Session 3: A Framework for Financial Inclusion of Refugees
When FSPs Strategize

- Who are our strategic clients?
- Where do we serve?
- What product/services to deliver to satisfy our clients?

- Who are our competitors?
- How to respond to competition?

- What are our strengths?
- Which strengths are unique and hard to copy?

Choice of market and scope

Strategy towards competition

Competitive advantage development

While making strategic choices, analyze trends in the sector and macro-environment, which can influence activities – **Opportunities and Threats**
## Deciding on Market Expansion

<table>
<thead>
<tr>
<th>Products (Scope)</th>
<th>Markets</th>
<th>Existing</th>
<th>Modified</th>
<th>New</th>
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</thead>
<tbody>
<tr>
<td><strong>Existing</strong></td>
<td>Provide more of existing products to existing clients (<em>Market penetration</em>)</td>
<td>Modify products and provide more of them to existing clients (<em>Product modification</em>)</td>
<td>Design new products that appeal to existing clients (<em>New product develop’t</em>)</td>
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<tr>
<td><strong>Modified</strong></td>
<td>Enter and provide products in other geographic areas (<em>Geographic expansion</em>)</td>
<td>Provide modified products to new geographical markets.</td>
<td>Design new products for prospects in new geographic areas.</td>
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<tr>
<td><strong>New</strong></td>
<td>Provide our existing products to new types of customers (<em>Segment invasion</em>)</td>
<td>Provide modified products to new types of customers</td>
<td>Design new products to sell to new customers (<em>Diversification</em>)</td>
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</tbody>
</table>
Discussion: What motivates FSPs to expand services to include refugees?

- Social goals
  - Internally driven interests
  - Demand from existing clients

- Financial goals
  - Market opportunities/threats
  - Competition/competitive edge
Strategic planning, pilot phase

Scoping/feasibility phase

Refugee population (potential market)

Competition

Legality, policies and regulations

Rationale, Capacity and Infrastructure

Time horizon for profitability

Opportunity costs

Refugee client segment

Cost and Revenue Drivers:
1. Scoping and Marketing
2. Product Mix and Design
3. Delivery Channels & Operations
4. Risk Management

Profitability drivers

Market-level levers

Institutional levers

Segment-specific levers
Six Preparatory Steps for FSPs to Include Refugee Clients

1. Conduct a scoping/feasibility study
2. Generate the strategy/concept
3. Contact refugees & conduct market research
4. Segment potential clients
5. Adjust eligibility and appraisal criteria
6. Conduct a pilot test
Group Exercise: Working with FSPs

• Finclude Bank has asked you to help them expand their portfolio to include refugees

• Read Hand-out 2

• What else would you want to know about Finclude before responding to Mrs. Femme?

• Discuss in Group and list 5 issues on flip chart

20 minutes