

# Leveraging Technology to Improve the Quality and Maximize the Productivity of Agent Models

## Mainstreaming Financial Inclusion: Best Practices

Mainstream financial institutions are deploying agents to serve on the frontlines in emerging markets to help reach more customers at low cost. While making inroads in financial inclusion, institutions have encountered significant obstacles managing agent networks and are turning to technology to improve the quality and maximize the productivity of agent networks.

### Improving Agent Models with Tech and Digital



#### Financial Institutions

Outdated legacy IT infrastructure and onerous agent onboarding processes make it difficult for financial institutions to utilize agent networks to their full potential. Without the right mechanisms in place to collect and analyze transactional data in real-time, financial institutions can't see the full picture—they might miss when agents run low on cash or commit a fraudulent transaction. By taking steps to upgrade these systems and digitize manual processes as part of an integrated business strategy (rather than a stopgap solution), mainstream financial institutions can deploy agents to meet customer needs—at the right time, place and with the right service.



#### Banking Agents

As the face of the financial institutions they represent, banking agents need support and incentives to effectively educate and serve emerging customers who may be new to formal—much less digital—financial services. Financial institutions can incentivize agents with reward schemes, commissions, and digital platforms that allow agents to refresh their skills and track their performance relative to their peers. Additionally, institutions can support agents with liquidity management solutions to meet the demand for cash-in/cash-out transactions.



#### Customers

Emerging customers with little experience with formal financial services want to feel comfortable transacting through a banking agent. Long queues, unreliable connectivity, and cash shortages that plague agent models exacerbate customers' concerns about transacting digitally. Financial institutions must invest in improving technical systems to lower the barriers to customer onboarding (through biometric identification, for example) and to enable active use of financial products and services.

## The Road Ahead

Looking to the future, we anticipate the shift toward cashless or cash-lite economies will usher in new opportunities for technology to redefine agent networks. Banking agents will transition from processing transactions to serving as vital solution providers for customers.

### ICICI Bank

For ICICI Bank, that future is already becoming a reality. Through its digital village program, ICICI converted approximately 500 villages into digital ecosystems over the course of a year. After analyzing customer payment behavior and connecting the entire village to its digital platform, the bank spent five months conducting free vocational training and educating customers on how to transact digitally in the new ecosystem. At the same time, ICICI's digital village program circumvented liquidity issues by moving away from cash-in/cash-out transactions, freeing up bandwidth for agents to educate customers on the digital product offerings and troubleshoot any problems. The digital ecosystem also reduced cash management costs for financial institutions and provided both customers and merchants with a greater sense of security by eliminating the need to carry cash.



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**Mainstreaming Financial Inclusion: Best Practices** is an initiative of the Center for Financial Inclusion at Accion, in partnership with the Institute of International Finance and the International Finance Corporation, with support from MetLife Foundation, to facilitate learning and action on how mainstream financial institutions around the world can reach underserved populations with quality financial services. Learn more: <http://bit.ly/MainstreamingFI>

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