

Digitalization of microfinance in Europe – where do we stand? Which way to go?

08.12.2020 Start at 11.00am



Objectives



- To learn about state of the microfinance sector digitalization in Europe
- To discuss challenges and solutions related to digitalization



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MFI Digitalization Pathways - Monitoring Progress in Microfinance Digital Journeys

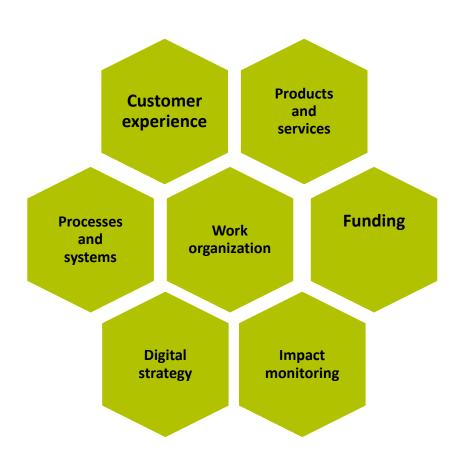
Justyna Pytkowska 8th December, 2020



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Digital transformation framework





CUSTOMER EXPERIENCE



| Subcategory | Examples | | | |
|--------------------------|----------------------|----------------|------------|-------------|
| Digital marketing | Social networks: | Sales platform | | |
| | Facebook, LinkedIn, | Pipedrive | | |
| | Instagram, YouTube, | | | |
| | Google Advertising | | | |
| Channels for interaction | Mobile chatbot | Website | | |
| | (Viber, WhatsApp, | chatbot | | |
| | Telegram) | | | |
| Digital business support | Client business club | Digital | e-learning | Educational |
| | | marketplace | platforms | materials |

PRODUCTS AND SERVICES



| Subcategory | Examples | | | |
|---|---|---|---|---|
| Digital loan application | Website Ioan | Viber bot and | | |
| | application | messenger | | |
| Digital identification and verification | Biometrics | | | |
| Client documentation in digital form | Photo of ID document | Scan/photo of business registration documents | Scan/photo of tax payment | |
| Digital approval | Automated credit scoring | Platform for application appraisal | Mobile phone, Viber approval | Virtual credit committee approval |
| Digital contract | Digital signature | | | |
| Digital delivery | Wire transfer to a bank account | Credit card transfer | | |
| Digital management by | | | Self-service | Electronic |
| client | E-client area on website | Mobile app | kiosk | wallet |
| Digital repayment collection | mPOS terminal for repayments | Third party terminals for repayment | Credit card repayment | Third party payment apps |
| Fully digital product | Small emergency loan for repeat clients | Small consumer loans | Business microloan without guarantee | |

PROCESSES AND SYSTEMS



| Subcategory | Examples | | |
|----------------------------------|--------------------|--|---------------------------------|
| Anytime, anywhere, any device | Tablets for LOs | CRM for LOs to manage activities | GPS for LOs to optimise travels |
| Standardized | | CRM for | |
| operational platform | Comprehensive | managing | |
| | systems, new core | client | |
| | banking system CBS | communication | |

WORK ORGANIZATION



| Subcategory | Examples | | | |
|-------------------------|---------------------|-------|--------|--|
| | Office 365 features | | | |
| Cross-functional | and functionalities | Slack | Trello | |
| collaboration / teaming | (SharePoint, Flows) | | | |
| Digital skills | | | | |
| Virtual workforce/ | | | | |
| communication | MS Teams | | | |
| Digital stakeholder | | | | |
| ecosystem | | | | |

Conclusions



- Digitalization is accelerating, but unevenly
- Significant resources are needed
- Staff capacity challenges
- Regulatory changes are needed in some countries
- More evidence from cost/benefit analysis is needed

Thank you!



Contact us!

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