

**Nkosilathi Moyo**  
CEO, VisionFund Zambia



**ABF: As CEO of Vision Fund Zambia, please describe your board and your relationship with your board.**

**NM:** When I joined in 2009, there was no active board. My first role was to reconstitute the board, appoint new board members and establish charters. The board is now made up of seven members – three women and four men. There are three committees, and we actively engage in succession planning for the board. We even invite new members to join for a twelve month term to ensure there is a good fit before they officially join the board.

**ABF: How have the recent currency fluctuations affected Vision Fund?**

**NM:** Zambia is copper dependent: 70% of our foreign currency inflow is through the export of copper. Because the fluctuation occurred when the price of copper was low, it was a double hit on us. It greatly affected the cost of doing business and general operating costs of the bank. In addition, we experienced electricity shortages, and these were compounded by drought. Copper mining drives the economy, and when mines started retrenching, our clients in our four Copperbelt branches had no market to sell to. Many defaulted on their loans. Some of our clients are traders, so they buy goods from Democratic Republic of Congo, South Africa, and Tanzania. The restrictions on currency meant that they bought on the black market or underground economy. This greatly increased the risk of loss to them.

**ABF: What was the board's response?**

**NM:** After the fluctuations, we revised our risk appetite statement and ensured that it was aligned with prevailing conditions in the market. Additionally, we reviewed our risk concentration to ensure we do not have too much focus on any one region or industry. For example, we are shifting some of our focus away from traders in the mine areas, to smallholder farmers.

**ABF: What lessons would you share for other boards in similar situations?**

**NM:** I would advise other boards to be very careful about foreign currency denominated loans, which can result in huge exchange losses. This is a big issue, since many microfinance investment vehicles lend in dollars. Our board now has a policy of borrowing only in local currency. The currency fluctuations certainly affected our growth strategy and bottom line. We are very much still committed to the plan, but we had to revise it. The same plan is intact, it is just moving slower.

**ABF: What were your main takeaways from ABF?**

**NM:** Just hearing participants share their experiences has helped me realize that our challenges are common. These experiences help me anticipate future challenges and prepare accordingly. Through ABF

we learned how important it is to set up a risk management function. Now we think about the risks in everything we do. It made us realize we needed to put in a risk function.

We developed two goals as a result of ABF: Growth Strategy and Managing Technology Evolution in a Digital Finance Space. We are in the process of implementing a new core banking system to enable mobile banking, and later, tablet solution allows Customer Relationship Officers to operate in a paperless environment. ABF informed us that it is not an easy process, so they guided us on how to manage the change process.

Another lesson I acquired from ABF is the importance of a client centricity approach. Visiting, listening, and speaking to clients has helped us learn more than what is written in a board report. This approach not only drives us to engage with customers, but also to think differently about how we can serve them and develop products that meet their needs. Because of ABF, we have proposed conducting client visits twice a year.

I found the PEP presentation on client centric culture to be very insightful. I have been working for almost a year on a culture change program at Vision Fund. My ideas had been scattered around, but this presentation brought them all together. It is important to understand that we can have strategy, we can have technology, but only if people drive the culture. From the PEP presentation, I learned the importance of modeling required behaviors by leaders, and that is an area that we have to improve as leadership. I have to lead the team towards the right direction. Next, what rituals can we do to inspire a customer-centric workplace? We have to start somewhere, whether it is giving high-fives or standing up to recite our vision. Our goal is to change the culture at Vision Fund Zambia and make sure that we drive towards client centricity. I want to thank ABF for sharpening our skills!