

Barnabe Francois
CEO, Microcred Ivory Coast



ABF: Please introduce yourself and your background.

BF: I am from Haiti. I have a bachelors degree in Quantitative Economics and an MBA. I started working in microfinance in 2001 at Microcredit National (Procredit) in Haiti. My first position was loan officer, and I worked my way up to become a regional manager and joined Microcredit Capital in 2008 as deputy CEO. I left Haiti in 2010 to join Microcred first in Nigeria, then in Madagascar as the CEO in 2012. In 2015, I became the CEO of Microcred Ivory Coast. I served as a board member and president of a professional bank association (PBA) in Madagascar, and I am currently a board member of ASPD, a microfinance association in Ivory Coast.

ABF: Can you describe how the political and social unrest in Ivory Coast has affected Microcred?

BF: Microcred Ivory Coast faced a huge problem after the crisis, but the main issue emerged in January 2017 when former soldiers demanded money from the government and violence erupted. At the same time, there were strikes within the public administration that lingered for three weeks. This affected us tremendously. The timing could not have been worse, since the government had recently kicked out as many as 500 of our customers who were selling on the streets. We had been in the process of addressing issues related to repayment, when the political unrest escalated. At the end of 2016, our PAR was at 3.8%, but it increased to 5.1% by January 2017. Since then we have struggled to get back to our target PAR of 3%.

The board was very concerned. At Microcred we have a Performance Committee at the board level that meets monthly to discuss a range of issues and how best to manage certain situations. As a board, we are putting together a plan to look at all areas where we might be at risk, and to handle future challenges and even crises. In addition, we are trying to identify the main reasons our customers do not repay loans after situations like these. For example, we had a high concentration of clients in one particular market area. This prompted me to start an expansion plan, and we have opened new branches in other areas in order to have a more diversified portfolio.

The political and social unrest really affected staff. Commercial loan officers saw PAR go up, and we had to work with them to solve the problem together. We also had to support branch managers who were not used to such situations and provide ways to cope. Branch managers who had experience handling difficult scenarios were moved to places that faced challenges and paired with non-experienced branch managers for support.

As for our clients, some of them are still facing problems. Many lost all their goods because they had to flee the area when the government kicked them off the streets. Because of the strike many clients did not receive their (imported) goods on time at ports. Unfortunately, we could not help two of our clients who were SME customers because they lost so much of their product (fish). For other clients, we just had to continue working with them and help them understand that they need to repay their loans. I should also mention that some clients who were not affected by the unrest took advantage of the situation by claiming they were impacted and refusing to pay.

ABF: Does the unrest in the Ivory Coast affect Microcred's ABF goal of developing a better distribution model?

BF: I am going to be honest – we are not on track and in fact are behind, but are working on it. We are waiting on regulatory approval for a new distribution model that we asked for six months ago. We need this in order to put agent banking in place. We are ready internally and already have everything in place; we just need the approval. In Madagascar, I worked on an agent banking implementation, and I would like to do the same thing here in Ivory Coast. It can be frustrating waiting for months on the approval while there is no regulatory framework for such innovation, as well as approval for ARTCI (for biometrics).

ABF: Is there anything you learned from ABF that has helped you to navigate the challenging environment Microcred operates in?

BF: A big take-away is the importance of being very open to change. It is crucial to be aware about what is happening somewhere else across the continent or world, and apply it to our own model. ABF has also guided us on strategy implementation: how to implement channels and avoid painful situations at the same time. Lastly, we were taught how to design client-centric programs and policies, such as building strong relationships and providing client protection. As CEO, regular client visits is a part of my job, so this was nothing new. I make visits at least two or three times a month, and branch managers conduct regular client visits as well. But ABF helped to underscore the importance of client centrality.

ABF: Has ABF helped you think about setting and implementing strategy at Microcred Ivory Coast?

BF: The presentation on BancoSol was interesting. BancoSol is operating in a complicated environment in Bolivia, just like we are when we face political unrest. I was able to relate to their challenges and learn how to be better prepared for future crises.