac.net

Engage in dialogue with BRAC development experts.

brac.net

Learn more about BRAC's innovative work in alleviating poverty and empowering the poor.

“Many organisations do not scale because they do not aim high enough in terms of their impact. The first barrier is this mindset, and the second one is a failure to take the long view and invest in building an organisation that can deliver the impact of that vision.”

—Sir Fazle Hasan Abed, BRAC Founder and Chairperson



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