Digital Transformation & Financial Inclusion in the DRC

A Case Study
OVERVIEW

DIGITAL TRANSFORMATION (DX)
Embarking on the DX Journey
(Kathryn Grace)

CASE STUDY: FINCA DRC
Implementing the DX Journey
(Mamie Kalonda)
Digital transformation is a journey, a mindset, culture, a way of working and a set of capabilities to transform the customer experience and organisational processes to leverage digital technologies in a strategic and prioritized way.
STAGES OF DIGITAL TRANSFORMATION

DIGITAL FRONT-END TRANSFORMATION
• Projects focused on customer-facing areas
• Projects driven by individual units
• Omni-channel integration
• Implementation of innovation teams

DIGITALLY INTEGRATED ENTERPRISES
• End-to-end customer centricity
• Cross-functional data intelligence
• Innovation culture
• Digital processes
• Integrated back-end and front-end solutions

DIGITAL ECOSYSTEMS
• Collaborative business models and service networks
• Cross-industry value creation
• Innovation and co-creation networks
SOME FUTURE SCENARIOS

THE BETTER BANK
- Legacy Bank Infrastructure
- Digital Banking Front-End

THE NEW BANK
- Built for Digital Bank

THE DISTRIBUTED BANK
- Fintech Providers
- Banking Services Aggregator

THE DISINTERMEDIATED BANK
- Legacy Bank Platform
- Social Network Banking Interface
- Fintech Providers
DRIVING DIGITAL TRANSFORMATION

Digital Transformation is a living and ever-changing roadmap

1. Define your Strategy
2. Build your Roadmap
3. Create Momentum
4. Sustain, Scale and Iterate

Digitally Transformed Organisation
Most of the executives I talk to are still ... focused on digital largely as a way to do “more of the same,” just more efficiently, quickly, cost effectively. But I don’t see a lot of evidence of fundamentally stepping back and rethinking, at a basic level, “What business are we really in?”

John Hagel III | Co-Chairman at Deloitte LLP Center for the Edge leaders
DEFINE YOUR STRATEGY

Your Strategy is Key

HIGHLIGHTS

• Vision: Where do you intend to operate?
• Target Metrics: How will you measure success?
• Guiding Principles: What are your core values?
• Strategic Imperatives: Digital capabilities; Partnerships; Culture; Leadership.
BUILD YOUR ROADMAP

Strategy & Business Case
- Define your digital vision
- Define your digital strategy
- Build business case for investment

Analyze Current State
- Current operating model
- Current digital maturity assessment
- Competitor digital maturity assessment

Define Target State
- Define target state
- Target digital maturity assessment
- Gap Analysis

Build Roadmap
- Define key programs to reach target state
- Define key projects within each program
- Define key activities within each project

Implement
- Implement business change
- Implement technology change
- Ensure people and culture change

Assess Impact/Refactor
- Monitor change adoption
- Monitor performance
- Continuous improvement

Digital Transformation Change Management and Communication
Program and Project Management
“The biggest part of Digital Transformation is changing the way we think”

Simeon Preston
## BUILD YOUR ROADMAP

<table>
<thead>
<tr>
<th>Data – Driven Insights</th>
<th>Integrated Customer Experience</th>
<th>Innovative Products &amp; Services</th>
<th>Digitally enabled Operations</th>
<th>Next Generation Technology Platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive data ecosystem single version of the truth</td>
<td>Customer-Centric workforce, process and feedback</td>
<td>Targeted product portfolio</td>
<td>Streamlined and automated fulfillment processes</td>
<td>Scalable Application Architecture</td>
</tr>
<tr>
<td>Robust data analytics infrastructure</td>
<td>Omni-channel experience</td>
<td>Continuous assessment &amp; innovation</td>
<td>Digitized sales and service interactions</td>
<td>Cybersecurity</td>
</tr>
<tr>
<td>Data-curious culture</td>
<td>Digital Customer Lifecycle management</td>
<td>Focused product team cross-functional development</td>
<td>Operational excellence enablers</td>
<td>Flexible IT Infrastructure</td>
</tr>
<tr>
<td>Comprehensive metrics with data-driven decision making</td>
<td>Customer decision journey experience</td>
<td>Test &amp; Learn approach to product development</td>
<td>Customer &amp; employees co-create products &amp; processes</td>
<td>Agile delivery to market</td>
</tr>
</tbody>
</table>
GENERATE MOMENTUM

Early Momentum is Critical to Success

HIGHLIGHTS

• Launch with key win projects (significant impact with manageable risk)
• Appoint a high-caliber DX launch team
• Adopt Agile Principles for Iterative Delivery
• Kick off your talent development initiative
• Measure your results, remediate, redesign, retry
• Communicate progress widely and often
SUSTAIN AND SCALE
Digital Capabilities and Ways of Working Embedded

HIGHLIGHTS
• Prioritise Change Management
• Exercise Ruthless Portfolio Prioritisation
• Sequence Initiatives for Quick Returns
• Build Out Digital Capabilities ensuring Flexibility and Scalability
• Embedded focus on risk management and cybersecurity
• Continuous Improvement & Innovation becomes your DNA
“By integrating digital finance tools in truly impactful ways, these traditional institutions can remain relevant drivers towards meaningful financial inclusion.”

Scott Graham, Director of Customer Research, FINCA Impact Finance
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Milestones in the FINCA agent banking

1. First POS transaction: 19 October 2011
2. First Master Agents: December 2013
3. First rural agent: March 2013
4. First Mobile agent: April 2014
5. Introduction of dual currency: Mars 2015
6. Government payroll POS: August 2015
7. Bill payments and collections: September

<table>
<thead>
<tr>
<th>Description</th>
<th>2007</th>
<th>2010</th>
<th>2012</th>
<th>2016</th>
<th>2017</th>
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<tbody>
<tr>
<td># Agencies</td>
<td>4</td>
<td>8</td>
<td>12</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td># Clients actif</td>
<td>28,802</td>
<td>61,825</td>
<td>137,391</td>
<td>223,833</td>
<td>397,818</td>
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<tr>
<td>Total Epargnes (,000)</td>
<td>2,060,000</td>
<td>7,647,000</td>
<td>13,015,849</td>
<td>46,422,213</td>
<td>50,684,000</td>
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<tr>
<td>Moyenne clients/Agence</td>
<td>7,201</td>
<td>7,728</td>
<td>11,449</td>
<td>11,192</td>
<td>18,944</td>
</tr>
<tr>
<td>Moyenne Epargne/clients</td>
<td>72</td>
<td>124</td>
<td>95</td>
<td>207</td>
<td>127</td>
</tr>
</tbody>
</table>
FINCA eXpress is an Agent Banking network used by our customers to do their transactions through biometric POS devices.
The Dream !!

How to cover at lower cost the all country?
A Digital MFI serving beyond expectations!
Digitalization gives access everyone and bring financial services closer to customers!
<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Field Automation (DFA)</td>
<td></td>
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<tr>
<td>General Workflow Management</td>
<td>(GWMS)</td>
</tr>
<tr>
<td>Branchless banking (FINCA</td>
<td>EXPRESS AGENTS BANKING)</td>
</tr>
<tr>
<td>Centralized underwriting</td>
<td>process</td>
</tr>
<tr>
<td>Unit</td>
<td></td>
</tr>
<tr>
<td>Mobile Financial Services</td>
<td>(MFS)</td>
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<tr>
<td>Centralized Call Center</td>
<td></td>
</tr>
<tr>
<td>Credit decisioning (credit</td>
<td>scoring)</td>
</tr>
<tr>
<td>Internet Banking, IMT</td>
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</table>
The VISION is not getting old, the dream is becoming big!
2018 FINCA 2.0 Journey

Give opportunity to all Congolese to open a bank account using a regular phone on USSD or a mobile app.

Be able to serve client without necessary having a physical branch but using Agent Network.
CLICK !!!!! Mobile app
CLICK !!!!! USSD *455#
Mobile Savings and loans

FINCA DRC will soon go live on the mobile savings and loan product in partnership with VODACOM.

We expect to give out virtual loans and serve over 500,000 customers around the country continent DRC.
And we will get there, while making our customer happy and proud of us
Thank you
Asante
Merci