

Learning to pay by phone

MOBIS, Ensibuuko's mobile-money app in Uganda

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CTA Technical Brief



The project

Project holder Ensibuuko Technologies, www.ensibuuko.com

Application MOBIS (mobile banking)

CTA project Complementary training on digital finance and mobile banking for smallholder farmers in Uganda

Location Uganda

Clients Farmer-based financial institutions and smallholder farmers

Topic Training trainers on mobile banking services

Project description Ensibuuko provides a mobile banking app called MOBIS to its clients: rural savings and credit cooperatives. It taught members of these cooperatives how to use the app, so boosting client uptake.

ALFRED TOKWINY SITS under a mango tree by Lake Albert in Uganda, surrounded by over 30 farmers and fishermen from the village. He works at Allied Savings and Credit, one of many such savings and credit cooperative societies, or SACCOs, in Uganda. Every week, Alfred rides his motorbike the 37 kilometres to the village to collect the members' weekly savings. He records their deposits in a black book and issues a receipt to each person. It is a tough job for him to combine his administrative work with the long trips to this and other villages. His clients also have to travel to the town if they want to deposit money or apply for a loan.

On this day, Alfred brings some interesting news. He demonstrates to the group members how to deposit their savings using their mobile phones, without having to travel to the SACCO office or wait for his weekly visit. He has brought along with him some visual aids to explain how it works: two beautifully illustrated charts, and a mobile phone.

Ismael, one of the fishermen under the tree, pays close attention. He has just earned 3,500,000 shillings (about US\$ 1,000) – enough to buy half a hectare of land or pay his two daughters' school fees for a whole year. It is the best money he has made since moving into the village. But like many of his neighbours, his income is hard to predict, and he needs a safe, convenient place to keep it.

Alfred Tokwiny explains how mobile banking works



Alfred offers a solution. He describes how mobile banking works: savers take cash to a local agent, who credits their account with the SACCO electronically. And when someone wants to borrow, he or she can go to the same agent, who debits the money from their account and pays out cash. Savers can also use the service to pay for goods or transfer money to their relatives.

Mobile banking

Savings and credit cooperatives are an important part of Uganda's financial infrastructure. There are over 5,000 of them, collectively reaching 18 million people. They provide savings and loans for many people who would otherwise be unbanked.

Mobile money is not new to Uganda: many people are used to transferring money on

their mobile phones. What is new is a system that integrates mobile money with the banking systems used by SACCOs like Allied.

Ensibuuko, a Ugandan-based finance-technology startup, has developed just such a system. Known as Mobile Banking and Information Software (MOBIS), this software has enabled Allied to automate all its 12 branch offices, which together serve 50,000 clients spread across seven districts. Alfred and his colleagues no longer need to make frequent round trips to each village to collect cash and dole out loans. Plus, the software automatically tracks and manages Allied's operations. That cuts overhead costs and improves connections with its clients.

It sounds ideal. But take-up was slow. Allied and other SACCOs working with the MOBIS system found that their members did not know how to use it.

“It took a while for our clients to embrace the mobile banking services. They would rather visit our office or wait for me to visit the village than use our mobile banking service. We learnt later that they just did not know how to use the service,”

– Alfred Tokwiny, Allied SACCO

Developing training

That was where CTA stepped in. In 2015, CTA supported Ensibuuko to develop a training programme to speed up the use of digital products by smallholder farmers. Alfred was one of the facilitators who worked with the programme. Ensibuuko invited him to a workshop where he learned how to

teach villagers about the new service. He was then able to pass on his knowledge to Allied members at meetings under mango trees and in meeting houses throughout the seven districts that Allied serves.

Developing and delivering the training package took three steps:

1. A co-creation session, where key stakeholders conceptualised and designed components of the training. Ensibuuko staff then worked with a professional design and training firm in Kampala to develop the materials and curriculum.
2. A training-of-trainers workshop, where 25 facilitators (including Alfred) from seven participating SACCOs were trained and provided with the tools to facilitate community meetings.
3. Community demonstration days, where smallholder farmers could see how MOBIS works and ask questions about it.

The impact of training

The facilitators trained 1,500 smallholders on mobile banking, and Ensibuuko can now offer the training package to new SACCOs that start using the MOBIS software. Face-to-face interaction and the opportunity to try out the platform have been critical for the promotion and adoption of these services. Ensibuuko now conducts open-information sessions and uses radio and other media channels to introduce potential clients to its products. As a result, its customer base has expanded to 61 SACCOs serving over 400,000 smallholders.

The process of developing the training package helped Ensibuuko strengthen its relationships with its SACCO clients, as well as with telecommunication companies whose infrastructure is vital for mobile banking. The government, industry regulators and umbrella organisations provided advice and referrals that benefited Ensibuuko's market development efforts.

Business model

MOBIS is a mobile money system ① developed by Ensibuuko Technologies that makes it possible for savings and credit cooperatives to accept and manage money from their members ②. Ensibuuko promotes this system among farmers through a series of trainings and workshops ③. It communicates with the users via the app itself and through training for trainers and community workshops ④. Key activities have been training of trainers, the deployment of the technology in villages ⑤. The key resources have been skilled staff, the app itself, and training materials ⑥. Major partners are the savings and credit cooperatives and their umbrella organisations, telecommunication networks and the government ⑦. Income comes from the cooperatives, which charge their members a fee, and a grant from CTA to promote the service ⑧. The major costs are customer acquisition and support and staff costs ⑨.

⑦ Business services and partners	⑤ Key activities	① Product or service	③ Customer relationships	② Clients
Representative partners (savings and credit cooperatives) Telecommunications firms and network Umbrella organisations of savings coops Government, regulators	Training of trainers Training and technology deployment Customers and partners support	Management and information system Financial services Mobile wallet Digital finance demonstration / training	Media: radio Referrals Training and workshops	Savings and credit cooperatives Smallholder farmers
	⑥ Key resources		④ Channels	
	Training aids Shared technology infrastructure Human resources: tech support, specialist training		Cloud-based tools Mobile phones Community workshops Promotion: radio, community trainings, peer-to-peer	
⑨ Costs		⑧ Income		
Telecommunication provider services 20% Specialist staff 30% Customer acquisition and support 40% Operations 10%		Bundle user fee Grant from development organization		

Learning to pay by phone

The main costs of MOBIS include software development, training and promotion. Ensibuuko charges the SACCOs a licensing fee, which the SACCOs pass on to their customers in the form of a monthly fee of 200 shillings (about 6 US cents).

Looking ahead

Mobile banking and other electronic services promise huge benefits for smallholder farmers and fisherfolk. But delivering such services faces several obstacles.

- The service must be designed to fulfil the needs of the intended beneficiaries.

- The beneficiaries often lack the knowledge and skills needed to use the service.
- It is difficult to design a viable business model that delivers both the service and training to them. Before this project, Ensibuuko made several unsuccessful attempts at finding such a model.

Bundling the training together with the MOBIS product has proven effective. This experience has given Ensibuuko valuable insights into building farmer-centred business models and will contribute towards its plans to scale-up the use of its solutions in Uganda.

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